

Flintshire Internal Audit

Progress Report



June 2019

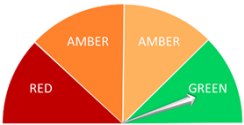
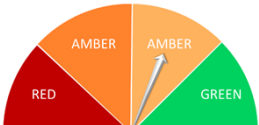
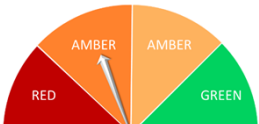

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Levels of Assurance – Standard Audit Reports

Appendix A

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

Level of Assurance	Explanation
<p>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>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>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>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 March 2019

Appendix B

The following reports and advisory work have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified. The 2018/19 audit work listed below contributes to the annual audit opinion for the year for 2018/19. The 2019/20 audit work will form the basis of the annual audit opinion for 2019/20.

Project Reference	Portfolio	Project Description	Audit Type	Level of Assurance	Actions		
					High	Med	Low
2018/19 Audit Work							
25-2017/18	P&R	Main Accounting - Accounts Payable	System Based	R	3	5	0
04-2018/19	P&R	Annual Leave	Risk Based	AR	0	5	2
51-2018/19	H&A	Property Valuations	Risk Based	AR	0	2	3
35-2018/19	PE&E	Minerals and Waste Governance Arrangements	Risk Based	AR	2	2	1
20-2017/18	S&T	Integrated Transport Unit	Risk	AR	1	6	6
33-2018/19	S&T	Health & Safety Management – Near Misses, including Plant, Machinery and Work Equipment (Streetscene & Transportation)	Risk Based	AR	0	4	2
15-2018/18	H&A	Welsh Housing Quality Standards (WHQS)	Risk Based	AG	0	3	4
09-2018/19	H&A	Housing Benefits	System Based	AG	0	0	4
39-2018/19	SS & E&Y	Children out of County Care & Education	Risk Based	AG	0	0	3
43-2018/19	P&R	Payroll	System Based	AG	0	0	8
62-2018/19	E&Y	Trelogan Primary School	Risk Based	AG	0	0	4

Project Reference	Portfolio	Project Description	Audit Type	Level of Assurance	Actions		
					High	Med	Low
58-2018/19	E&Y	St David's High School	Risk Based	AG	0	1	5
60-2018/19	E&Y	Owen Jones Primary School	Risk Based	AG	0	2	9
61-2018/19	E&Y	Ysgol Merllyn	Risk Based	AG	0	2	4
59-2018/19	E&Y	Hawarden Village Voluntary Aided Primary School	Risk Based	AG	0	1	3
32-2018/19	P&R	Occupational Health Unit	Risk Based	AG	0	2	5
33-2018/19	SS	Health & Safety Management – Near Misses, including Plant, Machinery and Work Equipment (Social Services)	Risk Based	AG	0	1	2
57-2018/19	E&Y	Risk Based Thematic Reviews	Risk Based	AG	0	3	13
33-2018/19	PE&E	Health & Safety Management – Near Misses, including Plant, Machinery and Work Equipment (Corporate Health & Safety)	Risk Based	G	0	0	2
52-2018/19	EXT	Aura	External – SLA	Advisory	-	-	-
AC12-2018/19	P&R	Exist Packages	Advisory	Advisory	-	-	-
40-2018/19	EXT	North Wales Residual Waste Project	Advisory	Advisory	-	-	-
19/20 Audit Plan Work							
14-2019/20	SS	Supporting People	Grant	Advisory	-	-	-

Audit Assurance Summary

Appendix C

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						0				0
Education & Youth					1	1				0
Governance						0				0
Housing & Assets						0				0
People & Resources						0				0
Planning, Environment & Economy						0				0
Social Services						0				0
Streetscene & Transportation						0				0
External						0				0
Total	0	0	0	0	1	1	0	0	0	0

Footnote:

Red Assurance:

Amber Red Assurance:

RED / Limited Assurance Opinion

Appendix D

Main Accounting– Accounts Payable and P2P

An audit of Accounts Payable (AP) and the Purchase to Pay (P2P) systems was undertaken as part of the approved internal audit annual plan for 2017/18. The audit reviewed and considered the adequacy and effectiveness of the operating system and management controls in mitigating the following risks:

- Failure to meet payment timescales as per Welsh Government (WG) Prompt Payment Legislation;
- Inability to identify duplicate payments prior to the funds being released;
- Inability to prevent fraudulent vendors being added to the system;
- Inability to detect fraudulent invoices set up to facilitate payments;
- Delayed or inaccurate payments may be made due to the incorrect use of the procurement software; and
- No mechanism in place to periodically review the effectiveness of the AP activity.

The review identified that significant improvements in the control environment were required. Specifically, the monthly report generated through the fiscal system; a key system control to highlight potential duplicates for investigation by Accounts Payable; had not been run from 01 January 2017 to 30 September 2017 due to the fiscal upgrade and the financial system migration. Management have advised that the Fiscal license could not be renewed until Masterpiece had been migrated to the new platform, which took longer than originally anticipated. During this time, an alternative control was not introduced and as such duplicates were not identified in a timely manner in order for monies to be recovered.

Further investigation into the monthly fiscal report has highlighted that the whilst the inbuilt fiscal risk categories are used to generate the report, an effective methodology, based on risks to the Council, to interrogate the dataset and identify material duplicates is not in place. This report is a detective control as it is ran subsequent to a payment run and is only generated by one officer within the AP & AR team.

The method for recording actions taken in relation to duplicate payments was incomplete as the spreadsheet for recording duplicates is only documented by recovery through AP. Recovery of duplicate monies through AR was not captured by management on the same spreadsheet .

Subsequent to the internal audit closure meeting, the Finance Manager highlighted to the Internal Audit Manager that a duplicate payment had been made to a contractor totalling £180.3K. This duplicate payment was identified through a report provided by an external third party service provider. This service provider had approached the Council and offered to review council payments for duplicate payments. Data between 2014/15 up to 14/12/2017 was supplied and the third party service provided a report highlighting potential duplicate payments to the Council a month prior to the closing meeting. This

report contained approximately 200 entries totalling a potential gross overpayment of £939,164. Management subsequently investigated and identified the total duplicate amount of £373,581 of which a specific contractor was £180,343. The report was later provided to internal audit three months following its receipt by Accounts Payable. This was subject to review and sample testing by internal audit and is the reason for the delay in issuing the draft report from the original closing meeting.

Initially whilst it was not expected that the full £939k was due to the Council at the time of the audit, management was not able to demonstrate that each duplicate payment highlighted by the report had been investigated and monies recovered. In addition, at the time of the audit it was unclear whether management had been able to effectively identify duplicate payments since 14/12/2017 given the findings in relation to the review of the fiscal report. As such it is difficult to quantify the volume and value potential loss to the Council as a result of duplicate payments other than that suggested by the report.

System constraints within the Council's financial system Masterpiece have also been identified. Specifically, an audit trail is not available in all instances and the current reports on amendments are not interrogated or verified by management. Management have agreed to implement this additional control to prevent the potential for changes to go undetected and for fraud to occur.

The Public Contracts Regulation 2015 provides statutory guidance for public sector buyers and suppliers on paying undisputed, valid invoices within 30 days down the public sector supply chain. Management information has shown that for the last financial year, the Council has only paid 86% of all undisputed invoices within 32 days. It has been advised this is primarily due to the large volume of retrospective invoices. Although initiatives have been implemented and others are being developed to address the issue of retrospective invoices, the KPI indicating the effectiveness of these initiatives has remained unchanged across the last two years. The Council has yet to publish annual payments performance data as required of all public sector buyers from March 2016.

Lastly, enhancements are required to some processes such as new vendor authenticity to ensure a full audit trail is available for management to identify any lack of procedural adherence or conduct an investigation in the event fraud were to occur.

Overall Conclusion:

The audit review identified inadequate and/or ineffective controls in place within the service which has resulted in a 'red'/limited assurance opinion being given. The impact of this assurance opinion requires urgent service revision to address the issues identified. Specifically, weaknesses were found in relation to the identification, processing and recovery of duplicate payments in a timely manner. As such, the scope for 18/19 AP P2P review has been agreed with management to focus on the system, process and officer controls around duplicate payments as a whole given the findings highlighted in this report. Control weaknesses were also identified in relation to the new vendor process, specifically system controls within the Masterpiece Finance system in recognising duplicate vendors when a new supplier is added as well as system restrictions to enforce segregation of duties. A number of meetings have been held with management to discuss and agree appropriate actions to mitigate the issues identified in the review. The service area has advised that following further analysis the number of potential duplicates which were investigated from the third party provider report totalled £490,044. Of this,

£373,581 were identified as duplicate payments. The service advised there is only £416.50 left to recover of which £265 was written off and the remaining balance of £151.50 has been recommended for write off. A number of the agreed actions have been completed and have been validated by internal audit for adequacy. They are as follows:

- The format of the fiscal reporting spreadsheet has now been amended to provide a full audit trail of the work completed including the outcome of each entry reviewed, the reason for establishing if the entry is a duplicate or not together with the name of the reviewer.
- The fiscal reports are now run on daily basis prior to the pay run and the roles and responsibilities within the team have been reviewed with segregation of duties introduced.
- A documented procedure has been drafted to assist with the analysis of the Fiscal Report. Feedback has been provided to the service area on additional information to include to mitigate recurrence of previous issues. Once this has been finalised and the procedure is being adhered to, this should reduce the risk of duplicate payments not being identified.
- Accounts payable staff have been reminded of the requirement to follow procedure and ensure invoice numbers are checked to source documentation.
- Amendments have been made to the new supplier database to provide evidence of the vendor validity checks completed.
- Performance on the timeliness of payments to suppliers will now be included and reported via the corporate Medium Term Financial Strategy Performance Indicators.

The issues identified within the audit were escalated to the Chief Executive and Corporate Finance Manager at an early stage and the introduction of the additional controls identified above significantly reduces the risk of future duplicate payments being made. The controls also provide assurance that any potential duplicate payments in the future are dealt with in a timely manner.

It is important to note that there was no evidence of collusion with vendors or fraud as a result of the findings identified.

