Flintshire Internal Audit

Progress Report

June 2017

Sir y Fflint
Flintshire
COUNTY COUNCIL

Contents

Appendix A
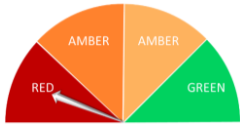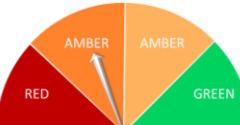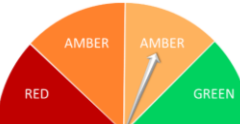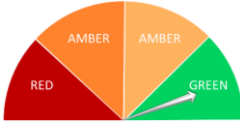
Final Reports Issued since March 2017

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
13-2016/17	Care Leavers	Risk Based	Amber Green	1	8	6
36-2016/17	Corporate Grants	Risk Based	Amber Green	0	2	5
24-2016/17	Pensions Administration	System Based	Amber Green	0	2	2
34-2016/17	Flint High School	Risk Based	Amber Green	0	7	6
31-2016/17	Ysgol Terrig	Risk Based	Amber Green	0	6	*4*
26-2016/17	Ysgol Nannerch	Risk Based	Amber Green	0	3	3
37-2016/17	Family Information Service	Risk Based	Amber Red	0	5	4
23-2016/17	Payroll	System Based	Amber Red	1	8	6
35-2016/17	Compulsory Redundancy & Early Voluntary Retirement	Risk Based	Amber Red	0	5	4
N/A	Alternative Delivery Model – Facility Services	Advisory & Consultancy	No Opinion	0	0	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	**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.
	Conclusion: a lack of adequate or effective controls.
	Follow Up Audit - <30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.
Amber Red – Some	**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.
	Conclusion: key controls are generally inadequate or ineffective.
	Follow Up Audits - 30-50% of actions have been implemented. Any outstanding high priority actions are in the process of being implemented.
Amber Green – Reasonable	**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
	Conclusion: key controls generally operating effectively.
	Follow Up Audit: 51-75% of actions have been implemented. All high priority actions have been implemented.
Green – Substantial	**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
	Conclusion: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.
	Follow Up Audit: 75%+ of actions have been implemented. All high priority actions have been implemented.

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.

Action Tracking – Portfolio Performance Statistics

Appendix C

Portfolio	May 2017 Stats			Live Actions - As at May 2017		
	Number of Actions Raised **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	34	29		5	2	5
Community & Enterprise	61	55		6	1	4
Education & Youth	29	29		0	0	0
Governance	68	55		15	2	12
Organisational Change 1	22	10		9	0	6
Organisational Change 2	35	30	83%	5	0	3
People & Resources	87	78		9	0	3
Planning & Environment	14	3		14	9	10
Social Services	74	58		16	0	3
Streetscene & Transportation	56	49		7	0	7
Individual Schools	24	24		0	0	0
Total	**504**	**420**		**86**	**14**	**53**

Internal Audit Actions Beyond Due Dates

Appendix D

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
Corporate	Risk Management - 15/16 : Updates to Programme Board efficiency tracker risk registers Chief Officers to ensure any changes to risk mitigation actions, arising out of the review of the efficiency tracker actions, are updated within Programme Board risk registers at the time they are noted. URN 369	High (Red)	30/05/2016 31/03/2017	11	Karen Armstrong	The CAMMS system is being developed to ensure that all Efficiency / Programme Boards are able to use the CAMMS system. Once this is completed, risk management will be integral to efficiency reporting.	Monitoring of efficiencies is being managed and tracked manually until the agreed efficiency tracker is managed within CAMMS.
Corporate	Risk Management - 15/16 : Update roll out plan for project risks Review the roll out plan for recording Project risks within CAMMS, initially for Business Plan projects and SHARP When these projects are ready to be transferred to CAMMS determine a process for translating any non CAMMS based risk matrices and output to the CAMMS methodology. URN 1376	Low (Green)	30/09/2016 31/03/2017	6	Karen Armstrong	The CAMMS project system has recently been upgraded. We are working with the CATS and ADM teams to ensure that all our required information works appropriately as part of the new upgrade. Various services / portfolios are looking to use CAMMS as their main action planning / business planning tool. Some of these will include using the project module.	Any risk is being managed by application of existing project methodologies.

