Operational Plan 2014/15

Type	Audit	Plan Days	Revised Plan Days	Actual Days used	Proposed quarter / Status
	CORPORATE				
Risk	Risk Management	10	10		4
Risk	Performance Indicators	5	10	1	WIP
Risk	Implementation of Operating Model	10	0		
Risk	North West Regional Waste Partnership	10	10		4
Risk	Use of Consultants	10	5	1	WIP
Risk	Corporate Governance	10	10		4
Risk	Partnerships	10	5		3
Addition	Value for Money – Business Plans		20	21	FINAL
		65	70	23	
	GOVERNANCE				
Risk	Data Protection	10	10	11	FINAL
Risk	Document Sealing	5	5		TBC
System	Members Allowances	5	5	5	FINAL
System	Freedom of Information/EIR	5	5		TBC
Advisory	Electoral Register	10	0		
Risk	IT Helpdesk	10	10		4
Risk	Backup & Service Continuity	10	10	8	WIP
Risk	Use of Personal Email Addresses	10	10		4
Risk	Mobile Phones & Devices/Usage	15	15	16	WIP
Follow Up	EDRMS	10	0		
Risk	Procurement – New Arrangement	5	5		TBC
Risk	Contract Procedural Rules	15	15		4
System	P2P System	10	10	13	3
Advisory	Select List, E Sourcing project	5	5		3

Type	Audit	Plan Days	Revised Plan Days	Actual Days used	Proposed quarter / Status
Risk	Etarmis	20	20	27	FINAL
Risk	Records Management	15	15	22	FINAL
2013/14	Server Licensing		9	6	WIP
2013/14	Moodle		8	11	DRAFT
		160	157	119	
	PEOPLE AND RESOURCES				
Systems	Main Accounting	30	30		4
Follow Up	Capital Programme	10	10		DEFER
Follow Up	Corporate Grants	10	10	10	DRAFT
Follow Up	Fees and Charges	10	10		4
System	Pensions Administration & Contributions	15	15		4
System	Pensions Investment Management & Accounting	15	15		4
Risk	Implementation of Single Status	20	20	37	FINAL
Risk / System	SS Governance Framework: Additional Payments & ECU	20	20		3/4
Risk	SS Governance Framework: Workforce Data	10	15	1	WIP
Risk	Schools HR/Safeguarding	15	15	17	WIP
System	SS Governance Framework: SS Payments	20	20	1	WIP
Risk	Voluntary Redundancy & Early Voluntary Retirement	20	10	5	FINAL / 3
Risk	Staff Recruitment & Induction	15	15	6	WIP
System	Payroll	20	20		3
2013/14	Attendance Management		7	21	WIP
Addition	Budget monitoring - underspends		10		4
Addition	Investigation Protocol		5		4
Addition	Equal Pay Calculations		2	2	FINAL
Addition	Equal Pay Payments		3		3
		230	252	98	

Type	Audit	Plan Days	Revised Plan Days	Actual Days used	Proposed quarter / Status
	EDUCATION AND YOUTH				
Risk	Risk Management in Schools	10	5	2	WIP
System	Grants – Various WG Requirement	10	10	4	2/3/4
System	School Funding Formula	20	20	1	WIP
Risk	Control & Risk Self Assessment	15	15	7	WIP
Risk	Risk Based Thematic Reviews	45	45		3
Risk	School Closures/Openings	10	10	13	FINAL
2013/14	Grants – Post 16		6	7	FINAL
2013/14	School Funds		20	23	FINAL
		110	131	55	
	SOCIAL SERVICES				
Risk	Mental Health Team	10	10	3	WIP
Risk	Community Equipment Service	10	10		4
Risk	Commissioning Team	20	15		4
Risk	Movement from Children's Team to Care Leavers Team	15	15		TBC
System	Llys Jasmine	20	20	1	WIP
Risk	Financial Assessment & Charging Team	15	15	11	WIP
Risk	Community Living	10	0		
		100	85	15	
	COMMUNITY & ENTERPRISE				
System	Housing Benefits	20	20		4
Risk	Supporting People	20	20	6	WIP
Risk	Appraisal & Absence Management	20	20	21	WIP
System	Council Tax & NNDR	20	20	3	WIP
Risk	Rent Arrears	15	15	15	FINAL

