Flintshire Internal Audit

Progress Report

Sept 2024
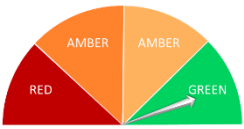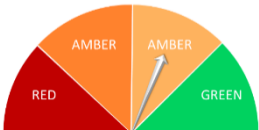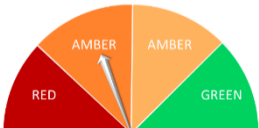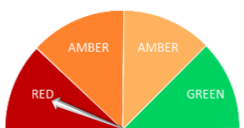
CYNGOR
Sir y Fflint
Flintshire
COUNTY COUNCIL

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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, and summary findings from Amber Red audits will be reported to the Governance and Audit Committee.

Level of Assurance	Explanation
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: 85%+ of actions have been implemented. All high priority actions have been 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: 51-85% of actions have been implemented. All high priority actions have been implemented.
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.
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.

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

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

Project Reference	Portfolio	Project Description	Audit Type	Level of Assurance	New Actions		
					High	Med	Low
03-2023/24	Gov	Cyber Security	Risk Based	Amber Green	0	0	1
AC 10-2023/24	ST & E&Y	Statutory Transport Obligations - Cost dataset	Advisory	Advisory	0	0	0
28-2023/24	Ext	Newydd Catering and Cleaning	External	Amber Red	2	1	0
16-2024/25	H&C	Supporting People Grant	Grant	Grant	0	0	0

Audit Assurance Summary for 2024/25

Portfolio	Number of Reports & Assurance					
	Red	Amber Red	Amber Green	Green	Advisory / Grant - No Opinion Given	In Total
Corporate						
Education & Youth			1			1
Governance			1			1
Housing & Community			1		1	2
People & Resources						
Planning, Environment & Economy		1	1		1	3
Social Services						
Streetscene & Transportation		1			1	2
Cross Cutting Portfolio's						
Total		**2**	**4**		**3**	**9**
External Audits		1			1	2
Total		**3**	**4**		**4**	**11**

Priority & Number of Agreed Actions			
High	Medium	Low	In Total
0	4	2	6
		1	1
0	2	0	2
2	7	1	10
0	5	0	5
2	**18**	**3**	**24**
2	1	0	3
4	**19**	**3**	**27**

Footnote:	
Red Assurance:	
Amber Red Assurance:	H&C - Health and Safety Risk Management and PEE&E - Climate Change, Environmental Sustainability and ESG

Action Tracking – Portfolio Performance Statistics   Appendix D

Portfolio	Live Actions	Analysis of Live Actions			Total Actions Overdue	Analysis of Overdue Actions			Overall % of Overdue Actions	Actions with a Revised Due Date	Actions between 6 & 12 Months	Actions 13+ Months
		H	M	L		H	M	L				
Chief Executives	9	3	3	3	9	3	3	3	100%	5	1	1
People (HR)	19	4	9	6	15	0	9	6	79%	14	2	11
Resources (Finance)	7	0	5	2	6	0	4	2	86%	4	0	4
Education & Youth	0	0	0	0	0	0	0	0	0%	0	0	0
Governance	6	0	2	4	5	0	2	3	83%	5	0	5
Housing & Communities	18	3	9	6	18	3	9	6	100%	16	4	14
Planning, Environment & Economy	10	1	8	1	3	0	3	0	30%	1	1	0
Social Services	8	5	3	0	0	0	0	0	0%	3	1	0
Streetscene & Transportation	11	3	6	2	8	2	4	2	73%	6	1	7
External	5	0	2	3	5	0	2	3	100%	1	0	2
Individual Schools	37	2	19	16	33	2	17	14	89%	1	9	4
Total	136	21	66	43	102	10	53	39	78%	56	19	48

