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# 1 Introduction

## 1.1 The Definition and Role of Internal Audit

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

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

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

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

## 1.2 Professional Standards

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

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

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

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

An external assessment of Flintshire's Internal Audit Service against the Standards is required every five years. This was undertaken in March 2017 by the Chief Internal Auditor, Ceredigion County Council and the final external assessment report was presented to audit committee in June 2017. All actions identified as part of the external assessment have either been implemented or are in progress.

A self-assessment against the Standards has been completed and the results were due to be reported to the Audit Committee in March 2020 however at this point all Committees were paused due to the pandemic, the self-assessment against the Standards will now be reported to the September 2020 Audit Committee. The Internal Audit Service was self-assessed as being

generally conforming. The Internal Audit service maintains a quality assurance improvement programme (QAIP). The programme includes the evaluation of the Internal Audit service's conformance with the Standards and an evaluation of whether internal auditors apply The Institute of Internal Auditor's Code of Ethics and the QAIPS components to ensure continuous improvement.

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

Overall internal and external assessment concluded:

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

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

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

### 1.3 Declaration of Independence

During the year 2019/20, all Auditors have acted with integrity and objectivity. At no point has their independence been compromised.

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

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

## 2 Internal Audit Assurance for 2019/20

### 2.1 Context

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

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

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

In mid-March the Coronavirus Pandemic occurred which resulted in the Council invoking its Business Continuity Plan. Given the unprecedented nature of this virus and its impact on service delivery and employees, all Internal Audit work was put on hold to allow the organisation to respond to the emergency. For the later part of March Internal Audit supported the Council to respond to this emergency. As such, there are a number of audits that could not be started or finished. Despite this sufficient work had been completed during the year to allow an assurance opinion to be provided.

### 2.2 Resources

At the start of the year in April 2019, the department was carrying one full time vacancy for the Principal Auditor who retired in 2018. We experienced difficulties in recruiting to this post and in the interim this was covered by the remaining Principal Auditor and the Audit Manager. In May 2020 the Principal Auditor post was offered to one of the Senior Auditors on a secondment basis following a formal recruitment process. In September 2019 a long standing Senior Auditor retired and their post was offered to the Graduate Trainee following a formal recruitment process. The position of Graduate Trainee remains vacant. In early 2020 our application for a further Graduate Trainee was successful however given the current pandemic this now remains on hold and hopefully carried forward to next year. Overall the team had sufficient resources within the team to draw a reasonable conclusion on the adequacy and effectiveness of Flintshire County Council's governance, risk management and internal control arrangements.