Type	Audit	Plan Days	Revised Plan Days	Actual Days used	Proposed quarter / Status
Risk	Communities First	15	15	5	WIP
2013/14	Corporate Complaints		5	7	FINAL
2013/14	Private Sector Housing		11	26	FINAL
		110	126	83	
	PLANNING & ENVIRONMENT				
System	Building Control	20	0		
System	Pest Control	15	15	21	FINAL
Risk	21st Century Schools	5	5		TBC
Addition	S 106 Agreements		5		
		40	25	21	
	STREETSCENE AND TRANSPORTATION				
Risk	Waste Management – Recyclable Materials	20	20	1	WIP
Advisory	Migration of Stores into Alltami	5	5	3	FINAL
2013/14	Waste Management		5	5	DRAFT
		25	30	9	
	ORGANISATIONAL CHANGE				
Risk	Facilities Services	30	15	14	FINAL
Risk	Repairs & Maintenance Procurement	15	5	4	FINAL
Risk	Asset Management – Tech Forge	20	20	2	WIP
		65	40	20	
	INVESTIGATIONS, PROVISIONS AND DEVELOPMENT				
Provision for Investigations & Pro-active Fraud		200	200	104	ONGOING
Provision for ad hoc requests from Directorates		90	50		
Follow up Reviews		50	30		2/3/4
IDEA		20	20		
Audit Development – New Software		55	55	21	
Consultancy		50	30	14	

Type	Audit	Plan Days	Revised Plan Days	Actual Days used	Proposed quarter / Status
Regional Collaboration		10	5	6	
		475	390	145	
	Grand Total	1380	1301	590	

Definitions

Risk based audits
Work based on strategic and operational risks identified by the organisation in the Improvement Plan and Service Plans. Risks are linked to the organisation's objectives and represent the possibility that the objectives will not be achieved.

Systems based audits
Work in which every aspect and stage of the audited subject is considered, within the agreed scope of the audit. It includes review of both the design and operation of controls.

Advisory
Participation in various projects and developments in order to ensure that controls are in place.

TBC (To be confirmed)
Lower priority audits that may be deferred or deleted during the year if necessary, depending on resources.

2013/14
Audits carried forward from the previous year's plan.

Additions
Audits added to the plan at the request of management, time used from the provision for requests.

CHANGES TO THE AUDIT PLAN – SINCE THE LAST MEETING

Audits added to the audit plan

People and Resources
Equal Pay Calculations
Review of the formula for calculating the settlement figures

Equal Pay Payments.
Review of the accuracy of Equal Pay payments.

Community and Enterprise
Commuted Sums
Review of policy, procedures and controls around the use of commuted sums.

Audits deleted /deferred from the plan

People and Resources
Capital Programme Follow up – deferred to 2015/16.
Now the responsibility of Chief Officer (Organisational Change). Strategy to be developed by the end of the financial year.

CHANGES TO THE AUDIT PLAN – PREVIOUSLY REPORTED

Audits added to the audit plan

Corporate
Value for Money – Business Plans
The value for money review will be focused on the current production of business plans

People and Resources
Budget monitoring
Review of budget monitoring, including the treatment of underspends.

Investigation Protocol
Review of the management of investigations and disciplinary procedures-

Audits deleted from the plan

Corporate
Implementation of the Operating Model
The new structure is in operation. Risks will continue to be monitored but no formal review is necessary.

Governance
Electoral Register
Not required this year, in strategic plan for 2015/16

EDRMS (Electronic Document and Records Management System) Follow Up
Move to 2015/16 due to delays in introduction.

Social Services
Community Living
Include as part of Client Finances and Receiverships during 2015/16

Planning and Environment
Building Control
Not a priority this year, moved to 2015/16 plan.