Portfolio	Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date and Current Status
CEX	22/23 Strategic Funding (Formally Core Funding for Voluntary & Community Sector): Lack of Oversight of the Strategic Funding Payment Process	3543	There are checks and controls in place, but these are dependent on human action/input. The Strategic Office are responsible for updating the VSD in terms of organisation details and setting up payments but are reliant on the Sponsoring Officers providing information, carrying out and uploading monitoring forms, approving payments, and conducting payment checks. Sponsoring Officers are responsible for checking and approving payments for release (based on their oversight of satisfactory contract performance/monitoring). Authorising Officers provide a second level of control by checking and giving final approval for payment on the VSD. Management oversight of budget and payments is conducted through budget meetings with Finance colleague. The over payment has been investigated and resolved. The overpayment has been accepted as early payment for the following year, meaning no financial loss has resulted. Would agree with Audit findings that there are issues with process, which is reliant on human checks and processing, is disjointed with possible lack of	H	30-Apr-24	-	16-Jul-24	A report is being presented to CROSC on 19th July. At the time of reporting there have been 3 contracts signed to date with 12 others currently with legal for final review. This report will be a part 2 report, providing an update on the implementation of the core funding review (core funding was the former name of the funding). This report will contain options for future, which will in part address some of the factors raised by the internal audit and fulfil the commitment for a further review of the fund that was agreed by Cabinet in November 2021.

Portfolio	Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date and Current Status
			understanding and accountability of roles and responsibilities, and that as such is not providing the right conditions for adequate checks, controls, and oversight. Action: Conduct another review of service/function but with focus on the process, controls, and strategic oversight. To include: A. Process mapping and improvement work B. Review of system (VSD) C. Review of roles and responsibilities D. Review of payment mechanisms and process E. Proposed changes as a result reported, as appropriate. Led by Strategic Office but to include all Sponsoring Officers, Authorising Officers, Finance and IT (for VSD)					
CEX	23/24/ Recycling Targets - Action Plan does not align with risk mitigation	3582	The work with Local Partnerships and WRAP has concluded on the Waste Strategy review and this has resulted in a new Resource and Waste Strategy being approved by Cabinet and adopted in March 2024. The Strategy includes five key priorities. In priority two, once action is to restrict the amount of residual waste that residents can dispose of in the black bin to encourage greater recycling by all residents either by reducing the frequency of collections or the capacity of the bin. This	H	30-Jun-24	31-Jul-24	23-Aug-24	The operational report was presented to Cabinet on the 23rd of July 2024 and they approved a transition to a three weekly residual waste collection model as, following the modelling work, this demonstrated a potential increase in recycling performance by 4.5%. The report outlined that this is a strategic red risk on the Councils risk register and the approval of the report was a key mitigating action. This decision was subsequently 'called in' but having considered the decision, the Environment and Economy Overview and Scrutiny Committee resolved to accept the decision but not endorse it; therefore, we can move forward with implementation. A further report will be presented through the committee cycle in November outlining a robust implementation

Portfolio	Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date and Current Status
			action is fundamental in achieving the statutory recycling target of 70%. Modelling data to support this action will be included in an operational report outlining what benefit a transition to this style of collection model would bring. This will indicate that a reduction to the capacity of residual waste collected is a key risk mitigation action. This Operational Report will be presented to Cabinet in June 2024 for consideration and approval.					plan, communications plan and updated Recycling and Waste Collections Policy to provide assurance to members prior to service change. A letter is being prepared for the Cabinet Secretary for Climate Change and Rural Affairs, outlining our action plan for achieving 70% recycling and for consideration when deciding on the issuing the infraction charges. The date has been revised as the operational report has been deferred from the June committee cycle, to the July committee cycle, due to the general election.
CEX	23/24 Recycling Targets - Approval and decision making does not align with risk mitigation	3601	Restricting the amount of residual waste collected is a key risk mitigation action. We are unable to deliver this without political approval and will present the Operational report on this basis. In March 2024, the Minister for Climate change wrote to the Leader of the Council requesting assurance that the Council was committed to implementing residual waste restrictions. Without political commitment the infraction fine (2021/22) still remains a possibility.					As above in 3582
H&C	Homelessness & Temporary Accommodation 21/22- Management information is not available or unreliable to monitor the achievement of	3255	The response will be delivered in the medium term. All actions are assigned to the Service manager to be delegated across team. Medium term (June 2022) Introduce management information to: Monitor performance timescales at the various stages in Void	H	30-Jun-22	31-Mar-24	30-Jan-24	Further to the update provided to Governance and Audit Committee in November 2023, further progress is outlined below: Improve and enhance excel spreadsheet to capture all information in relation to temporary accommodation. • Spreadsheets updated for data capture and available for Audit Team review end January 2024 • Additional tabs on spreadsheets for collection of data relating to Performance Information for length of stay

