

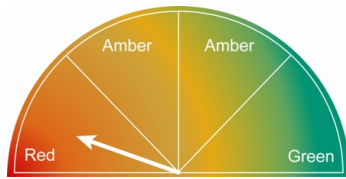
Appendix A

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
04F 2016/17	Consultants Follow Up	N/A	0	0	1
03 2016/17	Flintshire Connects	Amber +	0	2	1
27 2015/16	Use of Relief, Agency and Self Employed Workers	Amber -	1	4	0
29 2015/16	Treasury Management	Green	0	0	2
33 2015/16	Housing Allocations	Amber -	2	4	10
08 2016/17	Provider Overpayments – Care Home	N/A	7	4	0
24 2015/16	Client Finances / Receiverships	Amber +	0	2	5

Levels of Assurance – standard reports.

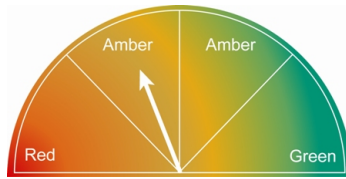
The audit opinion is the level of assurance that Internal Audit can give to management and all other stakeholders on the adequacy and effectiveness of controls within the area audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of agreed actions will be monitored. Findings from **Red** assurance audits or audits with **High** level recommendations will be reported to the Audit Committee.



Urgent system revision required (one or more of the following)

- Key controls are absent or rarely applied
- Evidence of (or the potential for) significant financial / other losses
- Key management information does not exist
- System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.

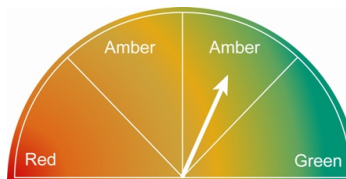
Impact: a lack of adequate or effective controls.



Significant improvement in control environment required (one or more of the following)

- Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively
- Evidence of (or the potential for) financial / other loss
- Key management information exists but is unreliable
- System / process objectives are not being met, or are being met at an unnecessary cost or use of resources.

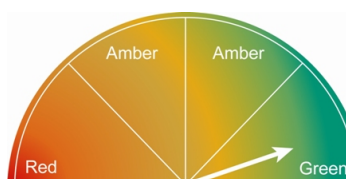
Impact: key controls are generally inadequate or ineffective.



Key Controls in place but some fine tuning required (one or more of the following)

- Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact
- Some refinement or addition of controls would enhance the control environment
- Key objectives could be better achieved with some relatively minor adjustments

Impact: key controls generally operating effectively.



Strong controls in place (all or most of the following)

- Key controls exist and are applied consistently and effectively
- Objectives achieved in a pragmatic and cost effective manner
- Compliance with relevant regulations and procedures
- Assets safeguarded
- Information reliable

Impact: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.

Levels of Assurance – follow up reports.

Substantial. 75%+ of recommendations have been implemented. All high recommendations have been implemented.

Reasonable. 51-75% of recommendations have been implemented. All high recommendations have been implemented.

Some. 30-50% of recommendations have been implemented. Any outstanding high recommendations are in the process of being implemented.

Limited. <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.

The findings from both the Direct Payments report and the E Teach report are predominantly about value for money.

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

Provider Overpayment – Care Home

In June 2016, a referral was received by the Internal Audit Team regarding concerns that a significant overpayment (circa £100K) had been made to a learning disabilities provider (a care home) in relation to one service user.

The cost of the care package for this service user (at the care home) was identified as £2,794.26 per week, which should be funded equally with the Health Board.

Internal Audit were requested to review this matter and determine if control weaknesses exist within the placement process.

Conclusion

A catalogue of systematic errors have occurred which collectively have resulted in the overpayment to one service provider totaling £107,848.15 in relation to the placement of a single service user. These include:

1. The costs of the support to be provided were incorrectly identified and were not appropriately updated on the PARIS system.
2. The placement was approved outside of a panel meeting and retrospective formal approval was not obtained.
3. A contribution by the Health Board has yet to be agreed (12 months after placement) for joint funding resulting in a current amount of £68,459.37 being potentially owed to the Authority up to the end of June 2016.
4. The gross weekly cost was not identified when creating a payment schedule and the confirmation invoices were not checked against the actual payments made.
5. The service provider provided an incorrect costing plan and failed to notify the Authority that they were receiving the significant overpayment on a regular basis.