The following reports have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified. For reviews which received red assurance a summary of the findings and the Action Plan is attached.

| Project Reference	Project Description	Level of Assurance	Recommendations		
			High	Med	Low
FD0082T1	Accounts Payable & P2P	Amber -	1	4	6
FD0083T1	Accounts Receivable Follow Up	Little	0	2	3
FD0085T1	Corporate Debt	Green	0	1	0
LD0160U1	Members Allowances	Green	0	0	0
LD0220U1	Data Protection	Amber +	0	4	4
HR0250T2	Implementation of Single Status – Payroll Processing	N/A	-	-	-
HR0301T1	I Trent Expenses	Amber+	0	1	2
HR0900U1	Equal Pay Calculation Review	Green	0	0	0
IT0501T1	Moodle	Amber -	0	3	1
IT0900T1	Business Planning	N/A	-	-	-
LL0120U1	School Funds Follow Up	Adequate	0	3	1
LL0150U1	Facilities Services Cleaning Contracts	Amber -	0	5	5
LL1100T1	Cross-Cutting Schools Review	Red	1	3	12
LL2100U1	Records Management	Amber -	0	7	0
LL2300T1	Post 16 Funding	Amber -	0	2	2
CS0200T1	PARIS	Amber -	0	1	0
CS2000U1	Housing Rent Arrears	Amber +	0	3	1
EN0080U1	Pest Control	Amber -	0	5	5
EN0530U1	Repairs and Maintenance Procurement	Amber +	0	3	3

Levels of Assurance – standard reports.
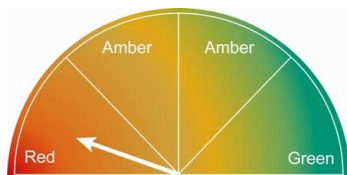
Taking account of the issues identified, the organisation cannot take assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied or effective. Action needs to be taken to ensure this risk is managed.
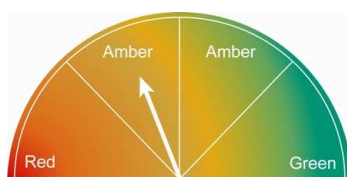
Taking account of the issues identified, whilst the organisation can take some assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.
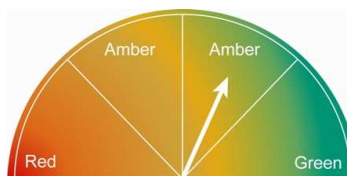
Taking account of the issues identified, the organisation can take reasonable assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective. However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.
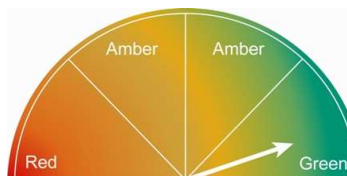
Taking account of the issues identified, the organisation can take substantial assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective.

Levels of Assurance – follow up reports.

Good. 75%+ of recommendations have been implemented. All high recommendations have been implemented.
Adequate. 51-75% of recommendations have been implemented. All high recommendations have been implemented.
Little. 30-50% of recommendations have been implemented. Any outstanding high recommendations are in the process of being implemented.
Poor. <30% of recommendations have been implemented. Unsatisfactory progress has been made on the implementation of high recommendations.

Categorisation of Recommendations
High, Medium, Low

Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses

Value For Money

The definition of Internal Audit within the Audit Charter includes 'It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.'
These value for money findings and recommendations are included within audit reports. In the findings listed below they have been highlighted in bold italics.

Summary of Findings and Action Plan of Reviews with Red Assurance level

Accounts Payable & P2P – FD0082T1

We have made 1 high level recommendation and 4 medium level recommendations, based on the following:

- Setting up, training and authorisation of new users on P2P and AP
- Setting up and validation of new suppliers / amending supplier details
- The use of software to identify potential duplicate invoices
- The analysis of the use of retrospective ordering on P2P for goods/services received.
- Action to be taken to reduce retrospective ordering on P2P

