

AUDIT COMMITTEE

Date of Meeting	Wednesday, 24 January 2018
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>All reports finalised since the last committee meeting are shown in Appendix A. The level of audit assurance for standard audit reviews is detailed within Appendix B.</p> <p>Since November 2017, only one 'Red' or 'Limited' assurance review Single Access Route to Housing (SARTH) has been issued. Details of the review are noted within Appendix C. Copies of all final reports are available for members if they wish to see them.</p>

1.03	<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 D shows the current situation. Of 692 actions entered into the system 581 have been cleared. There are 110 remaining live actions. None are overdue.</p> <p>Appendix E lists all actions with a revised due date of six months from the original due date is listed and a note on how the risk is being managed. For each revised due date entered onto the system, the officer is required to provide a reason to support this change.</p>
1.04	<p>Appendix F shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates of the investigations.</p>
1.05	<p>Appendix G shows the range of performance indicators for the department. Within the last two quarters there has been an improvement in the average number of days from end of fieldwork to debrief meetings and for the few targets that did not improve they were already green.</p> <p>Whilst there has been a decline in the number of productive days and client questionnaires returned this is largely due to the annual leave taken and the timing of questionnaires having been issued.</p>
1.06	<p>A review of the effectiveness of these performance indicators is being undertaken by the Wales Chief Internal Auditors Group as a whole. Any suggested changes will be reported back to committee.</p>
1.07	<p>Appendix H provides an update on those audit reviews that being finalised for the 2016/17 plan.</p>
1.08	<p>Appendix I shows the current position of work undertaken against the 2017/18 plan.</p>
1.09	<p>Since April :</p> <ul style="list-style-type: none"> • The Strategic Audit Plan has been kept under continuous review with regular meetings taking place with the Chief Executive, Chief Officers, their Senior Management Team. • 12 new requests for additional work has been received and in most cases, work has been completed.

	<ul style="list-style-type: none"> • All high priority audits will be undertaken at this stage during 2017/18. • Out of the 19 high priority audits: <ul style="list-style-type: none"> - 9 are either in progress or fieldwork is complete - 5 has been completed or at draft report stage - 4 are due to start quarter 4
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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 – Final Reports Issued Since November 2017 Appendix B – Levels of Audit Assurance Appendix C – Red / Limited Assurance Report Issued Appendix D – Action Tracking – Portfolio Statistics Appendix E – Actions with Revised Due Date Six Months Beyond Original Due Date Appendix F – Investigation Update Appendix G – Performance Indicators Appendix H – Operational Plan 2016/17 (Carry Forward) Appendix I – Operational Plan 2017/18

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officer: Lisa Brownbill, Internal Audit Manager Telephone: 01352 702231 E-mail: Lisa.brownbill@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.