

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 18 MARCH 2015**

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 28th February 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 shows the results of the 2014/15 Control and Risk Self-Assessment undertaken in schools.

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 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

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 included some lower priority audits that could be deferred or deleted during the year if necessary as a result of the recruitment, depending on resources and demand.

Appendix A shows the updated plan for 2014/15. All of the lower priority audits were considered as part of the planning process for 2015/16. Some have been deferred and a few have been deleted as being no longer necessary. All the changes are detailed in Appendix B. Two follow up audits were added to the scheduled work.

3.02 The implementation of the integrated audit software is continuing. All current audit work now uses the software, with reports being generated from April. Recommendation tracking through the system will start after that. The plan for 2015/16 has already been input to it, which will aid scheduling. Management information will build up over time as the system is used more and more.

3.03 Final Reports

All reports finalised since the last committee meeting are shown in Appendix C. Details for the Recruitment and Induction, Mobile Phones and Devices, and Overpayment of Invoices reports are also given.

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

3.05 School CRSA Results

Every year schools are required to undertake a Control and Risk Self Assessment (CRSA). A questionnaire is prepared by internal audit and sent to the schools, who complete it and return it. Schools are required to enter comments where applicable. The responses are analysed and the results are then used to target particular areas or topics for audit review. These reviews take place over a number of schools. This system enables audit to increase the level of assurance we can provide to the Chief Officer about the standards in schools, whilst at the same time minimising audit time in the schools by eliminating the need for traditional school audit visits.

3.06 The CRSA results for 2015/16 are shown in Appendix D. From those results school audits are being completed in five primary schools and

two secondary schools on governance, purchasing, income, school fund, assets, insurance, data security and pupil statistics. An overall report will be prepared showing common areas of weakness, as well as individual reports for the schools involved.

3.07 Recommendation Tracking

Appendix E shows the responses that have been received when tracking recommendations. There are relatively few as not many recommendations had implementation dates in this quarter. A response has not yet been received for Income from Fees and Charges. 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 E. The original 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 following the changes to the way the department discusses audit findings and issues reports. These are generally good. Although there is one red for depts. Returning draft reports, the overall time to issue final reports is well within the target time.

3.09 Investigations

Appendix G shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates 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
B Changes to the Operational Plan
C Reports Issued
D School CRSA Results
E Recommendation Tracking
F Performance Indicators
G Investigations

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

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