

GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Monday, 27 th September 2021
Report Subject	Internal Audit Progress Report
Report Author	Internal Audit, Performance and Risk Manager
Type of Report	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.
---	------------------------------------

REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT
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 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 a Red / Amber Red assurance.

1.04	<p>Since the last report on progress to committee in March, there have been no Red / Limited assurance reports issued. Appendix D shows two 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>At the last committee June, 8 actions were overdue. This has increased to 44 for this reporting period. Overall 40% of live actions are overdue of which there is one High priority action and 26 Medium priority actions. Overall 110 actions are live.</p> <p>As agreed, only those High or Medium priority actions are to be reported to Committee, of which there are 27. Actions overdue are listed in Appendix E. Appendix F lists 15 actions that are six months and older from the original due date.</p>		
1.06	<p>Appendix G shows the status of current investigations into alleged fraud or irregularities. There are no ongoing investigations.</p>		
1.07	<p>Appendix H shows the range of performance indicators for the department. Overall performance remains good and meets target or has improved from the quarter before.</p>		
1.08	<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 June, there has been no request for additional work however there have been some movement within the plan as three audits are deemed no longer relevant and one has been deferred until 2022/22 at the request of the service. These are:</p>		
	Audit	Action	Reason
Procurement & Contract Management / Monitoring	No Longer Relevant	Identified as no longer relevant by the new Chief Officer following a review of their Audit Plan	
Education Grants – Professional Development Grant (PDG)	No Longer Relevant	No longer required by Welsh Government	
Theatre Clwyd	No Longer Relevant	Not part of the new contract, to be reviewed in the future	
Houses of Multiple Occupancy	Deferred to 22/23	Due to staff resources within the service	

2.00	RESOURCE IMPLICATIONS
2.01	None

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
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 2021</p> <p>Appendix C Audit Assurance Summary</p> <p>Appendix D Amber Red Assurance Provided</p> <p>Appendix E Action Tracking – Portfolio Statistics</p> <p>Appendix F High & 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 2020/21</p> <p>Appendix K Operational Plan 2021/22</p>

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

7.00	GLOSSARY OF TERMS
7.01	<p>Internal Audit:</p> <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.</p>

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.