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
AP 1	The Masterpiece team should ensure new users set up for data entry on the AP system are held as 'inactive accounts' until confirmation has been received from the AP & AR team that the new user has received appropriate AP training.	Medium	Yes	There is an agreement in place with the Masterpiece team that all new AP data entry users will be set up as 'inactive accounts' on Masterpiece until the Masterpiece team have received confirmation from the AP & AR team that appropriate AP training has been provided, however this seems to have slipped. The AP & AR Team Manager will now speak to the Masterpiece team to reiterate the importance of setting up new data entry user accounts in this way.	30th September 2014	AP & AR Team Manager Accountant, Corporate Accounting & Systems
AP 2	The new vendor spreadsheet should be updated each time a new vendor is set up on Masterpiece.	High	Yes	A continuing lack of resources within the AP & AR team has resulted in administrative tasks	31st October 2014	AP & AR Team Manager

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	The new vendor spreadsheet should be fully completed to show the validity checks carried out prior to the vendor being added to the system.			being given less priority than other tasks. Whilst validity checks are always carried out on new vendors it is accepted that the new vendor spreadsheet may not always be updated. Due to the administrative burden of updating the new vendor spreadsheet, the possibility of making changes to the New Supplier Request Database is now being considered, and will be discussed with IT, with the aim of using the database to record evidence of the validity checks carried out on new vendors, thus negating the requirement to complete the new vendor spreadsheet. Once the New Supplier Request Database has been updated to allow the validity checks on new vendors to be recorded, the new vendor spreadsheet will be completed for non-P2P vendors only (with the number of non-P2P vendors reducing as P2P continues to be rolled out).		
AP 4	It should be ensured that the Fiscal Technologies software, scheduled for installation in July 2014, is fully utilised prior to payment runs, to provide assurance that all duplicate invoices, payments and vendors are identified prior	Medium	Yes	The Fiscal Technologies software was installed in July 2014 as scheduled, and is now being fully utilised, with all reports stored electronically.	31st August 2014	AP & AR Team Manager

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	to payments being made. Robust records should be maintained to show the duplicates identified by the Fiscal Technologies software, which should clearly show how each of the duplicates has been investigated and resolved. Suspicious items identified on the review of the duplicate payments report should be referred to Internal Audit.			All potential duplicates are investigated by officers within the AP & AR team.		
P2P 1	*A bespoke report should be developed within P2P to enable statistics to be produced around use of retrospective ordering by user / department within specified date parameters.* *The report should also show the number of retrospective orders and the total value of retrospective orders by user / service areas within the period.*	*Medium*	*Yes*	*Agreed, this should be relatively straightforward. This will tie in with the work currently ongoing around electronic invoicing and No PO, No Pay.*	*30th November 2014*	*Project Manager (Procurement Transformation)*
P2P 2	*Once robust data is available around retrospective ordering (as recommended at paragraph P2P 1) resources should be targeted to address those areas in which it is considered the number / value of retrospective orders is not appropriate.* *The level of resources targeted to addressing the use of retrospective orders should be proportionate, taking*	*Medium*	*Yes*	*The P2P project is no longer in place, and as such there are currently no resources which can be allocated to finding workable solutions to address the main areas of retrospective invoicing.* *Resources have been made available for the e-invoicing project, some of which could be diverted to looking at*	*1st April 2015*	*Project Manager (Procurement Transformation)*

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	into account the proposed introduction of the No Purchase Order, No Pay scheme in early 2015.			*retrospective invoicing, but this would be very small scale.* *Ultimately the implementation of No PO, No Pay will go some way towards addressing this issue.*		

Cross Cutting Schools Review – LL1100T1

We have made 1 high level recommendation and 3 medium level recommendations, based on the following:

- Personal and sensitive data is not held secure and is in non-compliance with the Data Protection Act thereby exposing the Authority to potential sanctions

- The governors and staff may not have evidence that there is effective control over the internal financial systems

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
3.2	No data should be held on unencrypted devices. All schools should be provided with encrypted devices or other encrypted media used immediately.	High	Y	Controls issues highlighted in the review to be posted on moodle and all schools sent an email link to the post.	October 2014	Senior Information and Performance Officer
3.14	The School Financial Management Regulations should be reviewed in full by the Lifelong Learning Directorate and disseminated to all schools. All schools should then ensure that local procedures are documented to supplement the Regulations accordingly.	Medium	Y	The scheme for financing schools is about to go to schools for consultation, subsequently a set of financial regulations will be drawn up for schools (financial management procedures).	September 2015	Finance Manager

