



Internal Audit Progress Report – Appendices

Wednesday, 25th January 2017 Audit Committee

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Final Reports Issued since September 2016

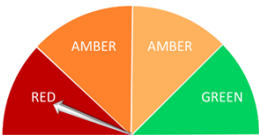
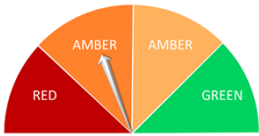
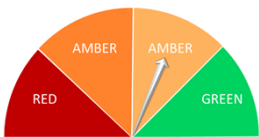
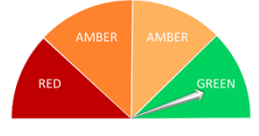
The following reports have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified. For reviews which received **Red** assurance a summary of the findings and the Action Plan is attached.

Project Reference	Project Description	Audit Type	Level of Assurance	Actions		
				High	Med	Low
08-2016/17	Provider Overpayments	Risk Based	R	7	4	0
62-2015/16	Payment Card Industry Data Security Standard Compliance (PCIDSS)	Risk Based	R	4	0	2
01-2016/17	Greenfield Valley Heritage Park	Risk Based	R	5	3	1
08-2015/16	Disposal of ICT Equipment	Risk Based	AR	1	1	0
15-2015/16	Homelessness	Risk Based	AR	1	2	1
39-2015/16	Insurance	Risk Based	AG	0	2	3
02-2016/17	Tell Us Once	Risk Based	AG	0	2	0
10-2016/17	Industrial Units	Risk Based	AG	1	1	1
14F-2016/17	Direct Payments – Follow Up	Follow Up	AG	0	7	0
06-2016/17	Flying Start – Child Care Placements	Risk Based	AG	0	2	1
47/2015/16	Migration to Microsoft	Risk Based	G	0	0	0
06-2016/17	Community Asset Transfer (CAT)	VFM	G	0	0	6
17-2016/17	Mobile Working (Housing) & Gas Servicing	Risk Based	G	0	0	3
63-2016/17	Electronic Stock Taking	Advisory	N/A	0	3	0

Levels of Assurance – Standard Audit Reports

Appendix B

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 will be reported to the Audit Committee.

Level of Assurance	Explanation
Red – Limited 	<p>Urgent system revision required (one or more of the following)</p> <ul style="list-style-type: none"> 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. <p>Conclusion: a lack of adequate or effective controls.</p> <p>Follow Up Audit - <30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.</p>
Amber Red – Some 	<p>Significant improvement in control environment required (one or more of the following)</p> <ul style="list-style-type: none"> 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. <p>Conclusion: key controls are generally inadequate or ineffective.</p> <p>Follow Up Audits - 30-50% of actions have been implemented. Any outstanding high priority actions are in the process of being implemented.</p>
Amber Green – Reasonable 	<p>Key Controls in place but some fine tuning required (one or more of the following)</p> <ul style="list-style-type: none"> 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 <p>Conclusion: key controls generally operating effectively.</p> <p>Follow Up Audit: 51-75% of actions have been implemented. All high priority actions have been implemented.</p>
Green – Substantial 	<p>Strong controls in place (all or most of the following)</p> <ul style="list-style-type: none"> 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 <p>Conclusion: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.</p> <p>Follow Up Audit: 75%+ of actions have been implemented. All high priority actions have been implemented.</p>
Categorisation of Actions	Actions are prioritised as High, Medium or Low 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.

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

Appendix C

1. Provider Overpayments – 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

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Agreed actions 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.

Agreed Action Plan – Provider Overpayments

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)	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. PARIS should be updated promptly following a change in care packages.	An instruction will be issued stating that PARIS must be updated following a change in service provision, within 24 hours of the change. URN 01561	Senior Manager Integrated Services	31/07/2016
2 (R)	Key information was incorrectly recorded into the PARIS system for payments to be created for the service provider. All costings for placements should be checked to ensure that accurate figures are recorded appropriately within the PARIS system.	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. URN 01562	Senior Manager Integrated Services	31/07/2016
3 (R)	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	Staff will monitor progress on the CHC submission. Timescales are difficult to set re agreement with BCUHB. However this will be	Senior Manager Integrated	30/09/2016

