

## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 25 <sup>th</sup> January 2023
<b>Report Subject</b>	Internal Audit Progress Report
<b>Report Author</b>	Internal Audit, Performance and Risk Manager
<b>Type of Report</b>	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.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
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 Governance & Audit Committee on the cumulative assurance for the 2022/23 audit plan; 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 opinion.

1.04	<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 in September, 52 actions were overdue. This has slightly increased to 58 for this reporting period. This represents 54% of all live actions of which six are High priority actions and 29 Medium priority actions. Overall, 106 actions are live, detailed in Appendix D</p> <p>For reporting purposes to Governance and Audit Committee those High or Medium priority actions are to be reported of which there are 35. Actions overdue are listed in Appendix E. Appendix F lists 2 high and 7 medium actions that are older than six months from the original due date.</p>
1.05	<p>Appendix G shows the status of current investigations into alleged fraud, irregularities or concerns raised. There are three ongoing investigations.</p>
1.06	<p>Appendix H shows the range of performance indicators for the department.</p> <p>Overall performance remains good however there is a reduction in the number of client questionnaires being returned to us.</p>
1.07	<p>Appendix I shows the current position of the 2021/22 audit plan for which the last remaining audit has been finalised. For the 2022/23 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.</p>
1.08	<p>Since the last report to the Committee in September there has been a need to defer two audits until 2023/24. This is detailed in Appendix I and below:</p> <ul style="list-style-type: none"> <li>• Section 106 Agreements. Management currently reviewing these processes therefore an audit would not be timely or of value to the service. Agreed to review in 2023/24.</li> <li>• Maes Gwern Follow Up – based on the update provided to Governance and Audit Committee in September it would be premature to review this service. Planned in for Quarter 1 of 2023/24.</li> </ul>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The work of Internal Audit provides assurance to the Council that adequate and effective controls are in place to mitigate risks.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix A Levels of Audit Assurance</p> <p>Appendix B Final Reports Issued Since June 2022</p> <p>Appendix C Audit Assurance Summary</p> <p>Appendix D Action Tracking – Portfolio Statistics</p> <p>Appendix E High &amp; Medium Overdue Actions (including actions older than 6 months if overdue)</p> <p>Appendix F Actions older than six months from original due date and not overdue</p> <p>Appendix G Investigation Update</p> <p>Appendix H Performance Indicators</p> <p>Appendix I Operational Plan 2021/22 and 2022/23</p>

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

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Internal Audit:</b> Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.</p> <p><b>Audit Wales:</b> 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> <p><b>Corporate Governance:</b> 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.</p> <p><b>Operational Plan:</b> the annual plan of work for the Internal Audit team.</p>