

AUDIT COMMITTEE

Date of Meeting	Wednesday, 13 July 2016
Report Subject	Internal Audit Progress Report
Cabinet Member	Not Applicable
Report Author	Internal Audit Manager
Type of Report	Assurance

EXECUTIVE SUMMARY

Internal Audit produces a progress report for the 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 report is attached.

RECOMMENDATIONS

1	To consider and accept the report.
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REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT
1.01	Internal Audit gives a progress report to the Audit Committee every quarter as part of the normal reporting process. The report is divided into several parts.

1.02	<p>Appendix A shows progress against the plan for 2015/16. This is the end of year position but shows a few audits still in progress. During the year it was affected by the transition to the new audit software, resulting in some audits exceeding their budgeted time. In addition, more than 60 days were spent in developing, implementing and rolling out the new software and the procedures around it, which was more than expected.</p> <p>A few reviews were deferred from the plan because of changing circumstances, these are shown in Appendix B.</p>
1.03	<p>Appendix C shows the 2016/17 plan, with work commencing on some reviews.</p>
1.04	<p>All reports finalised since the last committee meeting are shown in Appendix D. Details of the 'red' review is given – Section 106 Agreements.</p> <p>Copies of all final reports are available for members if they wish to see them.</p>
1.05	<p>Appendix E shows the results of the 2015/16 Control and Risk Self Assessment (CRSA) undertaken by schools. Every year school srea required to undertake a CRSA. A questionnaire is prepared by internal audit and sent to the schools, who complete it and return it. Schols are required to enter comments where applicable. The responses are analysed and the results are then used to target particular areas or topics for audit review. These reviews take place over a number of schools. This system enables audit to increase the level of assurance we can provide to the Chief Officer about the standards in schools, whilst at the same time minimising audit time in the schools by eliminating the need for traditional school visits.</p>
1.06	<p>Based on the results school audits were completed in six primary schools and two secondary schools, looking at financial controls, IT security, data protection, CCTV and the Education Improvement Grant. An overall report was prepared showing common areas of weakness.</p>
1.07	<p>The automatic tracking of actions continues using 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>E mail alerts are generated by the system and sent to the responsible officer and their manager before the action is due. E mails are also sent to them and copied to Chief Officers if actions are not completed on time. Monthly reports are also sent to Chief Officers informing them of outstanding actions for their teams.</p> <p>The system was rolled out from the 4th January 2016, including requiring all managers and Chief Officers to register. It included all actions from reports issued since April 2015, along with outstanding actions previously tracked. As such there was a large backlog of actions which have been completed and closed on the system.</p> <p>Appendix F shows the current situation. Of 305 actions entered into the system 199 have been cleared. Of the remaining 106, only 2 are currently overdue. In accordance with the wishes of the committee, reasons for overdue actions have been sought, along with a note on how the risk is being managed before the action is complete. These are also given in Appendix F.</p>

1.08	Appendix G shows the range of performance indicators for the department. Most improved in Q4. The few that did not improve were still green or amber. The targets need to be reviewed for the coming year.
1.09	Appendix H shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates of the investigations.

2.00	RESOURCE IMPLICATIONS
2.01	None as a direct result of this report.

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	Appendix A – Operational Plan 2015/16 Appendix B – Changes to the Operational Plan Appendix C – Operational Plan 2016/17 Appendix D – Final reports issued Appendix E – School CRSA Results Appendix F – Action Tracking Appendix G – Performance Indicators Appendix H – Investigations

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officer: David Webster, Internal Audit Manager Telephone: 01352 702248 E-mail: david.webster@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Wales Audit Office: 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.

Wales Chief Auditors Group: An informal meeting group of Chief Auditors to discuss items of mutual interest.

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