

## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 2 <sup>nd</sup> June 2021
<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 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	Since the last report on progress to Committee in March, there have been no Red / Limited assurance reports issued. Appendix C shows one report with an Amber Red / Some assurance given. Copies of all final reports are available for Members if they wish to see them.

1.04	<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 March 2021 Committee meeting concerns were raised over the number of overdue audit actions due and those that were significantly old. Whilst monthly updates are requested from management it was agreed that a specific exercise would be undertaken to review the outstanding actions. On 14 April 2021 Audit presented the outstanding actions to the Chief Officers Team. From the meeting it was agreed Chief Officers would request their Service Managers to review their actions.</p> <p>At the last Committee in March, 109 actions were overdue. Following this exercise the number of outstanding actions has been reduced to 8 (Appendix D). Overall 34 (31%) actions were implemented and through discussions with the Internal Audit service extensions to due dates were been agreed for a further 67 (61%) of which there remains one High priority action and 22 Medium priority actions. Overall 112 actions remain live.</p> <p>As agreed, only those High or Medium priority actions are to be reported to Committee, of which there are 30. Actions overdue are listed in Appendix E where there are 7 overdue. Appendix F lists 23 actions that are six months and older from the original due date.</p> <p>Whilst this has been a positive exercise to undertake it has also been significantly time consuming for the Internal Audit service supporting the portfolios in this exercise.</p>
1.05	<p>Appendix G shows the status of current investigations into alleged fraud or irregularities. The table includes the start date of the investigations.</p>
1.06	<p>Appendix H shows the range of performance indicators for the department. Overall performance remains good. Where there has been movement this has been marginal. Particularly:</p> <ul style="list-style-type: none"> <li>• Number of productive days.</li> <li>• Number of client questionnaires returned – this will continue to be monitored.</li> </ul>
1.07	<p>Appendix I shows the current position of the carry forward work on the 2020/21 audit plan and Appendix J shows the current position against the 21/22 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. Since the last Committee in March, there has been no request for additional work.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None

<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 2021</p> <p>Appendix C Amber Red Assurance Provided</p> <p>Appendix D Action Tracking – Portfolio Statistics</p> <p>Appendix E High &amp; Medium Overdue Actions (including actions older than 6 months if overdue)</p> <p>Appendix F Actions older than six months from original due date and not overdue</p> <p>Appendix G Investigation Update</p> <p>Appendix H Performance Indicators</p> <p>Appendix I Operational Plan 2020/21</p> <p>Appendix J Operational Plan 2021/22</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>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>

**Audit Wales:** 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.

**Corporate Governance:** 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.

**Operational Plan:** the annual plan of work for the Internal Audit team.