

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO	AUDIT AND GOVERNANCE COMMITTEE
DATE	26 MAY 2016
SUBJECT	INTERNAL AUDIT REPORT FOR 2015/16
LEAD OFFICER	HEAD OF INTERNAL AUDIT – MIKE HALSTEAD
CONTACT OFFICER	AUDIT MANAGER - SIONED PARRY
<p>Nature and reason for reporting - To comply with the requirements of the UK Public Sector Internal Audit Standards and the CIPFA UK Standards which came into force on 1st April 2013, whereby the Head of Internal Audit is required to provide the Audit and Governance Committee with assurance on the whole system of internal control.</p>	

1. INTRODUCTION

- 1.1 Under the terms of the Accounts and Audit (Wales) Regulations 2005, the Council is required annually to conduct a review of the effectiveness of its system of internal control. Internal Audit is an integral part of that system, and is a significant contributor to the preparation of the Annual Governance Statement (AGS), which sits alongside the Annual Statement of Accounts.
- 1.2 The CIPFA Public Sector Internal Audit Standards 2013 require the Head of Internal Audit to provide the Audit and Governance Committee with assurance on the whole system of internal control, including the adequacy of risk management and corporate governance arrangements. It should be noted that assurance can never be absolute. The most that Internal Audit can provide to the Audit Committee is a reasonable assurance that there are no major weaknesses in the whole system of internal control.
- 1.3 During the year the Audit Committee has maintained an overview of the Council's assurance framework by considering the audit opinions on individual pieces of internal audit work, reviewing progress in implementing improvement actions emanating from the AGS and considering the Corporate Risk Register. It has also received assurance from the reports issued by the Authority's external regulators.
- 1.4 The report analyses the performance of the Internal Audit Service for the period 1 April 2015 to 31 March 2016 and contains an assurance statement based on the work of Internal Audit during the year ended March 2016. The report is supported by **Appendices A to H** detailing progress against performance targets for 2015/16 and the planned work (slippage) which has not been achieved during the year.

2. RECOMMENDATION

- 2.1 That the Audit and Governance Committee be assured that for the 12 months ended 31 March 2016, Anglesey County Council had satisfactory internal control, risk management and corporate governance processes in place to manage and support the achievement of the Authority's objectives.

3. BACKGROUND INFORMATION

3.1 The Role of Internal Audit

3.1.1 The role of the Internal Audit Service is to provide management with an objective assessment of whether systems and controls are working properly. It is a key part of the organisation's internal control system because it measures and evaluates the adequacy and effectiveness of other controls so that:

- The Audit and Governance Committee and senior management are aware of the extent to which they can rely on the whole system; and
- Managers are aware of the degree of reliability that can be placed on the systems and controls for which they are responsible.

3.1.2 The internal control system comprises the whole network of systems and controls established to manage the Authority, to ensure that its objectives are met. It includes financial and other controls and arrangements for ensuring that the Authority is achieving value for money from its activities.

3.2 Internal Audit Performance 1/4/15 to 31/3/16

3.2.1 Each year the Council's Internal Audit Service participates in the pan Wales benchmarking against indicators relating to cost and output. The results of the benchmarking exercise for 2015/16 were not available to be included in the Annual Report, but will be reported to the Audit and Governance Committee when they are published.

3.2.2 A schedule of the Service's performance against established targets for the year is attached in **Appendix A** and demonstrates that the Service achieved **60.32%** of the Annual Plan against a target of **80%** and an all Wales average performance indicator of **83%**. However, there are 4 audits which constitute work in progress at the year end and will demonstrate on completion that **67%** of the Annual Plan has been achieved. Progress in delivering the Annual Plan has been reported to the Audit and Governance Committee on a quarterly basis throughout 2015/16 with the shortfall due in main to the following reasons:

- The Annual Plan was based on a staffing level of 5 posts and an audit manager, which equated to 5.5 staff (FTE) and **1,150 days** in the plan. However, during the year the staffing levels equated to 4.58 (FTE). A Senior Auditor commenced on 1 November 2015 and maternity leave which commenced on 8 February 2016 has reduced the audit resource by **192 days**. This has naturally impacted on the ability of the Service to achieve the Annual Plan;
- 10 projects commenced in 2014/15 had not been completed as at 31 March 2015 and the work was carried forward into 2015/16 as work in progress; this accounted for **5.5 days**;
- 6 unplanned audit projects were performed which accounts for a further **37.88 days**;
- 5 audit projects exceeded planned targets for various valid reasons accounting for an additional **34.21 days**;
- Sickness accounted for **117 days** absence during 2015/16 against an annual target of **45 days**. This was primarily due to the long term sickness absence of 2 officers in the first quarter and 1 officer in the third quarter which accounted for **86.22 days** absence.