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
Community & Enterprise	Housing Allocations 15/16 : Procedures The current SARTH policy is under review. Following this, any required changes to procedural notes will be implemented. URN 1616	Medium (Amber)	31/03/2017	2	Katie Club	A review of the regional policy will be presented to Cabinet in the autumn. A full re-write of the procedures will follow that.	Working practices have been amended and restrictions placed on IT systems to limit risks. Case file reviews of allocations are carried out.
Governance	CPRs 15/16 : Declaration of Interests A register of declarations to pick up wider declarations other than procurement related shall be in place in each portfolio area. Chief Officer (Governance) will produce further guidance to other Chief Officers. URN 174	Medium (Amber)	31/03/2016 30/04/2017	13	Arwel Staples	Rather than have multiple paper systems I have asked IT to design a single electronic system that records declarations of interest for all officers and the register of interest for senior officers. Ideally this will sit on I-Trent. This work will be done in October and then it will be rolled out via portfolio DMT meetings Work in Progress. Further scoping needs to be undertaken to determine how Declarations in general are managed and also where the Register of Declarations are stored for accessibility. An initial meeting has been held	Any declarations are to be reported to line management until the IT solution is finalised.

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
						to scope out the options. Chief Officer (Governance) is tasked with consulting with fellow Chief Officers on options.	
Governance	Staff do not have the most recent or up to date information available to them. The guidelines should be updated and reflect the current and most up to date information available to staff. URN 1675	Low (Green)	31/03/2017	3	Dave Barnes	Working group established to addressed the issues following the audit	Old procedures remain in place whilst new procedures are formulated. Risk considered to be low.
Planning & Environment	Section 106 - 15/16 : Update of LPGN 23, Education contributions A cross directorate working group will be established to address the issues identified in the audit report. The working group will be chaired by the Chief Officer (Planning and Environment) and is likely to include representation from Planning, Education, Leisure, Finance, Legal and other services areas as appropriate. The working group will be time limited, and will consider;	High (Red)	30/06/2016 31/03/2017	9	Andy Farrow	First meeting of group scheduled for February 2017 following the adoption of revised LPG 23 in January	The updated Supplementary Planning Guidance Note 23, Developer Contributions to Education, was adopted by the Council in January 2017. The updated guidance provides greater flexibility of spend, in particular allowing contributions to be spent on 'facilities and associated resources' thus addressing the

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
	• Section 106 linkages across the Authority, the information needs of each service area, and the information currently held by service areas to determine where there is scope for efficiencies through the sharing of information (including the scope for sharing information on the Planning DEF database). • The adequacy of the processes in place for effectively managing those balances which must be spent within certain time frames or returned to the developer. • The scope for utilising contributions held to ensure we maximise the benefit to the Authority (specifically Education contributions which cannot currently be spent under the terms of existing s106 agreements). • The requirement for corporate oversight of the s106 processes and the robustness of the reporting structures to ensure appropriate overall control of s106 monies. URN 317						primary risk.
Planning & Environment	Section 106 - 15/16 : Monitoring reports	Low (Green)	30/06/2016 31/03/2017	9	Andy Farrow	We are continuing to use our in house monitoring	The in house monitoring system

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
	See action as 317 above URN 320					system due to uncertainties about the DEF software raised by other local authorities who use it. The cross portfolio working group is due to meet in October 2016. Chief Officer Planning & Environment to chair it. We continue to use our in-house spreadsheet system for monitoring. I am not aware that the in-house S106 group has met. I will review the DEF software in the next financial year	(S106 spreadsheet) is still maintained pending further consideration by the cross portfolio working group around process and flow of information.
Planning & Environment	Section 106 - 15/16 : Completeness of fields within s106 database Planning will consider whether the s106 database is brought up to date and used to populate the new DEF system, or whether the data is entered directly onto the DEF system. The cross directorate working group will consider how information can be shared across the Authority to ensure the	Low (Green)	31/07/2016 31/03/2017	8	Mandy Lewis	The original Agreed Action assumed that the S106 database would be replaced by the new DEF system, with the X directorate working group considering how information could be shared across the Authority to ensure the accuracy of the data fields within the DEF system (on this basis the action was allocated to	No additional controls have been put in place. This was identified as a low level risk in the original audit and will continue to be managed through existing processes in place within the Planning Enforcement team.

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
	accurate population of the data fields within the database. URN 322					Andy Roberts). A subsequent decision was made not to go ahead with the new DEF system and AR doesn't know what the current situation is with regards to continuing use of the original s106 database as this is under the control of Planning Enforcement. AR confirmed that a 'briefing discussion' will be required with Mandy Lewis (Planning Enforcement) as she will not be aware of this audit recommendation. She is on annual leave this week (w/e 2.6.17). Revised due date included of 31.7.17, responsible officer should be Mandy Lewis. Note that to date the x directorate working group has only met once, with a second meeting scheduled for 19.6.17.	

