Flintshire Internal Audit

Progress Report

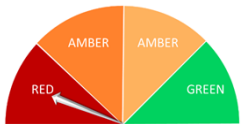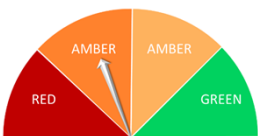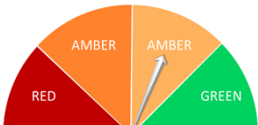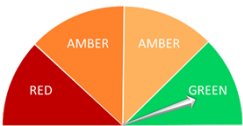March 2018

Sir y Fflint
Flintshire
COUNTY COUNCIL

Contents

Levels of Assurance – Standard Audit Reports   Appendix A

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.

Final Reports Issued Since January 2018   Appendix B

The following reports and advisory work have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified.

Project Reference	Project Description	Audit Type	Level of Assurance	Actions		
				High	Med	Low
04-2017/18	Social Services Commissioning & Contracts	Risk Based	Green	0	1	2
25-2016/17	Data Protection	Risk Based	Amber Green	0	4	0
45-2016/17	Capital Asset Strategy & Asset Management Plan	Risk Based	Amber Green	0	1	1
18-2017/18	Community Asset Transfers - Holywell	Risk Based	Amber Green	0	0	3
14-2017/18	Pollution Control	Risk Based	Amber Red	0	5	5

Reports Issued 'Amber Red / Some' Assurance

<div align="right">

Appendix C
</div>

Pollution Control:

Areas Managed Well	Areas Identified for Further Improvement
• Staff involved in the service are well qualified and keep up to date with their Continued Professional Development requirements in their area of expertise. • Defra Statistical Returns and Air Quality Reports are submitted in line with regulations. • Diffusion tubes are monitored in line with the prescribed process and monthly reports to Defra are submitted in a timely manner. • There is adequate segregation of duties over the invoicing of the annual charge for permits. • Staff are aware of the implications for the service of the Well-being of Future Generations (Wales) Act 2015.	• There is an opportunity to improve documentation within the Permitting records and on Flare (the Civica system) to substantiate compliance with statutory regulations. No Annual Inspection Plans are produced to ensure regularity of inspections are compliant with regulations. To rectify this a full review of ways of working, instigate documented procedures and draw up plans to ensure compliance with regulatory inspection regimes will be undertaken. • Council does not have an overarching Policy/Strategy for Pollution Control bringing all functions together under the one umbrella. To address this management propose to devise an Operational Plan to cover all aspects of Pollution Control to provide direction and evaluation of the service. • There is not a comprehensive suite of documented internal procedures for Air Quality, Permitting, Statutory Nuisance and assessing Planning Applications for potential noise nuisance. To correct this operational procedure will be created to aid consistency and assessment of service. • The Public Register for environmental permits does not contain cost accounting records and is not instantly accessible to the public. It has been agreed to utilise Flare system to link cost accounting records to the Public Register. • Due to limited evidence to support risk evaluation of installations requiring permits undertaken and the correct application charges could not be verified. Procedures will now be established to justify the fees charged.

Action Tracking – Portfolio Performance Statistics

Appendix D

Portfolio	March 2018 Stats				Live Actions - As at March 2018			Actions beyond <u>Original</u> due date	
	Number of Actions Raised **Since** January 2016	Actions Implemented since Jan 2016 *(including Actions No Longer Valid)*	% of Actions Cleared To Date	Number of Audits **Since** January 2016	Live Actions	Actions Beyond Due Date *(excludes Actions with revised due date)*	Actions with a Revised Due Date	Actions between 6 & 12 months	Actions Greater than 12 Months (13+)
								See Appendix E	
Corporate	31	25		15	4	0	2	0	0
Community & Enterprise	76	66		11	10	0	3	0	1
Education & Youth	54	41		18	13	0	3	0	0
Governance	79	63		21	15	0	7	0	7
Organisational Change 1	20	19		4	1	0	0	0	0
Organisational Change 2	37	33		8	4	0	2	1	1
People & Resources	114	109	**84%**	32	8	0	5	1	0
Planning & Environment	38	17		8	21	0	11	1	8
Social Services	88	76		15	12	0	5	1	0
Streetscene & Transportation	75	71		10	4	0	3	1	0
External	22	17		7	5	0	1	0	0
Individual Schools	72	60		22	14	0	11	8	0
Total	**706**	**594**		**171**	**112**	**0**	**56**	**16**	**17**