- 3.2.3 The Service completed **44 audits** during the year, 6 of which were unplanned against a planned target of **63 audits**
- 3.2.4 Internal Audit aims to offer an efficient and effective service to all its clients and uses a client satisfaction questionnaire at the conclusion of each audit to seek the views of management regarding the quality of the audit service provided. The Service received a **100%** satisfactory response rate from clients during 2015/16 which compares favourably with the Wales average indicator of **98%**.
- 3.2.5 The Service completed **78.95%** of audits within the planned time against a very challenging performance indicator of **90%**. Achievement of this indicator was affected by the 5 projects which exceeded planned targets. However, when compared to the all Wales average figure of **69%** for this indicator, the Service demonstrates its efficiency in achieving a significant percentage of audits within planned timescales.
- 3.2.6 The performance indicator in respect of the number of recommendations accepted by management is **98%**. This represents the failure to agree in respect of **4** recommendations out of a total of **207** recommendations made. The recommendations were assessed as being of low impact and did not give cause for concern.
- 3.2.7 The Service performs efficiently in respect of the time taken to issue draft audit reports, with a performance of **6.61 days** against a performance target of **6 days** and an all Wales average of **7.6 days**. The Service took on average **2.41 days** to issue final reports from receiving management responses compared to a target of **2 days** and an all Wales average of **1.8 days**.
- 3.2.8 The Service commenced 2015/16 with **4.5 (FTE)** officers in post compared to a staffing structure of **5.5 FTE**. A Senior Auditor was appointed and commenced in post on the 1 November 2015. A Trainee Accountant has been seconded for a period of 6 months to cover maternity leave from January to June 2016. Management is currently outsourced from Conwy County Borough Council as from 1 August 2015.
- 3.2.9 Finally the performance indicator in respect of staffing costs demonstrates the average cost per directly chargeable audit day is **£318** against an all Wales average of **£249**. The cost of the Service per directly chargeable day is adversely affected by the number of chargeable days being reduced by staff vacancy and Service overheads, e.g. higher than anticipated sickness absence experienced during the year.

3.5 Factors Affecting the Extent of Internal Audit Work

- 3.5.1 Slippage of **316 days** occurred in the year that resulted in **22** planned projects not being performed for the reasons stated in paragraph 3.2.2 above. Audit assurance cannot be provided in respect of the audits removed from the 2015/16 Annual Plan. Internal Audit will prioritise those areas for review during 2016/17. A schedule of the actual slippage that occurred during the year is attached at **Appendix B**.

4. ASSURANCES

4.1 It is my opinion that Anglesey County Council had in place adequate and effective control processes to manage its achievement of the Authority's objectives for the 12 month period to 31 March 2016. However, the assurance is qualified in respect of the **22** audit projects removed from the Annual Plan during 2015/16 for the reasons stated in paragraph 3.2.2. In reaching this opinion various factors were taken into consideration as indicated below.

4.2 Planned Audits Completed During the Year

4.2.1 The Service performed numerous risk based reviews on a broad range of activities during the year. A schedule giving an audit opinion of the adequacy and effectiveness of control processes in respect of all the audit assignments undertaken during 2015/16 is attached in **Appendix C**. The schedule summarises the audit opinions and the number of recommendations made in respect of each area reviewed and briefly indicates the key messages emerging from the audits which form the basis of the assurance given to the Audit and Governance Committee of the overall adequacy and effectiveness of the Authority's governance, risk management and internal control framework for 2015/16.

4.2.2 All of the audits performed during the year have resulted in positive levels of assurance with the exception of ICT Disaster Recovery which was assessed as providing Minimal Assurance and the following audits which were assessed as providing Limited Assurance and are summarised in **Appendix C**:

- Business Continuity;
- Ysgol Cemaes;
- Affordable Housing, Houses into Homes & Bridging Loan Schemes;
- Partnerships, and
- Human Resources Policies & Practices for Managing the Workforce,

4.2.3 Follow up audits were undertaken of ICT Disaster Recovery and Business Continuity during March and February 2016, respectively. Of the 13 recommendations made in the original ICT Disaster Recovery Audit, 5 of the High Level recommendations had been implemented, a further 5 recommendations were assessed as being work in progress and 3 recommendations remained outstanding. The Assurance Level was re-assessed as Reasonable. A second Follow up audit is scheduled for September 2016. The Follow up audit of Business Continuity confirmed that of the 7 recommendations made, 2 had been implemented and the other 5 were partially implemented and reiterated. The level of assurance was reassessed as Reasonable.

4.2.4 Ysgol Cemaes, Affordable Housing, Houses into Homes & Bridging Loan Schemes, Partnerships and Human Resources Policies & Practices for Managing the Workforce will be followed up during 2016/17.

4.2.5 A further review of the Risk Management Framework was undertaken during 2015/16 which demonstrated significant progress in embedding risk management in the Authority.

- 4.2.6 Internal Audit continued to focus resources into grant related areas during 2015/16 to ensure that the risks presented by the type of funding were being appropriately managed. No significant risks were identified in respect of the grants reviewed.
- 4.2.7 The overall results of the Internal Audit work identified **73%** of reviews resulted in 'positive' opinions (Substantial or Reasonable) and **27%** resulted in 'negative' assurance opinions. The **27%** of reports receiving negative assurance opinions is made up of **6** reports (1 Minimal and 5 Limited).
- 4.2.8 The overall opinion for the systems reviewed is a Reasonable Level of assurance which is consistent with previous years. This overall level of assurance is based on the scope of the work carried out, action recommended to management being implemented and those systems continuing to operate as intended.

4.3 Additional Unplanned Work

- 4.3.1 The Service has performed 6 additional unplanned audits during the year for the reasons stated in **Appendix D**. This accounted for an additional **37.88 days'** work.