3.15	*Secondary School Petty Cash floats should be reviewed and significantly reduced.* *Furthermore, formal guidance should be documented within the Lifelong Learning Directorate and issued to all schools to harmonise the approaches used by each school and define what types of expenditure may be funded through Petty Cash.*	*Medium*	*Y*	*The procedures for the operation of the petty cash will be included in the financial regulations in 3.14 and as such a review of the levels of petty cash will be carried to following the issue of the guidance.*	*October 2015*	*Finance Manager*
3.16	All schools should maintain appropriate inventory records without exception.	Medium	Y	Controls issues highlighted in the review to be posted on moodle and all schools sent an email link to the post.	October 2014	Senior Information and Performance Officer

Recommendation Implementation

Status of Recommendations that reached their Implementation Dates in May, June and July 2014.

Title	Reference	Date Issued	Response Received	Recommendations		
				Due	Implemented	Not Implemented
CORPORATE						
			Total	0	0	0
GOVERNANCE						
Procurement	CD0070S1	October 2013	Yes	1	0	1
ICT Unit Security of Mobile Devices	LL1065P1	May 2011	Yes	1	1	0
			Total	2	1	1
PEOPLE & RESOURCES						
Main Accounting	FD0080P1	December 2011	Yes	1	0	1
Payroll	HR0151T1	July 2014	Yes	2	1	1
			Total	3	1	2
EDUCATION & YOUTH						
E-Teach	LL0190N1	August 2010	Yes	1	0	1
School Budgetary Control	LL1010P1	November 2011	Yes	1	1	0
			Total	2	1	1
SOCIAL SERVICES						
			Total	0	0	0
COMMUNITY AND ENTERPRISE						
			Total	0	0	0
PLANNING & ENVIRONMENT						
Section 106 Agreements	EN0020P1	February 2011	Yes	5	4	1
			Total	5	4	1
STREETSCENE & TRANSPORTATION						
			Total	0	0	0
ORGANISATIONAL CHANGE						
Capital Programme	FD0090P1	January 2012	Yes	12	1	11
			Total	12	1	11
			Total	24	8	16

Recommendations Not Implemented – Comments from Chief Officers

Report	Original and new dates	Response From	Reason and new date acceptable	How is the Risk being Managed Before the Recommendation is Implemented	Internal Audit acceptance
Procurement – CD0070S1	Original Dates: April 14 New Dates: No Response	Gareth Owens	The future use of the Approved List needs to be reviewed, due to ongoing concerns regarding how up to date the information on each contractor is e.g. re-vetting of health and safety details. Framework Agreement needs to replace the Approved Lists going forward. Therefore until a strategic decision is made on the continued use the Approved List system, then we cannot proceed with a public advertisement for new suppliers.	New supplier applications for inclusion on the Approved List are still being received on a weekly basis, hence there is no barrier for suppliers to express an interest in working with the Authority.	Yes
Main Accounting – FD0080P1	Original Dates: March 2012 New Date: March 2015	Helen Stappleton	The delay in developing this protocol has occurred as a result of other competing priorities. The Finance Team have recently reviewed all reserves in some depth which has provided a sound foundation for developing the new protocol. This work is on track to be completed by the revised date of March 2015.	Risks are minimal. Following the review, the Finance Team, together with the Chief Officers, have greater clarity on the reserves being held and are collectively comfortable that these are appropriate. The reserves protocol will support the on-going management of the reserves held.	Yes
Capital Programme – FD0090P1	Original Dates: Oct 2012 New Dates: March 2015	Neal Cockerton	The Chief Officer restructure has meant it was necessary to delay the work on the Capital Strategy. Plans are now in place for the Capital Strategy to be developed and approved before the end of the financial year.	The capital programme for 2014/15 was set in February 2014. The capital programme is monitored on an ongoing basis.	Yes