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

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Community & Enterprise								
Housing Allocations 15/16	1616	The current SARTH policy is under review. Following this, any required changes to procedural notes will be implemented.	M	31-Mar-17	30-Jun-18	The date has been amended to coincide with the most recent audit recommendations. The SARTH policy is a regional policy and the revised date reflects the date the regional panel will be signing off the revised policy and procedures.	The policy review was completed and agreed by the SARTH Regional Steering Group in September 2017. The final draft of the policy document is now with partners to agree prior to publication. The SARTH Regional Operational Group have now commenced work on revision of the procedures and this work is aimed to be completed in June 2018.	Staff have been made aware of any amendments to the procedures subject to final versions being signed off. This is confirmed within 1:1s and team meetings.
Governance								
CPRs 15/16	174	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.	M	31-Mar-16	31-Mar-18	Progress with developing an electronic register has been slowed by capacity within IT development services.	Chief Officers are already under an obligation to maintain a register for declarations of interest. The Deputy Monitoring Officer has prepared a process and guidance so that the process can be reinforced and made consistent. Training will be provide via DMTs over the next 3 months	Any declarations are to be reported to line management until IT solution is finalised.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Main Accounting - AP & P2P 15/16	284	Category managers will be reviewed annually to ensure that the named manager is still in post in the Portfolio. The development of category management is being looked at as a part of the long term Procurement Strategy. Due to the procurement contract with Denbighshire, any move toward implementing full category management would have to be negotiated and agreed by both parties.	M	29-Feb-16	18-Apr-18	A discussion has been held also with Financial Systems team who will be tasked to configure the classification codes changes within the PROACTIS Purchase to Pay System. The spreadsheet file of all configuration changes will be handed to Financial Systems Team before end of January 2018 and a revised date of end of February 2018 for then changes to be incorporated by Financial Systems Team onto the system.	Configuration changes have been received by Financial Systems. Before this work can be implemented within P2P, Procurement are due to send out a communication to all P2P users to inform them of the revised P2P PO workflow approval process. Procurement will then notify Financial Systems to commence the work.	The Category Business Partners have been engaging with their respective service area officers to promote the need for Contract Procedure Rules compliance. Additionally a new Commissioning form has been developed, which requires Corporate Procurement Service sign off and feedback before any market competition can be undertaken by the service area for all projects above £25k.
Data Protection - 15/16	1406	A new workflow process will be implemented to include subject access requests. This will also raise awareness, heighten the profile and educate staff within Portfolios of the existence of SAR's and the correct steps and guidelines to be used when dealing with them.	M	31-Mar-17	30-Mar-18	Service to confirm This forms part of the wider Information System which is being developed. We have started with FOI as there are higher risks in this area.	This is currently under development as part of the GDPR project.	A spreadsheet is being maintained of current requests, this will be replaced by the new workflow system.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Data Protection 15/16	1414	The introduction of a workflow process for SAR's will ensure a central control over the process and ensure the process is fully complete.	H	31-Mar-17	30-Mar-18	Service to confirm The Information System forms part of a wider project. The project has started with FOI as there are higher risk issues in this area.	This is currently under development as part of the GDPR project.	A spreadsheet is being maintained of current requests, this will be replaced by the new workflow system.
PCIDSS Compliance 2015/16	1516	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.	L	31-Dec-16	31-Mar-18	Revised due date to tie in with the external assessment with QSA support	PCIDSS Accredited External Assessors have been appointed to conduct an initial review of systems and architecture leading to the identification of processes which are likely to already meet the requirements of PCIDSS and those processes where there is scope to improve. The external assessment is due to take place on-site from 2/10/17 to 04/10/17. Following the review the SAQ will be completed and based on the findings of the external risk assessment.	A PCIDSS review was undertaken by a specialist QSA provider, ECSC, on 4th October 2017. The review has identified areas of compliance and areas of risk. Overall, the Council is deemed to be 50% compliance with PCIDSS The findings of the report are now being considered by the Project Group and Chief Officer to identify what measures are required to increase compliance but this will undoubtedly require substantial investments in IT to achieve 100% compliance.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