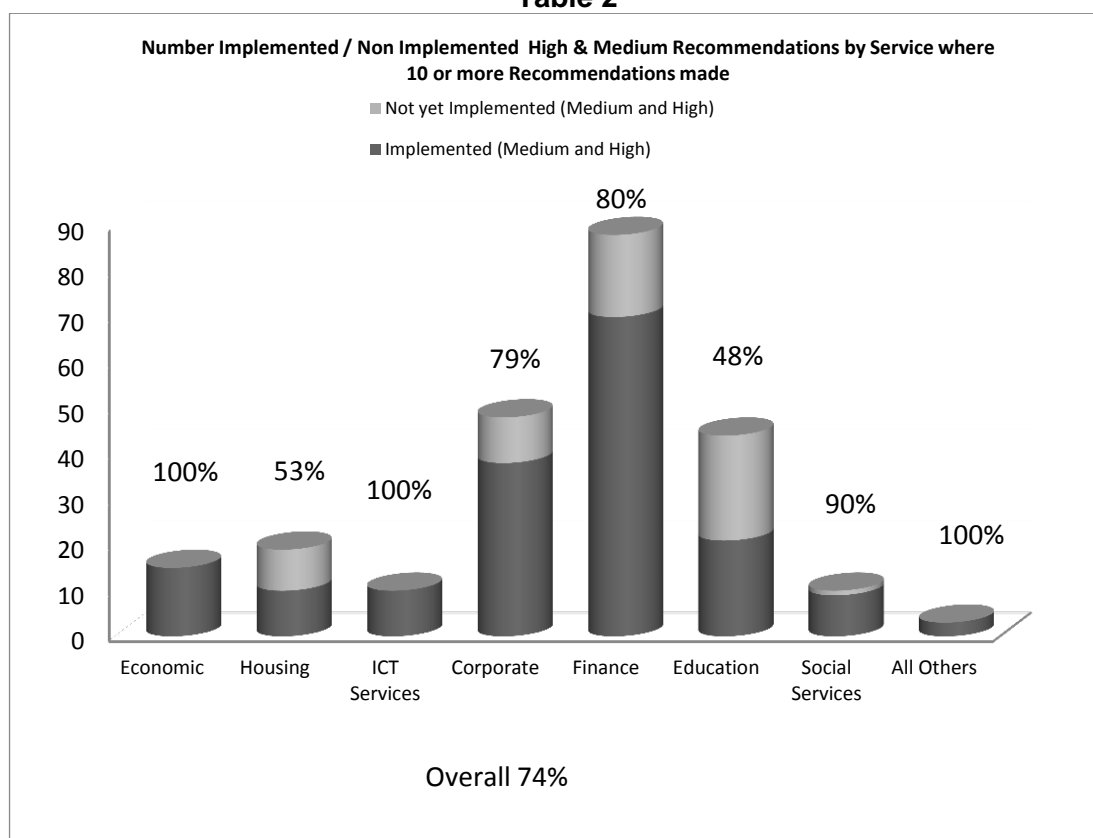
4.4 Audit Follow-ups and Recommendation Tracking

- 4.4.1 The UK Internal Audit Standards require Internal Audit to follow up management actions arising from its assignments. The Follow Up and Monitoring Process outlined in a report to the Audit and Governance Committee on 8 December 2015 has been introduced to improve the monitoring and reporting of progress in implementing agreed recommendations.
- 4.4.2 A schedule of the 3 follow up audits conducted since 8 December 2015 is attached at **Appendix E**. It demonstrates the number of recommendations accepted and subsequently implemented by management in each area, together with a revised audit opinion regarding the adequacy of the internal control environment. Further follow up work will be performed in those areas where a significant number of recommendations remain outstanding.
- 4.4.3 Prior to December 2015 the data was compiled solely from a self-assessment by the relevant services and not subject to confirmation by Internal Audit until a subsequent audit review was undertaken in the same area. **Table 1** below summarises the implementation as at 31 March 2016.

Table 1 - Status of agreed recommendation as at 31-3-2016				
Status	High	Medium	Total	%
Complete	35	141	176	74
Outstanding	6	55	61	26
Total	41	196	237	100

- 4.4.4 Recommendations are currently ranked as high, medium or low according to the perceived risk as outlined in **Appendix F**. Those rated as low are not subject to formal follow up by Internal Audit and are not included in this analysis. The percentage implementation rate as at 31 March 2016 is **74%** of 'high' and 'medium' recommendations having being recorded as implemented.
- 4.4.5 A graph showing the breakdown of recommendation implementation by service is provided in **Table 2** below:

Table 2



4.4.6 A copy of all outstanding High and Medium recommendations is included in **Appendix G**.

4.5 Referrals

4.5.1 The Service has undertaken 11 investigations, some of which were brought forward from 2014/15. This has accounted for **72.34 days'** work compared to an annual target of 205 days counter fraud work. Where management issues are identified during the course of referrals, a separate report is issued to management detailing the improvement actions required. An analysis of the types of investigation undertaken during the year and their current status and related outcomes is attached at **Appendix H**.

4.5.2 The Corporate Fraud Officer has also investigated **17** Council Tax Reduction Scheme (CTRS) fraud offences, resulting in **£3,196.89** being recovered from one caution. **470** National Fraud Initiative (NFI) data matches have been processed during 2015/16 resulting in savings of **£4,513.83**.

4.6 Performance and Risk Management

4.6.1 The Authority has a Performance Management Framework (PMF) which details the actions to deliver the priorities and performance targets and how they are cascaded to Service Plans and individual appraisals and training needs analysis. Progress against actions and performance measures is monitored twice yearly through Service Delivery Reviews attended by the senior managers, members of the Executive and scrutiny representatives.

4.6.2 The WAO Corporate Assessment concluded that there had been significant improvements in the way the Council manages its performance and controls the risk it faces but identified inconsistencies and aspects of performance management that need to be strengthened. For example, the weak performance management of the ICT service, inconsistent application of the staff appraisal system and progress in implementing internal audit recommendations. Internal Audit has placed reliance on this assessment for the purpose of the annual report.

4.6.3 An Internal Audit review of the Risk Management Framework undertaken during 2015/16 confirmed significant process in embedding risk management in the Authority and provided a Reasonable level of assurance. The audit opinion is based on the above findings and the results of the WAO Corporate Assessment performed in 2014/15 which concluded that the Council had improved its previously complex and inconsistent risk management processes but it was too soon to judge the effectiveness of the new arrangements.

