**The following reports have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified. For reviews which received limited or little assurance a summary of the findings and the Action Plan is attached.**

| Project Reference | Project Description | Level of Assurance | Recommendations | | |
|---|---|---|---|---|---|
| | | | F | S | MA |
| CD0020R1 | Risk Maturity | N/A | 0 | 5 | 4 |
| HR0160R1 | Agency Staff | Adequate | 0 | 4 | 4 |
| IT0400R1 | IT Operations Management | Substantial | 0 | 0 | 1 |
| LL0100S1 | Music Service | N/A | 0 | 9 | 3 |
| LL0120R1 | School Funds | Limited | 0 | 9 | 1 |
| LL8000S1 | Cheque Book Schools | N/A | 0 | 1 | 0 |
| LL8005R1 | Lifelong Learning – Accounts Payable | N/A | 0 | 1 | 10 |
| CS0110S1 | Fostering | Limited | 0 | 7 | 4 |
| EN0155R1 | Asset Management | Limited | 0 | 8 | 2 |
| | | | | | |
| | | | | | |

**Levels of Assurance – standard reports.**

Substantial – A robust framework of controls ensures objectives are likely to be achieved. In addition, controls are applied continuously or with minor lapses.
Adequate – A sufficient framework of key controls for the object to be achieved, but the control framework could be stronger. Or, controls are applied but with some lapses.
Limited – There is a risk of objectives not being achieved due to the absence of key controls. Or, there is significant breakdown in the application of controls.
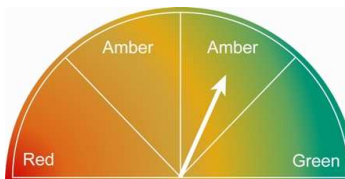
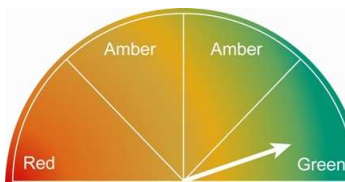**New levels of Assurance – standard reports.**
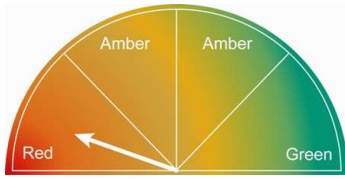
Taking account of the issues identified, the organisation cannot take assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied or effective. Action needs to be taken to ensure this risk is managed.
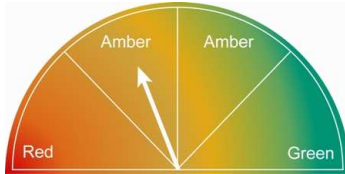


Taking account of the issues identified, whilst the organisation can take some assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.



Taking account of the issues identified, the organisation can take reasonable assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective. However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.



Taking account of the issues identified, the organisation can take substantial assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective.

**Levels of Assurance – follow up reports.**

Good. 80%+ of recommendations have been implemented. All fundamental recommendations have been implemented.
Reasonable. 50-80% of recommendations have been implemented. Any outstanding fundamental recommendations are in the process of being implemented.
Little. Less than 50% of recommendations have been implemented. Unsatisfactory progress has been made on the implementation of fundamental recommendations.

**Categorisation of Recommendations**

F -      Fundamental
S -      Significant
MA -   Merits Attention

Fundamental – action is imperative to ensure that the objectives for the area under review are met.
Significant – requires action to avoid exposure to significant risks in achieving the objectives for the area under review.
Merits Attention – action advised to enhance control or improve operational efficiency.

