

## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 28 <sup>th</sup> September 2022
<b>Report Subject</b>	Internal Audit Progress Report
<b>Report Author</b>	Internal Audit, Performance and Risk Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

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

### RECOMMENDATIONS

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

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
1.01	Internal Audit gives a progress report to the Governance and Audit Committee every quarter as part of the usual reporting process. The report is divided into several parts.
1.02	The level of audit assurance for standard audit reviews is detailed within Appendix A. All reports finalised since the last Committee meeting are shown in Appendix B.
1.03	Appendix C provides an oversight to Governance & Audit Committee on the cumulative assurance for 2022/23 audit plan; however, it should be noted this will be fluid. A footnote has been included to list those reports issued with a Red / Amber Red assurance opinion.

1.04	<p>Since the last report on progress to committee in June, there has been one Amber Red / Some Assurance report and no Red / Limited assurance reports. Appendix D details the Amber Red report. Copies of all final reports are available for members if they wish to see them.</p>
1.05	<p>The automated tracking of actions is completed through the use of the integrated audit software. All actions are tracked automatically and the system allows Managers and Chief Officers to monitor their own teams' outstanding actions and confirm they are being implemented.</p> <p>At the last committee in June, 52 actions were overdue. This has remained the same for this reporting period. However the percentage of overdue actions has reduced from 49% to 38% of live actions of which seven are High priority actions and 26 Medium priority actions. Overall 135 actions are live.</p> <p>In July the Chair and Vice Chair of the Governance and Audit Committee attended the Chief Officer Team meeting to discuss the matter of audit actions. Specific actions coming from the meeting were:</p> <ol style="list-style-type: none"> <li>1. More realistic timescales from managers for actions;</li> <li>2. More officers to attend Governance and Audit Committee to explain the circumstances in their services and why they haven't been able to complete actions. This has been communicated formally with Chief Officers;</li> <li>3. More detailed/better quality written updates on actions;</li> <li>4. Resume the liaison group meetings, focusing on a more shared sense of responsibility and co-ordination rather than the process.</li> </ol> <p>The next liaison group meeting has been arranged for 19<sup>th</sup> October.</p> <p>For reporting purposes to Governance and Audit Committee those High or Medium priority actions are to be reported of which there are 33. Actions overdue are listed in Appendix F. Appendix G lists 2 high and 7 medium actions that are older than six months from the original due date.</p>
1.06	<p>Appendix H shows the status of current investigations into alleged fraud, irregularities or concerns raised. There are two ongoing investigations.</p>
1.07	<p>Appendix I shows the range of performance indicators for the department.</p> <p>Overall performance remains good however there is a reduction in performance in days between end of fieldwork and debrief meeting and productive time. This is largely due to the coordinated availability of those involved in the audits. Due to the time of the year (leave etc) this is an expected impact on the PIs.</p>
1.08	<p>Appendix J shows the current position of the 2021/22 audit plan. Only one audit remains in progress and is near completion. Appendix K shows the current position of the 2022/23 audit plan. The plan will continue to be reviewed on a regular basis and reprioritised to accommodate any new requests for work, or to respond to emerging issues.</p>

1.09	<p>Since the last report to the Committee in June there has been a need to review and revise the audit plan to reflect the reduction in available audit days as a result of a vacancy and long-term sickness. The impact on the plan is detailed below and also shown within Appendix J where any 'deferred' or 'no longer relevant' audits have been highlighted in green.</p> <p>To ensure continued coverage the reduction in audits has been across all portfolios. Where possible audits deferred were medium audit priority however there are three high priority which after reviewing the plan again it is felt these are appropriate to defer.</p>																																																								
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>																																																								
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<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

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

5.00	APPENDICES
5.01	<p>Appendix A Levels of Audit Assurance</p> <p>Appendix B Final Reports Issued Since June 2022</p> <p>Appendix C Audit Assurance Summary</p> <p>Appendix D Amber Red / Some Assurance Provided</p> <p>Appendix E Action Tracking – Portfolio Statistics</p> <p>Appendix F High &amp; Medium Overdue Actions (including actions older than 6 months if overdue)</p> <p>Appendix G Actions older than six months from original due date and not overdue</p> <p>Appendix H Investigation Update</p> <p>Appendix I Performance Indicators</p> <p>Appendix J Operational Plan 2021/22</p> <p>Appendix K Operational Plan 2022/23</p>

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

7.00	GLOSSARY OF TERMS
7.01	<p><b>Internal Audit:</b> Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.</p> <p><b>Audit Wales:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Operational Plan:</b> the annual plan of work for the Internal Audit team.</p>