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No.	Actions	Management Comments	Who	When
	<p>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>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>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 BCUHB.</p> <p>Audit will be requested to support this group.</p> <p>URN 01563</p>	Services	
4 (R)	<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>	Senior Manager Integrated Services	30/09/2016
5 (R)	<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</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 on the use of the new procedures. Officers will be expected to act upon any variances with urgency.</p>	Senior Financial Assessment Officer	31/08/2016

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No.	Actions	Management Comments	Who	When
	confirmation invoices should be issued and any variances should be followed up.	A new confirmation invoice will be developed as part of the task and finish group. URN 01565		
6 (R)	The Financial Assessment Team should ensure that the total overpayment (£107,848.15) is recovered from the service provider (the 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. URN 01568	Senior Manager Integrated Services	31/07/2016
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

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No.	Actions	Management Comments	Who	When
10 (A)	<p>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.</p> <p>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.</p>	<p>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.</p> <p>A new confirmation invoice will be developed as part of the task and finish group.</p> <p>URN 01570</p>	Senior Financial Assessment Officer	30/09/2016
11 (A)	<p>The Service should also reconcile the payments made to providers against the care package costs on a defined basis.</p>	<p>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.</p> <p>A new confirmation invoice will be developed as part of the task and finish group.</p> <p>URN 01571</p>	Senior Financial Assessment Officer	30/09/2016

2. Payment Card Data Security Industry Standard (PCIDSS) Compliance

An audit review of the Council's approach to meeting the requirements of the Payments Card Industry Data Security Standard (PCI DSS) was undertaken as part of the 2015/16 Internal Audit Plan. The objective of the audit was to provide an assessment of the adequacy of the control environment established to ensure that the Council is compliant with the Payment Card Industry Standard.

The PCI DSS was implemented collectively by the Payment Card Industry in response to increased fraud and identity theft involving stolen credit card data in order to minimise losses by the card providers and improve consumer confidence. The PCI DSS was designed to not only address the most common consumer fears over making credit card transactions but also to ensure that the 'merchants' who process credit card transactions become more accountable for their own risk. The requirements for becoming PCI DSS compliant are dependent upon the merchant level that an organisation falls under. Merchants are divided into four different levels based on the number of transactions they process throughout a year.

Failure to comply may result in fines, restrictions or permanent exclusion from card acceptance programs and ultimately your acquirer may be forced to terminate your relationship, which will prevent you from accepting payments by card. The fines are passed from the Card Scheme to the acquirer (bank) and then onto the merchant (Council).

In order to meet the PCI DSS, the Council must be able to demonstrate that it:

- Builds and maintains a secure IT network
- Protects cardholder data
- Maintains a vulnerability management program
- Implements strong access control measures
- Regularly monitors and tests networks
- Maintains an information security policy

Conclusion

The Council's IT infrastructure is routinely tested to identify any vulnerabilities. Internal scans are carried out every 6 months by IT. Quarterly penetration testing is also carried out externally by an approved PCI scanning assessor to identify any vulnerability on the Council network security. However, the audit did identify the following issues that will require urgent system revision to ensure compliance with the standard:

- There is a lack of ownership and responsibility for ensuring the Council meet the requirements of the PCI DSS.

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- At present the complete card payment environment, including all processes that involve PCI related data, has not been clearly identified and documented.
- No arrangements are currently in place to complete the annual self-assessment questionnaire, which is a requirement of the PCI DSS.
- User guidelines are in place, but require revision and updating. They were last revised in July 2009.
- The controls over the recording of personal data should be in accordance with Principle 7 of the DP Act.

Agreed actions have been made to address these control weaknesses and a working group has already been established to work through the agreed action plan to ensure the Council's compliance with the standard.

The Chief Officer, Governance will provide a verbal update to committee members.

