

**FLINTSHIRE COUNTY COUNCIL**

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

**DATE:**                 **WEDNESDAY 26 MARCH 2014**

**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 in the 2013/14 plan as at 28<sup>th</sup> February is shown in Appendix A. The appendix shows the actual number of days spent on each project and the agreed timing for the individual projects where it is known.

2.02    The details of all audits added to the plan or deferred from it are given in Appendix B.

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

**2.04**   **Tracking Results**

Appendix D gives a summary of all recommendations tracked since the last committee. For recommendations not completed by the due date it also gives the view of the relevant Director or Head of Corporate Services on the acceptability of the reason for the delay and on the management of the risk that has arisen because of the delay.

2.05    Performance Indicators for the department and for the responses to reports are given in Appendix E.

2.06    An overview of current investigations is given in Appendix F.

## **3.00 CONSIDERATIONS**

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

It was reported to the meeting in December that the lack of approval to recruit to cover a secondment had impacted on the audit plan. The plan had been reviewed and adjusted to meet current resources. Reductions were made in the number of days allocated to some reviews, while others were been deferred. The changes were made in such a way as to minimise the additional risk incurred as a result of the reduced audit coverage. They were therefore concentrated on the 'Other' or 'Advisory' work. The changes were agreed with the relevant Director or Corporate Head of Service. Appendix A shows progress against the current plan.

3.02 A member of the team has recently handed in his notice. He will be replaced but in the meantime there is a shortfall in resources. At the same time there has been an unusual number of investigations referred to the department. Two part-time members of the team have agreed to increase their hours on a temporary basis. However, the combined effect is that the completion of the audit plan will be delayed this year.

3.03 A list of the audits added to or removed from the plan is given in Appendix B, including the current changes. All of those that were removed during December were considered for the 2014/15 plan in the planning process.

3.04 Three further deletions from the plan have taken place, all as the areas were covered in other ways. At the same time there have been additions as a result of requests from management.

### **3.05 Final Reports**

All reports finalised since the last committee meeting are shown in Appendix C, twenty one in total. Details for the reports on Theatre Clwyd, Equalities, School Closure, Empty Homes, Fees and Charges and Waste and Mineral Planning are given.

3.06 Copies of all final reports are available for Members if they wish to see them.

### **3.07 Recommendation Implementation**

Appendix D shows the responses that have been received when tracking recommendations. Replies have been received for all reports.

Most of the recommendations that were due to be implemented at this time have been completed. The non-implemented recommendations will be tracked again at their new due date.

The more rigorous approach to tracking the recommendations by Internal Audit has continued. For those that have not been implemented on time the relevant Director or Corporate Head of Service is required to confirm that the reason and the new date are both acceptable to them and to report on how the risk is being managed before the recommendation is implemented. This ensures that they are aware of non-implementation and that they are able to take responsibility for the risk. The views of the Directors and Corporate Heads are also shown in Appendix D. As requested previously, the initial implementation dates and the new implementation dates are shown, and there is a column to show the view of Internal Audit.

### **3.08 Performance Indicators**

Appendix E shows the range of performance indicators for the department. During the third quarter the revised ways of working for the department were introduced, as described to previous meetings. The target length of time to issue and respond to reports therefore changed during the quarter so that it was not possible to produce meaningful PI's. These will be reintroduced for quarter four.

### **3.09 Investigations**

Appendix F shows the status of current investigations into alleged fraud or irregularities. There has been an unusual number of new investigations recently which has impacted on the completion of the rest of the audit plan.

## **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 One leaver, two staff members with increased hours

**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 2013/14  
B Changes to the Operational Plan 2013/14  
C Reports Issued  
D Recommendation Implementation  
E Performance Indicators  
F Investigations

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

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