The Corporate Finance Manager (Section 151 Officer) will provide a full verbal update to Audit Committee, however in the interim, The Corporate Finance Manager (Section 151 Officer) has provided the following statement *“I have worked closely with the team to understand the issues that contributed to the duplicate payments being made. I am assured that the additional and more robust preventative controls that have now been put in place will help detect any future potential duplicates in advance of payment being made. With the exception of an amount of £416.50 all duplicate payments have now been recovered. I will continue to monitor closely the progress of all of the changes that have been implemented as a result of the audit”*.

The main findings and actions for this review are detailed in the table below.

Main Accounting– Accounts Payable and P2P Action Plan

No.	Findings and Implications	Agreed Action	When
1(R)	<p>Duplicate Payment Processing</p> <p>Monthly reports are ran through the fiscal software to identify potential duplicate payments. These reports are reviewed by management and those identified as potential duplicates are recorded on the current fiscal reporting spreadsheet. Review of this spreadsheet identified that enhancements are required as it does not provide an audit trail of who reviewed the transactions, when this was completed, the reason to support why an action would not be required and in the event where funds are required to be recovered, whether the appropriate actions had taken place.</p> <p>Due to the volume of entries within the report, the report may need to be worked by various members of the team to facilitate a timely completion. Where this is the case the report is sent on paper rather than electronically, preventing an efficient reconciliation that all entries appearing on the report have been worked effectively.</p>	<p>The format of the fiscal reporting spreadsheet has now been amended to provide a full audit trail. All reports are supported by copy documents of original transactions.</p> <p>The reporting spreadsheet will be amended further to include the outcome of each entry reviewed to record the reason for establishing if a duplicate or not together with the name of the reviewer.</p> <p>Additionally, as a result of the fiscal upgrade and financial system migration, the report had not been ran for a period of time which led to a large volume of entries requiring review which was worked on by various members of the team due to the volume of the transactions.</p> <p>The fiscal reports are now run on daily basis and the roles and responsibilities within the team have been reviewed with segregation of duties introduced between the technician and team manager to ensure the output is analysed and then reviewed. Due to financial system constraints, the FISCAL report is run on the previous day’s data. The FISCAL report is checked prior to the deadline (noon) for recalls of any identified duplicates to be made.</p> <p>URN 02295</p>	<p>Complete</p> <p>Complete</p> <p>Complete</p>
2(R)	<p>Contractor Duplicate Payment</p> <p>The Finance Manager highlighted to the Internal Audit Manager after the closure meeting of 17/18 AP P2P review that a duplicate payment had been made to a contractor totalling £180.3K. This duplicate payment was identified</p>		

No.	Findings and Implications	Agreed Action	When
	<p>through a report provided by an external a consultancy company, and not through the Council’s internal monitoring and reporting systems.</p> <p>Our testing of the report identified the following control weaknesses in relation to this contractor:</p> <ul style="list-style-type: none"> • A duplicate copy of the payment certificate and accompanying contractor invoice was received by AP for processing on 20 March 2017 and on 23 March 2017. • On the second submission, the invoice number completed on the payment certificate within capital works did not match that of the invoice. The invoice ID on the payment certificate was not verified against the actual invoice as per the defined AP process, before processing. Matching against duplicate invoice numbers is a fundamental part of the inbuilt system control which would have alerted the processor to a possible duplicate and prevented the payment being made. However, if an invoice number is completed incorrectly or not checked, the system control will not operate. • Payments to the contractor are not made via the P2P system. Invoices from Capital works are accompanied by the Certificate of Payment, and various pages of documentation from Procure Plus. Not all of this documentation is required by AP to process the invoice and some of the pre populated fields on the Payment Certificate are in need of review. There is a risk that key control checks are compromised by the inclusion of additional or incorrect information on supporting documentation. • A second system control, the fiscal report had not been run from 01 January 2017 to 30 September 2017. Management have advised that this was due to the fiscal 	<p>All staff have been reminded of the requirement to ensure that invoice numbers are checked to source documentation.</p> <p>To ensure this is in place regular sample tests will be undertaken by the AP/AR Team Leader on a monthly basis and the outcome recorded together with follow up action where necessary.</p> <p>The process for capital works payments will be reviewed to ensure that payment certificates are correctly populated and that appropriate supporting documentation is attached.</p> <p>Due to the migration of the financial system, no alternative system was considered available at this time. The intention was</p>	<p>Complete</p> <p>31/07/2019</p> <p>30/06/2019</p>

No.	Findings and Implications	Agreed Action	When
	<p>upgrade and the financial system migration. However, no specific action was taken to replace this key control in the interim period. It was during this period that the contractor payment was processed twice.</p> <ul style="list-style-type: none"> The fiscal report was run on 26/10/2017 as a catch up report. The report did highlight the contractor payment as a potential duplicate. Management have advised that this was not picked up by the checking methodology used to analyse the output from the fiscal report. There is no documented procedure for analysing the fiscal report. The checking methodology applied by management relies on a visual check of risk categories 1, 2, 3. However a detailed definition of the sub categories was not available. A visual check of significant rows of data is prone to error and inaccuracy. As a result of inconsistent checking of invoice numbers before processing, the contractor payment was not matched by invoice number and appeared on the report as a risk category 5B. The fiscal report is only worked by the AP&AR manager and there is no business continuity in the event the AP&AR manager is on annual leave or otherwise absent. A monthly HRA report is sent to capital works from Finance detailing all spend against cost codes for management to review and advise of any errors which need to be investigated and resolved. The 2016/17 HRA Period 12 13.04.17 report highlighted the contractor duplicate payment; however we have been unable to evidence the analysis of this report was completed by the then manager nor that the duplicate payment had been identified in 2017 and had been flagged for pursuance by 	<p>to review all historical transactions upon completion of migration and with the new system in place.</p> <p>A documented procedure is now in place for analysing the Fiscal report. This is currently being reviewed to incorporate feedback from audit on the risk categories and process.</p> <p>Details of the risk categories identified by the Fiscal report are identified within the procedure. Every category is now reviewed on a daily basis as per the new procedure.</p> <p>Due to Financial system constraints, the FISCAL report is run on the previous day's data. The FISCAL report is checked prior to the deadline (noon) for recalls for any identified duplicates to be made. It is checked by an AP technician in the absence of the manager so that any identified duplicates can be recalled.</p> <p>The Finance team sends transactional information on a monthly basis. Further controls to check transactions report will be put in place by the Capital Works team.</p> <p>The Housing Finance team will undertake regular reviews of the monitoring undertaken by the Capital Works team to ensure transactional reports are reviewed as part of monitoring.</p>	<p></p> <p>31/07/2019</p> <p>31/07/2019</p> <p>Complete</p> <p>30/06/2019</p> <p>31/07/2019</p>

No.	Findings and Implications	Agreed Action	When
	<p>capital works.</p> <p>The above issues pose a risk that duplicate payments may not be identified prior to payment and once made as occurred in the contractor example. Whilst the Council’s system controls operated effectively to highlight that the potential duplicate, managements’ analysis of the system outputs (fiscal report and HRA report) in both AP and Capital works was insufficient resulting in the overpayment of £180K which was undetected by the Council’s own processes until highlighted by the third party service provider.</p>	<p>URN 02433</p>	
<p>3(R)</p>	<p>Recovery of Duplicate Payments</p> <p>Once a duplicate payment is identified, a credit requisition is raised by AP to recover the funds. This information is captured on a spreadsheet in AP. At the time of the review, 50 credit requisitions had been raised this financial year totalling £17.2K for duplicate payments. For the same period, a total of 97.7K invoices were processed totalling £186.9 million. This equated to 0.0005% of the overall value of all invoices processed.</p> <p>The third party service provider report, received by AP on 2 August 2018 identified potential duplicates of a more significant level than that identified by the AP spreadsheet. (Approximately 200 entries totalling a potential gross overpayment of £939,164.47 of which the contractor was £180,343.22).</p> <p>As Management acknowledged the spreadsheet was incomplete we requested a further updated AP recovery</p>	<p>Included within the total of £939,164.47 were entries totalling £449,120.78 which related to similar references which were confirmed as non-duplicates. Further analysis of this figure shows that the number of potential duplicates totalled £490,043.69. Of this remaining figures £373,580.63 were identified as duplicate payments of which all monies have been recovered with the exception of £265 which was written off and a further balance of £151.50 which has been recommended for write off.</p>	<p>Complete</p>

No.	Findings and Implications	Agreed Action	When
	<p>spreadsheet in November. It starts from April 2018, has 93 items and amounts to a potential duplicate loss of £113,048.26, the contractor payment is not recorded on this spreadsheet.</p> <p>Our testing has identified the following:</p> <ul style="list-style-type: none"> • Management has updated the third party service provider report that monies have been “recovered”. The potential stated by management as recovered or in the process of recovering is estimated as £225,918.24 (net). • At the time of writing a sample of 78 was reviewed, this included all duplicates that management had stated had been recovered or were in the process of recovering. Out of this sample audit were able to evidence 38 lines (49%) of duplicates as recovered from the credit requisition evidenced via the Mpower report. The amount evidenced by audit stands at £53,710.69 (net) however management advise that all items have been worked through and their update is accurate. • At the time of writing we are unable to provide assurance that the remaining duplicates have been recovered or attempted to be recovered. This is because the monies may have been received and recorded via masterpiece or may have been netted off the subsequent invoice provided by the supplier. Further testing in this area will be carried out during the 18/19 AP P2P review. • The earliest recovery request date (Invoice date) was 24/08/2018 and the latest 22/11/2018, this indicates that no recovery attempts took place before the third party service provider report. There is a risk that management 	<p>This work is now complete with all evidence for recovery identified.</p> <p>See above</p> <p>See above. This work is now complete and supported by evidence.</p>	<p>Complete</p> <p>Complete</p>