4.7 Scrutiny Arrangements

4.7.1 The Corporate Assessment by the WAO concluded that the work programmes of the two scrutiny committees are necessarily wide-ranging, but chairs and scrutiny support officers work well together to prioritise, drawing effectively on the Executive's forward work programme. The scrutiny function adds value to the Council's work and provides assurance that the decision-making is robust and adequately informed. Internal Audit has placed reliance on this assessment for the purpose of the annual report.

4.8 Significant Events During the Year

4.8.1 Following the retirement of the former Chief Executive in May 2015, the Council followed appropriate processes to appoint a successor, resulting in the appointment of the former Director of Lifelong Learning to the post in May 2015. Two Assistant Chief Executives were appointed in September 2015, who are both members of the Authority's Senior Leadership Team along with the Monitoring Officer and the Section 151 Officer who commenced in post in October 2015.

4.8.2 The above changes at the corporate level have not resulted in any additional work being required of Internal Audit during 2015/16.

4.8.3 Deloitte replaced the Authority's external auditors PwC during 2015/16.

5. DEFINITION OF AUDIT RECOMMENDATIONS AND OPINIONS

5.1 The Head of Audit is required to provide the Audit and Governance Committee with an opinion on the overall adequacy and effectiveness of the Authority's governance, risk management systems and internal control environment, in compliance with the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note. The overall opinion is one of the assurances used by the Authority in preparing the Annual Governance Statement required under the Accounts and Audit Regulations.

5.2 The audit opinions on the assignments performed during the year to date have been categorised as follows:

- Substantial Assurance
- Reasonable Assurance
- Limited Assurance
- Minimal Assurance

5.3. In support of the audit opinions, the recommendations made during the year have been categorised as High, Medium and Low priority, as was approved by the Audit and Governance Committee on the 27 July 2015. Definitions of the risk ratings of recommendations and the audit opinions are attached in **Appendix F**.

6. OTHER MATTERS

6.1 Qualifications to the Audit Opinion

6.1.1 In giving an audit opinion, it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Audit and Governance Committee is a reasonable assurance based upon the work undertaken during the year, that there are no major weaknesses other than those identified.

6.1.2 Qualifications to the Audit Opinion are set out in paragraph **3.5.1** above and in arriving at our opinion, we have taken into account:

- The results of all audits undertaken during the year ended 31 March 2016;
- The results of follow-up action taken in respect of audits performed since 8 December 2015 and the monitoring of recommendation implementation during previous years;
- Whether any High or Medium category of recommendations have not been accepted by management and the consequent risks;
- The effects of any material changes in the organisation's objectives or activities;
- Matters arising from previous reports to the Audit and Governance Committee;
- Whether or not any limitations have been placed on the scope of Internal Audit;
- The resource constraints of the Service and what proportion of the organisation's Internal Audit needs have been covered to date;
- The work performed by WAO, PwC and other external regulators.

6.2 Meeting Internal Audit Needs

6.2.1 Although the audit needs of the Authority have not been fully met during 2015/16, I am satisfied that Internal Audit has undertaken sufficient work in respect of the control environment to enable the formulation of an overall opinion, although this does not extend to the control environment in respect of the **22** planned audits removed from the Annual Plan during 2015/16.

6.3 Acceptance of Recommendations

6.3.1. The number of recommendations accepted by management is **98%**. This represents the failure to agree in respect of **4** recommendations out of a total of **207** recommendations made. The recommendations were assessed as being of low impact and did not give cause for concern.

6.4 Reliance Placed Upon Work by Other Assurance Bodies

6.4.1 Internal Audit has taken account of the work undertaken by the WAO in their Corporate Assessment 2015 in drafting the Annual Report and forming our annual opinion of the period.

6.5 Issues Judged Relevant to the Annual Governance Statement

- 6.5.1 The Audit Manager is aware of areas where significant weaknesses in control would prevent the Council placing reasonable reliance on systems of internal control in respect of the work of the Internal Audit service during the year.
- 6.5.2 The areas will continue to be a concern for Internal Audit until all significant recommendations have been implemented and assurance can be provided that the frameworks and systems are in place; have been embedded; are robust and effective. The current position on these is provided below:
- 6.5.3 **Information Management** – It was reported in the 2014/15 Annual Governance Statement that there had been ‘some progress on information governance over the last 20 months’. The final ICO’s follow up report received in January 2015 recorded a Limited level of assurance. The Council received an Enforcement Notice by the ICO dated 1st of October 2015, as the ICO had limited confidence in the Council’s commitment to implement the required steps on an ongoing basis.
- 6.5.4 An Internal Audit undertaken during 2015/16 did not give consideration to the ICO’s Enforcement Notice undertaken in 2015/16 as the scope of the audit was limited to ensuring ongoing compliance with the Council’s Information Governance established policies and practices and resulted in a Reasonable level of assurance.
- 6.5.5 **Partnerships – Governance Arrangements** – The Council does not have a partnership policy to provide a framework for the effective management of new and existing partnership arrangements and a central register is not maintained to record the partnerships the Council is involved in. The Assistant Chief Executive updated the Audit and Governance Committee on 15 March 2016 with the scope of the Partnership work streams aimed at formalising the arrangements for monitoring, reviewing and governing both current partnerships and those that may be entered into in future. Reference was made to the development of a Partnerships Policy document which summarises the Council’s vision for partnership working.
- 6.5.6 **Governance - Compliance with Council Polices** – The Corporate Assessment 2014/15 identified the requirement to embed a culture of consistent corporate working among staff at all levels and to be held to account for complying with Council Polices. Issues relating to non-compliance with key corporate policies and procedures have been identified in internal audits performed during 2015/16, e.g. Information Governance – Annual Review of Compliance, HR Policies & Practices for Managing the Workforce and ICT Disaster Recovery.
- 6.5.7 **Corporate Procurement Framework** – Following the introduction of the new Contract Procurement Rules a review of the Procurement arrangement has been included in the Internal Audit Operational Plan for 2016/17 to provide assurance that the changes will lead to increased compliance with procurement regulation, policy and procedure.
- 6.5.8 **Recommendation Implementation** – There is a continuing issue with regards to the implementation of internal audit recommendations particularly with schools. The Corporate Assessment 2014/15 included a proposal for improvement that the Council should address systematically the recommendations included in reports produced by Internal Audit.
- 6.5.9 **ICT Disaster Recovery** - The important issues previously identified in respect of ICT are being addressed, although ongoing work will be needed in 2016/17 to ensure that the internal controls implemented by management are appropriately embedded across the Authority.

