

AUDIT COMMITTEE

Date of Meeting	Wednesday, 27 March 2019
Report Subject	Internal Audit Progress Report
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	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

	cumulative assurance throughout the year, however it should be noted this will be fluid. This profile is shown in Appendix C.
1.04	Since the last Committee meeting in February no reports have been issued with a red assurance opinion. Copies of all final reports are available for members if they wish to see them.
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. Since the last Audit Committee, the monthly report to Chief Officers has been amended to identify the date of the last update provided (if any) for each action and request that each Chief Officer reviews this.</p> <p>Appendix D shows the current situation. Of 886 actions entered into the system, 798 have been cleared and 88 remain live. There are 6 overdue actions to be reported, listed in Appendix E.</p> <p>Appendix F 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 E, Actions Overdue.</p>
1.07	Appendix G shows the status of current investigations into alleged fraud or irregularities. The table includes the start dates of the investigations.
1.08	Appendix H 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 audits completed within budget, the number of days for departments to provide comments to their reports and the number of questionnaires returned overall. This level of performance will be monitored.
1.09	Appendix I shows the current position of work being finalised from the 2017/18 plan.
1.10	<p>Appendix J shows the current position of the 2018/19 plan. Two audits that were planned for quarter four have now been deferred and included within the audit plan for 2019/20. These audits are:</p> <ul style="list-style-type: none"> • Budget Planning Challenge • Business Planning, Risk and Performance Management.

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 nine 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"> • North Wales Residual Waste – CNIN Verification of Local Labour Figures • Review of Method Statements • Review of Pay Modelling Assumptions and Methodology • Carbon Reduction Scheme • Public Burials • Budget Workforce Group • Exit Packages • Project Apple • Advice to NEWydd
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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	Appendix A	Levels of Audit Assurance
	Appendix B	Final Reports Issued Since November 2018
	Appendix C	Audit Assurance and Priority of Actions
	Appendix D	Action Tracking – Portfolio Statistics
	Appendix E	Over Due Actions (including actions older than 6 months if overdue)
	Appendix F	Actions with Revised Due Date Six Months Beyond Original Due Date and not overdue
	Appendix G	Investigation Update
	Appendix H	Performance Indicators
	Appendix I	Operational Plan 2017/18 (Carry Forward)
	Appendix J	Operational Plan 2018/19

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Lisa Brownbill, Internal Audit Manager Telephone: 01352 702231 E-mail: Lisa.brownbill@flintshire.gov.uk

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>