Portfolio	Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date and Current Status

	the Homelessness Strategy and policy		Management Process. Information to be timely reviewed to identify and address process impediments/ opportunities for improvement. Provide oversight of all offers for permanent accommodations, those that were declined and the reason for decline. Oversee length of stays in interim accommodation which is being developed in In-Phase. Oversee rent collection activities. Monitor SLA agreement KPIs.					and available for Audit Team review end January 2024
								
								Move away from Spreadsheets for accommodation casework and adopt Back Office
								
								• Migration over to the Back Office system for management of all forms of homeless accommodation to be completed end March 2024
								• To complete training for all staff working on Back Office functionality for Temporary Accommodation staff once system implemented end of March 2024.
								• Performance Management dashboard scoped out and once functionality of Back Office complete dashboard data will be live end March 2024.
								
								Review reasons for refusal of permanent accommodation and develop process to manage "unreasonable refusals".
								
								• Suitability Checklist now in place along with Direct Lets Nomination Form and shared with Audit Team 17/01/2024 for review.
								• Clear process for Homeless Direct Lets now in place with dedicated officer leading the matching process and shared with Audit Team 17/01/2024 for review.
								• Nominations report and suitability assessment requiring management sign off in place and process documented and shared with Audit Team 17/01/2024 for review.
								
								Develop Policy for Income Management relating to the Temporary Accommodation Portfolio to include:
								  o Rent Collection
								  o Service Charge Collection
								  o Arrears management
								  o Income Maximisation and Support
								  o Arrears Write Off
								
								• Homeless Accommodation Policy complete with sections on Income Management activity to enable one Policy for all aspects of Homeless Accommodation Management and shared with Audit Team 17/01/2024 for review.

Portfolio	Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date and Current Status
H&C	Homelessness & Temporary Accommodation 21/22- Processes are not adequate to deal with increase in demand.	3237	The response will be delivered in 3 stages – immediate, medium and longer term. All actions are assigned to the Service manager to be delegated across team. Short term (March 2022) • SLAs to be introduced between all areas which have a direct impact in service delivery. Including Responsive repairs through FCC, Void Property Turnaround, Cleaning Contracts, Fire Safety Regime • A process to be defined to deal with refused offers of permanent accommodation. • A process to be defined to review lease agreements prior to their renewal/expiration date. • A process for take on of new properties into the Temporary Accommodation portfolio. Medium term (June 2022) • Rental Charge Policy to be define to oversee rent income, arrears and write off. • Review the performance information needed for management oversight when the Policy is in place. Longer term (March 2023) • The full end to end temporary accommodation process to be mapped to assign roles and responsibilities, identify process delays and inefficiencies as well as document controls.	H	31-Mar-24	30-Jun-23	15-May-24	Email received from MC with evidence of all information available for this action (word document below). A review of the documents provided has highlighted some risks identified through the review would still pertain. An email was sent to MC advising actions will remain open as some of the risks identified still pertained and offering the possibility for management to close the actions given the resource challenges and the time the action has been open since the original implementation date.

Portfolio	Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date and Current Status
S&T	22/23 Statutory Obligation for School Transport - Identify, analyse, monitor and report against statutory and non-statutory transport spend	3538	It is agreed that costs for statutory / non-statutory transport should be specifically identified, analysed and reported. An exercise will be undertaken with Audit assistance to identify spend across 2022/23 on statutory and non-statutory transport. A process will be put in place to produce this information on a full termly basis. However, Welsh Government is currently reviewing the Learner Travel Measure, which is likely to impact the eligibility criteria for statutory / non-statutory spend, and data to support analysis is held across the ONE system, Finance and the Integrated Transport Unit and the exercise may be resource heavy, hence the December 2023 implementation date.	H	01-Dec-23	31-Jul-24	21-May-24	Internal Audit have successfully combined the three datasets (One system, Transport spreadsheet and Finance) we are in process of quality assurance work for this dataset on which all analysis will be based. reporting to management being drafted. to include Claire Homard. EXTEND DUE DATE TO 01/07/24 TO ENABLE THIS TO TAKE PLACE. Agreement to extend due date following request for audit support to analyse data available.
S&T	21/22 Highways Structures - Part 2 Inspection & Preventative Maintenance - COMPLETENESS & ACCURACY OF AMX	3697	• AMX mobile would have provided real time updates improving the accuracy of AMX data by reducing the risk of admin delays to updating AMX for completed inspections. • However we are still awaiting IT capacity to install • We will mitigate the risk of inaccurate information (either as a result of admin delay or because inspection has not taken place) through our "NOT BEEN DONE PROCESS & REPORTING". • The process will identify the interventions available to us where the inspection issued has not been completed.	H	31-Jul-24	-	06-Jun-24	1. confirmed with AM to close the original action 3423 as three of the 4 actions have been completed and the remaining one has evolved 2. Raise new action with due date to 31/7/24. • We will mitigate the risk of inaccurate information (either as a result of admin delay or because inspection has not taken place) through our "NOT BEEN DONE PROCESS & REPORTING". • The process will identify the interventions available to us where the inspection issued has not been completed. • the reporting to HAMP of inspections issued and those not completed will breakdown whether admin delay or inspection not done. Mitigations for each not complete inspection will be identified as a way to demonstrate the risk has been managed. 3. mgmt. to provide procedure and example of report