6.6 Compliance with Internal Audit Standards

6.6.1 Internal Audit employs a risk based approach to determine the audit needs of the Authority at the start of each year and uses a risk based methodology in planning and conducting audit assignments. The work of the Internal Audit Service has been performed in compliance with the CIPFA Public Sector Internal Audit Standards 2013.

6.6.2 Internal Audit is subject to annual review by PwC to determine compliance with the auditing standards.

6.6.3 The Head of Internal Audit has made provision for internal quality reviews to be undertaken periodically by experienced members of the Internal Audit service to appraise:

- Compliance with the organisational and operational standards referred to above,
- The quality of audit work,
- The quality of supervision,
- Compliance with the local audit manual,
- The achievement of performance targets.

6.6.4 The review conducted in respect of the work performed during 2015/16 has demonstrated compliance with both internal and external standards

6.7 Internal Quality Assurance Programmes

6.7.1 In order to ensure the quality of the work performed by Internal Audit, a range of quality measures are in place which include:

- Supervision & direction of staff conducting audit work;
- The use of client satisfaction questionnaires;
- Documented review of all files of working papers and reports by managers;
- An annual appraisal of audit staff resulting in personal development and training action plans;
- The maintenance of the service's Internal Audit Manual;
- Annual self-assessment

7. THE STATEMENT OF ASSURANCE

7.1 Overall Assurance

7.1.1 The work of the Internal Audit Service has been conducted in compliance with professional internal auditing standards contained in the CIPFA Public Sector Internal Audit Standards 2013.

7.1.2 Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. The work of Internal Audit is linked to many of the Council's corporate aims and objectives and meets statutory requirements and contributes to the achievement of the Council's agreed priorities and objectives.

7.1.3 The Head of Internal Audit is required to provide the Audit and Governance Committee with assurance on the whole system of internal control, including the adequacy of risk management and corporate governance arrangements. It should be noted that assurance can never be absolute. The most that Internal Audit can provide to the Audit and Governance Committee is a reasonable assurance that there are no major weaknesses in

the whole system of internal control. The matters raised in this report are only those that came to our attention during our internal audit work and are not a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

7.2 Audit Opinion

- 7.2.1 I am satisfied that the internal audit work undertaken during the year allows me to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's control processes for those areas reviewed. I am satisfied that the work of the external regulators together with the Authority's service performance reviews allows me to draw a reasonable conclusion that for the 12 months ended 31 March 2016, Anglesey County Council has satisfactory internal control, risk management and corporate governance processes to manage the achievement of the organisation's objectives.

The overall audit opinion may be used in the preparation of the Annual Governance Statement.

INTERNAL AUDIT PERFORMANCE TARGETS 2015-16

APPENDIX A

Description	IOAC Actual 2013/14	IOAC Actual at 31/3/15	IOAC 2015/16 Target	IOAC Actual at 31/03/16	Wales Average 2014/15
1. % Planned Audits Completed	81%	92%	80%	60.32%	83%
2. Number of Audits	51	46	60	38	106
3. % Clients responses 'Satisfied'	100%	100%	100%	100%	98%
4. % Recommendations accepted	100%	100%	100%	98%	99%
5. % Implementation of High & Medium Recommendations at Follow up audits	46%	49%	85%	74%	N/A
6. % Audits completed within planned time	N/A	N/A	90%	78.95%	69%
7. % Directly chargeable time against total available	N/A	N/A	70%	59.74%	65%
8. Average days from closing meeting to issue of draft report	N/A	N/A	6 days	6.61 days	7.6 days
9. Average days between response to draft and final report issue	N/A	N/A	2 days	2.41 days	1.8 days
10. Average actual cost per directly chargeable audit day	£245	£238	£250	£318	£249
11. No. Audit Staff	5.5	5.6	5.68	5.68	8.2
12. % staff leaving	0	0	0	0	12%

MARCH 2016

APPENDIX B

**ANGLESEY COUNTY COUNCIL
INTERNAL AUDIT
SLIPPAGE 1-4-15 TO 31-03-16**

ASSIGNMENTS	REASON	DAYS	RISK RATING
PLANNING & PUBLIC PROTECTION Building Control Services	It was agreed with management to carry forward into the 2016/17 annual plan due to staffing issues in Building Control.	10	Not known - Area audited prior to 2012/13.
ENVIRONMENT & TECHNICAL SERVICES Estate & Property Management	It was agreed with management to carry forward into the 2016/17 annual plan due to the recent approval of the Corporate Asset Management Plan 2015 – 20 at the Executive 14 December 2015.	15	Not known – Area not reviewed for a significant time
LIFELONG LEARNING Administration of Family Grant & Flying Start	There were no WG Flying Start Capital grants during 2014/15.	10	New Review
CORPORATE Contract Audit – Capital Expenditure	Lack of Audit Resources	20	N/A
Corporate Governance	Corporate Assessment undertaken during 2014/15	8	Not known
Corporate Procurement Framework	Lack of Audit Resources	10	Not known - New Guidance
Holyhead Vibrant & Viable Places	Lack of Audit Resources	15	1 – off Review
Standby Arrangements	Lack of Audit Resources	10	1 – off Review
Whistleblowing	Lack of Audit Resources	8	Not known
RESOURCES High Level Controls Key Financial Systems	Lack of Audit Resources	10	N/A
TRANSFORMATION IT Audit	Lack of Audit Resources	40	N/A
ECONOMIC & COMMUNITY REGENERATION Environmental Health Studies	Lack of Audit Resources	15	Not known
Trading Standards Services	Lack of Audit Resources	10	Not

