

## FLINTSHIRE COUNTY COUNCIL

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

**DATE:**                 **WEDNESDAY 10 DECEMBER 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 2014/15 plan as at 3<sup>rd</sup> November is shown in Appendix A. The Appendix shows the agreed timing for the individual projects where it is known, and the actual number of days spent on each project.

2.03    Changes from the original plan for 2014/15 are outlined in Appendix B.

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

2.05    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 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.

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

2.07    An overview of current Investigations is given in Appendix F.

### **3.00**   **CONSIDERATIONS**

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

As outlined to previous Audit Committees the commencement of work on the 2014/15 operational plan was affected by the need to recruit a new member to the team. Chief Officers were also consulted after the restructure and an updated plan presented to the September committee. There have been no major issues since then. The plan still includes some lower priority audits that may be deferred or deleted during the year if necessary, depending on resources and demand.

Appendix A shows the updated plan for 2014/15, whilst Appendix B lists the changes from the original plan. At the request of Chief Officers work has been scheduled for Equal Pay and for Commuted Sums received from developers. There has only been one deferral since the September meeting, Capital Strategy being deferred to 2015/16. As also noted in Appendix D this is because of a delay in producing the Strategy after the Chief Officer restructure.

3.02 The purchase of the integrated audit software has been completed, the software has been installed and training has taken place on 8<sup>th</sup> and 9<sup>th</sup> December. The system will be implemented from the beginning of January 2015. Current processes will continue initially, but there will be opportunities for efficiencies as our usage develops. There is also the facility for improved reporting using a range of standard reports.

### 3.03 **Final Reports**

All reports finalised since the last committee meeting are shown in Appendix C. Details for the Accounts Payable and Cross Cutting School Reviews are also given.

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

### 3.05 **Recommendation Tracking**

Appendix D shows the responses that have been received when tracking recommendations. All responses were received. 16 of the recommendations due at this time were not completed, however 11 of these related to the Capital Programme, where the new Strategy has not yet 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 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 Chief Officers are also shown in Appendix D.

The original implementation dates and the new implementation dates are shown, and there is a column to show the view of Internal Audit.

### 3.06 **Performance Indicators**

Appendix E shows the range of performance indicators for the department following the changes to the way the department discusses audit findings and issues reports. There has been an increase in the overall number of days to issue final reports, but it remains within the target time.

The Wales Chief Auditors Group compiles benchmarking data. Fifteen Authorities took part for the year 2013/14. The annual results for Flintshire, compared to the Welsh average, are also shown in Appendix E. The majority of these show Flintshire performing above the Welsh average.

### 3.07 **Investigations**

Appendix F shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates of the investigations. *Any comment?*

### 3.08 **Whistleblowing Policy**

In order to circulate the new policy as widely as possible it was highlighted to all employees in October, with the following message being inserted into every payslip.

*“Are you concerned about possible wrongdoing at work? Contact us in confidence using the whistleblowing policy. See Infonet for details or call 01352 702248.*

No referrals have been received as a result.

## 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  
B Changes to the Operational Plan  
C Reports Issued  
D Recommendation Tracking  
E Performance Indicators  
F Investigations

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

**Contact Officer: David Webster**  
**Telephone: 01352 702248**  
**Email: david.webster@flintshire.gov.uk**