No.	Findings and Implications	Agreed Action	When
	<p>Specifically, invoices paid within 30 days are not tracked from the date the invoice is received but instead is tracked two days from the invoice date. A KPI is in place to monitor performance of this; however, the authority has yet to achieve the 95% target for undisputed invoices paid within the 32 days. Within the last financial year, this KPI ranged from 82.8% to 86%.</p> <p>Also, the Council does not track and report the amount of interest paid to suppliers due to late payment which is one of the prompt payment regulatory requirements. Lastly, statistical payment performance data is not published on the internet as required.</p> <p>As such, the Council is currently not compliant with elements of the prompt payment regulatory requirements.</p>	<p>A new expenditure code has been requested to facilitate discussion relating to the amount of interest paid to suppliers due to late payment at the practitioners group. An implementation plan will be devised to roll out this expenditure code across the authority.</p> <p>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 MTFs.</p> <p>URN 02274</p>	<p>30/11/2019</p> <p>30/09/2019</p>
5 (A)	<p>New Vendor Process</p> <p>System Controls</p> <p>The Masterpiece system is limited in that it does not automatically recognise duplicated entries and does not have the sophistication to check bank details in a live setting. There is currently no preventative control to highlight a fraudulent new supplier has been added to the system. There is high reliance on staff and procedure operating effectively.</p> <p>Segregation of Duties</p> <p>Currently all AP staff are able to add new vendors on to the Masterpiece system. We acknowledge that this task is</p>	<p>Since the audit a new profile has been created and is now active to assist with segregation of duties.</p>	<p>Complete</p>

No.	Findings and Implications	Agreed Action	When
	<p>usually carried out by two AP Technicians however there is no system restriction to the access of other staff to ensure sufficient segregation of duties.</p> <p>Vendor Validity Checks</p> <p>The new vendor validity check procedure does not prescribe which credibility checks should be completed in any specific order. Options to check include 192.com alongside higher credibility checks such as Companies House, EU Commission VIES VAT number validation and Google. There is a risk that an insufficient check is completed before adding a new vendor.</p> <p>Evidence of Vendor Checks</p> <p>Currently compliance checking of the new vendor process is not carried out on a periodic basis to ensure new vendors have been correctly validated before being added to the system. Evidence of checks completed as part of this key control is no longer retained via a spreadsheet due to time constraints. The risk is that management are unable to demonstrate evidence of the new vendor checks completed as part of their system of control.</p> <p>The findings highlight that the overall system of control could be strengthened to ensure the risk of fraudulent new vendors being added to the system is both prevented and detected.</p>	<p>All new vendors are checked thoroughly for authenticity. Staff carry out checks with companies' house, VAT validation, google website, etc. Amendments have been made to the new supplier database to include and record the checks carried out to assist with the evidencing of these checks.</p> <p>Documented procedures are in place to support this process and a quarterly check of a sample of suppliers will be undertaken to ensure compliance.</p> <p>URN 02339</p>	<p>Complete</p> <p>31/07/2019</p>
6 (A)	<p>Duplicate Vendor Identification</p> <p>The Masterpiece system is incapable of identifying duplicate vendors. Reliance is placed on staff spotting duplicates whilst processing and the biennial NFI analysis carried out by internal audit.</p>	<p>A quarterly check by management will be added to the plan to assist with the identification of duplicates on a more regular basis.</p> <p>URN 02327</p>	31/12/2019

No.	Findings and Implications	Agreed Action	When
	<p>IDEA software was used to test for duplicates vendors on the system. A sample of 12 duplicates was further analysed, it was found the majority were not duplicates but rather different NNDR accounts and projects payments to various services in a large organisation.</p> <p>Two actual duplicated vendors were identified and brought to the attention of the AP/AR Team leader for rectification, who ensured the duplicate accounts were closed.</p> <p>A periodic check by management using AP's Fiscal software could help the service identify duplicates vendors on a more regular basis and take action where appropriate. Duplicate vendor accounts increase the risk of duplicate payments and disguise payments already made. It can also produce inaccurate management data when reporting spend by vendor.</p>		
7 (A)	<p>Fraud Prevention Controls</p> <p>The masterpiece system does not have an audit trail functionality to identify collectively what actions have been taken and by whom.</p> <p>Additionally the vendor creation report, which is utilised to identify the changes made to vendor records, does not detail the nature of the change. The bank account report is generated daily and highlights all changes made to bank account records, who facilitated this change and the new bank account information. This report is reviewed to ensure the format of the sort code and bank account number is</p>	<p>Since the audit changes to procedures have been made whereby these control reports are downloaded by an officer without access to amend any of the details. When details are added or amended, they are verified by someone who does not have access to carry out the amendments to further demonstrate a segregation of duties.</p>	Complete

No.	Findings and Implications	Agreed Action	When
	<p>correct.</p> <p>Reports on amendments are not interrogated or verified by management. As such, there is the potential for changes to go undetected and for fraud to occur.</p>	<p>As part of the monthly quality assurance process, a sample of the changes made to bank accounts will be reviewed and reconciled to the bank change requests to ensure process adherence and the request was valid.</p> <p>URN 02286</p>	<p>31/12/2019</p>
<p>8 (A)</p>	<p>P2P – Usage and Retrospective Invoices</p> <p>Monthly or periodic orders on long term contracts are being raised on new purchases orders, failing to use the purchase order which has been assigned to the original contract. From a sample test of 10, 3 were incorrectly allocated new purchase orders. This risks delayed or duplicate payments as well as inefficient use of resource as AP staff have to ensure the order is linked to the correct purchase order, which has to be authorised again.</p> <p>The rate of retrospective invoices raised through the P2P is at circa 70% and has been at this level despite efforts to reduce it over the past few years. This is having an impact on the achievement of the payments made within 30 days KPI and is hindering the introduction of a fast pay scheme which would see reduced costs to the Council. Although issues with retrospective invoices has been raised and discussed in E-Procurement Board, as of May 2018 the reporting requirements and strategies had not yet been defined and agreed. This will further delay the achievement of the payments made within 30 days KPI which is a regulatory requirement and may cause reputational damage to the Council.</p>	<p>Monthly reports will be sent to Chief Officers to highlight recurring issues so that remedial action can be taken within the service with the aim of reducing the number of retrospective orders. A mid-year review will be undertaken by COT to assess the level of improvement.</p> <p>URN 02277</p>	<p>30/06/2019</p>

Amber Red Assurance Opinions

Appendix E

People & Resources – Annual Leave

Areas Managed Well	Areas Identified for Further Improvement
<ul style="list-style-type: none"> An up to date Annual Leave Policy is in place for the period 2018 – 2021 which the Trade Unions have been consulted on. Guidance on Annual Leave is available on the Council's infonet to assist employees and managers in the use and management of annual leave. This includes a Bank Holiday Calculator which is also able to work out pro rata holidays that are owed / to be deducted when an officer leaves the authority. There is a reporting facility within Etarmis and Imperago which allows managers to monitor and review annual leave. Training was provided to managers when the Annual Leave Policy was introduced in 2015. General training on this policy is also available to managers on an individual basis via HR advisors. The approach of taking holiday in hours allows greater flexibility for both employees and the Council as well as aligning to various work patterns. 	<p>Opportunities for improvement to the control environment have been identified to ensure the objectives are met.</p> <p>Our review identified:</p> <ul style="list-style-type: none"> The Annual Leave & Bank Holiday Calculator: which is available on the Council's infonet to assist in the calculation of annual leave and bank holiday entitlement requires input and provides output information in decimals. Etarmis and Imperago operates in hours and minutes. This causes confusion to some Line Managers which in turn increases the risk of errors occurring and incorrect annual leave and bank holiday entitlements. Agreed Management Actions: Consideration will be given as to whether the Annual Leave & Bank Holiday Calculator can be reconfigured to output in hours and minutes. The guidance for managers will be reviewed to ensure it provides a clear conversion to real time for Etarmis. Due Date for Implementation: October 2019. New Starters: In the majority of the cases sampled the annual leave entitlement of new starters was calculated correctly. However in a few cases Line Managers placed reliance upon Etarmis operators to check their calculations, in some cases the calculations provided were incorrect and had to be returned to the Line Managers. Furthermore the annual leave entitlement of new starters is not always correctly calculated by Line Managers which could lead to employees having inaccurate annual leave entitlements. Agreed Management Action: Review existing guidance and send out a communication to line managers re-iterating that it is their responsibility to accurately calculate the annual leave entitlement of new starters under their control. The calculation of annual leave for new starters should be reviewed and consideration given to whether this is calculated upfront and notified to Etarmis by Employment Services. Due Date for Implementation: October 2019. Changes in Hours: Line Managers are not always calculating an individual's annual leave entitlement following a change in hours of working but instead are leaving it to the individual employee, Business Support Services and or HR to calculate. This may lead to inconsistencies in the calculation of annual leave across the Authority.

Agreed Management Action: Review existing guidance and send out a communication to line managers re-iterating that it is their responsibility to accurately calculate the changes in hours and subsequent annual leave entitlement of officers under their control. Due Date for Implementation: October 2019.

- **Etarmis/Imperago weaknesses:** The Etarmis and Imperago systems do not prevent an employee from requesting more annual leave than their entitlement. However, it is the employee’s Line Manager who is responsible for authorising the request for annual leave.

Agreed Management Action: Assurances should be sought from Etarmis/Imperago that in the future it will not be possible for officers to request more annual leave than they are entitled to take as per their annual leave allocation i.e. request a ‘hard stop’ for both systems. Due Date for Implementation: June 2019.

- **Systems used to Record and Administer Annual Leave:** There are approximately 2,792 employees (excluding schools) of which 1,967 officers are using various electronic systems to administer and record annual leave and approximately 825 non-school employees using other manual systems to control and record their annual leave. It should be noted that the visibility, monitoring, control, reconciliation and reporting on the annual leave of these employees is limited.

Agreed Management Action: 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. 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. Due Date for Implementation: March 2020.