Agreed Action Plan – Payment Card Industry Data Security Standard (PCIDSS)

No.	Findings and Implications	Agreed Action	Who	When
1 (R)	No one has overall responsibility for PCI DSS and therefore compliance with the standard may not be met.	A working group of Officers to be appointed with a Chair also assigned to ensure PCIDSS standards are met URN 01543	Gareth Owens	30/11/2016
2 (R)	As no one is responsible for the card environment, the Council has not determined the correct merchant level.	Officer Working Group to determine merchant level. URN 01542	Gareth Owens	30/11/2016
3 (R)	The responsibility to ensure that the annual self assessment questionnaire has been completed, has not been assigned to an individual and therefore has never been carried out.	The Officer working group should ensure that the self assessment is completed drawing on the full range of professional expertise and experience of the group. URN 01516	Gareth Owens	31/12/2016
4 (R)	Limited testing was undertaken to establish the level of compliance with the standard. Four areas were	Working group to ensure systems comply with PCIDSS and Data	Gareth Owens	31/12/2016

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No.	Findings and Implications	Agreed Action	Who	When
	selected to test; Theatre Clwyd Box Office, Penetration Testing, Streetscene Payments and payments made at Connects Kiosks. The testing highlighted one direct non compliance (penetration testing) and one area where there is a high risk of non compliance (telephone payments in Street Scene).	Protection requirements. URN 01572		
5 (G)	User guidelines are out of date. They were last updated in 2009, 7 years ago. Specifically, there is no reference to Voice over IP (VoIP) or the security of devices which need to be regularly inspected for tampering, as we now have kiosks and other devices located within Flintshire Connects Centres, which enable staff to pay for services via card.	Working group to establish an action plan and carry out checks each year end to ensure guidance is up to date. URN 01523	Gareth Owens	31/01/2017
6 (G)	User guidelines are out of date. They were last updated in 2009, 7 years ago. Specifically, there is no reference to Voice over IP (VoIP) or the security of devices which need to be regularly inspected for tampering, as we now have kiosks and other devices located within Flintshire Connects Centres, which enable staff to pay for services via card.	The guidelines should be updated and reflect the current and most up to date information available to staff. URN 01675	Gareth Owens	31/03/2017

3. Greenfield Valley Heritage Park

The audit of Greenfield Valley Museum and Heritage Park (subsequently referred to as "Greenfield Valley") was included in the annual Internal Audit Plan for 2016/17.

Greenfield Valley is managed by the Greenfield Valley Trust Ltd (subsequently referred to as "the Trust") a registered Charity and a Limited Company. The Trust was established in 1986 to manage the Greenfield Valley on behalf of Flintshire County Council. The Trust manage the site under a Management Agreement (currently under renegotiation) with the Council. Under this agreement the Trust receive a management fee (currently £38.5k per annum), budget to meet other agreed costs, and the services of Council employees assigned to the Trust, together with the costs of support of these Council employees. The total annual Council budget for the site is in the region of £300k.

The Trust in turn is responsible for the upkeep of all buildings, utility services, borders and insurance, and is required to adhere to all the Councils policies around the management of employees (HR policies).

The audit was undertaken to examine the governance, funding and operating arrangements in place within Greenfield Valley and assess whether efficient and effective systems are in place to manage Greenfield Valley.

The audit report makes specific reference to current employees within the service and only limited discussion would be able to take place with the press and public present. In order to allow more detailed discussion of the issues it is recommended that the report is considered in closed session.

Action Tracking – Portfolio Performance Statistics

Appendix D

Portfolio	December 2016 Stats			Live Actions - As at December 2016		
	Number of Actions Raised Since January 2016	Actions Implemented since 04.01.2016 <i>(including Actions No Longer Valid)</i>	% of Actions Cleared To Date	Live Actions	Actions Beyond Due Date <i>(excludes Actions with a revised due date)</i>	Actions with a Revised Due Date
Corporate	33	26	79%	7	0	7
Community & Enterprise	61	46		15	0	3
Education & Youth	29	29		0	0	0
Governance	63	52		11	0	6
Organisational Change 1	10	4		6	0	2
Organisational Change 2	35	30		5	0	3
People & Resources	75	66		9	0	3
Planning & Environment	10	2		8	0	8
Social Services	56	35		21	0	14
Streetscene & Transportation	27	27		0	0	0
Individual Schools	20	14		6	6	6
Total	419	331		88	6	52