PCIDSS Compliance 2015/16	1523	Working group to establish an action plan and carry out checks each year end to ensure guidance is up to date.	H	31-Dec-16	31-Mar-18	Work is ongoing to update and re-issue guidance and procedures for the workforce responsible for taking payments. This guidance will be issued by 31st March 2018.	The findings of the external PCIDSS audit are currently still being considered and two payment channels are already fully PCIDSS compliant (web payments and ATP payments - automated telephone payments). Relevant SAQ'S are being drafted for these payment channels. New technologies and investments are being assessed to establish whether full compliance can be realistically achieved within budget provision through the development of a mid-call solution. Alternatively, through service planning and a strategic move away from telephone payments and channel shift towards to web payments or ATP payments, we need to determine whether residual risks would warrant the major investments to achieve full compliance.	In the meantime guidance will be updated and re-circulated to the workforce responsible for taking payments.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
PCIDSS: Non-compliance with PCI DSS or DP Act.	1572	Working group to ensure systems comply with PCIDSS and Data Protection requirements.	H	31/12/2016	31/03/2018	PCIDSS Accredited External Assessors have been appointed to conduct an initial review of systems and architecture leading to the identification of processes which are likely to already meet the requirements of PCIDSS and those processes where there is scope to improve. The external assessment is due to take place on-site from 2/10/17 to 04/10/17. Following the review the SAQ will be completed and based on the findings of the external risk assessment.	A PCIDSS review was undertaken by a specialist QSA provider, ECSC, on 4th October 2017. The review has identified areas of compliance and areas of risk. Overall, the Council is deemed to be 50% compliance with PCIDSS The findings of the report are now being considered by the Project Group and Chief Officer to identify what measures are required to increase compliance but this will undoubtedly require substantial investments in IT to achieve 100% compliance	A PCIDSS review was undertaken by a specialist QSA provider, ECSC, on 4th October 2017. The review has identified areas of compliance and areas of risk. Overall, the Council is deemed to be 50% compliance with PCIDSS The findings of the report are now being considered by the Project Group and Chief Officer to identify what measures are required to increase compliance but this will undoubtedly require substantial investments in IT to achieve 100% compliance
Organisational Change 2								
Community Asset Transfers 2016/17	1606	A paragraph statement will be included in the CAT process to sign post fraud risk through the Policy, Guidance document, and through to the Legal document. The monitoring	L	30-Jun-17	18-May-18	Reviewing how this may best be incorporated within the CAT Guidance document to reflect the action.	Paragraph will be inserted into CAT guidance, which will then need translation and uploading back onto the Web site.	Fraud or the potential for fraud would be discussed on a cases by case basis in the interim period with groups seeking to progress a CAT.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		arrangements will include an expectation to witness financial records within the Annual report.						
CCTV - 15/16	333	The draft CCTV Policy should be finalised as soon as is practically possible. All Operatives should sign the Code of Practice for the operation of CCTV All Operatives should sign the Code of Practice signature sheet for airwave	M	31-Jul-16	30-Apr-18	The Policy needed to be resubmitted to FJTUC following their initial observations. It was redrafted and has been resubmitted and been supported subject to some further observations which are being considered. The redraft covers a wider number of systems such as body work cameras and vehicle tracking.	Further drafting to be carried out after which it will be adopted.	A policy is already in place but this is dated and needs refreshing, hence the work detailed within the report. The risks are not significant as the public realm systems are operated in line with legislative guidelines. This is more about formalising the operational policy and updating.
People & Resources								
Compulsory and Voluntary Redundancies 2016/17	1925	The Databases will be reviewed and improved to ensure all appropriate information is captured. Regular reviews will be undertaken to ensure all relevant fields are completed and due process is being adhered to.	M	31-Jul-17	31-Mar-18	Service to confirm Awaiting for IT to make necessary changes to system as per follow on notes	After a recent iTrent update the database was no longer accessible. It has been agreed as there is a new database which will be released in 6 weeks IT won't spend time trying to make the soon to be obsolete database work.	The service are keeping paper records whilst awaiting the new database.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Planning and Environment								
Section 106 - 15/16	285	The Local Planning Guidance Notes are currently being brought up to date to allow continued use of the Unitary Development Plan (UDP). Whilst the UDP has technically expired, the intention is to keep the plan 'alive' for as long as possible.