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
Planning & Environment	Section 106 - 15/16 : Accounting treatment of s106 balances See action 317 above. URN 324	Medium (Amber)	30/06/2016 31/03/2017	9	Andy Farrow	Group to meet in February following LPG23 adoption at January 2017 Cabinet	Finance ensure the appropriate accounting treatment of all new S106 monies, based on the supporting legal agreement. The cross portfolio working group will focus on process and the 'flow' of information to ensure the robustness of the processes currently in place. Finance are satisfied that going forward the risk is being appropriately managed.
Planning & Environment	Section 106 - 15/16 : Interest due on unspent commuted sums Review of s106 legal agreements by Finance has confirmed that there are only a very small number of agreements which could be give rise to a repayment to the developer. However the cross directorate working group will consider; • Section 106 linkages across the Authority, the information needs	Medium (Amber)	30/06/2016 31/03/2017	9	Andy Farrow	Enforcement team now tracking end dates of 106 agreements. Will be formally addressed at Working Group.	Finance have confirmed that based on their review of the legal agreements supporting the S106 monies held there are only a small number of agreements which provide for interest on unspent commuted sums, as such they consider the risk to the Council to be low.

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
	of each service area, and the information currently held by service areas to determine where there is scope for efficiencies through the sharing of information (including the scope for sharing information on the Planning DEF database). • The adequacy of the processes in place for effectively managing those balances which must be spent within certain time frames or returned to the developer. • The scope for utilising contributions held to ensure we maximise the benefit to the Authority (specifically Education contributions which cannot currently be spent under the terms of existing s106 agreements). • The requirement for corporate oversight of the s106 processes and the robustness of the reporting structures to ensure appropriate overall control of s106 monies. URN 327						
Planning & Environment	Section 106 - 15/16 : Inclusion of 'early payments' on s106 database Early payments will be added to the s106 database.	Medium (Amber)	30/06/2016 31/03/2017	9	Andy Farrow	Enforcement team made aware of this change and will be followed up at the first working group.	Upfront payments are now being recorded on the database, addressing the

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
	There is potentially scope for links between the Flair system and Masterpiece to ensure all early payments are appropriately identified. Planning and Finance will need to explore this as part of the cross directorate working group. URN 335					Upfront payments are now being recorded on the database. Discussions are still continuing between Planning and Finance to finalise a comprehensive process between departments. This will continue to be refined and monitored as the process proceeds.	identified risk.
Planning & Environment	Greenfield Valley: Update of Financial Records If management of Greenfield Valley remains with the Trust they will need to ensure; • Appointment to the permanent Admin Assistant role is progressed. • Bank account reconciliations are prepared for each bank account at each month end to ensure the accuracy and completeness of transactions posted to the financial accounting system. • Bank account reconciliations identify any discrepancies between bank account movements and accounting movements, and these are appropriately investigated.	Medium (Amber)	31/03/2017	2	Andy Farrow	A temporary contractor has been in place since 2016 and a permanent post is currently being progressed as part of the service review. An 'Interim Policy - Financial Authorisation and Arrangements' was agreed in January 2017.	The appointment of a temporary contractor into the Admin Assistant role has addressed the immediate risks around financial management.

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
	• There is appropriate division of duty to ensure staff responsible for authorising bank account payments are not involved in the preparation and monitoring of bank account reconciliations. • Income reconciliations are reinstated to ensure the completeness of cash banked and to ensure the accuracy of income figures recorded on Sage. • Petty cash reconciliations are carried out at regular intervals to ensure all amounts paid out can be accounted for and are correctly recorded in the financial records. • Effective financial controls are developed (including segregation of duties) to ensure transparency, accountability and good financial stewardship. URN 1575						
Planning & Environment	Greenfield Valley: Electronic Banking If management of Greenfield Valley is to remain with the Trust there will be a requirement for full electronic banking to be implemented in accordance with the agreement previously made with the Council.	Medium (Amber)	31/03/2017	2	Andy Farrow	The 'Interim Policy – Financial Authorisation and Arrangements' was agreed in January 2017. The policy makes reference to the controls to be put in place around electronic banking,	In advance of the full implementation of electronic banking the Trust continue to use traditional banking services supported by Sage Accounting.

Portfolio	Audit and Action	RAG	Original and Revised Due Dates	Age of Original Action	Responsible Officer	Current Position	How Risk is Being Managed
	URN 1576					confirming that full internet banking will only be implemented when a direct link with Sage Accounts has been established, in line with Charity Commission Guidelines.	
Planning & Environment	Greenfield Valley: Credit Card Payments If management of Greenfield Valley is to remain with the Trust an agreed scheme of delegation will need to be put in place around use of the credit card, with spend limits defined, and agreement in place around the type and value of spend which should be discussed with the Treasurer and / or Trustees before it is incurred. There will also be a need to restrict the number of employees able to use the corporate credit card. URN 1580	Low (Green)	31/03/2017	2	Andy Farrow	The 'Interim Policy – Financial Authorisation and Arrangements' was agreed in January 2017. The interim policy document includes an agreed scheme of delegation, and makes reference to use of the corporate credit card.	The Interim financial policy addresses the risks identified in the audit report and will remain in place until a Final policy is agreed.