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			known
Economic Development Function	Lack of Audit Resources	15	Not known
Framework Agreements	Lack of Audit Resources	10	N/A
Project Management Office	Lack of Audit Resources	10	N/A
Strategy & Support Team	Lack of Audit Resources	10	Not known
ENVIRONMENT & TECHNICAL SERVICES Building Design & Maintenance Services	Lack of Audit Resources	10	Not known
HOUSING Business Unit & HRA Governance	Lack of Audit Resources	10	N/A
Homelessness Prevention, Allocations etc.	Lack of Audit Resources	10	Limited
Housing Rents – High Level Controls	Lack of Audit Resources	5	N/A
ADULTS SERVICES Extra Care Housing Schemes	Lack of Audit Resources	15	N/A
Provider Unit	Lack of Audit Resources	20	N/A
Services for the Elderly	Lack of Audit Resources	20	N/A
TOTAL SLIPPAGE		316	

The above areas of planned audit work will not audited during 2015/16 for the reasons stated. Where relevant the audits not performed during 2015/16 will be prioritised for review in 2016/17.

Summary of Recommendations and Assurance Levels 1-4-15 to 31-03-16

APPENDIX C

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
1	Cash Receipting System WIP 2014/15	April 15	Resources	4	<p>An audit of Cash Receipting System was undertaken as part of the approved internal audit periodic plan for 2014/15.</p> <p>The receipting of cash amounts is currently undertaken via manual input to the Cash Receipting system from bank statements.</p> <p>A recommendation included in the 2013/14 Cash Receipting report related to the implementation of an auto feeder bank statement should be progressed in 2015/16 to assist in ensuring that bank reconciliation can be carried out promptly from period end. This and the three further recommendations in the 2013/14 Cashiers Final Report have not been implemented.</p> <p>Opinion: Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed and consistently applied.</p>	Substantial
2	Debtors WIP 2014/15	April 15	Resources	22	<p>An audit of Sundry Debtors was undertaken as part of the approved internal audit periodic plan for 2014/15.</p> <p>In 2013/14 the number of invoices raised was 20,287 with a value of £16.3M. The value of cancelled invoices plus credit notes raised in the period was £462k. An Aged Debt Summary Report dated 14 January 2015 reported a total amount of</p>	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>sundry debt outstanding to be £3,192,488.54.</p> <p>The Council introduced a new CIVICA financials system in April 2013 including the Sundry Debtors module which is used as the Council's main record of debtors.</p> <p>The Sundry Debtor review for 2013/14 included six Medium and eleven Low category recommendations. The 2014/15 audit showed that the six Medium category recommendations made have not been implemented. These relate to the prompt and effective recovery of outstanding debt, regular review of aged invoice, regular review of write offs, suppressions, reconciliation of the financial ledger to the Sundry Debtor system and responsibilities relating to the nomination of officers for the entering and authorising invoices and debtor details within the system.</p> <p>Two of the Low category recommendations have been implemented. The remaining nine Low category recommendations are re-iterated. These relate to the review of system access rights, supporting documentation for debtor invoices, review of fees and charges, duplicate debtor detail, cancelled debts, debit of cost codes when evident that debts cannot be recovered, debtor performance indicator reports and the reporting of performance in relation to targets.</p> <p>Opinion: Taking account of the issues identified, whilst the Council can take some assurance that the controls upon which the organisation relies to manage this risk are suitably designed, and consistently applied, action needs to be taken to ensure this area is managed.</p>	
3	Council Tax	April	Resources	8	An audit of Council Tax was undertaken as part of the	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
	WIP 2014/15	2015			<p>approved internal audit periodic plan for 2014/15. Council Tax is administered by the Revenue and Benefits Service. There were 34,553 properties (excluding unbanded properties) as at March 2013.</p> <p>The total debit raised for Council Tax in 2013/14 (net of exemptions, reliefs and council tax benefits) was £30.8m of which the in year collection rate was 97.1% of this total.</p> <p>The Council Tax report for 2013/14 included one Medium and six Low categorised recommendations. The 2014/15 audit found that the Medium recommendations relating to reconciliation to the Postal Docket has not been implemented.</p> <p>Four Low recommendations have been assessed as not implemented and one Low recommendation was seen to be part-implemented. The recommendations relate to single person's discount, debt recovery procedures, accounts on pending write-off status, review of suppressed accounts and void visits.</p> <p>Opinion: Taking account of the issues identified, the Council can take reasonable assurance that the controls upon which the organisation relies to manage these risks are suitably designed, consistently applied and effective.</p> <p>However we have identified issues that, if not addressed, increase the likelihood of the risks materialising.</p>	
4	NNDR WIP 2014/15	April 2015	Resources	8	<p>An audit of NNDR was undertaken as part of the approved internal audit periodic plan for 2014/15.</p> <p>The total number of properties (excluding unbanded</p>	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>properties) as at 31 March 2014 was 2,707.</p> <p>The total debit raised for NNDR in 2013/14 (net of refunds) was £13.6m of which the in year collection rate was 97.9% of this total. The average reported tax collection rate for all Unitary Authorities in Wales was 97.1%.</p> <p>The NNDR report for 2013/14 included two Medium and eight Low categorised recommendations. Our follow up work in 2014/15 has found that the Medium recommendations relating to reconciliation of total value of bills to the number of rateable hereditaments and clearing write offs that have been on the system for more than twelve months have not been implemented.</p> <p>One Low category recommendation has been actioned and two superseded; the remaining five Low category recommendations have been assessed as not implemented. These recommendations relate to prompt processing of write-offs on the system, carrying out exempt property visits, consistent application of recovery procedures, prompt referral of debts to Enforcement Agents and review of suppressed accounts.</p> <p>Opinion: Taking account of the issues identified, the Council can take reasonable assurance that the controls upon which the organisation relies to manage these risks are suitably designed, consistently applied and effective.</p> <p>However we have identified issues that, if not addressed, increase the likelihood of the risks materialising.</p>	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
5	Housing Benefits WIP 2014/15	April 2015	Resources	11	<p>An audit of Housing Benefit - Key Controls was undertaken as part of the approved internal audit periodic plan for 2014/15. The total amount of Housing Benefit paid in 2014/15 for the period 01-04-2014 to 11-02-2015 in respect of private tenants was approximately £8.5m and for LA tenants £7m. The total amount awarded under the Council Tax Reduction scheme was approximately £5m.</p> <p>The total case load recorded up to January 2015 for Housing Benefit Claims was 49,230 and for Council Tax Reduction were 65,638.</p> <p>The Benefits Service is within target for time taken to process change in circumstances, on receiving all information required for decision within 14 days of new claim and on accuracy checks undertaken in the period. However, the Service has not reached set targets in relation to the processing of new claims and for the identification of cases for which the calculation of the amount of benefit due is correct.</p> <p>The most significant area in which the Service has been ineffective in the period is in the recovery of benefit overpayments which have increased during the period.</p> <p>The Housing Benefit 2013/14 Internal Audit report included 5 Medium and 6 Low categorised recommendations. Follow up work in 2014/15 found that at the time of review the 4 Medium and 5 Low priority recommendations were implemented.</p> <p>The 2 recommendations assessed as not implemented relate to the non-recoverable write offs and reconciliations and the segregations of duties between the roles of allocations and recovery.</p>	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Opinion: Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>	
6	Housing Rents WIP 2014/15	April 2015	Resources	4	<p>An audit of Housing Rents was undertaken as part of the approved internal audit periodic plan for 2014/15. At the time of reporting the Council's Housing Service managed 3798 dwellings, 767 garages and 12 leased properties across the County. The estimated rental income for 2014/15 was reported to be £13.8M.</p> <p>Opinion: Taking account of the issues identified during the course of the audit, the Council can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>	Substantial
7	Stock Check DLO WIP 2014/15	May 2015	Housing	N/A	<p>An annual stock check undertaken by the Authority's Internal Audit Service at the BMU Depot on 28th of March 2015. The total closing stock value identified in April 2015 was £157,493.13.</p> <p>Opinion: The stock records maintained at the depot are sufficiently accurate and provide a reliable record of the stock levels at the year end.</p>	Substantial
8	Treasury Management WIP 2014/15	May 2015	Resources	2	<p>An audit of Treasury Management was undertaken as part of the approved internal audit periodic plan for 2014/15. The Treasury Management function operates within the approved</p>	Substantial