Planning, Environment and Economy – Minerals & Waste Governance Arrangements

Areas Managed Well	Areas Identified for Further Improvement
<ul style="list-style-type: none"> The Minerals & Waste Team are highly qualified and experienced individuals. Legislation is adhered to and no breaches have occurred since the inception of the service. Annual invoicing occurs and income is collected. 	<p>The audit review identified that significant improvements in the control environment are required, which has resulted in an amber/red, (some) assurance and a conclusion of key controls are generally inadequate or ineffective. Our review identified:</p> <ul style="list-style-type: none"> There are two types of charge the fixed contributions and the Pay as you go (PAYG) service. The service is using two PAYG rates currently, these are £250 for PAYG Partners & £350 per day for non-PAYG Partners. The funding formula for the £250 PAYG daily rate and the fixed contribution rate for partners have not been reviewed since the start of the service in 2011 although the CPI rate of inflation and annual pay awards have increased. We are unable to provide assurance whether Flintshire County Council may be subsidising the service financially as there is no meaningful data to be reconciled, to ensure the fees charged actually cover the cost of delivering the service. Agreed Management Action: A review of the funding formula for both the PAYG and contractual rates will be carried out to ensure they reflect the current value. Future monitoring of the shared service will be reviewed by the Service Manager to ensure the level of charging is adequate for the level of service provided. Due Date for Implementation: October 2019. As this is a shared service it is important to be able to evidence time spent on specific projects, demonstrating transparency and the ability to reconcile to annual charges / fee charges under PAYG invoicing. The time recording system was replaced in December 2018 due to the decommissioning of an old lotus notes system. The Service Manager is unable to use the information within the new time recording system to assist in generating invoices, as evidence of actual time spent is not recorded and therefore unavailable. The NWPOG used to receive management information relating to time and cost analysis but this has not been produced since 2012. Agreed Management Action: All staff will be instructed to fully use the time recording system, including seconded post. The Service Manager will use the data to fully prepare invoices for partner authorities. Due Date for Implementation: May 2019. Contract Management / SLA: Currently there is no live Service Level Agreement or Contract in place which details the relationship between the partners, how service will be delivered and costs managed. In particular there is nothing in place to secure the level of contribution made by individual partners

nor manage the consequences of these not being paid or reduced.

A North Wales Regional Minerals and Waste Service Contract has been drafted although yet to be finalised and shared with the current partners.

Agreed Management Action: Draft contract is being prepared and finalised. A signed Contract will be obtained from Partners. Due Date for Implementation: December 2019.

- Gwynedd Recharge: Under the current informal arrangement two members of the team have been based in Gwynedd County Council offices since 2011 due to the geographical nature and distance between Gwynedd and Flintshire. Gwynedd County Council’s financial contribution towards the shared service is that they cover the salary costs for their seconded member of staff.

Gwynedd charge Flintshire County Council for the use of the accommodation by the two members of the team which in 2017/18 cost £12,140.00.

Agreed Management Action: The charges for accommodation with Gwynedd will be reviewed to ensure the apportionment of costs is appropriate. Due Date for Implementation: July 2019.

- Business Plan: A new contract the "The North Wales Regional Minerals and Waste Service Contract" is currently being written which will include a Business Plan.

If the foundations of the service are not detailed in writing then the service may fail and the collaboration may collapse. Current partners and potential new clients should be clear as to the services, charges and how the contractual relationship will be managed.

Agreed Management Action: 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 order to expand the service to new Partners. Due Date for Implementation: December 2019.

Housing & Assets – Property Valuations

Areas Managed Well	Areas Identified for Further Improvement
<ul style="list-style-type: none"> • The Valuations and Estates Team operate to a Five Year Rolling Programme of asset valuation with the exception of those that require annual valuations. • The Valuations and Estates Team rotate the categories of valuations undertaken to ensure independence and consistency. • Regular meetings are held between Finance and the Valuations and Estates Team during the valuation process. • Technical and Capital Accounting provide an oversight of valuations and challenge those that appear incorrect. • A Master spreadsheet is maintained by Technical and Capital Accounting to ensure all valuations are captured. 	<p>Opportunities for improvement to the control environment have been identified to ensure the valuation process is strengthened.</p> <p>Our review identified:</p> <ul style="list-style-type: none"> • The Primary schools had been undervalued by not using the Gross External Area measurements available from the Design and Cost Consultancy Service but using an assumption to uplift the Gross Internal Areas by 10%. The total undervaluation for primary schools was £926,744. Several broad assumptions used in the calculations were not clearly documented. <p>Agreed Management Action: The Valuations Team will be reminded prior to the start of the valuation process to ensure that Gross External Area measurements are used and liaise with Design and Cost Consultancy to ensure the figures are available at the start of the process. Clearer documentation of any assumptions will be presented with the valuations and a sample check undertaken to ensure the correct methodology has been used and clarity of information provided. Due date for this action 31 October 2019.</p> • Completed valuations had not been signed off as checked by the Manager prior to being made available for input to the Asset Register. As a result inaccurate valuations may compromise the integrity of the Asset Register. <p>Agreed Management Action: All valuations will in future be signed by both the valuer and counter signed by the manager prior to the valuations being made available to finance. Due date for this action 31 December 2019.</p>

Cross Cutting – Health and Safety Management - Use of Plant, Machinery & Equipment, incorporating Accidents, Incidents and Near Misses (Streetscene & Transportation)

Areas Managed Well	Areas Identified for Further Improvement
<p>Streetscene and Transportation:</p> <ul style="list-style-type: none"> • Risk Assessments are in place for all equipment used. • Comprehensive process for the reporting of Accidents/Incidents and Near Misses established which includes a dedicated phone line. • Tool Box Talks given which include HAVS awareness. • Staff Inductions now include a section on HAVS. • Introduction of a Red Amber Green (RAG) sticker process for vibration equipment to identify category rating on level of emissions. 	<p>Opportunities for improvement to the control environment have been identified to ensure the safe use of equipment and strengthening processes over the taking of plant and equipment from and back to site and maintaining it in good order.</p> <p>Our review identified:</p> <ul style="list-style-type: none"> • An improved master training record would facilitate the identification of training required for updating and being able to establish whether all operatives, including agency and contractors, have had the necessary HAVS awareness training. Agreed Management Action: 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. 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. Action due date 31 December 2019. Agreed Management Action: List of none attendees for training will be sent to line managers for justification and training to be rescheduled. Action due date 31 July 2019. • The Plant Inventory at the time of the review showed 198 items of equipment overdue for servicing and 124 items of small plant unaccounted for. This has implications for the safety of these items and possible implications for theft of the items unaccounted for. Agreed Management Action: The inventory is under review and all service schedules are being updated. Action due date: 30 September 2019. Agreed Management Action: A review of all RAG status will be undertaken as services are completed. Action due date: 31 March 2020. Agreed Management Action: Equipment in the workshop identified as requiring red stickers will be labelled and include clear instruction on maximum exposure times. Action due date: 30 June 2020. • A regular process for checking and calculating time operatives spend on using vibration equipment has not been embedded. Emission levels will need to be reviewed when all

	<p>equipment has been serviced to ensure the accuracy of recorded emissions. Operatives showing signs of HAVS will need to be closely monitored on future use of vibration equipment.</p> <p>Agreed Management Action: The service monitors the exposure limit for the individual items of equipment to prevent over exposure. However this process needs to be reviewed to improve compliance. The current annual random monitoring will be increased in frequency for high risk groups to quarterly to tie in with safety day inspections. Action due date: 31 October 2019.</p> <p>Agreed Management Action: All employees have regular annual screening however higher level management information has been requested from Occupational Health. Action due date: 30 September 2019.</p> <ul style="list-style-type: none"> • Equipment is not being signed in and out of Alltami nor is the process supervised which has implications for its whereabouts and also whether the equipment being selected for jobs is suitable for its intended purpose. Recently instigated gate checks have identified defective equipment being put on vans for use on jobs. <p>Agreed Management Action: A full review will be undertaken to ascertain the best way forward to control equipment being selected for jobs and leaving site. Depot alterations have commenced which will assist in the allocation of plant in the coming months. Action due date 31 October 2019.</p>
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Streetscene & Transportation – Integrated Transport Unit – Procurement of Contracts

Areas Managed Well	Areas Identified for Further Improvement
<ul style="list-style-type: none"> • The correct procurement process was followed in accordance with Contract Procedure Rules. • Any contracts tendered for with an incorrect route recorded was identified and recalled appropriately. • All contracts that were re-tendered were submitted correctly. 	<p>Opportunities for improvement to the control environment have been identified to ensure the objectives are met. Our review identified:</p> <ul style="list-style-type: none"> • There was insufficient time and resources planned for the procurement project. Agreed Management Action. 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 complete the necessary documentation prior to inclusion on the new DPS which will ensure this element of the next procurement will be completed more quickly. Action Due Date: 31 July 2019 • Suppliers were not moved to the DPS within PROACTIS at the time of approval. Agreed Management Action. 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. This action has now been implemented. • The documented PQQ process was inconsistent with operating practice in that one supplier was placed onto the DPS without completing the Insurance section and being marked as a FAIL. Agreed Management Action. The instructions to tenderers document and the evaluation questionnaires have been amended. The preamble has been changed and there is an additional question regarding not having the relevant insurances at the point of submitting the tender but being prepared to obtain them and that relevant insurances must be in place before any further contract is awarded. This action has now been implemented.