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

Appendix E

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
Corporate	266	Income From Fees & Charges -: Fees & Charges Policy	High (Red)	30/12/2015	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 process which has informed the respective budget process. 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.	In view of the significant work undertaken on income strategy (past and current) the risk is deemed manageable.
Corporate	1377	Risk Management: Training for Members	Medium (Amber)	30/06/2016	30/09/2017	Following local elections Member training is being undertaken as i) part of induction training and ii) through briefing sessions before a specific Scrutiny committee. Audit Committee members	The training programme for new and existing members will cover risk management.

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						are receiving an overview of risk management as part of their induction training (May/June)	
Governance	175	CPRs : Scheme of Delegation	Medium (Amber)	31/08/2016	31/12/2017	I suggest that the due date is amended for recommendation 175 , since the roll-out of e-sourcing has had to be put on hold due to ill-health of a key member of our team who was responsible for Proactis e-sourcing training. However the new Contract Procedure Rules have been amended which now stipulates that the scheme of delegation now mirrors the values aligned to spend authorisation limits for individual users in P2P, hence part of the recommendation has been completed. Therefore, I suggest that the due date is amended to 31st December 2017 to allow sufficient time for the Proactis Portal implementation roll-out to be undertaken to all remaining service areas, but a caveat is incorporated into	The users of the Proactis Purchase-to-Pay System (P2P) will have their spend authorisation reviewed and updated to reflect recent service re-structures. Once these changes have been incorporated within the next 6-8 weeks on the P2P system then as per the changes to the Contract Procedure Rules already in place, the CPR scheme of delegation for various approvals will mirror the spend limits on P2P.

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						the update about the scheme of delegation having been implemented in the new CPR's.	
Governance	271	Main Accounting - AP & P2P : There is a high amount of retrospective ordering on the P2P system which is contrary to FPR.	High (Red)	30/09/2016	30/09/2017	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. Timescales have been delayed due to resource capacity issues within both the Account Payables section and the Corporate Procurement Team in being able to enforce the new No PO No Payment Policy.	A "No PO No Payment" Policy notification has been circulated to officers with a reminder notification. However, the enforcement of the policy has been delayed due to resource capacity issues. However, an Action plan has been developed in conjunction with a Proactis consultant to commence the enforcement of the policy, by initially returning invoices which do not have an upfront P2P Purchase Order back to suppliers. Also management information reports will be circulated to COT and service managers to identify officers within each service areas that are not complying with the policy going forward.
Governance	1574	Consultancy Follow Up - Guidance Notes	Low (Green)	30/09/2016	30/09/2017	IT is responsible for the development of the new Microsoft Database which will manage the Consultancy Business Plans. Steve has indicated that the initial demo of the new system will be ready mid September,	Guidance notes already exisit and just required a minior amendment therefore consider low risk as reflected in the priority of the action.

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						further work will then be required to complete the database ready for use. Update 31.3.17 - still waiting for IT to progress this. Once the database is completed and operational the guidance notes will be amended, and the issues identified in the audit will be addressed in the updated guidance. Update at 30.11.16: Meeting took place with IT earlier this week to discuss the progression of the database. IT have stated that they will not be in a position to progress the database until January 2017 so the database is likely to be in place by the end of the financial year. there is no point in updating the guidance notes until the database is in place.	
Organisational Change 2	20	Asset Management – Technology Forge. It is not known whether the Tf system contains all land and property	Medium (Amber)	31/10/2015	30/06/2017	The relates to configuration of the Geographical Interface Module (GIS) within Technology Forge and system configuration issues which have now been	Information from land registry is being used to inform Council land ownership when necessary and in this context the risks presented are low. The issue is more one of reconciliation of data sets