Summary of payments – June 2015 to July 2016

Total amount paid to provider (the care home) by the council for the service user.	£243,325.55
Amount of overpayment to be recovered from the provider (the care home).	£107,848.15
Total amount reclaimed from the Health Board by the council for the service user.	£0.00
Amount of funding due to the council from the Health Board for this period.	£68,459.37
Total amount to be recovered by the council.	£176,307.52

Recommendations have been made to address these control weaknesses and the failure to comply with processes already in place. Significant concerns remain in particular with the checking procedures in place, the failure to identify the correct cost of the care package, how joint funding with the Health Board is managed and the concern that this may be indicative of what is happening with other cases / care packages.

Priority	Description
High (Red)	Action is imperative to ensure that the objectives of the area under review are met.
Medium (Amber)	Requires action to avoid exposure to significant risks in achieving the objectives of the area.
Low (Green)	Action encouraged to enhance control or improve operational efficiency.

No.	Actions	Management Comments	Who	When
1 (R)	<p>The PARIS system was not updated with details of the new placement until October 2015, three months after the placement. This was actioned following a request for payment from the service provider. This resulted in a delay to the processing of payments.</p> <p>PARIS should be updated promptly following a change in care packages.</p>	<p>An instruction will be issued stating that PARIS <u>must</u> be updated following a change in service provision, within 24 hours of the change.</p> <p>URN 01561</p>	Senior Manager Integrated Services	31/07/2016
2 (R)	<p>Key information was incorrectly recorded into the PARIS system for payments to be created for the service provider.</p> <p>All costings for placements should be checked to ensure that accurate figures are recorded appropriately within the PARIS system.</p>	<p>An instruction will be issued to check the costings for placements and if unsure to seek clarification with the FACT team. This will ensure that accurate figures are recorded appropriately within the PARIS system.</p> <p>URN 01562</p>	Senior Manager Integrated Services	31/07/2016
3 (R)	<p>The Authority has yet to obtain approval from the Health Board for joint funding to be applied dating back to April 2015. A recent application has been submitted and this will need to be monitored to ensure that the correct level of funding is approved. Based on 50% approval the current outstanding amount has been identified as £68,459.37 for the current placement.</p>	<p>Staff will monitor progress on the CHC submission. Timescales are difficult to set re agreement with BCUBH. However this will be monitored.</p> <p>As part of a task and finish group we will develop a pro-forma to support the monitoring and oversight of claims to</p>	Senior Manager Integrated Services	30/09/2016

No.	Actions	Management Comments	Who	When
	<p>The service should monitor the latest application and ensure that the correct level of funding is claimed when approval has been received. Further work should also be taken to identify and recover any previous entitlement from the Health Board for this service user.</p>	<p>BCUHB.</p> <p>Audit will be requested to support this group.</p> <p>URN 01563</p>		
<p>4 (R)</p>	<p>This review identified serious concerns that the process to request funding from the Health Board is not being appropriately managed. Weaknesses were identified from submitting a funding application to monitoring and reporting the approval of funding and providing information to finance for processing.</p> <p>There is a significant risk that the Authority is failing to maximise the funding available from the Health Board and a review of this process should be undertaken.</p>	<p>The task and finish group will take this case as a lessons learnt re improving the governance arrangements, any weaknesses will be explored and more robust system / guidance will be put in place to address these concerns.</p> <p>Audit will be requested to support this group.</p> <p>URN 01564</p>	<p>Senior Manager Integrated Services</p>	<p>30/09/2016</p>
<p>5 (R)</p>	<p>Confirmation invoices were not appropriately checked from this service provider. Significant variances existed in the total amounts to the payments and although they appear to have been previously highlighted, no action had been taken.</p> <p>It is essential that confirmation invoices are appropriately checked upon receipt as this overpayment could have been prevented. A reminder of the procedures in place for checking confirmation invoices should be issued and any variances should be followed up.</p>	<p>Officers have been instructed to appropriately check receipt of invoices. There has been a review of current procedures, and some immediate changes have been made. A further review will take place as part of the task and finish group and guidance will be given in the use of the new procedures. Officers will be expected to act upon any variances with urgency.</p> <p>A new confirmation invoice will be developed as part of the task and finish</p>	<p>Senior Financial Assessment Officer</p>	<p>31/08/2016</p>