Internal Audit Actions Beyond Due Dates

Appendix E

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Action from Original Due Date (Months)	Responsible Officer	Current Position	How Risk is Being Managed
Connah's Quay High School	<p>Risk Thematic Review – 15/16:</p> <p>The overtime monies paid to employee 596306353 on SCP 32 should be clawed back in compliance with the Authority's Overpayments Policy to the point where Single Status came into affect. All School claims forms should be in line with the requirements of Single Status</p> <p>There should be greater liaison between the School and HR Employee Services with regards to Single Status compliance issues.</p> <p>URN 1447</p>	M	30/11/2016	1	Ann Peers	<p>Payroll process P008 amended to reference Single Status policy details re:SCP28.</p> <p>Awaiting information from payroll regarding any overtime payments.</p>	Regular contact with County HR. A formal meeting regarding HR and payroll held in Summer 2016

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Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Action from Original Due Date (Months)	Responsible Officer	Current Position	How Risk is Being Managed
Connah's Quay High School	<p>Risk Thematic Review – 15/16:</p> <p>A contract extension with Judicium should be entered into but only for a period of time sufficient to allow for the payroll contract to be retendered.</p> <p>When the retendering exercise has been completed full details of the signed and dated contract including start and end dates, termination clauses etc. should be held on file at the school.</p> <p>If such a situation arises again i.e. a contractor goes into administration then an exemption from the Contract Procedures Rules should be sought by the School.</p> <p>The Corporate Procurement Section can</p>	M	30/11/2016	1	Ann Peers	<p>Agreed with Governors that the school will return to County payroll. 6 month notice to Judicium to be served January 2017. Re-procurement not required.</p>	<p>Advice has been sought from County Procurement – (school has contact details of lead officer)</p>

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Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Action from Original Due Date (Months)	Responsible Officer	Current Position	How Risk is Being Managed
	be consulted to provide guidance in all aspects of the procurement process. URN 1449						
Connah's Quay High School	Risk Thematic Review – 15/16: Business Manager to manager to arrange for a contract extension of the GAIA contract for sufficient period of time for a full procurement to take place URN 1451	M	31/10/2016 30/11/2016	2	Ann Peers	A support only contract for 12 months is in place with GAIA with a view to going to tender in the Spring term. This is linked with the new capital scheme for a new build at the school – requirements for support for this will be known in the new year and can be included in the tender.	Reviewed alongside the new build and requirements.
Connah's Quay High School	Risk Thematic Review – 15/16: The School should possess a copy of the School Fund Regulations 2013 The Business Manager	L	30/11/2016	1	Ann Peers	School is now in possession of a copy of the School Fund Regulations 2013. Process PS004 has been amended to include the Finance	The school does not have a PTS fund. The School Fund is used for monies raised directly for the school or supported charities. These are listed on the finance system in

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Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Action from Original Due Date (Months)	Responsible Officer	Current Position	How Risk is Being Managed
	<p>should involve another officer when reconciling the School Fund to the bank statements. This reconciliation should be evidenced by both the officers completing the check.</p> <p>The Governing Body should consider fidelity guarantee insurance in respect of the school fund</p> <p>URN 1437</p>					<p>Office checking and signing the reconciliation.</p> <p>Additional insurance to be tabled at the next Governors meeting (Feb 2017)</p>	different accounts and referenced on paying slips.
Connah's Quay High School	<p>Risk Thematic Review – 15/16:</p> <p>Training needs to be provided on the Wales Accord on the Sharing of Personal Information and Data Protection.</p> <p>URN 1439</p>	L	30/11/2016	1	Ann Peers	The Headteacher, senior managers and Data Manager are aware of WASPI and the school's local procedures. No formal training has taken place	Data sharing policy in place and forms.
Connah's Quay High	Risk Thematic Review – 15/16:	L	31/10/2016 30/11/2016	2	Ann Peers	School ICT officer and ICT contractor looking at how best to	Spreadsheets continue to be password protected.