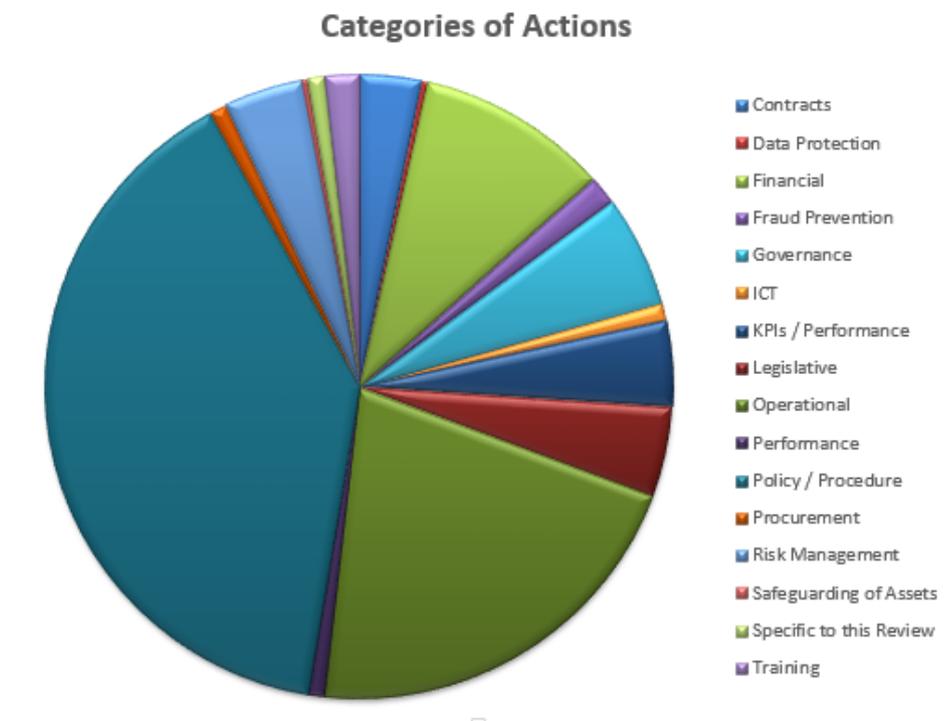
### 2.3 Internal Audit Opinion

**For the year ending 31 March 2020, based on the work we have undertaken, my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control.**

One audit was given a 'Red / Limited assurance' opinion during the year (2018/19 two audits, 2017/18 three audits, 2016/17 four audits & 2015/16 six audits), where an urgent system revision was required. Whilst this audit indicated areas where controls needed to be improved, they are not significant in the context of the Authority's whole control environment.

Overall 55% of assurance opinions issued were either Green or Amber Green providing the Committee assurance that of the audits undertaken this year in the main there are effective arrangements in place for governance, risk management and internal control.

An analysis of the category of actions raised during 2019/20 show actions primarily relate to policy and / or operational matters of the service. The graph on the following page provides you with further information of the other category of actions raised during 2019/20.



## 2.4 Scope of the Internal Audit Opinion

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

- The results of all internal audits undertaken during the year ended 31 March 2020 (see Appendix B for a summary of audit opinions and number of agreed actions);
- The results of follow-up action taken in respect of audits from previous years;
- The appropriateness of the proposed action by management to address control weaknesses and consequent risks;
- Matters arising from previous reports or other assurance providers to the Audit Committee and/or Council;
- No limitations have been placed on the scope of Internal Audit;
- No resource constraints have been imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation; and
- Where weaknesses have been identified I am happy that appropriate action plans are in place to address those weaknesses and to mitigate risks.
- During 2019/20, 152 actions were raised and 212\* were implemented to date. \* Some relate to previous years audit reviews.

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## 2.5 The Basis of the Opinion

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

### Corporate Governance

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

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

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

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

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

The Council is subject to external inspections by Audit Wales (AW), Estyn, and CIW. Assessments undertaken by AW are both on a local and national level where the Council may be part of thematic review. Regardless of whether the Council is directly involved, the Council performs a self-assessment against the reports' findings. All actions from external inspections are monitored. The Council has been subjected to one Estyn review during 2019/20. The outcome of the review was reported in accordance with the protocol and presented to Audit Committee in November 2019 for consideration.

The Annual Improvement Report (AIR) summarises the audit and regulatory work undertaken at the Council by Audit Wales. At the time of this report, the final 2019-20 AIR had not been published; and the draft report is due to be available in September 2020 however, from feedback there are no significant issues arising which would raise concern.

## Information Governance

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

Area of IT Independently Assessed	Independent Assessor	Supporting Information
IT Infrastructure:	Public Services Network (PSN)	To assess the Council's infrastructure and ensure it is meeting best practices as define by the Cabinet Office in Line with National Cyber Security Centre (NCSC) Guidance. The assessment is undertaken annually. The current certificate expired in May 2020 and the latest submission is in the process of completion but there have been inevitable delays due to the COVID-19 pandemic.
IT Infrastructure:	Cyber Essentials Plus (CEP)	There are two elements to this independent assessment. Cyber Essentials is a desktop self-assessment and the plus element is an independently verified element of the assessment. The target date from Welsh Government for all Local Authorities to achieve this was April 2020. The council achieved this target and currently holds the required certificate.
Information Management & Address Standards:	Geoplace	Monthly assessment undertaken of the Council's address data to ensure the addresses used to populate the National Land and Property Gazetteer meet the required Standards. The Council has been award the Gold Standard for this assessment. The council was recently awarded joint best address data in Wales by Geoplace.
Information, Processes and Procedures around Financial Systems	Wales Audit Office	As part of the annual audit, WAO considers the adequacy of the Council's security and interfaces with the Council's financial systems. No actions have been raised following this review.
Website Accessibility	Government Digital Service (GDS)	All public sector websites must reach Web Content Accessibility Guidelines (WCAG) 2.1 by September 23 <sup>rd</sup> 2020. The council must publish an accessibility statement and review it regularly. The majority of the councils website already meets the standard, however a major piece of work is being undertaken to review the accessibility of documents published on the website in portable document format (pdf). This is currently on schedule for completion by the required deadline.