## Summary of Findings and Action Plan of Reviews with Limited Assurance

**School Funds – LL0120R1**

We have made nine significant recommendations, as follows:

1.1      Inadequate guidance given to schools

1.2      School fund certificates not received, or received late

1.3      Lack of monitoring of content of school fund certificates

1.4      Lack of a reporting mechanism for the submission of school fund certificates

2.1      Lack of compliance with the independent audit appointment procedure by schools

2.2      Lack of an independent monitoring of funds throughout the financial year

2.3      The lack of training of staff who manage the funds

2.4      Failure by schools to keep funds secure through compliance with insurance requirements

2.6      Lack of guidance given to schools on acceptable use of school funds

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| 1.1 | When the Financial Management Procedures are re-issued they should include the requirement for schools to draw up a constitution for each school fund to include what the fund will be used for and who is involved in the administration and monitoring of the fund. The guidance notes should include what the fund can and should not be used for. This would also be useful information for each independent auditor to check for | Significant | Procedures are in process of revision and this recommendation will be incorporated. | January 2013 | Lucy Morris, Finance Manager |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| | compliance and report back to Governors. It is suggested that independent auditors are required to issue a report on the standard of administration of the fund including any recommendations for improvement . These reports could then be required to be forwarded to the LA with the audit certificate. The issue of the significant amount that is held in some school funds should also be considered as the purpose of the fund is to provide goods and services for the benefit of the pupils rather than accumulate funds in bank accounts. There should be evidence of what the funds are to be used for.<br><br>When reviewing the Guidance on school funds for Headteachers and Governors feedback and advice given by Internal Audit should be considered as part of any consultation exercise in order to provide more comprehensive and clear guidance to schools. | | | | |
| 1.2 | A robust system of reminders and pursuing outstanding certificates should be adopted. | Significant | Agreed. Process will be incorporated as part of procedural review. | January 2013 | David Bateman, Schools Accountant |
| 1.3 | The accuracy of certificates should be verified, with basic checks carried out on signatures, brought forward figures and certificate balances. Appropriate action should be taken where schools fail to complete certificates in accordance with | Significant | Agreed.    As above | January 2013 | David Bateman, Schools Accountant |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| | the schools fund guidance notes. | | | | |
| 1.4 | Failure to submit certificates in accordance with the requirements of the Scheme for Financing Schools should be reported to the Lifelong Learning Finance Manager for consideration and appropriate action. | Significant | Agreed. | January 2013 | Lucy Morris, Finance Manager |
| 2.1 | All independent auditors should be formally appointed by Governing Bodies and this should be shown in the minutes of Governors meetings. The independent status of auditors should be assured. | Significant | Agreed. This has been discussed with the Heads Federation Representatives and will be written into the procedures. | January 2013 | Lucy Morris, Finance Manager |
| 2.2 | Independent monitoring should be undertaken of all schools funds throughout the financial year to provide adequate control over the accounts and assets. This is also a requirement of the Guidance on school funds for Governors and Headteachers. | Significant | As above | January 2013 | Lucy Morris, Finance Manager |
| 2.3 | Before a member of school staff has any involvement in the operation of the school finances ( including the administration of the school fund ) they should be fully trained in the requirements of appropriate record keeping, including the schools financial regulations, tax requirements and security and insurance requirements. This should include Headteachers who | Significant | Awareness will be raised following the reissue of procedures and any training requirements identified. | March 2013 | Lucy Morris, Finance Manager |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
|  | are required to monitor the funds throughout the year. |  |  |  |  |
| 2.4 | Schools should be provided with information on current insurance limits and requirements. Income should be receipted and recorded promptly to ensure that there is formal evidence of income held at any one time. | Significant | Agreed.  As 1.1 above. | January 2013 | Lucy Morris, Finance Manager |
| 2.6 | Further guidance should be given to schools on using the funds for legitimate purposes including examples on unacceptable practices and transactions. | Significant | Agreed.  As 1.1 above. | January 2013 | Lucy Morris, Finance Manager |

**Payments for Foster Carers – CS0110S1**

We have made seven significant recommendations, as follows:

3.1     The protocol for the progression of foster carers in their skill levels is not being adhered to

3.2     The criteria required to support the progression of foster carers has not been verified at the Foster Panel meetings