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
		owned by FCC				resolved. This will now permit exploration, purchase and uploading of GIS land ownership information from Land Registry	between records on Tf and those held at Land Registry. Matters relating to land issues are addressed on a transactional basis through legal searches at that stage in the process.
Organisational Change 2	21	Asset Management – Technology Forge. The TF system is not used to its full potential	Medium (Amber)	20/09/2015	03/06/2017	There are a relatively small number of items which whilst held on other systems are not sitting within the Tf system. This matter continues to be addressed as surveys are undertaken with Tf now used as a central deposit for such property related information.	As noted whilst data is held already it is not in one central point. This matter is being addressed when new surveys are undertaken or as an interim through the provision of links to the location of such data.
Organisational Change 2	333	CCTV – Draft CCTV Policy	Medium (Amber)	30/07/2016	30/06/2017	The document has been revised and has been supported by Chief Officers. Trade Union colleagues have suggested that there needs to be clarification around CCTV system used in FCC vehicles	A separate document which does not deal exclusively with public realm CCTV systems is being developed to clarify the position with vehicle based system which are in the main deployed on our waste collection vehicles. In reality these systems are used as enhanced health and safety features in such vehicles.
People & Resources	128	Payroll: Budget Codes	Medium (Amber)	31/03/2016	31/09/2017	The due date has been amended because we are currently investigating ways of reducing code errors at source instead of	The original recommendation was that code validation be switched on in Itrent which would mean that any invalid code combination would be rejected by Itrent on

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						implementing costing validation.	input. Due to the additional administration of this which would be resource intensive the following actions have been undertaken as an alternative solution.
							Financial Systems identified that the majority of the coding errors came from education in relation to schools staff and work with the department has led to an improvement to the data held at source via Eteach which has significantly reduced the number of errors – Completed 2016
							Currently, the situation is being managed by the Financial Systems team identifying and resolving coding issues prior to transfer into Masterpiece. This is currently a manual task though a more automated approach is being sought to implement a nightly download into iTrent from Masterpiece – Manual Process Completed monthly – Automated solution will be sought once server migration is complete in Masterpiece.
							The timesheets are mainly used by Leisure and Catering, of which both are transferring out the

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
							Council as ADMs. There will be further changes to Leisure centre codes and the approach will need to be further automated, this will need to be reviewed following the Leisure ADM.
Planning & Environment	313	Section 106 : Play equipment specification	Medium (Amber)	31/07/2016	30/06/2017	A working group is now in place to complete the drafting of this guidance note and will finish the work by 31st March 2017. The working group met in February will receive a draft of the guidance note at its next meeting in April with the intention of agreeing this subject to consideration by Planning Strategy group on 29th June which becomes the revise deadline for this work. Planning will then formally consult on the revised guidance note. Email from Ian Bancroft 2.5.17: First stage of the work completed by Play and Leisure in providing necessary advice to Planning and work now taking place on revising Planning Guidance. This also provides logic for	Responsibility for the specification of play equipment lies with the Play Unit. They continue to negotiate equipment specifications directly with developers. The revised Local Planning Guidance Note will only make explicit the processes which are currently in place, and provide additional advice around the specifications, as such this is considered to be low risk, with the risk managed through existing process.

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						the slippage in dates in that the first stage as originally envisaged is now complete and the revised date allows for second stage completion of the work.	
						On the basis of the email SG has now amended the responsible officers to Andy Farrow and Andy Roberts.	
						31.5.17 Andy Roberts confirmed that due to long term sickness absence the revised LPGN will not go to the Planning Strategy Group on 29.6.17 as previously advised by Ian Bancroft, with a new revised date of 30.10.17 now included on the Action Tracking system. It is recognised that some liaison is still required between Play and Planning and it is hoped that the X Directorate working group will facilitate this (to date it has only met once).	
Planning & Environment	314	Section 106 : Use of Management Companies for maintenance of public open spaces	Low (Green)	31/07/2016	31/05/2017	This is tied to the overall review of the Supplementary Planning Guidance (SPG) note relating to the provision of open space, which has not progressed as we are still	We can't refuse developers who want to use management companies for the maintenance of public open spaces. The updated LPGN will include options to make these management companies

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						waiting for accurate and up to date assessments of the cost of maintaining open space. Research is ongoing into alternative ways of providing for the future maintenance of play facilities. This can and will be reported to Planning Strategy Group either as an update to the SPG, and/or as a specific paper to that Group. Need to obtain costings from Streetscene in terms of current maintenance costs, and/or seek costs from other sources e.g. neighbouring local authorities. Continue research and prepare a paper to PSG in May 2017. 31.5.17 Andy Roberts confirmed that due to long term sickness absence the revised LPGN will not go to the Planning Strategy Group on 29.6.17 as previously advised by Ian Bancroft, with a new revised date of 30.10.17 now included on the Action Tracking system. It is recognised that some liaison is still required between Play	more 'secure' for residents and more 'palatable' for members considering the planning applications, but will not seek to prevent the use of Management Companies. In advance of the implementation of the new planning guidance the risk will continue to be managed through existing process.