No.	Actions	Management Comments	Who	When
		group. URN 01565		
6 (R)	The Financial Assessment Team should ensure that the total overpayment (£107,848.15) is recovered from the service provider (he care home) as soon as possible.	The care home has been invoiced for the total overpayment (£107,848.15). URN 01566	Senior Financial Assessment Officer	22/07/2016
7 (R)	The Financial Assessment Team should review all other learning disability payments and ensure that these payments are accurate against the care packages being provided. Any further overpayments identified should be recovered as soon as possible.	This will be a significant challenge in terms of team capacity, however we will sample some cases as part of task and finish group. And as part of any service changes we will review the financial elements. URN 01567	Senior Financial Assessment Officer	30/09/2016
8 (A)	Retrospective approval was not sought from the Learning Disabilities Panel for this placement referral. It is possible that the overpayment could have been prevented if a meeting was held to discuss the case. The service should ensure that all emergency applications for care, approved outside of Panel are presented to the following Panel meeting for formal retrospective approval.	An instruction will be issued reiterating that all emergency applications for care, approved outside of Panel are presented to the following Panel meeting for formal retrospective approval. Consideration will also be given to who can approve applications outside panel, and the level of expenditure to be agreed.	Senior Manager Integrated Services	31/07/2016

No.	Actions	Management Comments	Who	When
		URN 01568		
9 (A)	Training on the use of the PARIS system including the requirement to update records should be considered.	There is currently an easy guide on PARIS for officers to follow, this will be revisited with all teams. URN 01569	Senior Manager Integrated Services	31/08/2016
10 (A)	Information from the PARIS system was incorrectly used to create the payment for the service provider. As a result of the incorrect figures within PARIS weekly payments were made of £5,256.67 instead of £2,794.26 resulting in an overpayment of £107,848.15 occurring. The financial assessment gross figure should always be used. All officers should be reminded of the correct process when setting up payments for service providers.	An instruction has been issued to appropriately check the receipt of invoices. There has been a review of current procedures, and some immediate changes have been made. A further review will take place as part of the task and finish group and all officers will be given guidance in the use of the new procedures, they will be expected to act upon any variances with urgency. A new confirmation invoice will be developed as part of the task and finish group. URN 01570	Senior Financial Assessment Officer	30/09/2016
11 (A)	The Service should also reconcile the payments made to providers against the care package costs on a defined basis.	An instruction has been issued to appropriately check the receipt of invoices. There has been a review of current procedures, and some immediate changes have been made. A	Senior Financial Assessment Officer	30/09/2016

No.	Actions	Management Comments	Who	When
		<p>further review will take place as part of the task and finish group and all officers will be given guidance in the use of the new procedures, they will be expected to act upon any variances with urgency.</p> <p>A new confirmation invoice will be developed as part of the task and finish group.</p> <p>URN 01571</p>		

Appendix B

Action Tracking – Portfolio Performance Statistics

Report Date: August 2016

Portfolio	August 2016 Stats			Live Actions - As at August 2016		
	Number of Actions Live Since January 2016	Actions Implemented since 04.01.2016 (including Actions No Longer Valid)	% of Actions Cleared To Date	Live Actions	Actions Beyond Due Date (excludes Actions with a revised due date)	Actions with a Revised Due Date
Corporate	27	14	72%	13	0	9
Community & Enterprise	35	31		4	0	1
Education & Youth	33	25		4	0	1
Governance	55	38		17	0	12
Organisational Change 1	6	1		5	0	3
Organisational Change 2	30	24		6	0	5
People & Resources	74	70		4	0	3
Planning & Environment	10	1		9	0	9
Social Services	37	16		21	0	16
Streetscene & Transportation	23	21		2	0	2
Schools	6	0		6	0	0
Total	332	241		91	0	50










Appendix C




Investigations

Ref	Date Referred	Investigation Details
1.	No new referrals have been received	
2.	The following investigation has been reported to previous committees and is still being investigated	
2.1	18.05.2015	A referral was received concerning the use of monies on a grant funded scheme. The investigation has been concluded and a report has been issued pending further information.
3.	The following investigation has been completed	
3.1	20.07.2015	A whistleblow was received concerning alleged issues at a school, an investigation has been undertaken and a report has been issued to address the findings of the whistleblow. The school governing body have considered the report and are dealing with the issues raised.