Portfolio	Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date and Current Status
			• the reporting to HAMP of inspections issued and those not completed will breakdown whether admin delay or inspection not done. Mitigations for each not complete inspection will be identified as a way to demonstrate the risk has been managed.					
Schools	Ysgol Pen Coch - Financial Governance	3649	A Scheme of Delegation will be produced by school, based on Flintshire Council Guidance, and approved by the full Governing Body. This will be completed at the next full governors meeting

The School will obtain, review and adopt the financial procedures recommended by Flintshire Council. This will be added to the cycle of policy review and updated in line with any new guidance issued by the local authority. | H | 31-Jul-24 | - | - | No update provided |
| Schools | Ysgol Pen Coch - Information Governance | 3650 | The school will produce a Data Protection Policy (working with E2E) and this will be approved by the full Governing Body.

The school will ensure that Data Protection Privacy Notices (working with E2E) are in place.

Data Protection training (to be provided by E2E) for all staff is planned to be undertaken in the summer term.

The school will ensure that passwords are changed on a defined basis. | H | 31-Jul-24 | - | - | No update provided |

High Priority Action(s) with a Revised Due Date Six Months Beyond Original Due Date and Not Overdue

Portfolio	Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date and Current Status
H&C	21/22 Maes Gwern Contractual Arrangement- Overage sum calculation not being monitored as per the development agreement	3140	A process to be introduced to monitor the overage sum in line with the agreed calculation stated in the overarching agreement.	H	29-Oct-21	01-Nov-24	20-Aug-24	Escalation / formal to Wates - We agreed you would take some steps to escalate with Wates – perhaps some general advice from Legal may help. I will extend to 01/11/24
S&T	21/22 Highways Structures - Part 2 Inspection & Preventative Maintenance - KEY PERFORMANCE INDICATORS & MANAGEMENT INFORMATION	3445	1. Schedule meeting with AMX to define standard /bespoke KPI reporting available to cover scheduled inspections / completions, asset condition / repair work. 2. Produce reports from AMX as basis for all reporting – HAMP, monthly risk and programme Board. Ensure all in team are able to run these reports / datasets.	H	31-May-23	01-Nov-24	06-Jun-24	• The policy will be presented to Cabinet in September 2024 for approval. • It will be fully implemented by 31/October 2024 including performance indicator reporting from AMX. • revise date to 31/10/24 • mgmt. to provide approved policy and example of performance indicator report.

Ref	Date Referred	Investigation Details
1. New Referrals		
1.1		Nil new referral received

Ref	Date Referred	Investigation Details
2. Reported to Previous Committees and still being Investigated		
2.1		No ongoing investigations

Ref	Date Referred	Investigation Details
3. Investigation Completed		
3.1	N/A	

Internal Audit Performance Indicators

Performance Measure	2023/24	Qtr1	Qtr2	Qtr 3	Qtr 4	Target	RAG Rating	
Audits completed within planned time	78%	50%	100%	-	-	80%	G	↑
Average number of days from end of fieldwork to debrief meeting *	19	32	17	-	-	20	G	↑
Average number of days from debrief meeting to the issue of draft report	4	1	1	-	-	5	G	↔
Days for departments to return draft reports	9	11	3	-	-	7	G	↑
Average number of days from response to issue of final report	1	1	1	-	-	2	G	↔
Total days from end of fieldwork to issue of final report	28	49	21	-	-	34	G	↑
Productive audit days	78%	64%	55%	-	-	75%	R	↓
Client questionnaires responses as satisfied	100%	100%	100%	-	-	95%	G	↔
Return of Client Satisfaction Questionnaires to date	57%	25%	29%	-	-	80%	R	↑