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						and Planning and it is hoped that the X Directorate working group will facilitate this (to date it has only met once).	
Planning & Environment	315	Section 106: Open Space requirements, trigger points / staging of payments	Low (Green)	31/07/2016	31/05/2017	We are continuing to use our in house monitoring system due to uncertainties about the DEF software raised by other local authorities who use it. The cross portfolio working group is due to meet in October 2016. Chief Officer Planning & Environment to chair it. We will maintain our spreadsheet system for monitoring S106. 31.5.17 Andy Roberts confirmed that due to long term sickness absence the revised LPGN will not go to the Planning Strategy Group on 29.6.17 as previously advised by Ian Bancroft, with a new revised date of 30.10.17 now included on the Action Tracking system. It is recognised that some liaison is still required between Play and Planning and it is hoped that the X Directorate working	This was a green finding so the risk is considered to be low, and will continue to be managed through existing process.

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						group will facilitate this (to date it has only met once).	
Planning & Environment	1435	Section 106: Update of LPGN 13	Medium (Amber)	30/06/2016	30/06/2017	A working group is now in place to complete the drafting of this guidance note and will finish the work by 31st March 2017. This will be addressed by the working group looking at the planning guidance note and due to complete its work at the Planning Strategy Group meeting on 29th June. The working group met in February will receive a draft of the guidance note at its next meeting in April with the intention of agreeing this subject to consideration by Planning Strategy group on 29th June which becomes the revise deadline for this work. Planning will then formally consult on the revised guidance note. Email from Ian Bancroft 2.5.17: First stage of work completed by Play and Leisure in providing necessary advice to Planning and work now taking place on revised Planning	LPGN 13 remains in place, whilst it is acknowledged that some update is required, and work is ongoing to address this, the existence of the current Planning Guidance ensures that risks are managed in the meantime.

Portfolio	Ref:	Audit	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	How Risk is Being Managed
						Guidance. This also provides logic for the slippage in dates in that the first stage as originally envisaged is now complete and the revised date allows for second stage completion of the work. 31.5.17 Andy Roberts confirmed that due to long term sickness absence the revised LPGN will not go to the Planning Strategy Group on 29.6.17 as previously advised by Ian Bancroft, with a new revised date of 30.10.17 now included on the Action Tracking system. It is recognised that some liaison is still required between Play and Planning and it is hoped that the X Directorate working group will facilitate this (to date it has only met once).	

Investigation Update   Appendix F

Ref	Date Referred	Investigation Details
1.	**New Referral**	
1.1	11/03/2017	An anonymous whistleblow has been received concerning procurement practices in one of the Portfolios. An investigation is ongoing.

Ref	Date Referred	Investigation Details
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. This is now the subject of a Police investigation and further information has been provided.
2.2	05/01/2017	A whistleblow was received concerning Flintshire's use of a framework agreement. The referral concerns the terms of the agreement. The investigation is ongoing.
2.3	16/02/2017	An allegation has been received concerning the potential use of Council resources for personal gain. The investigation is ongoing.

Ref	Date Referred	Investigation Details
3.	**Investigation has been Completed**	
3.1	01/02/2017	Following the referral of a potential irregularity in the use of a petty cash account; Internal Audit carried out an investigation into the issue and found monies were unaccounted for. The disciplinary process was invoked and a subsequent disciplinary hearing resulted in the dismissal of a member of staff.
3.2	16/03/2017	An anonymous referral was received concerning the use of Council electricity for charging a privately owned vehicle. Internal Audit carried out preliminary investigations; the case was then referred to the relevant Portfolio to deal with the issue. Action has subsequently been taken to address the issue.

Internal Audit Performance Indicators   Appendix G

Performance Measure	16/17	Qtr 1 17/18	Target	RAG Rating	
Audits completed within planned time	72%	71%	80%	A	⬇
Average number of days from end of fieldwork to debrief meeting	17	17	20	G	➡
Average number of days from debrief meeting to the issue of draft report	4	5	5*	G	➡
Days for departments to return draft reports	9	10	7*	R	⬇
Average number of days from response to issue of final report	1	1	2	G	➡
Total days from end of fieldwork to issue of final report	34	39	34	A	⬇
Productive audit days	71%	79%	75%	G	⬆
Client questionnaires responses as satisfied	100%	100%	95%	G	➡
Return of Client Satisfaction Questionnaires	58%	66%	70%	A	⬆

Key					
R	Target Not Achieved	A	Within 20% of Target	G	Target Achieved
⬆	Improving Trend	➡	No Change	⬇	Worsening Trend

* Changes to Performance Indicators

Following a review of the Internal Audit PI's at the end of the financial year, two target PI's have been changed to accurately reflect the time taken to complete key aspects of the audit process. There are:

PI : Average number of days from debrief meeting to the issue of draft report.
   This target has been increased from 3 working days to 5 working days. This is to take into account the part time working arrangements in place within the Internal Audit Service

PI : Days for departments to return draft reports
   This target has been increased from 3 working days to 7 working days. This increase in target is more a reflection of the detailed work undertaken and greater stakeholder involvement and should not be seen negatively.