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Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Action from Original Due Date (Months)	Responsible Officer	Current Position	How Risk is Being Managed
School	Office 365 encryption is being investigated by the School ICT technician. A payroll report will be sent to the Head teacher by the Business Manager on a quarterly basis to check for unauthorised additions/omissions. URN 1448					implement encryption on e-mails (school wide)	Receipt of sent attachments confirmed by e-mail.

Actions with a Revised Due Date Six Months Beyond Original Due Date

Appendix F

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date
Corporate	1377	Risk Management: Training for Members	M	30/06/2016	30/09/2017	CAMMS is still being developed for the efficiency tracking with the aim of piloting it's use over the recess, ready for launch with Programme Boards in October- December. As part of this, the complexity of levels for each of the efficiency projects have been assessed and at this stage it is unlikely that many will become 'projects' in their own right in CAMMS. It is only when they are using the project module will this become apparent.
Corporate	1375	Risk Management: Efficiency Tracker Risk Register	L	30/6/2016	31/05/2017	At the PSB meeting on 17 October the Board agreed to all partnerships completing the new assessments by the end of March 2017.
Corporate	369	Risk Management: Updates to Programme Board	L	30/6/2016	31/03/2017	Although Programme Boards are reviewing risks at each meeting and manually updating spreadsheets; the intention is that once all business plans are in CAMMS (by Sept/Oct PB meetings) that this will be more automated and transparent. There has been delay to the Efficiency Programme Board information in CAMMS due to their personnel changes. The revised due date reflects this delay.
Corporate	140	Strategic Partnerships : Self Assessment	L	31/03/2016	31/03/2017	This is an ongoing process which will need a number of reminder conversations at quarterly intervals to ensure the understanding. The Member training programme will commence after the elections.
Community &	169	New Homes:	M	31/03/2016	31/03/2017	Review of Policy & procedures is a bigger task than originally

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Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date
Enterprise		Policies & Procedures				anticipated.
Governance	174	CPRs : Declaration of Interests	M	31/03/2016	30/04/2017	Development of new electronic system for recording interests. In the meantime we have existing paper arrangements for recording interests and the Chief Officer, Governance, will remind all Chief Officers via DMTs of the need to do this.
Governance	284	Main Accounting : Expenditure Codes	L	29/02/2016	31/05/2017	The Procurement function is going through an organisational re-structure in DCC. Once the new structure has been implemented then the category workflow can be expanded.
Organisational Change 1	1435	Section 106 : Update of LPGN 13	M	30/06/2016	31/03/2017	Due date revised at the request of the Responsible Officer
Organisational Change 2	20	Asset Management : Land & Property Owned within Tech Forge	M	31/10/2015	28/2/2017	Various emails to support date changed. Currently (as at 1/11/2016) the services decided it would be advisable to access Council Land holdings via the above LR portal, and gauge feedback from TechForge users how useful they consider it to be.
Organisational Change 2	21	Asset Management : Tech Forge not used to full potential	M	30/09/2015	31/01/2017	Email extract 'I can confirm that we are implementing the linkage of documents such as asbestos survey reports and DDA access survey reports with their respective properties in Tf Property Register. So on the basis of the above the date for completion has been extended'.
People & Resources	266	Income from Fees & Charges : Policy	H	31/12/2015	30/06/2017	Significant work is ongoing in relation to this area and a review of all current fees and charges for 2016/17 and 2017/18 has been undertaken as part of the portfolio business planning

Internal Audit Progress Report

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date
						<p>process which has informed the respective budget process.</p> <p>Following on from this staged development of a wider corporate income policy with possible changed or new fees and charges from 2018/19 is under development and external expertise, advice and national data on charges has been commissioned as part of this work.</p> <p>In view of the significant work undertaken on income strategy (past and current) the risk is deemed manageable.</p>
People & Resources	128	Payroll: Budget Codes	M	31/03/2016	31/03/2017	The due date has been amended because we are currently investigating ways of reducing code errors at source instead of implementing costing validation.
Planning & Environment	317	Section 106 : Update of LGPN	H	30/06/2016	31/03/2017	First meeting of the group scheduled for February following the adoption of the revised LPG 23 in January.
Planning & Environment	324	Section 106 : Accounting Treatment of S106 Balances	M	30/06/2016	31/03/2017	First meeting of the group scheduled for February following the adoption of the revised LPG 23 in January.
Planning & Environment	327	Section 106 : Interest Due on Unspent Commuted Sums	M	30/06/2016	31/03/2017	Enforcement team now tracking end dates of 106 agreements. Will be formally addressed at the working group in February.
Planning & Environment	335	Section 106 : Inclusion of Early Payments on S106 Database	M	30/06/2016	31/03/2017	Enforcement team made aware of this change and will be followed up at the first working group in February.