	<ul style="list-style-type: none">• Inaccurate information was obtained from the ONE Education system which resulted in additional work being undertaken. Agreed Management Action. Management will ensure that the records held on the ONE system are as up to date as possible by working with Education team and tailoring a report for their specific needs. Support from Education colleagues will be required to achieve this position. Action Due Date: 31 August 2019• There was a lack of documented procedures for Streetscene Staff brought in to assist with the process, in particular for the route optimisation process and the awarding of contracts. Agreed Management Action. Documented procedures will be produced for the route optimisation process to ensure that that the correct processes are followed. Action Due Date: 31 August 2019• The process for managing charges / penalties for suppliers by ITU staff was unclear. Agreed Management Action. An exercise will be undertaken to ensure that all finances are appropriately managed, including reconciliation of income received. Action Due Date: 31 August 2019• The performance of suppliers is only monitored by ITU staff when a complaint is received. Agreed Management Action. The team will be undertaking proactive monitoring of suppliers. Action Due Date: 31 August 2019
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Appendix F

Action Tracking – Portfolio Performance Statistics

Portfolio	May 2018 Statistics			Live Actions - As at May 2018			Actions beyond <u>Original</u> due date	
	Number of Actions Raised Since January 2016	Actions Implemented since Jan 2016 <i>(including Actions No Longer Valid)</i>	% of Actions Cleared To Date	Live Actions	Actions Beyond Due Date <i>(excludes Actions with revised due date)</i>	Actions with a Revised Due Date	Actions between 6 & 12 months	Actions Greater than 12 Months (13+)
Chief Executives *	45	45	89%	0	0	0	0	0
Education & Youth	65	62		3	2	2	0	2
Governance *	140	126		14	0	12	1	4
Housing & Assets *	152	112		40	0	14	4	1
People & Resources	160	142		18	4	3	4	0
Planning, Environment & Economy *	66	50		16	3	8	2	5
Social Services	104	94		10	0	4	0	0
Streetscene & Transportation	75	75		0	0	0	0	0
External	27	25		2	0	2	1	1
Individual Schools	87	86		1	0	1	0	0
Total	921	817			105	9	47	12

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

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

Actions Overdue and Older than 6 months (where overdue)

Appendix E

Audit	Ref	Action	Priority	Original Due Date	Revised Due Date	Age of Action from Original Due Date (Months)	Last Update Provided	Reason for Revised Due Date and Current Position	How Risk is Being Managed
Education & Youth									
Youth Justice 2016/17	2013	A nominate resource from social services for children is not in place. Review to be completed with the Children Services Executive Board Representatives to implement solution in line with the Crime and Disorder Act 1998.	M	31/03/2018	31/12/2018	13	06/09/2018	Matter to be raised to the YJS Executive Delivery Group and Executive Management Board.	Commenced discussions with Children's Services Senior Managers. However at present Children's Services are unable to provide us with an allocated social worker. Action not met. Matter to be raised to the YJS Exec
Youth Justice (2016/17)	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	M	31/03/2018	31/08/2018	13	06/09/2018	Discussions has commenced with Chair of Exec Board but awaiting for final budget confirmation (final grant amount from YJB pending). Discussions ongoing.	A Business Case to Chief Officer, Education & Youth and Chief Executive has been submitted for consideration. Ann Roberts has commenced these discussions with Chair of Exec Board but awaiting for final budget confirmation (final grant amount from YJB

		plan. Approval to be obtained for both of these initiatives from the Chief Executive.							pending). Discussions ongoing.
People and Resources									
Working Time Regulations 2017/18	2120	<p>Payroll records were examined covering a 17 week period (April 2017 to July 2017) to determine if any employee had worked on average over the maximum 48 hours as defined within the regulations.</p> <p>This review included identifying employees contracted hours, overtime, additional hours worked and sleep ins. The review did not include employees leave or sickness during this period and therefore the outcome is an indicator over the actual figure.</p> <p>A total of 106 employees were identified as working on average over 48</p>	M	31/07/2018	-	9		<p>We prepared working time leaflets in advance of preparing and launching the policy. The policy is on the Infonet and from memory went out originally via workforce news.</p> <p>Managing working time is a management responsibility so we have targeted managers rather than staff. The TUs adopt the same approach. As you might expect, effort is concentrated on the areas where there are lots of additional hours and/or overtime worked - some services do not have any spend recorded in this record. We also run reports periodically to establish average hours worked over the 17 week reference period. The policy agreed with the TUs enables us to increase the reference period to accommodate seasonal</p>	

		hours per week from April 2017 to July 2017 and therefore in breach of the regulations.						peaks (for example Panto season, winter maintenance) which should mean going forward that there are fewer opportunities for non-compliance. This is an area that will remain under scrutiny as it is critical from a health and well-being perspective, especially when stress is recorded as the number one reason for absence (as working regular, long hours without the required rest breaks contributes).	
Working Time Regulations 2017/18	2123	An analysis of the 106 employees identified the majority of these employees working within two Portfolios (Social Services and Streetscene). It was established that controls are in place for monitoring working hours within these Portfolios. A review of the controls within Social Services identified weekly monitoring of working hours using contracted hours, overtime and leave. Notifications are	M	31/07/2018	-	9		We prepared working time leaflets in advance of preparing and launching the policy. The policy is on the Infonet and from memory went out originally via workforce news. Managing working time is a management responsibility so we have targeted managers rather than staff. The TUs adopt the same approach. As you might expect, effort is concentrated on the areas where there are lots of additional hours and/or overtime worked - some services do not have any spend recorded in this record. We also run reports	

		<p>issued to management to ensure that limits are not exceeded. It was noted that time undertaken for sleep ins is currently excluded from the monitoring and an action has been made within 4(A) on the action plan.</p> <p>The monitoring of Streetscene employees differs as warning levels are also reporting to management where an employee is working close to the limit and any overtime is discouraged. This has resulted in fewer breaches occurring and from September 2017 to January 2018, only one breach had occurred.</p> <p>Without an effective monitoring process in place across all Portfolios there is a risk that a number of breaches could occur and the Council would fail to comply with the regulations.</p>						<p>periodically to establish average hours worked over the 17 week reference period. The policy agreed with the TUs enables us to increase the reference period to accommodate seasonal peaks (for example Panto season, winter maintenance) which should mean going forward that there are fewer opportunities for non-compliance.</p> <p>This is an area that will remain under scrutiny as it is critical from a health and well-being perspective, especially when stress is recorded as the number one reason for absence (as working regular, long hours without the required rest breaks contributes).</p>	
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<p>Working Time Regulations 2017/18</p>	<p>2201</p>	<p>Flintshire Council has taken a uniform approach where all employees should be working within the Working Time Regulations and promotes a work life balance across the workforce.</p> <p>It was noted that working time for “sleep-ins” has been excluded from monitoring within Social Services as management feel that this would have a significant impact on the service. Working to the regulations will make it difficult to maintain the current level of service for service users as many more employees would be required to cover the shifts and continuity in the level of care would be unsettled.</p> <p>In accordance with the Working Time Regulations, Sleep-ins are recognised as</p>	<p>M</p>	<p>31/07/2018</p>	<p>-</p>	<p>9</p>		<p>No update provided</p>	
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		working time and should be counted towards the 48 working hour limit. Exceptions to the regulations for sleep-ins would not be possible as this would then have an effect on compensatory rest periods which must be adhered to. This is an issue across a number of Council's which People and Resource are aware of. Flintshire Council will need to be continually monitored for the position and options to support compliance with the regulations.						
Main Accounting GL 2018/19	2376	Regular reconciliation of Control, Holding and Suspense Accounts is an important control to maintain integrity of accounts and detect any issues early prior to year-end. Spreadsheets detailing all the Control, Holding and Suspense Accounts are maintained by an Accounting Technician in Technical and	L	31/03/2019	-	1	No Update Provided	

		<p>Capital Accounting for Balance Sheet accounts and an Accountant in Corporate Finance for Revenue Accounts. Portfolios are not required to send reconciliations monthly but only for periods 6, 9, 11 and 12 and often these are in the format of a report to indicate that the reconciliation has been undertaken and that the account has balanced.</p> <p>We noted that for many of the Revenue Holding, Control and Suspense accounts many of the required returns had not been received by Corporate Finance during the last financial year. We discussed these with the accountant responsible for maintaining the spreadsheet of accounts and return dates. Conflicting priorities during year end closedown added with reduced resources in-year</p>						
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		<p>meant not all spreadsheet entries had been completed.</p> <p>A decision on the process for monitoring the Revenue accounts should be made as to whether staying with the present system which results in control weaknesses or to adopt another approach. Although the main control is ensuring at the year-end the accounts are cleared and all variances resolved, this process would be more efficient if regular reconciliations are evidenced at regular intervals to ensure all appropriate actions have been taken.</p>								
Planning, Environment and Economy										
Planning Enforcement 2016/17	1892	Discussions held with Enforcement Officers identified that no specific training is available for staff undertaking enforcement investigations and the	L	30/11/2017	30/04/2019	17		To bring in line with action 1885. Intended that the restructure will be complete by end of November 2017 then time required to complete lean process and set down in procedures for the service to	Newly appointed enforcement officer for the South Team and the North Team leader have been booked onto the Trevor Robert intensive enforcement training course in February 2019. The North Team	

		<p>use of FLARE. Minimal guidance was provided to a seconded employee and further on the job training was required.</p> <p>There are no documented procedures in place for Enforcement Officers. There is a risk that officers would not be working uniformly and actions may be undertaken against legislation and without appropriate knowledge.</p> <p>It also became apparent that there is some reluctance to fully utilise the FLARE system by staff, however these concerns have not been formally raised.</p>						<p>rely on.</p> <p>Restructure completed 1st January 2018. The newly created teams need time to reflect on the processes recorded prior to the restructure and how to change and update these to reflect new and best practice.</p> <p>Following the restructure a Senior Officer has resigned and following interviews the existing Enforcement Officer has been promoted to that role. Further advertisement and interviews took place to appoint a new enforcement officer. This appointment commenced on 30th April 2018. During that time focus has been on dealing with other enforcement actions required.</p>	<p>enforcement officer remains on the waiting list. Formal training notes for the use of FLARE are have not yet been produced as time has instead been directly to the pursuit of the new software system.</p>
<p>Planning Enforcement 2016/17</p>	1885	<p>Audit testing identified a number of concerns regarding the documenting of planning enforcement referrals.</p> <ul style="list-style-type: none"> Records can be 	H	31/08/2017	30/04/2019	20		<p>The service firstly needs to be restructured and embedded with new policy in use. This may not be completed to late November. Time is then required to review mapping and reflect, plan change to process and implement.</p>	<p>As reflected in the update audit report. The two planning assistant posts are now established and the process of registering, plotting, prioritising and acknowledging complaints is fully underway. Standard correspondence in relation to</p>