4.1     The protocol for the payment of additional payments to foster carers is not being followed

4.2     The monitoring of additional payments needs to be improved

5.1     The lack of appropriate authorisation of the payment reports in all cases

7.1     The lack of formal procedures around the engagement of external support

8.1     The absence of a robust reporting mechanism for foster carer vacancies

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| 3.1 | The Authority will need to incorporate the Inductions Standards Framework and clarify the protocol that is required for carers to follow in order to progress through the skill levels and ensure that this is adhered to. The Handbook needs to be updated to reflect this as the current protocol for progression is not being followed.<br><br>In future the Authority should only remunerate foster carers appropriate to their skills. Proof of qualifications should be obtained and retained on file prior to additional payments being authorised. | Significant | This is an extensive piece of work. Discussions have already taken place with Workforce Development and Deeside college as the framework needs to be integrated with the QCF Diploma in Children and Young People (level 3).<br><br>We are currently working with the Paris team to enable the training undertaken by the foster carers to be recorded on their electronic file | March 13 | Liz Byrne |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| 3.2 | The Foster Panel should not recommend any progression to higher skill levels without verifying the appropriate evidence The minutes of the meeting of the panel should clearly refer to the criteria and note the evidence/proof of qualification or training achieved in order for the Head of Children's Services to make an informed decision on the outcomes of the Panel. | Significant | Panel training to be arranged. | April 13 | Liz Byrne |
| 4.1 | The protocol for the payment of additional allowances to foster carers should be adhered to with the Social Workers supplying more evidence that they have checked the authenticity of all ad hoc payments prior to the processing of payments and obtain receipts wherever possible. There should be a clear audit trail to evidence that continuous additional payments are being monitored. All claim forms for additional allowances should be appropriately authorised. A review of the protocol for the payment of travel expenses would be beneficial to determine if the level of expenses incurred are deemed reasonable. | Significant | Foster carer and staff supervision forms updated to record all additional payments. Letter sent to foster carers to advise them of this and the need to obtain receipts. All additional payments will be reviewed every 3 months All claims for additional allowances are authorised by either the Team Manager or the Senior Practitioner, claims are not processed without authorisation. Meeting to be arranged and task and finish group to be set up. Review to be completed by February 2013. | Completed<br><br>April 2013 | Liz Byrne<br><br>Peter Robson |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| 4.2 | Enhanced payments need to be more rigorously monitored to ensure they are relevant and accurate.<br><br>The File Audits would benefit from a section where the Team Manager reviews the ongoing relevancy of enhanced payments to assist this process.<br><br>Enhanced payments under the heading 'Tuition' need to be separated for budget monitoring purposes so that expenditure on hobbies is more clearly identified for senior managers on a monthly basis. | Significant | File audits updated, Review in place<br><br><br><br>To be considered as part of the review of transport costs | Completed<br><br><br><br>April 2013 | Liz Byrne<br><br><br><br>Peter Robson/ Liz Byrne |
| 5.1 | All payment reports should be signed as authorised and approved prior to the processing of all payments. | Significant | Admin staff reminded of this requirement. Peter Robson has been added to the list of those who can approve payments prior to processing | Completed | Liz Byrne |
| 7.1 | Any future appointment of external support must be procured in accordance with the Authority's Contract Procedure Rules.<br><br>Monitoring processes should be implemented to ensure external support is providing value for money. Consideration should be given to ensure that the type of work undertaken cannot be performed by the professionals already within the Family Placement | Significant | Protocol to be put in place. | January 2013 | Peter Robson |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|-----|----------------|----------------|--------------------|--------------------|--------------------|
| | Team. | | | | |
| 8.1 | The Authority needs to determine how they can improve the reporting mechanism to have an accurate picture of current vacancies in order for senior managers to make more informed decisions promptly. | Significant | Report available but inaccurate. Children not always attached to foster carer (in Paris) particularly in relation to respite care. | February 2013 | Jacque Slee |

**Asset Management – EN0155R1**

We have made eight significant recommendations, as follows:

3.1     Capacity and performance indicators in the Asset management Plan need to be clear

4.1     Targets for the use of assets should be cascaded to service managers.

6.1     Cost, revenue and training requirements need to be identified for Connects projects.

6.2     The need for a strategy for community asset transfers

7.1     Whole life costing should be introduced for assets

8.1     The Asset Management Plan should be cover all asset management initiatives

8.2     Project management needs to be applied to the facilities management projects

8.3     The land disposal process should be improved.

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|-----|----------------|----------------|--------------------|--------------------|--------------------|
| 3.1 | Appropriate capacity should be established to progress the Asset Management Plan action to establish a performance management framework to link PI's to asset objectives and individual assets.<br><br>A clear timetable and accountability should be established for implementation the framework.<br><br>The Corporate AMP should include clarification to ensure a user reading the strategy clearly understands which asset management PI's actually disclose 2008/09 data. | Significant | The Council's Asset Management Plans (AMPs) have had action plans attached to them in previous years. Naturally given the change in emphasis on work in this area not all action points can either be met or indeed remain relevant.<br><br>A new medium term Property Strategy is planned which will, along with a new AMP and Action Plan and other policy documents, give an updated framework to deal with the | Quarter 4 2012-13 Property Strategy and Asset Management Plan<br><br><br>Ongoing- The authority has previously published the Welsh CLAW (Consortium of Local Authorities | Corporate Valuer |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| | Up to date PI data should be secured for all CLAW PI's where 2008/09 data is presented in the Corporate AMP, if these are still being measured annually by CLAW.<br><br>Strategic asset management covers the short/medium and long term. As such the key PI's that measure council wide asset performance should show at least medium term step change improvement targets, aiming to reach the level of the best.<br><br>When outturn data is available the forward targets should be revisited to ensure continual improvement is aimed for. Key PI's should never set a target for deterioration in performance of asset management.<br><br>Ffynnon should be updated with PI outturn data for asset management on a timely basis – i.e. in accordance with the annual timescales required by the Policy and Performance Section. | | issue which are priorities following the election of the new administration in May 2012.<br><br>Note that these are also reviewed corporately with members on an annual basis (challenge review) and through the Scrutiny process | in Wales) performance indicators and continues to use this framework. | |
| 4.1 | When the asset management performance framework has been developed, Corporate Asset Management Group should cascade targets for efficient and economic use of assets to all service managers to enable them to incorporate targets and action within service plans. | Significant | Where services wish to review assets either through them leading or the asset management side leading then a balanced score card to achieve effective outcomes for the service concerned would be reviewed and agreed prior to | October 2012 | Corporate Valuer |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| | | | any review process. | | |
| 6.1 | The Connects project is a leading edge collaboration proposal which also supports delivery of other key council initiatives such as 'agile' and channel shift. However to ensure outcomes of the project are optimised : 1.) clear ownership by Directorates of services to be transferred needs to be secured 2.) comprehensive and robust financial analysis needs to be completed to show detailed revenue projections for Connects centres when presenting proposals to Executive for approval. This will also enable more accurate projections to be included in the medium term financial plan 3.) the substantive training requirements for customer service advisers need to be proactively addressed and any potential costs included in the overall 'Connects' cost projections 4.) a projection of the cost impact of potentially increased use of services by bringing them to the community interface should be carried out. | Significant | Identification has taken place of respective programme and project boards which will lead on these initiatives using programme and project frameworks. | | |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| 6.2 | The in-house design service should deliver a service centred around client requirements with regard to cost effective solutions. Introducing a Service Level Agreement from the outset would clarify requirements.<br><br>The council should develop a strategy for community asset transfers as the entire approach should not depend only on the Community Asset Transfer Fund and the concept is a key Welsh Government objective for community empowerment. Numerous councils in the UK have already transferred or are in the process of transferring certain categories of assets (or management of assets) to the voluntary sector and first tier of local government and they have not relied on a CATF to achieve this. | Significant | Strategies and policies to manage assets are in place or being developed further to identify and pursue these opportunities and this includes policies around Corporate Asset Transfers. | Autumn 2012<br><br>Community Asset policy<br><br>New Property Strategy and Policies Quarter 4 2012-13 | Corporate Valuer |