The bulk of the 'comments' from the LPGN consultation process were reported to the Planning Strategy Group on 25th February 2016. LPGN 22 will be reviewed as required following the adoption of the updated LPGN's.
The updated LPGN's (which are still in the consultation period) will be adopted by 30th April 2016. If it is determined that further update to LPGN 22 is required (in particular to take account of the adoption of LPGN 23, Education | M | 31-Jul-16 | 30-Jun-18 | The LPG 22, as overarching guidance, can only be updated once all individual LPGs have been updated, and there is still work to be done to update LPG13 (see below).
Lastly, as each individual LPG is up to date (except LPG 13) each can be applied to the consideration of planning applications and any developer obligations that arise.
The risk in not updating LPG 22 is therefore very low and can be managed in due course once individual LPGs are updated. This must therefore be a 'green' in terms of risk status. | Awaiting completion of the review of individual LPGs (specifically LPG13 – see below for update). | Monitoring progress with LPG13 via service manager and with reports to S106 working group. |

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		Contributions - adopted July 2012) then we could expect the adoption of an updated LPGN 22 by 31st July 2016.						
Section 106 - 15/16	311	Reports were taken to Cabinet in March 2016 providing a review of the CAT scheme and Play Sufficiency Assessment specifically to try and get an agreed policy position in relation to play areas and CAT which should help develop the future s106 position with regards to existing play areas, and help the consideration of how s106 funding might be needed in future to sustain existing play areas as well as the position in respect of new play areas. Town and Community councils will be consulted on this from May onwards.	M	31-Mar-17	31-Mar-18	Previous officer with experience of LPG 13 will return to work 15/01/2018after long term sickness, and will work on the update of LPG 13 as a priority. To be accurate and coincide with the meeting of the Planning Strategy Group that will sign off this guidance note.	Initial review work on LPG13 will be presented to S106 working group at its meeting on 21st March 2018	Monitoring progress with LPG13 via service manager and with reports to S106 working group.
Section 106 - 15/16	313	Leisure to discuss the inclusion of an upfront specification for play equipment in the LPGN with the Planning Policy team. This would allow specifications to be built	M	31-Jul-16	31-Mar-18	Specification is still awaited from Leisure and will be included as part of updating LPG 13 (see below). Revised due date set was unrealistic and	Initial review work on LPG13 will be presented to S106 working group at its meeting on 21st March 2018. Leisure have yet to provide specification.	Monitoring progress with LPG13 via service manager and with reports to S106 working group.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		into the planning application (as such any changes to specification would require an amended planning application).				unachievable given circumstances reported below for LPG 13 update.		
Section 106 - 15/16	314	Planning recognise that they need to educate Members in respect of the options available to them when considering Planning Applications with management companies / residents associations proposed for the ongoing maintenance of open spaces, and their influence in planning terms.

Consideration will be given to ways in which we can use the Planning Guidance to mitigate risks around management of on-site play facilities and open spaces by resident Management Companies (e.g. requirement for developers to provide a bond; one off costs could be added to the purchase price of new homes (with lower annual contributions | L | 31-Jul-16 | 31-Mar-18 | Will be considered as part of updating LPG 13 (see below). Revised due date set was unrealistic and unachievable given circumstances reported below for LPG 13 update.
Given the extent to which we can't prevent developers proposing a management company this is a low risk. | Initial review work on LPG13 will be presented to S106 working group at its meeting on 21st March 2018. Leisure have yet to provide specification. | Monitoring progress with LPG13 via service manager and with reports to S106 working group. |

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		from home owners), etc.).						
Section 106 - 15/16	315	This will be revisited as part of the current consultation process, in consultation with Leisure Services.	L	31-Jul-16	31-Mar-18	Will be considered as part of updating LPG 13 (see below). Revised due date set was unrealistic and unachievable given circumstances reported below for LPG 13 update.	Initial review work on LPG13 will be presented to S106 working group at its meeting on 21st March 2018. Leisure have yet to provide specification.	This was a green finding so the risk is considered to be low, and will continue to be managed through existing process.
Section 106 - 15/16	320	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;
Section 106 linkages across the Authority, the information needs of each service area, and the information currently held | L | 30-Jun-16 | 31-Mar-18 | Now part of wider review of Development Management back office system and potential procurement of IDOX system to replace current Civica system. Capital bid submitted December 2017 and if successful procurement in Spring 2018. | A capital bid was submitted in December 2017 to enable procurement of a new IT system. Unfortunately the bid was unsuccessful (advised Feb 2018) The service are now reviewing other potential sources of funding to secure new system. | The in house monitoring system (S106 spreadsheet) is still maintained pending further consideration by the cross portfolio working group around process and flow of information. |

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		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						

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		control of s106 monies.						
Section 106 - 15/16	1435	Leisure Services to liaise with Planning to determine whether there is scope for further amendment to the revised Planning Guidance for Open Spaces to update the amount per dwelling requested from developers, and to amend the thresholds within the Planning Guidance.	M	30-Jun-16	08-May-18	Revised date set in line with the meeting of the Planning Strategy group which will sign off the revised Planning Guidance note on 29th June	LPGN 13 remains in place, whilst it is acknowledged that some update is required, and work is ongoing to address this.	Existence of the current Planning Guidance ensures that risks are managed in the meantime.
Planning Enforcement 2016/17	1887	A technical meeting will be held in June / July 2017 and all officers will be trained in how to enter the data required in order to meet the required returns.	L	31-Jul-17	04-May-18	Await revised standards for Welsh Governments. Proper preparation and adjustment cannot be made until these are confirmed.	Technical meeting held with Team Leaders, active and previously active enforcement officers, internal IT support and development manager. All agreed on first stages of change of how to input technical data. Slight issue as Welsh Government have announced they are altered the parameters within the performance indicators which are used to monitor enforcement. The group of officers are awaiting the formal announcement of any change.	In the interim officers are focused on the correct input of data, closing cases down in a timely manner and using the newly created status drop-down to provide a status position on the cases which would help performance reporting and case management. Capital bid was submitted prior to Christmas 2017 which relates to procurement of a new software system which would automatically manage data to respond to