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Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date
Planning & Environment	320	Section 106 : Monitoring Reports	L	30/06/2016	31/03/2017	Date amended following a meeting with Andy Farrow 24/03/2016.
Social Services	150	Direct Payments 15/16 : Annual Reviews are not regularly undertaken.	H	31/12/2015	28/02/2017	Following consideration by Social Services senior managers, a proposal to resource this work in a different way is now being taken forward. A business case has recently been approved to recruit a dedicated resource to concentrate exclusively on the annual financial reviews of direct payment service user accounts. When this new post has been recruited to and the appointed person commences there should be an immediate impact, however, due to the current level of the backlog it may take at least six months to clear it.
Social Services	110	Third Sector Commissioning : Development of a Strategic Commissioning Plan	M	01/04/2016	31/01/2017	Work needs to take place in conjunction with Corporate Services and also incorporating the co-productive work being undertaken with providers and service users to shape commissioned services for the future.
Social Services	116	Third Sector Commissioning 15/16 : Potential for Improved outcomes through joint working with Health	M	01/04/2016	28/04/2017	A requirement under the Social Services and Well-being (Wales) Act 2014 is to undertake a Population Needs Assessment (PNA) across Wales. Work is currently being undertaken regionally to organise the assessment and locally to undertake the work and Flintshire is fully engaged in this process. The results of the PNA are expected at the end of March 2017 and they will inform areas where services need to be commissioned and which parts of that commissioning work can and should be undertaken jointly with BCUHB. As a result no further action on joint commissioning of services with Health is planned to be undertaken until we have the results

Internal Audit Progress Report

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date
						of the PNA. The Due date has been amended to reflect this.
Social Services	117	Third Sector Commissioning 15/16 : Funding of Third Sector organisations	M	01/04/2016	31/03/2017	New tender will not be out until September, due date revised to reflect this.
Social Services	124	Third Sector Commissioning 15/16 : Impact of changes to the EU Public Contracts Directive	M	01/04/2016	31/03/2017	New tender will be going out September '16. Due date revised to reflect this
Social Services	126	Third Sector Commissioning 15/16 : Inconsistency in the award of contracts to Third Sector organisations	M	01/04/2016	31/03/2017	Procurement Unit have not yet commenced work on the review of Contract Procedure Rules
Social Services	127	Third Sector Commissioning 15/16 : Contract management and contract monitoring	M	01/04/2016	31/01/2017	A reduction in contract monitoring has not been possible over past few months due to increased pressures on the Care Sector affecting quality of care provided. However, once this activity reduces there will be an opportunity to investigate proportionality of contract monitoring in line with work undertaken corporately.
Social	162	Direct Payments	M	31/12/2015	31/03/2017	Further time needed to consult with relevant officers and

Internal Audit Progress Report

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date
Services		15/16 : No formal Financial Strategy for Direct Payments				agree a way forward to develop a direct payments financial strategy. 3/11/16 Further time needed for the dept to agree how this action will be completed and by whom.
Social Services	111	Third Sector Commissioning 15/16 : Innovation in commissioning practice to ensure service user needs are met and we continue to received value for money	L	01/04/2016	31/01/2017	A group has been established to consider innovation commissioning and improvements in procurement - first meeting held April 2016. to ensure actions are produced and innovation seen, due date has been amended to end October '16
Social Services	114	Third Sector Commissioning 15/16 : Adequacy of resources to maintain Third Sector contract database	L	01/04/2016	28/04/2017	Lack of administration resource for the Commissioning team remains a challenge with no consistent resource available to maintain the contracts database. Proactis system is also still not up and running as expected and this may free capacity

