

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 11 September 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 shows provides an oversight to Audit Committee on the cumulative assurance throughout the year, however it should be noted this will be fluid. A footnote has been included to list those reports issued with Red / Amber Red assurance.

1.04	<p>Since the last Committee meeting in June there has been one report issued with Red / Limited assurance for School Funds, Argoed High School. This review is detailed within Appendix D. Appendix E shows those reports with an Amber Red / 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 1075 actions entered into the system, 879 have been cleared and 196 remain live. There are 40 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>
1.06	<p>Appendix I shows the status of current investigations into alleged fraud or irregularities. The table includes the start date of the investigations.</p>
1.07	<p>Appendix J shows the range of performance indicators for the department. On the whole, performance continues to meet the current targets set; however, performance will show there has been an increase in the number of days from debrief meeting to the issuance of draft reports. This is directly related to the School Fund audits across the sampled schools and the need to complete all audits and reports collectively to ensure the findings informed the 'Overall School Funds' audit report.</p> <p>Productive time has reduced since the previous quarter. This is due to the annual leave taken during this period.</p> <p>Feedback received on the client questionnaire remains high; however, these questionnaires relate to the work undertaken in previous periods and do not count towards the calculation for the number of questionnaires returned for quarter 2 work. The calculation for this performance indicator will be reviewed before the next Committee meeting in November.</p>

1.08	Appendix K shows the current position of work being finalised from the 2018/19 audit plan.
1.09	<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 last Committee in June, there has been three new requests for additional work, two of which are being delivered on a commissioned basis and the income generated will be offered to the team to increase their hours to provide additional support to the service. These are:</p> <ul style="list-style-type: none"> <li>• Carbon Reduction Scheme (commissioned work)</li> <li>• Voids – supporting a lean review (commissioned work)</li> <li>• Garden Waste Charges Analysis</li> </ul> <p>Any new audits are highlighted in red within Appendix L.</p>
1.10	<p>On reviewing the plan there is a need to make two amendments:</p> <ul style="list-style-type: none"> <li>• Defer the review on North Wales Residual Waste Project – Contract Management Arrangements until the first quarter of 2020/21 due to the delay in the commissioning of the contract;</li> <li>• Combine the Integrated Impact Assessments (IIA) audit with the Business Planning, Risk and Performance Management Audit as the IIA forms part of the Business Planning and Risk Management;</li> <li>• GwE has confirmed that they no longer require the Education Improvement Grant to be independently audited by Internal Audit.</li> </ul> <p>These audits are highlighted in green within Appendix L.</p>

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

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

<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>	