		<p>held in a number of locations (FLARE, enforcement file, shared drives) and no standard procedure existing for correctly documenting a referral. Without clear documented procedures in place it will be problematic to establish the current status of each referral, in particular for new staff.</p> <ul style="list-style-type: none"> Information recorded on the FLARE system is not kept up to date with a significant number of actions being recorded retrospectively. This makes the management of referrals difficult and in the event of staff absences the progression of each referral would not be clear. Evidence from undertaking visits or holding discussions with persons may not always be 							<p>warning letters, enforcements notices and appeals have been developed. Unfortunately as there was a delay to securing funding to procure a new software system ML is reluctant to map processes to a defunct current software system. In October 2018 Asset Programme Board agreed the funding to procure a new system. ML has undertaken primary project planning meetings with procurement and IT. The required IT specification for the enforcement process and every other service within development management will be reflected within that IT specification requirement.</p>
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		<p>documented depending what is seen / heard. All actions undertaken in investigating a referral should be recorded to ensure a clear trail exists.</p> <ul style="list-style-type: none"> • Significant reliance is place on the Enforcement Officers knowledge to establish the status of each referral. <p>All enforcement referrals received have the potential to be challenged in a Court of Law and without a clear trail, robust procedures and documentation in place to support the actions of the Council it could be difficult to defend a decision made.</p>							
Deferred Charges on Properties 2018/19	2459	<p>Houses to Homes Loans</p> <p>There was no formalised and evidenced reconciliation carried out by the Regeneration</p>	M	30/04/2019	-	0	No Update provided		

		<p>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</p>						
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		Economy Portfolio) on 1st January 2019. Under these new arrangements the operational responsibilities have been assigned to the Health and Safety Team Leader.							
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Actions with a Revised Due Date Six Months Beyond Original Due Date (Not Overdue)

Appendix F

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Governance									
PCIDSS Compliance (2015/16)	1516	The officer working group should ensure that the self-assessment is completed drawing on the full range of professional expertise and experience of the group.	H	31/12/2016	29/07/2019	08/03/2019	The Council has implemented the necessary changes to ensure compliance with web payments and with payments taken via kiosks in Connects Centres. There is a remaining area of non-compliance with payments taken over the phone that will require new software. The council is looking at how many licences it needs and whether to simply divert some payments from phone to web prior to purchasing and implementing the new software. If/when funding is agreed the council will be able to commission a software supplier and establish a firm date for	A PCIDSS review was undertaken by a specialist QSA provider, ECSC, on 4th October 2017. The review has identified areas of compliance and areas of risk. Overall, the Council is deemed to be 50% compliance to PCIDSS. The findings of the report are now being considered by the Project Group and Chief Officer to identify what measures are required to increase compliance but this will undoubtedly require substantial investments in IT to achieve 100% compliance.	The completed detailed SAQ'S will be completed in Q1 of 2019/20 Revised workforce procedures have now been introduced as part of managing risks associated with PCIDSS (aligned to another audit recommendation) and work to complete the SAQ'S will now commence in January 2018 as part of a join

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							implementation and thus achieving compliance		
Flintshire Connects (2017/18)	1505	<p>Services accessed by Flintshire Connects cannot always be delivered in full.</p> <p>A fundamental review of all customer facing services will be undertaken to explore the best future method of delivery, including face to face, through Connects centres backed up by feasibility studies for areas where greatest efficiency could be achieved. This review will look in the first instance at service delivery methods across all Portfolios and assess if they are sufficiently lean and a decision made on what services could</p>	M	30/09/2017	31/03/2020	02/05/2019	<p>A fundamental review of all customer facing services has not commenced as the priority for Customer Contact is telephone access to Council services. The Customer Service Strategy is aligned to the Customer Work stream of the Digital Strategy and the current focus is on merging Contact Centre teams and relocating a single team at Ty Dewi Sant, Ewloe. The decision to transform telephone contact superseded the Audit of Flintshire Connects and resources have had to be reprioritised. A review of face to face services is a commitment within the Customer Services Strategy and this acknowledges the work undertaken by Audit. It</p>	<p>The review group have now finished the initial analysis and met with all portfolio's to determine where change is required. The work carried out by the group has identified a number of areas across the council where the digital offer needs to be improved to enable reduction in both telephone calls and face to face provision for a number of services, examples include, logging repairs and Streetscene general report it type functions. It has also identified tasks that could be better delivered by Connects and release back office efficiencies.</p> <p>The work completed has identified that the delivery of the Customer Service Strategy and the</p>	<p>A Programme Manager to lead this transformation project has now been appointed.</p>

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		<p>be delivered through Connects without overlap and duplication. Following the review a strategy will be formulated on how services will be delivered in the future.</p>					<p>is important that the face to face services delivered by Flintshire Connects are appropriate in order to support our most vulnerable customers. A new post has been established within Customer Contact and the Customer Contact Manager is expected to be recruited by the end of May 2019. This person will have managerial responsibility for Flintshire Connects and Contact Centre. This role will oversee the successful merger of Contact Centres team and after a period of stability will be able to focus on undertaking a fundamental review of customer facing services as described in the audit recommendations.</p>	<p>Customer Workstream of the Digital Strategy need to be closely aligned and also that the scale of the work that needs to be done to deliver the transformation across the council is beyond what the review group can deliver in the timescales required. It has been agreed that a dedicated resource is required to programme manage this transformational project going forward and work is now underway to recruit to this position so that the work required can be driven forward.</p>	
Flintshire Connects	1514	Services are not always being	M	30/09/2017	31/03/2020	02/05/2019	Following this audit and the revision of the	The review group have now finished the initial	A Programme Manager to lead this

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(2017/18)		<p>delivered in the most efficient ways.</p> <p>Services delivered through Flintshire Connects Centres will be evaluated for the most appropriate, efficient and effective delivery methods.</p>					<p>Customer Service Strategy a Customer Service Strategy Review Group was formed and tasked to begin reviewing all customer contact across the Council with a focus on how we currently deliver services (face to face, telephone and digital) and looking at the aspirations of how we could deliver differently to ensure we are utilising the most appropriate channels for services/customer contact.</p>	<p>analysis and met with all portfolio's to determine where change is required. The work carried out by the group has identified a number of areas across the council where the digital offer needs to be improved to enable reduction in both telephone calls and face to face provision for a number of services, examples include, logging repairs and Streetscene general report it type functions. It has also identified tasks that could be better delivered by Connects and release back office efficiencies.</p> <p>The work completed has identified that the delivery of the Customer Service Strategy and the Customer Work stream of the Digital Strategy need to be closely aligned and also that the scale of the work that needs to be done to</p>	<p>transformation project has now been appointed.</p> <p>The customer transformation work this post will lead on is a three year project. For this reason the revised implementation date has been amended to 01.09.19 where a more detailed update on both work completed and planned works for future will be available.</p>

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								<p>deliver the transformation across the council is beyond what the review group can deliver in the timescales required. It has been agreed that a dedicated resource is required to programme manage this transformational project going forward and work is now underway to recruit to this position so that the work required can be driven forward.</p>	
Procurement 2016/17	1649	The supplier performance management template is now available in Proactis for completion by contract officers. Contract officers will receive a reminder from Proactis to use the contract management module. All relevant contract officers should receive	M	31/03/2018	31/10/2019	11/03/2019	To promote the current functionality would be counterproductive in light of the need to re-train officers when new product release is launched.	<p>With respect of action 1649, it is still a work in progress, due to awaiting on PROACTIS to develop their product to allow more streamlined functionality to allow performance questionnaires to be undertaken. This has now been done a few weeks ago.</p> <p>We are also seeking clarifications from the Procurement Manager</p>	

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		notification so they know the supplier performance management template is available and must be used.						in how she wants to undertake contract / supplier performance management going forward in the light she is revising the CPRs as well.	
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 	M	31/10/2018	21/12/2019	13/05/2019		CPRs have been re-drafted and are being considered by Chief Officer Governance	CPRs have been re-drafted particularly in relation to variations, extensions and exceptions, but the opportunity has been taken to make other changes to the Rules to update them. This has included changes to reflect Brexit and to emphasise the importance of local supplier opportunities (so that for example, the emphasis on using frameworks has been removed). The revised CPRs are being considered by Officers prior to a consultation. In addition, some further changes may be required to reflect procurement

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		<p>Markets (1.1).</p> <ul style="list-style-type: none"> Delays in the alignment of procurement strategy and procurement activity across the two Councils. Recent changes, e.g. board membership and corporate priorities, means that the strategy contains out of date information (1.2). 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 							<p>arrangements post Brexit and also the transitional arrangements.</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
		the JPB (1.3). <ul style="list-style-type: none"> • 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 							

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		<p>(1.6).</p> <ul style="list-style-type: none"> 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 take place to ensure opportunities for efficiency savings through collaborative procurement or alternative procurement 							

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
		models are appropriately explored (1.8).							
Housing & Assets									
Housing Allocations 15/16	1616	The current SARTH policy is under review. Following this, any required changes to procedural notes will be implemented.	M	31/03/2017	28/06/2019	10/05/2019	<p>Comprehensive procedures have been developed and provided to audit. Through November meetings have been held with regional partners to tweak and ensure a consistent approach will be implemented across the partnership.</p> <p>January date is to allow for the development of some user guides to complement the procedures and linked guidance on affordability to be finalised.</p> <p>Staff have been trained and are aware of the new procedures so risks are mitigated whilst final sign off is undertaken.</p>	<p>Feedback from the staff consultation/training sessions held has resulted in some minor tweaks and access issues to be resolved but in the main there have been no major changes to the revised procedures and these will now be progressed for final sign off.</p> <p>Action plan shows that the development of user guides to compliment these procedures will be completed by 25.10.19. It is important that these are in place at the same time as full implementation of new procedures to ensure staff have the correct guidance on how to complete the actions required on the housing</p>	<p>Staff have been made aware of any amendments to the procedures subject to final versions being signed off. This is confirmed within 1:1s and team meetings.</p> <p>Due to unforeseen circumstances there has been an unplanned period of absence from work. The post holder has now returned to work and this is being given priority to be completed. A meeting has been held to determine tasks outstanding to complete this action and both the service and ICT are working to an implementation date of mid-June.</p>

