

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 25 JUNE 2014**

REPORT BY: **INTERNAL AUDIT MANAGER**

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 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 as listed below.

2.02 The status of all projects in the 2013/14 plan as at 31st May is shown in Appendix A. The appendix shows the actual number of days spent on each project.

2.03 The details of all audits added to the plan or deferred from it during the year are given in Appendix B. No further deferrals have taken place since the last meeting.

2.04 The operational plan for 2014/15 is shown in Appendix C.

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

2.06 Appendix E 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, Head of Corporate Services or Chief Officer on the acceptability of the reason for the delay and on the management of the risk that has arisen because of the delay.

2.07 Performance Indicators for the department and for the responses to reports are given in Appendix F.

2.08 An overview of current investigations is given in Appendix G.

3.00 CONSIDERATIONS

3.01 Audit Plan and Resources

Issues with resources were reported to the meeting in December and March, with the need to review and adjust the 2013/14 plan to match resources. Reductions were made in the number of days allocated to some reviews, while others were deferred. This was done in such a way as to minimise the additional risk incurred and as reported in the Annual Report in May, there was sufficient work done to enable the annual audit opinion to be reached. Recruitment has taken place to replace the member of the team who left in March. The new person starts in July.

3.02 The effect of the shortfall was that the completion of the audit plan was delayed. Appendix A shows progress against the plan. The revised total of 1200 audit days was achieved. A few audits are still coming to a close and will be completed as part of the 2014/15 plan.

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

3.04 The operational plan for 2014/15 is shown in Appendix C. Work has just commenced on the plan, which has been impacted by the need to recruit. The plan has been re-ordered to correspond to the new management structure. Now that structure is in place each of the Chief Officers will be contacted to confirm that the plan for their area is still valid. An updated plan will be brought to the committee in September.

3.05 Final Reports

All reports finalised since the last committee meeting are shown in Appendix D, nine in total. Details for the reports on Performance Indicators, Pensions Administration and Town Centre Partnerships are given.

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

3.07 Recommendation Implementation

Appendix E 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 (now Chief Officer) 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, Corporate Heads or Chief Officers are also shown in Appendix E. 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 F 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. Where applicable both targets are shown. All targets were achieved with the exception of the return of client questionnaires. Reminders will be sent in the coming quarters.

3.09 Investigations

Appendix G shows the status of current investigations into alleged fraud or irregularities. As requested at the last meeting, the table now shows the start date of the investigations.

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 None as a direct result of this report.

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 Operational Plan 2014/15
D Reports Issued
E Recommendation Implementation
F Performance Indicators
G Investigations

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

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