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Treasury Management Strategy and the Annual Investment Strategy which is approved by the full Council each year. The Current Treasury Management position (for quarter 3) was reported to the Audit Committee in February 2015.</p> <p>The review of Treasury Management in 2013/14 resulted in a Green audit opinion and three medium category recommendations being made. Follow up work as part of this year's review found that the previous recommendations have yet to be fully implemented. The previous recommendations relate to:</p> <ul style="list-style-type: none"> • Access rights within the HSBC net system and deletion of any users that no longer need access; • Ensuring two authorising signatories (segregation of duties) are obtained in order to carry out fund transfers within the Authority; • To maintain an audit trail and to provide assurance over segregation of duties signatures evidencing checking, authorising or approving should be in the name of the individual carrying out relevant action and not 'pp'd' in the name of an absent officer. Treasury Management processes and procedures should be fully, clearly documented and dated in order to set out who can approve, documentation required and segregation of duties. <p>Opinion: Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
9	Payroll Key Controls WIP 2014/15	May 2015	Resources	6	<p>An audit of Payroll - Key Controls was undertaken as part of the approved internal audit periodic plan for 2014/15.</p> <p>The Payroll system currently in use is 'Resourcelink' provided by Northgate and is an integrated Human Resources and Payroll system.</p> <p>There were 3,850 live payroll records at the end of March 2015 and 2,333 paid records in the month. There were 415 new starters on the payroll and 444 leavers processed during the 2014/15 financial year.</p> <p>Key findings from the review highlighted a lack of formally documented procedures, issues in relation to secure storage of payroll records and system access controls do not enforce segregation of duties between HR establishment functions and payroll functions. The lack of segregation of controls has been highlighted in a previous payroll audit report and in a separate review of Logical Access & Segregation of Duties.</p> <p>Opinion: Taking account of the issues identified, the Council can take reasonable assurance that the controls upon which the organisation relies to manage these risks are suitably designed, consistently applied and effective.</p> <p>However, issues have been identified that, if not addressed, increase the likelihood of the risks materialising.</p>	Reasonable
10	Main Accounting System WIP 2014/15	June 2015	Resources	6	<p>An audit of the Main Accounting System - CIVICA was undertaken as part of the approved internal audit periodic plan for 2014/15.</p>	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>At the time the audit was undertaken the CIVICA team was in the process of conducting a re-launch of the system. The re-launch was initiated due to a number of perceived weaknesses in the way the system had been introduced and subsequently used by the services. Administration of the system was also lacking mainly as a result of poor procedural documentation.</p> <p>It is envisaged that the re-launch of CIVICA will be substantially complete by the end of the current calendar year and all issues raised within the audit dealt with as part of that action.</p> <p>Opinion: Arrangements for governance, risk management and/or internal control are reasonable. An overall Reasonable Assurance audit opinion resulted from the review with four Medium category and two Low category recommendations being agreed with management.</p>	
11	ICT Disaster Recovery	July 2015	Resources	13	<p>This audit was undertaken as part of the approved Internal Audit plan for 2015/16.</p> <p>Internal Audit carried out a review in 2012/13 of the management arrangements for Business Continuity and ICT Disaster Recovery.</p> <p>Internal Audit's opinion at that time was that the Council could not take assurance that the controls upon which it relies to manage these areas were suitably designed, consistently applied or effective (a MINIMAL assurance level). Recommended actions were agreed but Internal Audit was informed that little action has been taken since. The 2015/16 audit report only deals with ICT Disaster Recovery plans. A separate report has been produced covering Business</p>	Minimal