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
								Welsh and British Government performance indicators.
Greenfield Valley: Credit Card Payments	1580	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.	L	31-Mar-17	31-Mar-18	To allow the service time to put a final policy document in place following the update above.	The Interim Policy referred to below is still in place. The intention is that the interim policy will be revised once the new Trustees have been appointed and the Board is complete (appointments of 4 x new Trustees expected by the end of Nov 17). It is anticipated that the Trustees will need a period of time before they commence review of all policies and procedures, as such the due date has been changed to 31.3.18.	Interim policy is in place.
Social Services								
Flying Start Childcare Placements 2015/16	1608	Management have agreed the following actions: (a) To review the sessional rate offered to existing providers considering pricing across Wales and what elements the fee will cover.	M	30-Jun-17	01-Apr-19	As advised by Procurement - In agreement with Flying Start Welsh Government Account Manager.	(a) Actioned. A review has been completed of the sessional rates across North Wales. A phased reduction was introduced June 2017 in alignment with the childcare offer too. (b) Actioned. Work is in progress with	The Flintshire model is considered to be exampler, as Flintshire Flying Start only pay for places booked. There are no block booking for FS childcare places, unlike many other Authorities. Attendance is closely

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		(b) To contact Corporate Procurement to discuss the undertaking of a tender exercise to include support for smaller organisations (c) To review similar processes and paperwork undertaken by other local authorities in Wales and the viability for using best practice examples in Flintshire. (d) To ensure any tendering exercise is aligned with the Welsh Government 3-4 year old pilot for funded childcare to ensure consistency of rates, and sustainability for childcare settings. (e) Undertake tender exercise for the procurement of childcare placements, to include a briefing and support session with Settings. (f) Notify successful/ unsuccessful settings					Procurement. A tender document has been produced. (c) Actioned. A review has been undertaken through the Flying Start Network and best practice examples and lessons learnt are being applied in preparation for procurement. (d) Revised due date. Due to the implementation of the Childcare Offer and ensuring stability in the Sector and sufficiency of places for Early Entitlement, Childcare and Flying Start placements the procurement exercise is being delayed until the early implementation childcare offer is completed. (e) Part-actioned. The briefing and support session material is prepared in readiness for a procurement exercise. (f) Successful and unsuccessful settings will be notified within timescale.	monitored, alongside quality and staff qualification level. This is undertaken by specialist advisory teachers. The monthly payments to Settings is also closely monitored with the necessary audit trail. All Flying Start settings are approved by WG.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Streetscene & Transportation								
Alltami Stores	1919		M	01-Aug-17	31-Mar-18	Further update required Revised process being implemented following departure of Stores Coordinator Further delays incurred with implementation of a new process following further changes to personnel within the Stores section.	A new manager will be taking over this service and will review the procurement process including suppliers and goods ordered. After the review there will be no coding grid orders with all procurement being made using P2P. Katie Wilby will remain the Service Manager for this area. The risk is currently being managed by the interim process put in place in response to the audit explained below.	Processes are currently in place as follows: Materials & Plant – upfront order raised by Technical Officer through P2P, which is authorised by Logistics Manager; invoices are sent directly to AP&AR for payment Stock within Stores e.g. PPE– ordered by Depot Resource Assistants via Tranman. All invoices authorised by Logistics Manager (up to £30k) or Transportation & Logistics Manager (up to £200k) to ensure segregation of duties Revised process being implemented following departure of Stores Coordinator
Individual Schools								
Flint High Risk Based Thematic Review	1820	Consideration to be given to revising the Charging and Remissions Policy and expanding it to include a procedure for the recovery of unpaid	L	01-Sep-17	31-Mar-18	Policy is due for review in November and Business Manager is to make recommendations ready for forthcoming Finance & Premises	Finance Meeting to take place on Feb 7th 2018. CS currently in discussion with County regarding bad debt procedures. Policy will be updated for the	Risk management; Policy will be in updated as from 19th March following Governors Finance Committee meeting on