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								system It has therefore been agreed to move to a full implementation date of 01.11.18 to ensure the new procedures are rolled out robustly and correctly.	
SARTH 2017/18	1995	Controls relating to SLA adherence require enhancement. Investigate system developments through the utilisation of new system codes to assist with the automation of cancellations due to non-receipt of evidence. KPIs to be set to measure adherence to process.	L	29/06/2018	28/12/2019	10/05/2019	<p>The majority of the issues identified with the CRM Integration works have now been resolved and seem to be working well. The service is noticing a partial reduction in processing time and as such more focus is now being applied to ensuring other tasks are completed within the SLA guidelines. This will be closely monitored by the Housing Access and SARTH Team Leader.</p> <p>The solution implemented still requires further work and a meeting has been scheduled to scope</p>	<p>Integration work was delayed and went partially live in early February 2019. There are faults with the implementation and these have been reported to ICT and are being worked through with Capita. The solution implemented still requires further work and therefore released the expected capacity to undertake other duties.</p> <p>Without additional resource it is not possible to fully adhere to SLA timescales and maintain this performance level until the integration work is completed and working</p>	Low risk (green)

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							these works with Capita. As the solution does not yet meet all the initial requirements it has therefore not fully released the expected capacity to undertake all the other duties. Whilst there will be an improvement in performance against SLA it is not possible to guarantee full adherence to all SLA timescales and maintain this performance level until all the integration work is complete.	correctly.	
DFG 2016/17	2024	The current Private Sector Housing Renewal and Improvement Policy is out of date and was due for review by 30 June 2015. The policy also does not align to current practices in operation within the service. An example of this is the condition of the	M	30/06/2018	31/10/2019	22/05/2019	Due to all DFG activities having to be approved by the DFG oversight board, this action date has been extended to facilitate review of all documentation by the board members. The revised policy has been drafted and will be tabled at Informal Cabinet on Tuesday 30th April 2019. This	The Policy will be drafted once the service has been realigned and will reflect the recommendations from the WG consultation on Housing Adaptations Service Standards. Due to the timetable of Overview and Scrutiny committees, the next Cabinet meeting to receive this policy will be	

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		DFG Relocation Grant where the property must be occupied by the applicant as their main residence for a period of 5 years. Currently there is no process to facilitate the measurement or assessment of this condition.					will then be followed by consultation with Community and Enterprise and Health and Social Care Scrutiny committees at the appropriate stage in the scrutiny cycle. The final stage will be to take the policy to Formal Cabinet for adoption and ratification - date not yet known as this will be dependent on the agenda availability of the scrutiny committees. - Action can be set to complete	22 October.	
DFG 2016/17	2058	Not all DFG applications which have been approved are reflected in the DFG spreadsheet which is utilised to track application progress and budget spend. Internal audit were provided with a list of all approved DFGs which was	M	31/05/2018	30/06/2019	30/04/2019	Due to all DFG activities having to be approved by the DFG oversight board, this action date has been extended to facilitate review of all documentation by the board members.	Extensive work has been completed to develop accurate contractor reporting processes and for performance of the service. The new reporting mechanism will be fully implemented ready for the new financial year	

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		generated from the FLARE system. This list formed the basis for the sample testing selection.							
DFG 2016/17	2079	Contractors are monitored on a case by case basis, however management information is not maintained to provide oversight of all contractor performance including variation of work and costs, timescales for completion, customer satisfaction survey, etc. Manual spreadsheets have been subsequently developed as the current Flare system does not support reporting capability.	M	31/05/2018	30/06/2019	30/04/2019	Due to all DFG activities having to be approved by the DFG oversight board, this action date has been extended to facilitate review of all documentation by the board members.	<p>All processes have and continue to be reviewed will be fully implemented by the beginning of the new financial year. The final versions will include information regarding expected timescales and budget monitoring and will be in place at the beginning of the new financial year</p> <p>The process for monitoring contractor performance is not effective. More work is required in this area to provide assurance and to ensure underperformance is identified and addressed promptly. Due to the amount of work involved in delivering on this action and extension to the completion date to</p>	<p>The internal KPI's have been agreed on the basis that they are based on the overall Indicator of completion within 247 days. These will be tested and altered as the new processes bed in.</p> <p>There are still some outstanding issues, however, in relation to monitoring of SLAs and audit trails in relation to financial reconciliation which still need to be addressed. A revised completion date of 30th June is suggested to allow for this work to be completed.</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
								30th June is suggested.	
People & Resources									
Payroll 2017/18	2218	<p>Data Protection and GDPR Compliance</p> <p>A process to remove leaver information from i-Trent in line with the Retention Policies and GDPR has not been implemented. Management have not been able to provide a detailed plan of what activities have been completed to assist with demonstrating adherence to Data Protection requirements. The consequence to the Council of non-compliance will be greater with the introduction of GDPR in May as the Council may be subject to fines.</p>		30/09/2018	30/06/2019	18/04/2019	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 to take into account that possibility.	Conflicting priorities within the team continue to prevent the required further testing of the MHR GDPR software being fully undertaken. Pauline (Connolly) has identified a potential defect and has raised the issue with MHR.	

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Planning and Environment									
Section 106 - 15/16	285	<p>The Local Planning Guidance Notes are currently being brought up to date to allow continued use of the Unitary Development Plan (UDP). Whilst the UDP has technically expired, the intention is to keep the plan 'alive' for as long as possible.</p> <p>The bulk of the 'comments' from the LPGN consultation process were reported to the Planning Strategy Group on 25th February 2016. LPGN 22 will be reviewed as required following the adoption of the updated LPGN's.</p> <p>The updated</p>	M	31/07/2016	30/06/2019	18/12/2018	<p>The LPG 22, as overarching guidance, can only be updated once all individual LPGs have been updated, and there is still work to be done to update LPG13 (see below).</p> <p>Lastly, as each individual LPG is up to date (except LPG 13) each can be applied to the consideration of planning applications and any developer obligations that arise.</p> <p>The risk in not updating LPG 22 is therefore very low and can be managed in due course once individual LPGs are updated. This must therefore be a 'green' in terms of risk status.</p>	<p>Follow up audit report 18.5.18: LPGN 22 Planning Obligations (adopted by the Council in February 2007) has not been updated. Discussion with Planning Strategy has suggested that as LPGN 22 acts as a signpost to other planning guidance around developer contributions, it can only be updated once the full suite of planning guidance is in place. LPGN 13, Outdoor Playing Space & New Development, is in the process of being revised. Once the revised planning guidance is adopted LPGN 22 can be updated. Following discussion of the Follow Up audit findings the due date for this Agreed Action has been revised</p>	<p>Monitoring progress with LPG13 via service manager and with reports to S106 working group.</p>

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		LPGN's (which are still in the consultation period) will be adopted by 30th April 2016. If it is determined that further update to LPGN 22 is required (in particular to take account of the adoption of LPGN 23, Education Contributions - adopted July 2012) then we could expect the adoption of an updated LPGN 22 by 31st July 2016.						to 31/12/18.	
Section 106 15/016	313	Update of SPG 13 Open Space Requirements	M	31/07/2016	28/02/2019	13/03/2019	The revised SPG has not been completed whilst work on the production of the LDP is prioritised.		
Greenfield Valley Trust Follow Up 17/18	2195	<ul style="list-style-type: none"> 2018-2021 Business Plan to be agreed by the Board of Trustees. Manageme 	M	31/07/2018	30/05/2019	20/05/2019	At their meeting on 07/05/19 Green Valley Trust resolved to agree to sign the new Management Agreement which we have been working on for some		

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		nt Agreement to be completed and to be agreed by the Board of Trustees.					time. This is a significant step forward and cements all of the good work which has gone on in refreshing our approach to this attraction over the past 3-4 years Once we have prepared all the documentation I think we should use the formal signing as a positive publicity opportunity for all parties		
Pollution Control 2017/18	2048	Not all tasks relating to reviewing planning enquiries for potential statutory nuisance are logged or monitored.	L	31/03/2018	31/05/2019	01/06/2018	Computer system will take a length of time to be agreed upon and implemented, and further impacted by move to Ewloe. Smarter apps for efficient working practices are being considered in the meantime.	A revised due date of 31/05/2019 has been made for the new computer system. In the meantime they are pursuing ways of working smarter through the purchasing of apps.	
Section 106 Follow Up 2017/18	2232	The Section 106 working group was tasked with considering; 'Section 106 linkages across the	M	31/10/2018	30/09/2019	13/03/2019		Business case for the new back office has been developed and procurement is underway with a view to implementing in	

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>Authority, the information needs of each service area, and the information currently held by service areas to determine where there is scope for efficiencies through the sharing of information (including the scope for sharing information on the Planning DEF database)'. The potential for use of the DEF system to manage s106 balances was considered and subsequently discounted. A piece of work was subsequently undertaken to look at other systems which could be used for the management of s106 balances (together with the management and enforcement of all</p>						September 2020.	

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>legal agreements across the portfolio).</p> <p>A capital bid was submitted for new software in December 2017 but was not successful.</p> <p>In the absence of a central system for the management of s106 balances, suites of spreadsheets are maintained by services impacted by s106 across the Council. Whilst the primary spreadsheet is maintained by Finance, s106 spreadsheets are also maintained by Planning Enforcement and Education (as the data they require differs from the data maintained by Finance).</p> <p>Whilst the use of spreadsheets within</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
		each service ensures appropriate management of s106 balances there is clearly duplication of effort and scope for the achievement of further efficiencies through the streamlining of processes.							
External									
Pensions Administration 2017/18:	2180	The KPIs show poor performance and lack of adherence to legal requirements.		30/06/2018	30/06/2019	06/02/2019	Team leaders will continue to monitor the KPIs and assign work accordingly.	An Action Plan will be devised and implemented when the new Pensions Administration Manager is in position. A revised implementation date has been agreed of 30/06/2019 to allow time for this to be completed. In the meantime the Principal Pensions Officers are reviewing methodology in the department and revising ways of working to	

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
								improve the KPIs. The latest stats for Quarter 3 2018 do show encouraging improvement from the ones reviewed at the last audit.	
CPF Investment 2016/17	1943	An Operational Plan will be devised to assign roles and responsibilities for the core functions within the Clwyd Pension Fund team. This will assist with the identification of single points of failure within the team. Individuals to be trained outside of their core role in order to facilitate the delivery of service in the event of long term absence or attrition. Succession planning will also be considered given the relative age of individuals	M	31/12/2017	31/03/2019	01/04/2019	<p>Work is continuing with HR for a revised structure to the section which will accommodate the ongoing needs of the section.</p> <p>The 2018/19 Business Plan includes a structure review of the Finance Team. Work is still ongoing with HR to finalise the structure and carry out recruitment. This should be substantially complete in Q1 2018 but full completion may take to Q3 2018.</p>	<p>Work is continuing with HR for a revised structure to the section which will accommodate the ongoing needs of the section.</p> <p>New accountant appointed start date 1st April 2019 Investment trainee post advertised interviews to be held mid-April.</p>	The risks are being managed by outsourcing essential work to third parties.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		completing these functions relative to retirement age.							