Appendix D

Internal Audit Performance Indicators

Performance Measure	Q4	Q1	Target	RAG Rating
Internal Audit Departmental Targets				
Audits completed within planned time	78%	60%	80%	 ↓
Average number of days from end of fieldwork to debrief meeting	19.4	21.4	20	 ↓
Average number of days from debrief meeting to the issue of draft report	3.3	1.6	2	 ↑
Days for departments to return draft reports	7	3	3	 ↑
Average number of days from response to issue of final report	0.9	2.4	2	 ↓
Total days from end of fieldwork to issue of final report	30.6	28.4	27	 ↑
Client questionnaires responses as satisfied	100%	100%	95%	 →
Productive audit days	77%	74.1%	75%	 ↓
Other Targets				
Return of client satisfaction questionnaires	67%	63%	70%	 ↓

Key  Target not achieved  Within 20% of target  Target Achieved

↑ Improving trend → No change ↓ Worsening trend

Operational plan 2016/17

Appendix E

Audit	Audit Classification	IA Risk Rating	Original Plan Days	Revised Plan Days	Actual Days	Proposed quarter / Status
Corporate						
Consultants	Risk Based	R	15	15	9	FINAL
Safeguarding (incl schools)	Risk Based	A	20	20		4
Clwyd Theatre Cymru	Risk Based	A	10	10		4
Performance Indicators	Risk Based	G	10	10		3
Risk Management	Risk Based	G	10	10		3
Corporate Governance	Risk Based	G	10	10		4
Compliance	Advisory	G	20	10	1	WIP
Total Planned Days – Corporate			95	85	10	
Community and Enterprise						
Gas Servicing	Risk Based	R	10	10		3
Disabled Facilities Grant	System Based	R	20	20		4
Mobile Working	Risk Based	A	15	15	4	WIP
Tell Us Once	Risk Based	A	10	10	8	DRAFT
Flintshire Connects	VFM	A	15	15	16	FINAL
Council Tax and NNDR	System Based	A	15	0		DEFER
Community First	Follow Up		10	10		4
Total Planned Days – Community & Enterprise			95	80	28	
Education and Youth						
Control and Risk Self-Assessment	Risk Based	R	10	10	2	WIP
Budgetary Control	System Based	R	20	20		3
Education Improvement Grant	Risk Based	R	20	15		3
Risk based thematic reviews across all schools including central controls	Risk Based	A	40	40		3
Youth Justice	System Based	A	15	15	3	WIP

Audit	Audit Classification	IA Risk Rating	Original Plan Days	Revised Plan Days	Actual Days	Proposed quarter / Status
School Funding Formula	Advisory	A	15	15		4
School Funds	Follow Up		5	5		4
Total Planned Days – Education & Youth			125	120	5	
Governance						
Network Security	Risk Based	R	* See note			3
Procurement	Risk Based	A	30	30		4
Electronic Document Management	Risk Based	A	10	0		DEFER
IT Security Policies	Systems Based	A	15	0		DEFER
Digitisation	VFM	A	20	0		DEFER
Cloud computing	Risk Based	G	5	0		DEFER
Data Protection	Risk Based	G	15	10		4
Total Planned Days - Governance			95	40	0	
Organisational Change 1						
Alternative Delivery Models	VFM	R	30	30		3
Japanese Youth Exchange	Regulatory	G	5	0	1	NOT NEEDED
Total Planned Days – Organisational Change 1			35	30	1	
Organisational Change 2						
Industrial Units	Risk Based	A	15	15	18	WIP
Corporate Asset Strategy	Risk Based	A	15	15		3
Community Asset Transfers (CAT)	VFM	A	15	15	8	WIP
Total Planned Days – Organisational Change 2			45	45	26	