Internal Audit Operational Plan 2016/17 (Carryforward Audits)   Appendix H

This appendix only provides an update on those reviews finalised, those reviews currently in progress and any changes made to the plan since the last Audit Committee meeting in March 2017.

Audit	Audit Type	IA Priority Rating	Original Plan Days	Revised Plan Days	Actual Days	Status
Corporate						
Safeguarding (including schools)	Risk Based	A	20	20	6	In Progress
Performance Indicators	Risk Based	G	10	10	7	In Progress
Risk Management	Risk Based	G	10	10	6	In Progress
Community and Enterprise						
Disabled Facilities Grant	System Based	R	20	20	0	Deferred until June
Community First	Follow Up		10	10	2	No Longer Relevant
Education and Youth						
Risk based thematic reviews across all schools including central controls	Risk Based	A	40	40	74	Final / Draft (number of reports)
Youth Justice	System Based	A	15	15	3	In Progress
School Funding Formula	Advisory	A	15	15	0	No Longer Relevant
School Funds	Follow Up		5	5	0	In Progress
Governance						
Network Security	Risk Based	R	See Note #	-	-	In Progress
Procurement	Risk Based	A	30	30	36	Draft
Data Protection	Risk Based	G	15	10	1	Deferred until June
Organisational Change 1						
Alternative Delivery Models	VFM	R	30	30	7	Final & Ongoing
Organisational Change 2						
Corporate Asset Strategy	Risk Based	A	15	15	1	In Progress
People and Resources						
Payroll	System Based	A	20	20	12	Final
Compulsory & Early Voluntary Redundancy	Risk Based	A	15	15	12	Final
Corporate Grants	Risk Based	A	15	10	4	Final
Planning and Environment						

Audit	Audit Type	IA Priority Rating	Original Plan Days	Revised Plan Days	Actual Days	Status
Building Control (*Combined)	System Based	R	20	20	*	Draft
Planning Enforcement (*Combined)	System Based	A	20	20	30*	Draft
Social Services						
Family Information Services	Risk Based	A	15	15	12	Final
Care Leavers	Risk Based	A	15	15	26	Final
Streetscene and Transportation						
Enforcement	Risk Based	R	30	30	12	In Progress
Fleet Management	Risk Based	R	20	20	0	Defer until July
Alltami Stores	System Based	A	15	10	11	Draft
External						
Pensions Administration	System Based	A	15	15	7	Final
Pensions Investments	System Based	A	15	15	0	In progress
Clwyd Theatre Cymru	System Based	A	10	10	0	Defer until July
Notes: # External technical support my be required for this audit * Audit has been combined with another and one audit report will be produced						

Audits Deffered since the last Audit Committee in March 2017
• Four audits have been deferred until 17/18 due to operational and resource issues within the service department. All reviews have been carried over into the 2017/18 audit plan. • One audit, school funding formula, was no longer required. This was requested at the time the audit plan for support with the funding formula however this support was no longer required.

Internal Audit Operational Plan 2017/18   Appendix I

Audit	Internal Audit Priority Rating	Status of Work	Proposed Quarter	Supporting Narrative
Corporate				
Income from Fees and Charges / Efficiency Savings	H		2	
Use of Consultants	Advice & Consultancy		3	
Corporate Governance	Annual	Ongoing	Ongoing	Member of the Corporate Governance Working Group
Community & Enterprise				
Single Access Route to Housing (SARTH)	H	In Progress	1	
Strategic Housing and Regeneration Project (SHARP)	H		2	
Welsh Housing Quality Standard	H		2	
Housing Rent Arrears	M		3	
Transient Travellers	M		4	
Disabled Facilities Grant	C/F 16-17		2	Carried forward into 17/18 as the request of the Service
Council Tax & NNDR	Annual	In progess	3	Developing the Control Risk Self assessment (CRSA)
Housing Benefit	Annual	In progress	3	Developing the Control Risk Self assessment (CRSA)
Education & Youth				
School Closure (John Summers High Schools)	H	In Progress	1	
IT Procurement in schools	M		2	
Education Grants: Including Education Improvement Grant (EIG) & Professional Development Grant (PDG)	Annual		2	
Control and Risk Self-Assessment	Annual		2	
Risk based thematic reviews across all schools including central controls	Annual		2/3	
Governance				
Procurement - Contract Monitoring (Joint Review)	H		2	
Procurement - Aggregated Spend (Joint Review)	H		3	
Joint Procurement Arrangement (Joint Review)	H		4	

