

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 5 June 2019
<b>Report Subject</b>	Internal Audit Progress Report
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

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

The current progress report is attached.

### RECOMMENDATIONS

1	To consider and accept the report.
---	------------------------------------

### REPORT DETAILS

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

1.04	<p>Since the last Committee meeting in March there has been one report issued with Red / Limited assurance for Accounts Payable. Details of this review is detailed within Appendix D. Appendix E shows those reports with a Red Amber / Some Assurance given. Copies of all final reports are available for members if they wish to see them.</p>
1.05	<p>The automated tracking of actions is completed through the use of the integrated audit software. All actions are tracked automatically and the system allows Managers and Chief Officers to monitor their own teams' outstanding actions and confirm they are being implemented.</p> <p>E-mail alerts are generated by the system and sent to the responsible officer and their manager before the action is due. In the event an action is not completed within the agreed date, an e-mail is also sent to the responsible officer, their manager and copied to Chief Officer for awareness. Monthly reports are also sent to Chief Officers informing them of outstanding actions for their teams. The monthly report to Chief Officers now identifies the date of the last update provided (if any) for each action. Each Chief Officer is requested to review this.</p> <p>Appendix F shows the current situation. Of 921 actions entered into the system, 817 have been cleared and 105 remain live. There are 9 overdue actions to be reported, listed in Appendix G.</p> <p>Appendix H lists all actions with a revised due date of six months from the original due date and a note on how the risk is being managed. For each revised due date entered onto the system, the officer is required to provide a reason to support this change.</p> <p>To avoid repetition in the report, where an action is older than six months and overdue this action will be included within the Appendix G, Actions Overdue.</p>
1.07	<p>Appendix I shows the status of current investigations into alleged fraud or irregularities. The table includes the start date of the investigations.</p>
1.08	<p>Appendix J shows the range of performance indicators for the department. Overall performance continues to meet the current targets set; however, there has been a slight reduction in the number of days from responses received to the issue of the final reports and for departments to provide comments to their reports and the number of questionnaires returned overall. This level of performance will be monitored.</p>
1.09	<p>Appendix K shows the current position of work being finalised from the 2018/19 audit plans.</p> <p>Since the last audit one review on Collaborative / Partnership Arrangements of the Adoption Service has needed to be deferred. This is due to an external report required to form the basis of the review being currently unavailable.</p>

1.10	<p>Appendix L shows the current position of the 2019/20 plan. The plan will continue to be reviewed with Chief Officers on a quarterly basis and reprioritised to accommodate any new requests for work or to respond to emerging issues. Since the plan was approved in March 2019 there have been three new requests for additional work. These are:</p> <ul style="list-style-type: none"> <li>• Corporate Credit Cards</li> <li>• DFG Valueworks Framework – Value for Money</li> <li>• Care and Repair SLA</li> </ul>
------	--

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a direct result of this report.

<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.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix A Levels of Audit Assurance</p> <p>Appendix B Final Reports Issued Since March 2019</p> <p>Appendix C Audit Assurance and Priority of Actions</p> <p>Appendix D Red / Limited Assurance Reports Issued since March 2019</p> <p>Appendix E Amber Red / Some Assurance Reports Issued since March 2019</p> <p>Appendix F Action Tracking – Portfolio Statistics</p> <p>Appendix G Over Due Actions (including actions older than 6 months if overdue)</p> <p>Appendix H Actions with Revised Due Date Six Months Beyond Original Due Date and not overdue</p> <p>Appendix I Investigation Update</p> <p>Appendix J Performance Indicators</p> <p>Appendix K Operational Plan 2018/19 (Carry Forward)</p> <p>Appendix L Operational Plan 2019/20</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit 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>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Wales Audit Office:</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>