

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**               **WEDNESDAY 12 DECEMBER 2012**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **INTERNAL AUDIT PROGRESS REPORT**

### **1.00   PURPOSE OF REPORT**

1.01   To present to members an update on the progress of the internal audit department.

### **2.00   BACKGROUND**

2.01   The status of all projects as at 1<sup>st</sup> November is shown in Appendix A. The Appendix shows the agreed timing for the individual projects where it is known, and the actual number of days spent on each project.

2.02   The details of the outcomes of all reports finalised since the last Audit Committee are shown in Appendix B.

2.03   Tracking results.  
Appendix C gives a summary of all recommendations tracked since the last committee.

2.04   Performance Indicators for the department and for the responses to reports are given in Appendix D.

2.05   An overview of current Investigations is given in Appendix E.

### **3.00   CONSIDERATIONS**

#### **3.01   Audit Plan and Resources**

As outlined at the last Audit Committee The department is currently undertaking a major investigation which has already taken up more than the total days allocated to investigations in the plan and has had an effect on planned audits. The investigation is ongoing, however it has now reached the stage where management time is needed rather than the time of the rest of the department.

As a result of the Audit Committee resolution at the last meeting that additional resources should be sought the plan has not been reduced at this time. However, it will be kept under review during the remainder

of the year. A number of audit projects scheduled to start in the first half of the year have been delayed. They have been rescheduled and will be prioritised to ensure that the end of year audit opinion can be reached.

3.02 Funding for the additional resources has been agreed by Cabinet and it is being actively sought through the provision of a short term contract, from agency staff and from RSM Tenon.

3.03 The audit plan needs to be of sufficient size so that the work completed means the Audit Manager is able to give an opinion at the year end on the adequacy and effectiveness of the system of control, corporate governance and risk management within the Council. The current actions are aimed at ensuring that this remains the case.

3.04 Since the last committee meeting two projects have been deferred (Data Protection and Fleet Management) and two have been added to the plan (Housing Benefit Return and North Wales Residual Waste Programme). These are the normal type of amendments made during the year as circumstances change.

### 3.05 **Final Reports**

All reports finalised since the last committee meeting are shown in Appendix B. The Appendix also includes details of the limited assurance reports issued in that time, as follows:

3.06 **Final Report – School Funds**  
This review was undertaken as a result of problems that had arisen previously in one school. The funds held in these accounts are not assets belonging to FCC. A sample of schools was visited and overall recommendations made to improve controls.

3.07 **Final Report – Payments to Foster Carers**  
Foster carers receive a number of payments based on various criteria. The audit reviewed the application of the processes to provide those funds.

3.08 **Final Report – Asset Management**  
The review looked at the application of the Asset Management Plan and the way it is being developed.

3.09 Copies of all final reports are available for members if they wish to see them.

### 3.10 **Recommendation Tracking**

Appendix C shows the responses that have been received from recommendation tracking. Only 35% of recommendations that were due to be implemented at this time have actually been completed –

which is in line with previous checks. The non-implemented recommendations will be tracked again at their new due date.

Since the last meeting we have changed the method of tracking so that recommendations have been tracked as they fell due. The responses have been followed up with management to identify whether there are any causes for concern, particularly those where the recommendations had not been implemented or had been carried forward for a long period.

For Consultants (six recommendations not implemented) – these relate to Contract Procedure Rules, which are currently being produced. These have been delayed because further amendments will need to be incorporated to them in order to be consistent with the principles of a national common set of Contract Procedure Rules.

For the Capital Programme – the recommendations are being considered along with the development of the Council's Capital Strategy.

Further discussions were also held regarding Business Enterprise Units, Children's Services Taxis which resulted in the recommendations being cleared.

Discussions are ongoing regarding the Street Cleansing review to confirm whether the recommendations have been superseded by the developments in Streetscene.

Overall, action is being taken on the recommendations.

### 3.11 **Performance Indicators**

Appendix D shows the new range of performance indicators for the department. All those for the IA department are now green.

The average number of days taken to return draft reports has improved but is still outside the target time.

## **4.00 RECOMMENDATIONS**

4.01 The committee is requested to consider the report.

## **5.00 FINANCIAL IMPLICATIONS**

5.01 None as a direct result of this report.

## **6.00 ANTI POVERTY IMPACT**

6.01 None as a direct result of this report.

## **7.00 ENVIRONMENTAL IMPACT**

7.01 None as a direct result of this report.

**8.00 EQUALITIES IMPACT**

8.01 None as a direct result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None as a direct result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 None as a direct result of this report.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None as a direct result of this report.

**12.00 APPENDICES**

- 12.01 A Operational Plan  
B Reports Issued  
C Recommendation Tracking  
D Performance Indicators  
E Investigations

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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