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

## Risk Management

In 2019/20 Internal Audit reviewed the Risk Management framework in place and worked closely with the service to update and enhance the Risk Management Policy and Strategy which included revised risk capture, method statements and risk classifications. Quarterly progress reports against the Council Plan have been presented to Overview and Scrutiny Committees.

During 2019/20 all Council Plan risks are monitored through CAMMS, the Council's performance and risk management system, and reported to Corporate Resources Overview Scrutiny Committee and Audit Committee quarterly.

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

## Internal Control

Audits were carried out in all areas of the Council during the year. The overall level of control found in audit assignments this year was good. 55% of audits resulted in a 'green' or 'amber green' assurance level. No area stood out as being worse than the others. In all cases the findings were reported to the Audit Committee. During 2019/20, 152 actions were raised to improve the internal control, risk management and governance arrangements across the authority. During the year a total 212 actions have been implemented. Some of these relate to actions raised in previous years. All actions are monitored and progress reported to Chief Officers monthly and at each Audit Committee meeting. Summary results are given in Appendix B, together with definitions of the assurance levels (Appendix A).

### 2.6 Level of audit coverage during the year

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

Review Type	High	Medium	Annual	A&C (Incl 8 New)	In Progress	Deferred / NLR	Total
Corporate	3			1		2	6
Education and Youth			11	2	2	2	17
Governance	1		2		2	4	9
Housing & Assets	1	3	2	2	2	5	15
People and Resources	4	1	3	1		7	16
Planning, Environment & Economy	1			2	1	2	6
Social Services	2	1	1	1	1	2	8
Streetscene and Transportation	2	1	1	1	1	5	11
External	1		1	1		2	5
<b>Total</b>	<b>14</b>	<b>6</b>	<b>20</b>	<b>13</b>	<b>9</b>	<b>31</b>	<b>93</b>
	<b>53</b>						

The original annual plan showed 93 audits / areas of work to be undertaken. The approach to managing the audit plan changed for 2018/19 and this was approved by Audit Committee in March 2018. It was agreed that the plan would be reviewed quarterly with Chief Officers and their senior management team. All high priority audits would be undertaken and any new requests for audit assistance would be considered and replace (where applicable) medium priority audits. This approach worked well again. In total 8 new requests for additional advisory /

consultancy / audit work were received and undertaken. During the year, changes to the plan were reported back to audit committee.

The draft 2020/21 – 2022/23 Audit Plan has been revised to take account of audits deferred during the pandemic. Based on an assessment of risk where an audit has been deferred it will either be carried forward into 2020/21 or later to ensure the service is focusing on the high risk areas for the remainder of the year.

Status of 2019/20 Audit Plan					
Priority	Completed	In Progress / Draft Report	Deferred	NLR *	Total
High	14	2	8	2	26
Medium	6	4	7	3	20
Annual / Follow Up	20	3	6	2	31
Advice & Consultancy (Incl. New)	13			3	16
<b>Position Original Plan</b>	<b>53</b>	<b>9</b>	<b>21</b>	<b>10</b>	<b>93</b>

\* No Longer Relevant. This is where the service requested the work and this was no longer needed or the audit has been combined within another review.