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		invoices or writing off bad debt.				Committee Meeting.	7th Feb. Policy still under revision. Finance Meeting has not taken place due to pending budget information from County	14th March
Flint High Risk Based Thematic Review	1822	Documentation to be in place to evidence the fact that there is a monthly reconciliation process between the FMS system and the ACE Reports produced from the financial ledger. Additionally any findings should be shared with the Head Teacher and the process should be signed and dated as correct by the Head Teacher and Business Manager.	L	01-Sep-17	31-Mar-18	Alternative reconciliation method being investigated. An alternative system will be introduced from the new financial year	Process of uploading and signing off orders using the FMS system has changed back to the old system of coding grids, making this task more difficult as it is now a completely paper driven task, rather than from a report generated by FMS that could be compared against the ACE report Business Manager is examining alternative reconciliation procedures.	Risk management; new system being devised for introduction from April 2018
Flint High Risk Based Thematic Review 2016/17	1824	As soon as practically possible the handwritten classroom furniture inventory needs to be computerised	L	01-Sep-17	23-Mar-18	Completion of task has been delegated by Craig Stedman to an admin officer. This process is ongoing but a completion deadline set for 23rd march.	Computerised version partially complete. Due to current workload issues and re-prioritisation of tasks the due date has been revised.	Risk is currently being managed as a paper copy is available and this is kept safe until the full update is complete.
Flint High Risk Based Thematic Review	1825	The Governing Body should consider whether to purchase Fidelity Guarantee Insurance to	M	01-Sep-17	31-Mar-18	Actual cost of insurance still be obtained Discussed at recent	The Council Insurance team is currently discussing with the Council's insurers the possibility of including fidelity	Risk management; current systems are robust, but risk assessment to be

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
2016/17		protect the School Fund from any potential misappropriation of monies.				Business Managers Meeting 27/09/17. Costs through Zurich have been obtained to present to Governors Finance Committee 25/10/17 Costs presented and discussed at Committee. Based on discussion CS is to complete a risk assessment for final consideration by Committee on 07/02/18 07/02/18 meeting has not taken place - postponed until budget update can be issued	insurance for all schools.	presented and evaluated to Finance Committee on 14th march
Flint High Risk Based Thematic Review 2016/17	1830	Relevant officers and Governors at the school to receive Data Protection training with the following details recorded in a Training Register: name of the officer/governor, date of training, refresher training date and level of training received.	M	01-Sep-17	23-Mar-18	Business Manager is to receive training "Information Law for Administrators" end Oct/early Nov. Working with David Bridge to identify suitable training for staff / Governors.	Have discussed training requirements and looking at how to proceed - adding staff raining into a twilight session and Governors into a full Governing Body meeting Training schedule has commenced with the first Support Staff training session taking place 26/02/18. This training is to be rolled out further.	Risk management; a training schedule is being put in place to ensure the majority of staff have received basic training by the 26th May.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Reason for Revised Due Date	Current Status	How Risk is Being Managed
							Full Governing Body meeting / training forthcoming	
Flint High Risk Based Thematic Review 2016/17	1832	The Governing Body need to meet to formulate an action plan to ensure that the school complies with the General Data Protection Regulations 2018.	M	01-Sep-17	31-Mar-18	Next Full Governing Body meeting March 2018.	Craig Stedman is project Managing the GDPR. Flint High School has signed up to the services of David Bridge as the appointed Data Protection Officer	Managing Risk; Being signed up to the service with David Bridge will ensure access to all model documents to be released by David very soon
Flint High Risk Based Thematic Review 2016/17	1834	Next Full Governing Body meeting March 2018. Craig Stedman is project Managing the GDPR. Flint High School has signed up to the services of David Bridge as the appointed Data Protection Officer	M	01-Sep-17	31-Mar-18	Fair Processing Notice included on new forms - to be checked by David Bridge for suitability within forthcoming site audit Site audit has not yet taken place; Craig Stedman in process of arranging.	Site audit took place on Monday 26/02/18 and Privacy Notices will be updated again in line with David Bridges' recommendation on Privacy Notices and Fair Processing Notice. Discussed with David a 'suite' of model documents that schools will be able to adopt for compliance purposes.	Risk management; this will be in place with GDPR introduction date due to signing up with David Bridge
Flint High Risk Based Thematic Review 2016/17	1836	Consideration to be given to setting staff attendance targets in the School Development Plan.	M	01/09/2017	18/05/2018	To be given further consideration by Committee; meeting date 31/01/18.	Committee has not yet had an opportunity to discuss. CS to add as agenda item May 16th 2018 meeting	Risk Management: Standard sickness absence monitoring procedures continue to be utilised as per policy.