Investigation Update

Appendix G

Ref	Date Referred	Investigation Details
1. New Referral		
1.1	12/12/2016	A referral was received concerning missing monies at Deeside Leisure Centre. Monies have previously been reported missing and controls were reviewed at that time. An internal investigation was also undertaken but was inconclusive due to insufficient evidence. The Auditor discussed the controls in place and further controls are to be implemented by management to rectify the current situation.
1.2	05/01/2017	A whistleblow has been received concerning Flintshire's use of a framework agreement. The referral concerns the terms of the agreement. The investigation is ongoing.
2. Reported to Previous Committees and still being Investigated		
2.1	18/05/2016	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. Investigation has been Completed		
3.1	N/A	N/A

Internal Audit Performance Indicators

Appendix H

Performance Measure	Qtr 1 16/17	Qtr 2 16/17	Qtr 3 16/17	Target	RAG Rating	
Internal Audit Departmental Targets						
Audits completed within planned time	60%	81%	75%	80%	A	↓
Average number of days from end of fieldwork to debrief meeting	21.4	15	13	20	G	↑
Average number of days from debrief meeting to the issue of draft report	1.6	7	4	2	R	↑
Days for departments to return draft reports	3	9	7	3	R	↑
Average number of days from response to issue of final report	2.4	1	2	2	G	→
Total days from end of fieldwork to issue of final report	28.4	42	35	27	R	↑
Client questionnaires responses as satisfied	100%	100%	100%	95%	G	→
Productive audit days	74.1%	67%	68%	75%	A	↑
Other Targets						
Return of Client Satisfaction Questionnaires	63%	50%	50%	70%	R	↓

Key					
R	Target Not Achieved	A	Within 20% of Target	G	Target Achieved
↑	Improving Trend	→	No Change	↓	Worsening Trend

Internal Audit Operational Plan 2016/17

Appendix I

Audit	Audit Type	IA Risk Rating	Original Plan Days	Revised Plan Days	Actual Days	Status / Proposed Quarter
Corporate						
Consultants	Risk Based	R	15	15	9	Final
Safeguarding (including schools)	Risk Based	A	20	20		4
Performance Indicators	Risk Based	G	10	10		4
Risk Management	Risk Based	G	10	10		4
Corporate Governance	Risk Based	G	10	10		4
Compliance	Advisory	G	20	10	1	Final
Total Planned Days – Corporate			85	75	10	
Community and Enterprise						
Gas Servicing *(Combined)	Risk Based	R	10	10	*	Final
Disabled Facilities Grant	System Based	R	20	20		4
Mobile Working *(Combined)	Risk Based	A	15	15	24*	Final
Tell Us Once	Risk Based	A	10	10	10	Final
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	50	
Education and Youth						
Control and Risk Self-Assessment	Risk Based	R	10	10	23	Final
Budgetary Control	System Based	R	20	20	20	WIP
Education Improvement Grant	Risk Based	R	20	15	7	Final
Risk based thematic reviews across all schools including central controls	Risk Based	A	40	40	3	3
Youth Justice	System Based	A	15	15	3	WIP
School Funding Formula	Advisory	A	15	15		4
School Funds	Follow Up		5	5		4
Total Planned Days – Education & Youth			125	120	56	
Governance						
Network Security	Risk Based	R	See Note #	-	-	4
Procurement	Risk Based	A	30	30	30	WIP