| 7.1 | Whole Life Costing (WLC) should be implemented as a priority as the substantial asset programmes relating to Flintshire Futures, Flintshire Connects, Schools Modernisation and other asset related programmes may fail to optimise financial savings in the medium to long term if this approach is not used from the outset as part of the development of business cases/tenders.<br><br>Specific benefits to implementation of WLC at FCC are material and would include:<br><br>    1.  Significant cost savings in the medium to | Significant | Whole Life costing is the main financial measure of identifying the most efficient life time use of a property. Evidence shows that the design- build- use / life costs are proportionately 1:50: 200.<br><br>Therefore in theory a pound used most effectively at the design stage can be worth £200 over the building life.<br><br>The most useful aim of this | Immediate | Head of Assets and transportation / Corporate Valuer |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| | long term by optimising the total cost of ownership / occupation by balancing initial capital and running costs<br><br>2. Promoting realistic budgeting for operation, maintenance and repair<br><br>3. Encouraging discussion and recording of decisions about the durability of materials and components at the outset of the project<br><br>4. Providing data on actual performance and operation compared with predicted performance for use in future planning and benchmarking<br><br>5. More informed decision making by ensuring all options are considered on an equal basis<br><br>6. A standardised way of developing bids internally | | approach is to achieve ongoing revenue budget reduction in future years as newer assets come on stream replacing less efficient examples.<br><br>Whole life costing work will be undertaken as part of option appraisal and project business case planning initially and will be proportionate to the size of the projects concerned. | | |
| 8.1 | The next refresh of the Corporate AMP should ensure the AMP action plan covers all key asset management initiatives in all directorates including for example schools modernisation and community services co-location plans. This will ensure the AMP is therefore truly corporate, with clear linkage to the other asset plans sitting beneath this overarching plan e.g. education, highways, community services (when completed).<br><br>Community Services should identify resources to complete the directorate Asset Management Plan as required by | Significant | Work in these areas has already been earmarked and will be included proportionately in the asset management plan and part of internal monitoring. | Quarter 4 2012-13 | Corporate Valuer |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| | the directorate plan. | | | | |
| 8.2 | The overall business case for the hard and soft Facilities Management project is sound and the project should be revived through Project Definition Workshop discussions with Wrexham and Denbighshire and establishment of a robust project structure with a project board, and sufficiently skilled project team.<br><br>An overarching GANTT chart plan is urgently needed to identify the links and interdependencies of the significant number of projects that fall under Asset Management in Flintshire Futures.<br><br>In addition, robust project management needs to be applied to the projects to remove any duplication, and ensure that the large number of workstreams is managed in a coordinated way to deliver all the required phases and milestones when actually required by the overall programme.<br><br>Training is required in the completion of Benefits Realisation project forms.<br><br>Usage of the corporate suite of project management forms, including the benefits realisation form, should be mandatory | Significant | The project has a sponsor and project manager and appropriate activity lines and other aspects of managing the project developed in principle. Key stakeholder buy in meetings and communication processes have also been developed. | | Head of Assets |

| Ref | Recommendation | Categorisation | Management Comment | Implementation Date | Manager Responsible |
|---|---|---|---|---|---|
| 8.3 | The business case and fully costed options appraisal for county hall needs to be developed and communicated to members.<br><br>The land disposal process should be re-engineered with the 'LEAN' section with a view to streamlining the number of stages, and establishing procedures to ensure each stage of the process is dealt with more efficiently. After the disposal process has been redesigned and streamlined a land disposal policy should be published.<br><br>The Council should review capacity in the legal section to deliver their requirements with regard to the asset disposal programme.<br><br>Consideration should be given to using the N Wales legal framework agreement where there is insufficient capacity in-house<br><br>Consideration should be given to setting a delegated threshold for the designated officer to negotiate asset sale prices | Significant | This is recognised and the project proposals to achieve this continue to be developed. The situation also has linkage to overall campus development linked to the Theatre refurbishment.<br><br>This is also recognised and the method of Member forums in the authority is being reviewed.<br><br>The ability of the service to deal with a wide variety of support is being addressed by respective managers.<br><br>This is accepted and established. | Summer 2012 | Head of Assets / Corporate Valuer<br><br><br>Legal and Democratic Services Officer |