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

Carried forward work, additional audits and deferrals always make a comparison of actual work completed against the plan more difficult, more so this year given the unprecedented times we have faced since March 2020. Within 2019/20, including carry forward work, 53 final reports were brought to the Audit Committee and at the time of this report a further nine issued, due to be issued as draft awaiting finalisation or near completion. Given the exceptional circumstances overall the 2019/20 plan was substantially completed.

All the deferred audits were considered during the planning meetings for the 2020/21 to 2023/24 audit strategic plan and included as part of the risk assessment when forming the strategy.

## 2.7 Assurance Levels

The definitions for the assurance levels are given in Appendix A of this report. The tables in Appendix B show the assurance opinions and number of agreed actions made in 2019/20.

## 2.8 Other Internal Audit Work

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

Area of Work	Comments
Schools Audits	5 school audits
Investigations	See 2.9 below
National Fraud Initiative	5 days on work relating to National Fraud Initiative
Advisory work	97 days on advisory work in the year
Grant audits	4 audit of grants
COVID19	Involved in specific workstreams at the end of March detailed in 2.10

## 2.9 Anti-Fraud and Corruption and Investigations

During early 2019 the Whistleblowing Policy, Anti-Fraud and Corruption Strategy and the Fraud and Irregularity Response Plan was reviewed, updated and approved by Audit Committee.

At the start of the year there were four live investigations. During the year nine more were started and six were completed leaving four ongoing investigations at the end of the year. Out of the nine investigations, three investigations were as a results of whistleblowing, one following a complaint received and the remaining five were following a referral from management. In total 54 days was spent on investigations. The nature of these investigations are covered in the table below:

Nature of the Investigations	No.
Governance Arrangements	1
HR Related by Employees	3
Lease Arrangements	1
Planning Arrangements	1
Compliance with Process	2
Potential Theft – Not upheld	1

The nine new investigations covered across all portfolios and not concentrated in one specific area.

## 2.10 Advisory / Consultancy work

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

- Advice on GDPR Project Group and Board
- Membership of the Corporate Governance Working Group
- Membership of Accounts Governance Group
- Membership of the E-Procurement Board
- Membership of the Programme Co-ordinating Group
- Review of Method Statements
- Pay modelling
- Disabled Facility Grants (DFG) oversight board
- COVID19 - Membership of Tactical Silver Groups
- COVID19 - Lead of Bronze Group for Postal Arrangements
- COVID19 – Temporary Hospital Provisions – Risk Management

It should be noted that the number of days spent on advisory work (97 for 2019/20) continues to remain high (91, 2018/20, 124 days for 2017/18, 79 days for 2016/17) and demonstrates the noticeable rise in requests for Internal Audit to become involved in emerging issues and working with the organisation to ensure a robust control environment is in place.

## 2.11 Audit of Third Parties

Following the transformation changes of services and the creation of Aura Leisure and Libraries and NEWydd in 2016/17 the Internal Audit Service has a 3 year SLA to deliver an internal audit service to these organisations. During 2019/20, theses SLAs were renewed for a further three years.

During 2019/20 10 days Audit Service was delivered to Aura Leisure and Libraries and the audit report was received and accepted by its Board. The audit for NEWydd was due to commence mid-March and therefore this has had to be carried forward into 2020/21.

## 2.12 Internal Audit Performance

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

Performance against target is reported to each quarterly Audit Committee, and is summarised in the table below. Overall apart from two targets all were achieved or exceeded the internal targets. There continues to be a decline in the number of questionnaires returned and in the time taken for departments to return draft reports. This however is more a reflection of the detailed work undertaken and greater stakeholder involvement and should not be seen negatively. During the year the method to calculate the return of questionnaires was changed which is demonstrated in the increase in the percentage of returns from 0%-40% to up to 75%.

