

AUDIT COMMITTEE

Date of Meeting	Wednesday, 21 March 2018
Report Subject	Internal Audit Progress Report
Cabinet Member	Not Applicable
Report Author	Internal Audit Manager
Type of Report	Assurance

EXECUTIVE SUMMARY

Internal Audit produces a progress report for the Audit Committee every quarter. This shows the position of the team against the plan, changes to the plan, final reports issued, action tracking, performance indicators and current investigations. This meets the requirements of the Public Sector Internal Audit Standards, and also enables the committee to fulfil the Terms of Reference with regards to Internal Audit.

The current report is attached.

RECOMMENDATIONS

1	To consider and accept the report.
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REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT
1.01	Internal Audit gives a progress report to the Audit Committee every quarter as part of the normal reporting process. The report is divided into several parts.
1.02	<p>The level of audit assurance for standard audit reviews is detailed within Appendix A. All reports finalised since the last committee meeting are shown in Appendix B.</p> <p>No reports have been issued since the last committee meeting in January with a red / limited assurance opinion. Copies of all final reports are available for members if they wish to see them.</p>

1.03	At the request of the committee Appendix C provides an overview of those audits reports issued with an Amber Red assurance opinion.						
1.04	<p>The automatic tracking of actions continues using the integrated audit software. All actions are tracked automatically and the system allows Managers and Chief Officers to monitor their own teams' outstanding actions and confirm they are being implemented.</p> <p>E-mail alerts are generated by the system and sent to the responsible officer and their manager before the action is due. E-mails are also sent to them and copied to Chief Officers if actions are not completed on time. Monthly reports are also sent to Chief Officers informing them of outstanding actions for their teams.</p> <p>The system was rolled out from the 4th January 2016, including requiring all managers and Chief Officers to register. It included all actions from reports issued since April 2015, along with outstanding actions previously tracked.</p> <p>Appendix D shows the current situation. Of 706 actions entered into the system 597 have been cleared and 109 remain live. There are no actions currently overdue.</p> <p>Appendix E lists all actions with a revised due date of six months from the original due date and a note on how the risk is being managed. For each revised due date entered onto the system, the officer is required to provide a reason to support this change.</p>						
1.05	Appendix F shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates of the investigations.						
1.06	Appendix G shows the range of performance indicators for the department. Performance continues to meet the current targets set however there has been a reduction in the number of Client Questionnaires returned and this is reflected in the stats. This will continue to be monitored.						
1.07	Appendix H shows the current position with regards to the 2017/18 plan.						
1.08	<p>On a quarterly basis the 2017/18 plan has been reviewed and reprioritised to accommodate new requests for work or to respond to emerging issues. Since April 2017, 13 requests for additional work have been received.</p> <p>It was agreed that all high priority audits would be undertaken 2017/18 however where a review could not take place this would be reported back to committee. It is proposed to defer two high priority reviews until 2018/19.</p>						
	<table border="1"> <thead> <tr> <th data-bbox="308 1787 850 1821">Audit</th> <th data-bbox="858 1787 1393 1821">Reason</th> </tr> </thead> <tbody> <tr> <td data-bbox="308 1821 850 1933">Welsh Quality Housing Standards</td> <td data-bbox="858 1821 1393 1933">WAO reviewed WQHS as part of a thematic review WQHS following the release of WAO's report.</td> </tr> <tr> <td data-bbox="308 1933 850 2036">Contract Monitoring.</td> <td data-bbox="858 1933 1393 2036">Due to the timing of the last contract monitoring review it is proposed to defer this to 2018/19.</td> </tr> </tbody> </table>	Audit	Reason	Welsh Quality Housing Standards	WAO reviewed WQHS as part of a thematic review WQHS following the release of WAO's report.	Contract Monitoring.	Due to the timing of the last contract monitoring review it is proposed to defer this to 2018/19.
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2.00	RESOURCE IMPLICATIONS
2.01	None as a direct result of this report.
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.
4.00	RISK MANAGEMENT
4.01	The work of Internal Audit provides assurance to the Council that adequate and effective controls are in place to mitigate risks.
5.00	APPENDICES
5.01	<p>Appendix A – Final Reports Issued</p> <p>Appendix B – Levels of Audit Assurance</p> <p>Appendix C – Final Reports issued with Amber Red Assurance Opinion</p> <p>Appendix D – Action Tracking – Portfolio Statistics</p> <p>Appendix E – Actions with Revised Due Date Six Months Beyond Original Due Date</p> <p>Appendix F – Investigation Update</p> <p>Appendix G – Performance Indicators</p> <p>Appendix H – Operational Plan 2017/18</p>
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Lisa Brownbill, Internal Audit Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: Lisa.brownbill@flintshire.gov.uk</p>
7.00	GLOSSARY OF TERMS
7.01	<p>Wales Audit Office: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p>Corporate Governance: the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p>Wales Chief Auditors Group: An informal meeting group of Chief Auditors to discuss items of mutual interest.</p> <p>Operational Plan: the annual plan of work for the Internal Audit team.</p>