

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 29 January 2020
<b>Report Subject</b>	Internal Audit Progress Report
<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 progress 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	Appendix C provides an oversight to Audit Committee on the cumulative assurance throughout the year; however, it should be noted this will be fluid. A footnote has been included to list those reports issued with a Red/ Amber Red assurance.

1.04	<p>Since the last Committee meeting in November, no Red / Limited assurance report has been issued. Appendix D shows those reports with an Amber Red / Some assurance given. 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 Officer for awareness. Monthly reports are also sent to Chief Officers informing them of outstanding actions for their teams. The monthly report to Chief Officers now identifies the date of the last update provided (if any) for each action. Each Chief Officer is requested to review this.</p> <p>Appendix E shows the current situation. Of 1191 actions entered into the system, 1035 have been cleared and 156 remain live. There are 88 overdue actions.</p> <p>As agreed at November Audit Committee, only those High or Medium priority actions, which there are 55, are listed in Appendix F and Appendix G lists those actions with a revised due date of six months from the original due date where valid reasons have not been provided on progress or how risks are being managed in the interim.</p>
1.06	<p>At the request of the Audit Committee in November, the Amber/Red report on Alltami Stores and Highways Cost Recovery has been referred to the Environment Overview &amp; Scrutiny Committee and the Chief Officer for this Portfolio has been advised of the Committee's request.</p>
1.07	<p>Appendix H shows the status of current investigations into alleged fraud or irregularities. The table includes the start date of the investigations.</p>
1.08	<p>Appendix I shows the range of performance indicators for the department and you will see improvements on the final figures for quarter 3. However,</p> <ul style="list-style-type: none"> <li>• The number of audits completed within budget has slightly dropped below the target;</li> <li>• The average number of days for departments to return draft reports continue to be below target however this marginal and an improvement on the previous figures reported;</li> <li>• The number of questionnaire returns by Portfolios is slightly below target however this is a significant improvement since the method of reporting the PI was changed in November.</li> </ul>
1.09	<p>Appendix J shows the current position of work being finalised from the 2018/19 audit plan and Appendix K shows the current position of the 2019/20 plan. The plan will continue to be reviewed with Chief Officers on a quarterly basis, reprioritised to accommodate any new requests for work,</p>

	<p>or to respond to emerging issues. Since the last Committee in November, there has been no new requests for additional work.</p> <p>In November, I also advised the Committee of the resource position within the team. Since November, three part time employees have all agreed to increase their hours to work full time until the end of March 2020. The additional hours started at the beginning of December 2019.</p> <p>I am also exploring the options to appoint temporary agency staff for a short period of time and I will update the Committee on the outcome of this.</p>
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<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 2019</p> <p>Appendix C Audit Assurance and Priority of Actions</p> <p>Appendix D Amber Red / Some Assurance Reports Issued since November 2019</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 2018/19 (Carry Forward)</p> <p>Appendix K Operational Plan 2019/20</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>Internal Audit:</b> Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.</p> <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>Operational Plan:</b> the annual plan of work for the Internal Audit team.</p>