### Internal Audit Performance Indicators

Performance Measure	Q1	Q2	Q3	Q4	19/20 Total	19/20 Target
Reported to Committee	June 19	Sept 19	Jan 20	Mar 20 (up to Mid March)		
Audits completed within planned time	80%	89%	78%	88%	<b>84%</b>	80%
Average number of days from end of fieldwork to debrief meeting	10	6	9	8	<b>8</b>	20
Average number of days from debrief meeting to the issue of draft report	4	18	4	1	<b>7</b>	5
Days for departments to return draft reports	6	0	9	12	<b>7</b>	7
Average number of days from response to issue of final report	3	1	2	1	<b>2</b>	2
Total days from end of fieldwork to issue of final report	22	33	27	22	<b>26</b>	34
Productive audit days	78%	67%	83%	77%	<b>76%</b>	75%
Client questionnaires responses as satisfied	100%	100%	93%	94%	<b>97%</b>	95%
Return of client satisfaction questionnaires	40%	0%	75%	73%	<b>47%</b>	80%

## Levels of Assurance – Standard Audit Reports

## Appendix A

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

Level of Assurance	Explanation
<p><b>Red – Limited</b></p> 	<p><b>Urgent system revision required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls are absent or rarely applied</li> <li>• Evidence of (or the potential for) significant financial / other losses</li> <li>• Key management information does not exist</li> <li>• System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.</li> </ul> <p>Conclusion: a lack of adequate or effective controls.</p> <p><b>Follow Up Audit</b> - &lt;30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.</p>
<p><b>Amber Red – Some</b></p> 	<p><b>Significant improvement in control environment required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively</li> <li>• Evidence of (or the potential for) financial / other loss</li> <li>• Key management information exists but is unreliable</li> <li>• System / process objectives are not being met, or are being met at an unnecessary cost or use of resources.</li> </ul> <p>Conclusion: key controls are generally inadequate or ineffective.</p> <p><b>Follow Up Audits</b> - 30-50% of actions have been implemented. Any outstanding high priority actions are in the process of being implemented.</p>
<p><b>Amber Green – Reasonable</b></p> 	<p><b>Key Controls in place but some fine tuning required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact</li> <li>• Some refinement or addition of controls would enhance the control environment</li> <li>• Key objectives could be better achieved with some relatively minor adjustments</li> </ul> <p>Conclusion: key controls generally operating effectively.</p> <p><b>Follow Up Audit:</b> 51-75% of actions have been implemented. All high priority actions have been implemented.</p>
<p><b>Green – Substantial</b></p> 	<p><b>Strong controls in place (all or most of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist and are applied consistently and effectively</li> <li>• Objectives achieved in a pragmatic and cost effective manner</li> <li>• Compliance with relevant regulations and procedures</li> <li>• Assets safeguarded</li> <li>• Information reliable</li> </ul> <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><b>Follow Up Audit:</b> 75%+ of actions have been implemented. All high priority actions have been implemented.</p>
<p><b>Categorisation of Actions</b></p>	<p>Actions are prioritised as High, Medium or Low to reflect our assessment of risk associated with the control weaknesses</p>
<p><b>Value for Money</b></p>	<p>The definition of Internal Audit within the Audit Charter includes 'It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.' These value for money findings and recommendations are included within audit reports.</p>

## Internal Audit Opinions and Recommendations 2019/20

## Appendix B

Auditable Area	Number of Reports & Audit Opinions						Priority & Number of Agreed Actions			
	Red	Amber -	Amber +	Green	Advisory / Grant - No Opinion Given	In Total *	High	Medium	Low	In Total
Corporate			1		3	4		3	2	5
Education and Youth	1	7	2		3	13	13	21	24	58
Governance		2	1			3	2	9	1	11
Housing & Assets			2	1	5	8		8	5	13
People and Resources		1	4		4	9	3	10	10	23
Planning, Environment & Economy			1		2	3		4	5	9
Social Services			1	2	2	5		1	6	7
Streetscene and Transportation		3			2	5	5	9	1	16
External			1	1	1	3		3	6	9
<b>Total</b>	<b>1</b>	<b>13</b>	<b>13</b>	<b>4</b>	<b>22</b>	<b>53</b>	<b>23</b>	<b>68</b>	<b>61</b>	<b>152</b>