Audit	Internal Audit Priority Rating	Status of Work	Proposed Quarter	Supporting Narrative
Community Benefits	M		3	
Legal Case Management	M		4	
Information Security Policies	Advice & Consultancy		1	New request for IA involvement
Digitisation / Digital Strategy	Advice & Consultancy			
Data Protection	Annual & C/F 16-17		2	To include work carried forward from 16/17. Additional work wllbe required in 17/18 due to new General Data Protection Rules (GDPR)
Organisational Change 1				
Post Transfer - Leisure, Libraries & Museum Services	H		4	
ADM - Facility Services, Leisure & Libraries, Work Opportunities	Advice & Consultancy	In progress	1	
Libraries	M		2	
Clwyd Theatre Cymru (CTC)	M & C/F 16-17		3	Due to the other priorities within Organational Change 1, the CTC review will carried forward to 17/18
Future ADM : Bailey Hill, Museums & Archives and any emerging ADMs	Advice & Consultancy			
Organisational Change 2				
Community Asset Transfer - Holywell Swimming Pool	H			
Post ADM Transfer - Facilities Services	H		3	Agreed timescale with NEWydd
County Hall Campus	M		3	
CCTV	M		3	
Community Asset Transfer - Contract Management - Connah's Quay Swimming Pool	M		4	
Property Maintenance	M		4	
Community Asset Transfer - New	Advice & Consultancy			
People & Resources				
Working Time Regulations	H	In progress	1	
IR35 Compliance	H		2	
Occupational Health Unit	M		2	New request for audit work
Appraisals	M		3	
Payroll	Annual		4	

Audit	Internal Audit Priority Rating	Status of Work	Proposed Quarter	Supporting Narrative
E-Teach (Supply Staff) – Payroll and Recruitment	Advice & Consultancy	Ongoing	Ongoing	
Treasury Management	M		4	
Main Accounting – Accounts Payable (AP) / P2P	Annual	In Progress	3	Developing the Control Risk Self assessment (CRSA)
Main Accounting – General Ledger (GL)	Annual		3	Developing the Control Risk Self assessment (CRSA)
Main Accounting – Accounts Receivable (AR)	Annual		3	Developing the Control Risk Self assessment (CRSA)
Collaborative Planning (CP)	Advice & Consultancy	Ongoing	Ongoing	
Masterpiece Migration & ADM Financial Solution Project	Advice & Consultancy	Ongoing	Ongoing	
Finance Modernisation Programme – AR	Advice & Consultancy	Ongoing	Ongoing	
Accounts Governance Group	Advice & Consultancy	Ongoing	Ongoing	
Planning & Environment				
Greenfield Valley Heritage Park	H		2	
Pollution Control	H		2	
Pest Control	M		3	
Section 106 Agreements – Follow Up	M		4	
Planning Enforcement – Follow Up	M		4	
Section 106 Agreements	Advice & Consultancy	Ongoing	Ongoing	
Social Services				
Social Services Financial Processes (Including Provider Payments)	Commissioned Work		1	
Commissioning and Contracts	H	In progress	1	
Safeguarding - Adults at Risk	H		2	
Substance Misuse	M		3	
Deferred Payments on Properties	M		4	
Streetscene & Transportation				
Bereavement Services	H	In progress	1	
Integrated Transport Unit (ITU)	H		2	
Community Transport	M		2	
Highways - Cost Recovery	M		3	
Regional Transport	M		4	

Audit	Internal Audit Priority Rating	Status of Work	Proposed Quarter	Supporting Narrative
Fleet Management	C/F 16-17		2	At the request of the service department this review has been carried forward into 17/18
Accounting for Highways Assets Infrastructure	Advice & Consultancy	Ongoing	Ongoing	
ITU Project Working Group	Advice & Consultancy	Ongoing	Ongoing	
Pensions Administration	Annual	-	4	
North West Residual Waste Partnership	Advice & Consultancy	Ongoing	Ongoing	
Investigations, Provisions and Developments				
Investigations	Investigation	Ongoing	Ongoing	Four investiations – Appendix F
Proactive Fraud	Training	In progress	2	• Whistleblowing Training to Social Services • Review of Counter Fraud Policies
Audit Development : Control Risk Self Assessment	Development	In progress	Ongoing	
Audit Development : Computer Assisted Audit Tools Techniques Software (CAATTs)	Development			
Audit Development : Root Cause Analysis	Development	In progress	Ongoing	

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.
Annual (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.
Advice & Consultanct	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.