Key					
R	Target Not Achieved	A	With in 20% of Target	G	Target Achieved
↑	Improving Trend	↔	No Change	↓	Worsening Trend

* The average number of days from end of fieldwork to debrief meetings has been impacted by officers availability.

Audit – 2023/24	Priority	Status of Work	Supporting Narrative
Corporate			
Management of Leisure Assets	H	Draft Report	
Governance			
Cyber Security & Data Security	H	Complete	
Housing & Assets			
Tenancy Enforcement / Support	H	Draft Report	
Performance & Management Information (Voids)	H	In Progress	
Social Services			
Deprivation of Liberty Safeguards (DoLS)	H	Draft Report	
Streetscene & Transportation			
Statutory Transport Obligations – Cost Dataset	New	Complete	Requested by the service following the audit of TSO
Review of Technical & Performance Team	H	In Progress	
External			
SLA - Aura - 10 days per annum	Annual	Draft Report	
SLA - NEWydd - 10 days per annum	Annual	Complete	

Audit – 2024/25	Priority	Status of Work	Supporting Narrative
Corporate			
Capital Programme and Strategy / Grant funding of Projects	H	Not started	
Future ADMS	H	Not started	
3rd Sector Core Funding - Follow Up	Follow Up	In Progress	
Capital Receipts			
Education & Youth			
Education Other Than Schools (EOTS)	H	In Progress	
Thematic Review – Safeguarding within Schools (DBS Checks)	H	In Progress	
Not in Education, Employment or Training (NEET)	H	Not started	
Control Risk Self-Assessment	Annual	In Progress	
Youth Service Consultation around the Strategic Plan			
Governance			
Protection against Ransomware attack	H	Not started	
Procurement – Preparedness of the new Procurement Act	H	In Progress	
Cyber Security	H	Not started	
Corporate Complaints / Handling - Follow Up	Follow Up	Not started	
Housing and Communities			
Landlord H&S Compliance - Asbestos	H	In Progress	
Welsh Housing Quality Standard 2023 - Phase One	H	In Progress	
Supporting People (grant)	Annual	Complete	
Homelessness Temporary Accommodation – Follow Up	Follow Up	Not started	
Housing Support Gateway			
People and Resources			
MTFS – Achievability of Efficiency Savings	H	In Progress	
Budget Management	H	Not started	
Taxation	H	In Progress	
Write Offs		In Progress	
Petty Cash			

Audit – 2024/25	Priority	Status of Work	Supporting Narrative
Matrix - off matrix agency Cost reporting	H	Draft Issued	
Payroll, including Approach to Holiday Pay	H	In Progress	
DBS Checks - Follow up	Follow Up	Not started	
Planning, Economy and Environment			
Environmental Health	H	In Progress	
Building Control – Fees & Charges	H	In Progress	
Minerals and Waste – Fees & Charges	H	In Progress	
Pest Control – Fees & Charges	H	In Progress	
Social Services			
Commissioning and Contracts	H	In Progress	
In House Childrens Home - Ty Nyth	H	In Progress	
Deferred Charges Residential Care Cost Liability – Follow Up	Follow Up	Not started	
Social Work Agency / Agency Costs			
Streetscene and Transportation			
HRC – Fees and Charges	H	Not started	
Procurement & Contract Management/Monitoring	H	In Progress	
Governance, Delegation & Risk Management	H	In Progress	
Parc Adfer	Biennial	In Progress	
External			
Clwyd Pension Fund - Pensions Administration and Contributions	Biennial	In Progress	
Aura Leisure and Libraries	Annual	Not started	
NEWydd Catering and Cleaning	Annual	Complete	
All Wales Chief Auditors Accounts	New	Complete	

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 Combined	Audits to be combined once detailed scope established. All combined audits are highlighted in purple within the plan.
Audits to be Deferred	Medium priority audits deferred. These audits are highlighted in green within the plan.