Internal Audit Progress Report

Audit	Audit Type	IA Risk Rating	Original Plan Days	Revised Plan Days	Actual Days	Status / Proposed Quarter
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	30	
Organisational Change 1						
Alternative Delivery Models	VFM	R	30	30	1	4
Japanese Youth Exchange	Regulatory	G	5	0	1	Not Needed
Total Planned Days – Organisational Change 1			35	30	2	
Organisational Change 2						
Industrial Units	Risk Based	A	15	15	23	Final
Corporate Asset Strategy	Risk Based	A	15	15		4
Community Asset Transfers (CAT)	VFM	A	15	15	15	Final
Total Planned Days – Organisational Change 2			45	45	38	
People and Resources						
Payroll	System Based	A	20	20	1	WIP
Compulsory & Early Voluntary Redundancy	Risk Based	A	15	15	3	WIP
Corporate Grants	Risk Based	A	15	10	1	WIP
Main Accounting – Accounts Payable (AP) / P2P	System Based	G	20	0	-	Defer
Main Accounting – General Ledger (GL)	System Based	G	15	15	13	Draft
Collaborative Planning (CP)	Risk Based	G	15	15	7	Ongoing
E-Teach (Supply Staff) – Payroll and Recruitment	Advisory	R	5	5		Ongoing
Single Status – Equal Pay Claims	Advisory	G	5	5	3	Ongoing
Finance Modernisation Programme – AR	Advisory	G	5	5		Ongoing

Internal Audit Progress Report

Audit	Audit Type	IA Risk Rating	Original Plan Days	Revised Plan Days	Actual Days	Status / Proposed Quarter
Accounts Governance Group	Advisory	G	5	5		Ongoing
Total Planned Days – People & Resources			120	95	28	
Planning and Environment						
Greenfield Valley Heritage Park	Risk Based	R	20	20	37	Final
Building Control (*Combined)	System Based	R	20	20	*	WIP
Planning Enforcement (*Combined)	System Based	A	20	20	16*	WIP
Total Planned Days – Planning & Environment			60	60	53	
Social Services						
Multi Agency SLA's Agreements with Combined Services	Risk Based	A	15	0	-	Defer
Flying Start – Childcare Placements	Risk Based	A	10	10	13	Draft
PARIS finance module	Advisory	A	5	0	-	Defer
Family Information Services	Risk Based	A	15	15	1	WIP
Children Out of County Care and Education	Risk Based	A	20	0	2	Defer
Care Leavers	Risk Based	A	15	15	19	WIP
Direct Payments	Follow Up		0	5	9	Final
Total Planned Days – Social Services			80	45	44	
Streetscene and Transportation						
Enforcement	Risk Based	R	30	30	9	WIP
Fleet Management	Risk Based	R	20	20		4
Alltami Stores	System Based	A	15	10	3	WIP
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
Total Planned Days – Streetscene & Transportation			85	70	13	
External						
Pensions Administration	System Based	A	15	15	1	4

Internal Audit Progress Report

Audit	Audit Type	IA Risk Rating	Original Plan Days	Revised Plan Days	Actual Days	Status / Proposed Quarter
Pensions Investments	System Based	A	15	15		4
Clwyd Theatre Cymru	System Based	A	10	10		4
North West Residual Waste Partnership	Risk Based	G	5	5		4
Total Planned Days - External			45	45	1	
Notes:						
# External technical support may be required for this audit						
* Audit has been combined with another and one audit report will be produced						

	Original Plan Days	Revised Plan Days	Actual Days
Investigations, Provisions and Developments			
Provision for Investigations and Pro-active Fraud	200	200	109
Provision for Ad-hoc Requests from Management – Addition to Plan	65	65	75
<i>Ysgol Ty Ffynnon</i> <i>Final</i>	-	-	14
<i>Joint CPRs & Procurement Strategy Working Group</i> <i>Final</i>	-	-	6
<i>Certifying Officers Database Working Group</i> <i>Final</i>	-	-	1
<i>Single Status Governance Group</i> <i>Ongoing</i>	-	-	1
<i>Consultancy Project Group</i> <i>Ongoing</i>	-	-	2
<i>Provider Overpayments</i> <i>Final</i>	-	-	18
<i>Task & Finish Group – Provider Payments</i> <i>Ongoing</i>	-	-	1
<i>Use of Clients Money</i> <i>Final</i>	-	-	4
<i>Social Services Supporting Living</i> <i>Ongoing</i>	-	-	1
<i>Accounting for Highways Infrastructure</i> <i>Draft</i>	-	-	27
Follow Up Reviews	15	10	0
Audit Development	30	0	0
IDEA	10	0	0
Overall Plan Total	1190	980	509

Glossary	
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.
System 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 actions from previous reviews.
Addition to Plan	Audits added to the plan at the request of management, time used from the provision for requests.