Investigation Update   Appendix F

Ref	Date Referred	Investigation Details
1.	**New Referrals**	
1.1	02/02/2018	A referral was made concerning the use of a Direct Payment. An investigation is currently underway to determine whether funds have been misused.
2.	**Reported to Previous Committees and still being Investigated**	
2.1	30/10/2017	A referral was received concerning potential misuse of a grant scheme by a former member of staff. An investigation is ongoing.
3.	**Investigation has been Completed**	
3.1	20/12/2017	Monies were reported as missing from a café run by the Learning Disabilities Service, the matter was reported to the Police who decided not to investigate. An internal investigation was also undertaken and a report is being prepared to enhance the control environment.
3.2	11/05/2017	An anonymous whistleblow was received concerning procurement practices in one of the Portfolios. The investigation work is complete and a report has been prepared to enhance the control environment.
3.3	18/05/2016	A referral was received concerning the use of monies on a grant funded scheme. The internal investigation has been concluded and an investigation report has been issued. The Police have investigated the case and are not taking any further action. A further report is being prepared to consider and address the control implications and future learning in this case.

Internal Audit Performance Indicators   Appendix G

Performance Measure	Qtr 1 17/18	Qtr 2 17/18	Qtr 3 17/18	Qtr 4 17/18 (as at 11/1)	Qtr 4 17/18 (as at 6/3)	Target	RAG Rating	
Audits completed within planned time	71%	60%	88%	88%	83%	80%	G	↓
Average number of days from end of fieldwork to debrief meeting	17	15	11	12	9	20	G	↑
Average number of days from debrief meeting to the issue of draft report	5	14	2	2	3	5*	G	↓
Days for departments to return draft reports	10	11	7	5	7	7*	G	↓
Average number of days from response to issue of final report	1	2	2	3	2	2	G	↑
Total days from end of fieldwork to issue of final report	39	34	27	29	27	34	G	↑
Productive audit days	79%	74%	82%	73%	78%	75%	G	↑
Client questionnaires responses as satisfied	100%	100%	100%	100%	100%	95%	G	→
Return of Client Satisfaction Questionnaires	66%	75%	75%	50%	57%	80%	R	↑

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 2017/18

Appendix H

Audit	Internal Audit Priority Rating	Status of Work	Proposed Quarter	Supporting Narrative
Corporate				
Income from Fees and Charges / Efficiency Savings	H		4	Start Date – March 2018
Use of Consultants	Advice & Consultancy	Complete	-	
Corporate Safeguarding	Advice & Consultancy	Ongoing	-	New to Plan – IAM a member of the Corporate Safeguarding Board
Corporate Governance	Annual	Ongoing	-	Member of the Corporate Governance Working Group
Community & Enterprise				
Single Access Route to Housing (SARTH)	H	Complete	-	
Strategic Housing and Regeneration Project (SHARP)	H	In Progress	2	
Welsh Housing Quality Standard	H	Defer until 18/19	-	Defer due to WAO audit on WQHS
Housing Rent Arrears	M	In Progress	3	
Transient Travellers	M	Defer	-	Defer to 2018/19
Disabled Facilities Grant	C/F 16-17	Draft Report Stage	2	Carried forward into 17/18 as the request of the Service
Council Tax & NNDR	Annual	In progress	3	CRSA Issued
Housing Benefit	Annual	Draft Report Stage	3	CRSA Issued
Education & Youth				
School Closure (John Summers High Schools)	H	Complete	-	
IT Procurement in schools	M	Draft Report stage	-	
School Uniform Grants	Grant Audit	Complete	-	New to plan – to validate the grant application process.
Education Grants: Professional Development Grant (PDG)	Annual	Complete	-	
Education Grants: Including Education Improvement Grant (EIG)	Annual	Complete	-	
Control and Risk Self-Assessment	Annual	Complete	-	
Risk based thematic reviews across all schools including central controls	Annual	Draft Report stage	-	

Audit	Internal Audit Priority Rating	Status of Work	Proposed Quarter	Supporting Narrative
Governance				
Joint Central Procurement Arrangement (Joint Review)	H	Draft report stage	2	This review will include aggregated spend
Procurement - Aggregated Spend (Joint Review)	H	Draft report stage	2	Combined within the above review
Procurement - Contract Monitoring (Joint Review)	H	Defer until 18/19	-	
Legal Case Management	M	In Progress	4	
Community Benefits	M	Defer	-	Defer until 2019/20
Information Security Policies	Advice & Consultancy	On going	-	New to Plan - request for IA involvement
Digitisation / Digital Strategy	Advice & Consultancy	On going	-	
Data Protection	Annual & C/F 16-17	Complete	-	To include work carried forward from 16/17. Additional work will be required in 17/18 due to new General Data Protection Rules (GDPR)
Organisational Change 1				
Post Transfer - Leisure, Libraries & Museum Services	H	Draft report stage	3/4	2017/18 review will focus on the strategic risks of the business.
ADM - Facility Services, Leisure & Libraries, Work Opportunities	Advice & Consultancy	Complete	-	Work on Aura and NEWydd complete.
Clwyd Theatre Cymru (CTC)	M	Defer	-	Defer to 2018/19
Libraries	M	Defer	-	Defer until next year given the SLA with Aura is 20 days
Future ADM : Bailey Hill, Museums & Archives and any emerging ADMs	Advice & Consultancy		Ongoing	
Organisational Change 2				
Community Asset Transfer - Holywell Swimming Pool	H	Complete	-	Mid November start
Post ADM Transfer - Facilities Services	H	In Progress	4	
County Hall Campus Working Group	Advice & Consultancy	On going	-	Attendance at
CCTV	M	Defer	-	Defer to 2019/20 once direction of service known
Community Asset Transfer - Contract Management - Connah's Quay Swimming Pool	M	Defer	-	Defer to 2019/20
Property Maintenance	M	Defer	-	Defer until 2018/19
Background checks	Advice & Consultancy	Complete	-	New to Plan

