

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Friday, 15 February 2019
<b>Report Subject</b>	Internal Audit Progress Report
<b>Cabinet Member</b>	Not Applicable
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	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

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
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	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.
1.03	During the Audit Committee facilitation workshop in September, it was agreed that a profile of the audit assurance and priority of actions would be included as part of the Internal Audit Progress report rather than waiting until the annual report. This will provide an oversight to Audit Committee on the

	<p>cumulative assurance throughout the year, however it should be noted this will be fluid. This profile is shown in Appendix C.</p>
1.04	<p>No reports have been issued since the last committee meeting in November with a red assurance opinion. At the request of the Committee, Appendix D provides an overview of those audits reports issued with an Amber Red assurance opinion. Copies of all final reports are available for members if they wish to see them.</p>
1.05	<p>The automated tracking of actions is completed through the use of 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. In the event an action is not completed within the agreed date, an e-mail is also sent to the responsible officer, their manager and copied to Chief Officers for awareness. Monthly reports are also sent to Chief Officers informing them of outstanding actions for their teams.</p> <p>Appendix E shows the current situation. Of 859 actions entered into the system, 774 have been cleared and 85 remain live. There are 16 overdue actions to be reported, listed in Appendix F.</p> <p>Appendix G 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> <p>To avoid repetition in the report, where an action is older than six months and overdue this action will be included within the Appendix F, Actions Overdue.</p>
1.06	<p>During Audit Committee in November, an action was raised to provide a separate update on the Planning Enforcement outstanding actions (detailed in Appendix G). Following the meeting, the Chief Executive arranged to meet up with the Chief Officer for Planning, Environment and Economy, the Development Manager, Planning and the Internal Audit Manager to review the outstanding actions for Planning Enforcement. It was clear during the meeting that a significant amount of work has been undertaken to address the issues including:</p> <ul style="list-style-type: none"> <li>• a restructure of the service;</li> <li>• development of a dashboard to monitor caseloads and timescales at each stage of the process;</li> <li>• revision to the Enforcement Policy which was approved by Cabinet 18<sup>th</sup> December.</li> </ul> <p>Currently there are two actions which remain outstanding for the service.</p> <ul style="list-style-type: none"> <li>• The first relates to the need for a clear audit trail of referrals. The implementation of this action has been delayed due to initially failing to secure funding for a new back office system. This has now been approved and progress is being made in procuring the system. In the meantime, all cases continue to be recorded and acknowledged by the</li> </ul>

	<p>Planning Assistants in FLARE and are given a priority rating in line with the Policy. FLARE is used to monitor progression of those cases.</p> <ul style="list-style-type: none"> <li>The second relates to the need to train staff using the FLARE system. The newly appointed enforcement officers are due to attend an external intensive enforcement training course. Further training to the remainder of the team will be undertaken as part of the implementation of the new system.</li> </ul> <p>Going forward, with the approval of the revised Enforcement Policy the service intends to invite members to a members workshop in March to provide an opportunity to walk through the policy, discuss the enforcement process (using a couple of cases as examples) and to allow members to meet the enforcement team.</p>
1.07	Appendix H shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates of the investigations.
1.08	Appendix I shows the range of performance indicators for the department. Overall performance continues to meet the current targets set; however, there has been a slight reduction in the number of questionnaires that has been returned. This will be followed up when we attend each of the Divisional Management Team meetings.
1.09	Appendix J shows the current position of work being finalised from the 2017/18 plan.
1.10	Appendix K shows the current position of the 2018/19 plan.
1.11	<p>On a quarterly basis the 2018/19 plan is reviewed and reprioritised to accommodate any new requests for work or to respond to emerging issues. Since April 2018 the service has received seven requests for additional work, which are listed below and also shown in the Appendix J, highlighted in red.</p> <ul style="list-style-type: none"> <li>North Wales Residual Waste – CNIN Verification of Local Labour Figures</li> <li>Review of Method Statements</li> <li>Review of Pay Modelling Assumptions and Methodology</li> <li>Carbon Reduction Scheme</li> <li>Public Burials</li> <li>Budget Workforce Group</li> <li>Exist Packages</li> </ul>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a direct result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The work of Internal Audit provides assurance to the Council that adequate and effective controls are in place to mitigate risks.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix A – Levels of Audit Assurance</p> <p>Appendix B – Final Reports Issued Since November 2018</p> <p>Appendix C – Audit Assurance and Priority of Actions</p> <p>Appendix D – Amber Red Assurance Report Issued</p> <p>Appendix E – Action Tracking – Portfolio Statistics</p> <p>Appendix F – Over Due Actions (including actions older than 6 months if overdue)</p> <p>Appendix G – Actions with Revised Due Date Six Months Beyond Original Due Date and not overdue</p> <p>Appendix H – Investigation Update</p> <p>Appendix I – Performance Indicators</p> <p>Appendix J – Operational Plan 2017/18 (Carry Forward)</p> <p>Appendix K – Operational Plan 2018/19</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Wales Audit Office:</b> 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><b>Corporate Governance:</b> 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><b>Wales Chief Auditors Group:</b> An informal meeting group of Chief Auditors to discuss items of mutual interest.</p> <p><b>Operational Plan:</b> the annual plan of work for the Internal Audit team.</p>