Audit	Audit Classification	IA Risk Rating	Original Plan Days	Revised Plan Days	Actual Days	Proposed quarter / Status
People and Resources						
E-Teach (Supply Staff) – Payroll and Recruitment	Advisory	R	5	5		ONGOING
Payroll	System Based	A	20	20		3
Compulsory & Early Voluntary Redundancy	Risk Based	A	15	15		3
Single Status – Equal Pay Claims	Advisory	G	5	5	2	ONGOING
Corporate Grants	Risk Based	A	15	10		4
Main Accounting – Accounts Payable (AP) / P2P	System Based	G	20	0		DEFER
Main Accounting – General Ledger (GL)	System Based	G	15	15		3
Collaborative Planning (CP)	Risk Based	G	15	15	6	ONGOING
Finance Modernisation Programme – AR	Advisory	G	5	5		ONGOING
Accounts Governance Group	Advisory	G	5	5		ONGOING
Total Planned Days – People & Resources			120	95	8	
Planning and Environment						
Greenfield Valley Heritage Park	Risk Based	R	20	20	35	DRAFT
Building Control	System Based	R	20	20	1	WIP
Planning Enforcement	System Based	A	20	20		3
Total Planned Days – Planning & Environment			60	60	36	
Social Services						
Multi Agency SLA's Agreements with Combined Services	Risk Based	A	15	0		DEFER

Audit	Audit Classification	IA Risk Rating	Original Plan Days	Revised Plan Days	Actual Days	Proposed quarter / Status
Flying Start – Childcare Placements	Risk Based	A	10	10	6	WIP
PARIS finance module	Advisory	A	5	0		DEFER
Family Information Services	Risk Based	A	15	15		3
Children Out of County Care and Education	Risk Based	A	20	0	2	WIP
Care Leavers	Risk Based	A	15	15		3
Provider Overpayments	Addition		0	20	18	FINAL
Direct Reports	Follow Up			5		3
Total Planned Days – Social Services			80	65	26	
Streetscene and Transportation						
Enforcement	Risk Based	R	30	30	2	WIP
Fleet Management	Risk Based	R	20	20		4
Alltami Stores	System Based	A	15	10		4
Fleet Management	Advisory	A	5	5		ONGOING
Integrated Transport	Advisory	A	5	5	1	ONGOING
Maintenance of the Public Realm	Risk Based	A	10	0		DEFER
Accounting for Highways	Addition			15	2	WIP
Total Planned Days – Streetscene & Transportation			85	85	3	
Other						
Pensions Administration	System Based	A	15	15		4
Pensions Investments	System Based	A	15	15		4
North West Residual Waste Partnership	Risk Based	G	5	5		4
Total Planned Days - Other			35	35	0	

	Original Plan Days	Revised Plan Days	Actual Days
Investigations, Provisions and Developments			
Provision for investigations and pro-active fraud	200	200	100
Provision for ad-hoc requests from management	65	30	47
Follow up reviews	15	10	
Audit development	30	0	
IDEA	10	0	
Total	320	240	147
Overall Plan Total	1190	980	290

Note: It may be necessary to bring in external resource to complete this technical ICT audit.

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.

VFM (Value For Money)

Audits examining the efficiency, effectiveness and economy of the area under review.

Follow Up

Audits to follow up recommendations from previous reviews.

Additions

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

CHANGES TO THE AUDIT PLAN

Audits added to the audit plan

Social Services

Direct Payments Follow Up – Red report, to Audit Committee March 2016.

Provider Overpayments – referral by Social Services.

Streetscene and Transportation

Accounting for Highways – change to accounting requirements. Finance requested review of processes.

Audits deleted /deferred from the plan

Community and Enterprise

Council Tax and NNDR – low risk, previous good audits, no changes.

Governance

Electronic Document Management – service looking at alternatives to EDM

IT Security Policies – low priority.

Digitisation – project could be addressed through a task and finish work group, enabling officers with detailed service knowledge to inform the development.

Cloud Computing – low priority. IA could be involved in any project work as it arises.

Organisation Change 1

Japanese Youth Exchange – no longer required. Does not meet the threshold where sign off of accounts is needed.

People and Resources

Main Accounting Accounts Payable – P2P To be included in audit of Procurement.

Social Services

Multi Agency SLA's – not yet ready for review.

PARIS Finance Module – not yet being implemented.

Children Out of County Care and Education – covered by external review.

Streetscene and Transportation

Maintenance of the Public Realm – low risk. Any procurement to be included in the Procurement review.

Audits with reduced time allocation

Corporate

Compliance – advisory group, original number of days not needed.

Education and Youth

Education Improvement Grant – partially covered in school audits, scope reduced.

Governance

Data Protection – low risk. IA involvrd in Data Protection group.

People and Resources

Corporate Grants – new system. Involved in working group.

Streetscene and Transportation

Alltami Stores – reduced scope.