\* the total number of audit report may not tally with the number of audit given due to the school audits

PSIAS –Quality Assurance Improvement Programme (QAIP)

Appendix C

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

Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
2120 (SA)	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	Partial	Improve awareness of fraud. Collect data on fraud risk.(2120)	LB	Implemented  Implemented  Partly Complete - March 2020	<p>Fraud risk analysis is undertaken as part of each audit review.</p> <p>Anti-Fraud and Corruption Strategy and Fraud Response Plan has been updated and presented to audit Committee in February 2019.</p> <p>Develop an online reporting solution which would support digital and customer strategies during 2019/20. This is currently at the test stage however due to COVID-19 this is currently on hold.</p> <p>Once operational the fraud reporting system and Whistleblowing policy will be promoted via change exchange.</p>
1000 (EA)  (SA)	<p>The internal audit charter does not define the term ‘senior management’, for the purposes of the internal audit activity. (EA)</p> <p>The Audit Charter does not make reference to auditing a</p>	Partial	(EA) The Service could insert a definition in the Independence & Authority (para 6, point 5) of the IA Charter, or revise the Charter by inserting a catch-all statement such as “For the purposes of Internal Audit activity, the Audit Committee is equivalent to	LB	Implemented	<p>The Charter has been updated and approved by Audit Committee in June 2019 to:</p> <ul style="list-style-type: none"> <li>• Define the term of Senior Management. Deferred from March 2018 to July 2018.</li> <li>• Include reference to auditing a third</li> </ul>

Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
	third party. (SA)		<p>the 'Board' and the Chief Officers' Team constitutes 'Senior Management'. (1000) LGAN</p> <p>(SA) Following the transfer out of Leisure &amp; Libraries and Cleaning &amp; Catering Services, the Charter needs to be updated to define the nature of the assurance provided to Aura and NEWydd. (1000.A1)</p>			party (Aura / NEWydd).
2110 (SA & EA)	Internal Audit reviews the activities in place that manage and monitor the effective implementation of the organisation's ethics and values.	Partial	<p>(SA) Review as part of CGWG – review of Code of Corporate Governance.</p> <p>(EA) The Service needs to undertake a review to evaluate the design, implementation and effectiveness of the Council's ethics related objectives, programs &amp; activities. (2110.A1)</p>	LB	In Progress	<p>Audit work is based on the Council's objectives and priorities and covers areas in the Code of Corporate Governance such as organisational, performance management, and communication of risk and control information.</p> <p>Whilst ethics is considered as part of routine audits, a specific review on ethics and values has been included within the 2019/20 audit plan. This audit is currently in progress however due to COVID-19 this is on hold.</p>
1120 (EA)	The regular rotation of work between officers has not been documented in the Service's Charter.	Suggestion	The Service could insert an additional statement under the 'Independence and Authority' section of the Charter confirming regular rotation of work is usually	LB	Implemented	Whilst the Audit Charter has been updated to address this point, it should be acknowledged that ensuring independence and objectivity is a priority within the team; however, in some instances a conscious decision

Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
			adhered to in order to further enhance independence and objectivity. (1120)			has been made to use the same auditor for key system reviews to develop expertise and specialism within the team as this adds value to the audit and reduces resources.
2120 (SA)	Internal auditors address risk during consulting engagements consistently with the objectives of the engagement?	Generally Comply  Identified opportunity for further improvement	There is further opportunity to develop the process for delivering consultancy / advisory work to have a more structured approach.	LB	Ongoing	Internal Audit continues to provide and develop the consultancy and advisory work provided to the Portfolios.
2210 (SA)	Value for money criteria has been considered, including the organisation's main types of resources been considered, e.g. money, people and assets?	Generally Comply  Identified opportunity for further improvement	Include as part of future scopes whether management are making best use of resources.	LB	Ongoing	This would be included where relevant in specific audits.