Audit	Internal Audit Priority Rating	Status of Work	Proposed Quarter	Supporting Narrative
Community Asset Transfer - New	Advice & Consultancy		Ongoing	
People & Resources				
Working Time Regulations	H	Draft Report	3/4	
IR35 Compliance	H	In Progress	4	January start
Appraisals	M	Defer	-	Defer until 2018/19
Appraisals – Data integrity	New		4	New to Plan
Occupational Health Unit	New	Defer	-	Defer until 2018/19
Payroll	Annual	In Progress	4	
E-Teach (Supply Staff) – Payroll and Recruitment	Advice & Consultancy	Ongoing	Ongoing	
Method Statements Supporting MTFS	Advice & Consultancy	Complete	-	New to Plan – to review method statement calculations
Method statements supporting stages 2 & 3 of Budget Pressures	Advice & Consultancy	Complete	-	New to Plan – to review method statement supporting stages 2 & 3 of the budget pressures
Treasury Management	M	Draft Report Stage	3/4	
Main Accounting – Accounts Payable (AP) / P2P	Annual	In Progress	3/4	CRSA Issued
Main Accounting – Accounts Receivable (AR)	Annual	Draft Report Stage	3/4	CRSA Issued
Main Accounting – General Ledger (GL)	Annual	Draft Report Stage	3/4	
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	In Progress	4	
Pollution Control	H	Complete	-	
Pest Control	M	Defer	-	Low priority
Section 106 Agreements – Follow Up	M		4	Start Date – March 2018
Planning Enforcement – Follow Up	M	18/19 Plan	4	Due April to report to Audit Committee June
Greenfield Valley Heritage Park – Fishing Ban	Advice & Consultancy	Complete	-	New to Plan
Section 106 Agreements	Advice & Consultancy	Ongoing	Ongoing	

Audit	Internal Audit Priority Rating	Status of Work	Proposed Quarter	Supporting Narrative
Social Services				
Social Services Financial Processes (Including Provider Payments)	Commissioned Work	Complete	-	
Commissioning and Contracts	H	Complete	-	
Safeguarding - Adults at Risk	H	In Progress	4	
Substance Misuse	M	Complete	-	
Deferred Payments on Properties	M	Defer	-	Defer to 2018/19
Streetscene & Transportation				
Bereavement Services	H	Complete	-	
Integrated Transport Unit (ITU)	H	In Progress	3 / 4	
Highways - Cost Recovery	M	Defer	-	Defer to 2018/19
Regional Transport	M	Defer	-	Defer to 2018/19
Community Transport	M	Defer	-	Defer to 2019/20
Security of HRC Sites	Advice & Consultancy	Complete	-	New to Plan
Streetlightling Security	Advice & Consultancy	Complete	-	New to Plan
Solar Farm	Advice & Consultancy	Complete	-	New to Plan
ITU Procurement	Advice & Consultancy	Complete	-	New to Plan
Fleet Management	C/F 16-17	In Progress	4	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	
External				
Pensions Administration	Annual	In Progress	4	
North West Residual Waste Partnership	Advice & Consultancy	Ongoing	Ongoing	
Investigations, Provisions and Developments				
Investigations	Investigation	Ongoing	Ongoing	Two investigations – Appendix F
Proactive Fraud	Training	Complete	-	• Whistleblowing Training to Social Services • Review of Counter Fraud Policies
Audit Development : Control Risk Self-Assessment	Development	Complete	-	
Audit Development : Computer Assisted Audit Tools Techniques Software (CAATTs)	Development	In Progress	Ongoing	
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 & Consultancy	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.
New to Plan	Audits added to the plan at the request of management. All new audits to the plan are highlighted in red.
Audits to be Deferred	Medium priority audits deferred in substitute for new higher priority reviews / advice. These audits are highlighted in green within the plan.