Recommendations Not Implemented – Comments from Chief Officers

Report	Original and new dates	Response From	Reason and new date acceptable	How is the Risk being Managed Before the Recommendation is Implemented	Internal Audit acceptance
Payroll – HR0151T1	Original Date: Sep 2014 New Date: Nov 2014	Helen Stappleton	The recommendation has not been fully implemented due to lack of resource available and the unavailability of contacts within schools during the summer break	The full and thorough implementation of the recommendation will take longer than anticipated. In the meantime, Employment Service Assistants are reminded to check that all payments are properly authorised prior to processing.	Yes
E-Teach	Original Dates: March 2011 New Dates: March 2015	Helen Stappleton	The delay has occurred as a result of a number of key projects, for example, the HR Service Review, Single Status, etc. However, significant progress has been made over recent months on the engagement of New Directions as a supplier of choice, which has been recommended to Schools. The future of ETeach is subject to further review with Headteachers / Schools	As Schools are increasingly using New Directions more (opposed to a range of different agencies) as well as E-Teach, there is greater corporate visibility in relation to teaching supply usage and a better control of costs.	Yes
Section 106 Agreements – EN0020P1	Original Date: Sep 2011	Andrew Farrow	Accounts of the receipt and spending of s106 monies will be reported to Town and Community	Full survey of all Town and Community Councils will be completed by March 2015.	Yes.

Recommendations Not Implemented – Comments from Chief Officers

Report	Original and new dates	Response From	Reason and new date acceptable	How is the Risk being Managed Before the Recommendation is Implemented	Internal Audit acceptance
	New Date: March 2015		Councils on completion and regularly reported to Planning Strategy Group.	Results made available to Councils as they are completed and / or on request.	

Internal Audit Performance Indicators

Performance Measure	Q1	Q2	Target	RAG Rating
Internal Audit Departmental Targets				
Audits completed within planned time	70%	100%	80%	G ↑
Average number of days from end of fieldwork to debrief meeting	5.75	6.3	20	G ↓
Average number of days from debrief meeting to the issue of draft report	5.0	2.2	2	A ↑
Days for departments to return draft reports	7.5	15.9	3	R ↓
Average number of days from response to issue of final report	1.5	0.6	2	G ↑
Total days from end of fieldwork to issue of final report	**19.75**	**25**	**27**	G ↓
Client questionnaires responses as satisfied	100%	100%	95%	G →
Productive audit days	75%	73%	75%	G ↓
Other Targets				
Return of client satisfaction questionnaires	43%	100%	70%	G ↑

Key R Target not achieved A Within 10% of target G Target Achieved

↑ Improving trend   → No change   ↓ Worsening trend

Wales Chief Auditors Group Benchmarking, 2013/14

NB Wales Average figures are from the 15 Authorities who took part in the benchmarking exercise.

	Flintshire	Wales Average
% of planned audits completed, 2013/14	88%	80%
% of audits completed within planned time	75%	71%
Average number of days from audit closing meeting to issue of draft report	15.0	11.2
Average number of days from response to draft report to issue of final report	1.8	3.4
% of clients responses at least satisfied	100%	96%
% of client questionnaires returned	65%	54%

Investigations

Ref	Date Referred	Investigation Details
1.		**The following new referrals have been received**
1.1	05.11.2014	Internal audit have been informed of the alleged theft of money from a Community Network House which has affected three service users. The Police have been informed.
1.2	12.09.2014	An investigation has been undertaken into suspected fraudulent activity regarding Concessionary Travel by one bus operator. The case has been referred to North Wales Police, who are investigating. The contract with this bus operator has been suspended and alternative arrangements have been put in place to ensure a continued service to the public
2.		**The following investigations have been reported to previous committees and are still being investigated**
2.1	05.07.2012	An investigation has been concluded into alleged operational and financial irregularities within Streetscene, however, one officer is still the subject of disciplinary procedure.
2.2	29.07.2014	Information has been received concerning alleged financial irregularities at a school, the investigation is ongoing.