Investigation Update

Appendix G

Ref	Date Referred	Investigation Details
1. New Referrals		
No new referrals received since the last audit committee		
2. Reported to Previous Committees and still being Investigated		
2.1	03/01/2019	A whistleblow was received concerning a Council contract. The investigation is ongoing.
2.2	16/10/2018	A complaint was received concerning the awarding of contracts where there is a potential conflict of interest of a member of staff with a contractor. The investigation is ongoing.
2.3	20/08/2018	An allegation was received concerning the awarding of work to a company being run by a former employee of the Authority. The investigation is ongoing.
3. Investigation Completed		
3.1	A referral was received from management relating Houses to Homes Loan. A report has been issued to management which include improvements required to the control environment.	
3.2	A complaint was received from a service provider in relation to contract variation and termination. This has been investigated and advice provided to the service.	

Internal Audit Performance Indicators

Appendix H

Performance Measure	Qtr 1 19/20 (as at 24/5)	Target	RAG Rating	
Audits completed within planned time	80%	80%	G	→
Average number of days from end of fieldwork to debrief meeting	10	20	G	→
Average number of days from debrief meeting to the issue of draft report	4	5	G	↓
Days for departments to return draft reports	6	7	G	↑
Average number of days from response to issue of final report	3	2	R	↓
Total days from end of fieldwork to issue of final report	22	34	G	↓
Productive audit days	78%	75%	G	↑
Client questionnaires responses as satisfied	100%	95%	G	→
Return of Client Satisfaction Questionnaires	40%	80%	R	→

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

Internal Audit Operational Plan 2018/19 – Carry Forward

Appendix I

Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
Corporate			
Income from Fees and Charges / Efficiency Savings	H	On Hold	On hold pending the completion of the consultancy work – transferred to 19/20 plan
Budget Planning Challenge	H	Not Started	Defer until 2019/20
Business Planning, Risk and Performance Management	H	Not Started	Defer until 2019/20
North Wales Residual Waste Project (FCC)	H	Complete	Qtr 4
Declaration of Interests	H	In Progress	Interim Report
Collaborative / Partnerships Arrangements (CC - Social Services)	M	Defer	Defer until 2019/20
Education & Youth			
Risk Based Thematic Reviews	H	Complete	
School Funds	H	In Progress	Draft report stage
Governance			
Digital Strategy	Advisory	On going	Combine with Online Transactions DS
Cloud Computing	H	In Progress	
Procurement - Contract Monitoring (Joint Working - Denbighshire)	H	In Progress	
GDPR	Annual	In Progress	Draft report stage
Housing & Assets			
Welsh Housing Quality Standards (WHQS) Investment Plan	H	Complete	
Property Valuations	H	Complete	
Empty Property (Void) Mgt	M	In Progress	
New Homes - Contract Management	M	In Progress	
Property Maintenance	M	In Progress	
Technology Forge (TF)	M	In Progress	Draft report stage
Supporting People	Grant	Complete	
County Hall Campus Working Group	Advice &	Complete	Attendance at Working Group

Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
	Consultancy		
Housing Benefits	Annual	Complete	
Main Accounting - Accounts Receivable, including Corporate Debt Management	Annual	In Progress	
People & Resources			
Main Accounting – Accounts Payable (AP) / P2P (2017/18)	Annual	Complete	
Main Accounting - Accounts Payable (AP) and P2P	Annual	In Progress	Fieldwork Complete
Main Accounting - Accounts Receivable (AR), include Debt Management	Annual	In Progress	
Appraisals	H	In Progress	
Exist Packages	New	Complete	
Project Apple	New	Complete	
Pay Deal 2019/20	H	Complete	
Annual Leave	M	Complete	
Occupational Health Unit	M	Complete	
Payroll	Annual	Complete	
Planning, Environment & Economy			
Minerals and Waste	H	Complete	
Health & Safety Management – Near Misses, including Plant, Machinery and Work Equipment	H	Complete	
Disabled Facility Grants (DFGs)	Follow Up	Ongoing	Oversight board
Social Services			
Children out of County Care & Education	H	Complete	
Collaborative / Partnerships Arrangements	H	Defer	Defer until 2019/20
Health & Safety Management – Near Misses, including Plant, Machinery and Work Equipment	H	Complete	
Safeguarding - Children's	M	In Progress	
Social Services Financial Processes	Follow Up	In Progress	Fieldwork Complete
Streetscene & Transportation			

Audit	Internal Audit Priority Rating	Status of Work	Supporting Narrative
Integrated Transport Unit (ITU)	H	Complete	
Fleet Management	M	Draft report with Service	Additional work requested and currently in progress
Highways - Cost Recovery	H	In Progress	
Health & Safety Management – Near Misses, including Plant, Machinery and Work Equipment	H	Complete	
Regional Transport	M	In Progress	
Alltami Stores	Follow Up	In Progress	Draft report issued
External			
Aura	SLA (20 Days)	Complete	

Internal Audit Operational Plan 2019/20

Appendix J

Audit	Priority	Status of Work	Supporting Narrative
Corporate			
Business Planning, Risk & Performance Management	H	Not Started	
Voluntary Sector Grants - Revised Funding Arrangements	H	Not Started	
Integrated Impact Assessments	M	Not Started	
Business Continuity	M	Not Started	
Use of Consultants	Annual	Not Started	
Education & Youth			
Schools Admissions, Allocation, Unfilled Places, Change in Demographics	H	Not Started	
Schools Budgeted Licenced Deficit	H	Not Started	
Early Entitlement	M	Not Started	
Risk Based Thematic Reviews, including CRSA	Annual	Not Started	
Education Grant – Education Improvement Grant (EIG)	Annual	Not Started	
Education Grant – Professional Development Grant (PDG)	Annual	Not Started	
Education Grant – School Uniform Grant	Annual	Not Started	
Governance			
Procurement Hardware and Software	H	Not Started	
Community Benefits (Social Values)	H	Not Started	
Enforcement Agents	M	Not Started	
Digital Strategy	Advisory	On going	
PCIDSS Compliance - Follow Up	Follow Up	Not Started	
Data Protection (GDPR) Compliance	Annual	Not Started	
Council Tax and NNDR (incl. grant)	Annual	Not Started	
Housing & Assets			
Housing Rent & Arrears - (and impact of UIC)	H	Not Started	

Audit	Priority	Status of Work	Supporting Narrative
Land - Ownership, Surplus to Requirements & Disposal	H	In Progress	
Right to Buy (buyback) / Home Loans	M	Not Started	
Housing Benefits (including Subsidy Grant)	Annual	Not Started	
Care and Repair SLA	New	Not Started	
Framework Value for Money	New	Not Started	
Supporting People (grant)	Grant	Completed	
Support People (grant claim assurance)	Grant	Not Started	
SARTH	Follow Up	Not Started	
People & Resources			
Corporate Grants	H	Not Started	
Capital Programme	H	Not Started	
Write Offs	M	Not Started	
Financial Management Accounting within Portfolios	M	Not Started	
Main Accounting - Accounts Payable (AP) and P2P	Annual	Not Started	
Main Accounting - Accounts Receivable (AR), including Corporate Debt Mgt	Annual	Not Started	
Main Accounting - General Ledger (GL)	Annual	Not Started	
Method Statements	Advisory	Not Started	
Budget Planning Challenge	Advisory	Not Started	
Corporate Credit Cards	New	Not Started	
Notification of Leaver to Clwyd Pension Fund	H	Not Started	
Pay Deal 19/20	H	In Progress	
Project Apple	H	Not Started	
Organisational Ethics and Values	M	Not Started	
Payroll	Annual	Not Started	
Planning, Environment & Economy			
Communities4work (grant) & C4W Plus Grant	H	Not Started	
Flood Alleviation Scheme	H	Not Started	

Audit	Priority	Status of Work	Supporting Narrative
Pest Control	H	Not Started	
Climate Change / Carbon Reduction	M	Not Started	
Home Improvement Loans	M	Not Started	
Social Services			
Flying Start - WG Funding	H	Not Started	
Foster Care (Payments to Carers)	H	Not Started	
Sessional work	H	Not Started	
Collaborative Work / Partnerships	M	Not Started	
Client Finance, (Deputyship) Receivership & including Community Living	M	Not Started	
Streetscene & Transportation			
Highways - Condition of infrastructure	H	Not Started	
Concessionary Travel including Bus Services Support (grant)	H	Not Started	
Parc Adfer	H	Not Started	
School Bus Passes	H	Not Started	
O Licence	M	Not Started	
Community Transport	M	Not Started	
Waste Management Service	M	Not Started	
External			
North Wales Residual Waste Project - Contract Management	H	Not Started	
Pensions Administration & Contributions	H	Not Started	
SLA - Aura - 20 days	Annual	Not Started	
SLA - NEWydd - 10 days	Annual	Not Started	
Advisory / Project Groups			
New Flare System Development Group	Ongoing	Not Started	
Corporate Governance Working Group	Ongoing	Ongoing	
Accounts Governance Group	Ongoing	Ongoing	
Financial Procedures Rules	Ongoing	Not Started	

Audit	Priority	Status of Work	Supporting Narrative
E Procurement Working Group	Ongoing	Ongoing	
Programme Coordinating Group	Ongoing	Ongoing	
Corporate Health & Safety Group	Ongoing	Ongoing	
Corporate Data Protection Group	Ongoing	Ongoing	
County Hall Campus Working Group	Ongoing	Not Started	
North Wales Residual Waste Project	Ongoing	Ongoing	
Financial System	Ongoing	Not Started	

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.