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Continuity.</p> <p>The main key findings in the 2015/16 report identified that:</p> <ul style="list-style-type: none"> • The Council does not have a formal approved ICT Disaster Recovery Plan in place • The Council does not have a dedicated disaster recovery facility located away from the ICT Suite • Services need to complete up to date business plans to feed into future ICT Disaster Recovery Plans • There is no regular restores of system and data backups • Scheduled restores are not carried out in live and test environments to ensure backups can be used to restore promptly and reliably in a disaster scenario • Responsibility of maintenance of the environmental control and fire suppression systems are not formally documented and monitored by ICT • The current UPS is not fit for purpose and the Council does not therefore have an operating UPS in the event of an electrical failure. <p>Opinion: An overall Minimal Assurance audit opinion resulted from the reviews with eight High category and five Medium category recommendations being agreed with management.</p>	
12	Markets Administration & Rents Income	July 2015	Public Protection & Planning	4	<p>An audit of Market Administration and Rents Income was undertaken as part of the revised internal audit plan for 2015/16. The service area has not been subject to audit</p>	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>review since 2006.</p> <p>The key findings from the audit identified that operational procedures had not been reviewed and updated to reflect recent changes in market operations and banking arrangements.</p> <p>It was also evident there is no systematic monitoring to ensure that all market traders maintain and produce evidence of adequate public liability insurance cover.</p> <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with three Medium category and one Low category recommendations being agreed with management.</p>	
13	Business Continuity	July 2015	Corporate	7	<p>An audit of Business Continuity was undertaken as part of the approved internal audit periodic plan for 2015/16.</p> <p>BCM is a statutory duty for local authorities as well as being a key part of governance processes. It is a requirement of the Civil Contingencies Act 2004 that plans are prepared and put in place to ensure that services, particularly those that are statutory services, can continue.</p> <p>The main findings of the review identified the Interim Business Continuity Plan is, in its current draft form, not sufficiently complete to ensure proper efficient and effective recovery of the Council's data and processes should a disaster event occur.</p>	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Responsibilities of the Senior Leadership Team and Heads of Services in relation to Business Continuity are not clearly stated within the Business Continuity Plan and Business Continuity is currently not reported and managed at the highest level.</p> <p>The work to establish a Business Continuity Management and Emergency Planning Working Group should continue and the comprehensive Corporate Business Continuity Plan should incorporate Building Recovery Management arrangements.</p> <p>Opinion: Arrangements for governance, risk management and internal control are limited. An overall Limited Assurance audit opinion resulted from the reviews with five High category and two Medium category recommendations being agreed with management.</p>	
14	Risk Management Framework & Top 5 Risks	Sept 2015	Corporate	3	<p>This audit was undertaken as part of the approved Internal Audit periodic plan for 2015/16.</p> <p>A review of the application of the Risk Management Framework was commissioned by the SLT in the summer of 2014 and found the following:</p> <ul style="list-style-type: none"> • The application of risk across the Council was inconsistent • It is not clear how the service and corporate risk registers relate • A lack of clarity regarding process for escalation or 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>feedback; and</p> <ul style="list-style-type: none"> • Risk is not well aligned with the planning and performance management processes. • The Policy and processes have been revised and training delivered to senior officers and staff. Service Risk Registers are being reviewed and incorporated into the Business Planning Process and Revised Corporate Risk register in place by the end of the first Quarter 2015. • The main findings of the review identified that Service Delivery Plans are not always submitted promptly and within deadlines with all sections having been completed including links to the Risk Registers. • Evidence of existing controls relating to the Corporate Risk Register were not always available. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with two Medium category and one Low category recommendations being agreed with management.</p>	
15	Information Governance – Annual Review of Compliance	Oct 2015	Corporate	7	<p>An audit of Information Governance – Annual Review of Compliance was undertaken as part of the approved Internal Audit periodic plan for 2015/16.</p> <p>Key findings from the review are:</p> <ul style="list-style-type: none"> • Third party contractors processing personal data on behalf of the Council have not been identified to ensure that an appropriate Data Processing 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Agreement has been implemented and Data Processing Agreements re not available for every 'Category 1' Contracts.</p> <ul style="list-style-type: none"> • No new systems, projects or processes had been implemented during the audit review and therefore no evidence of Privacy Impact Assessments undertaken were available for review by the auditor. • Not all Information Asset Owners (IAOs) were able to give assurance that appropriate measures are in place for the secure storage, movement, retention and disposal of records within remote establishments (those outside of the HQ) • The Council lacks procedures for managing electronic records containing confidential data • No assurance can be given as to whether random information sharing of personal data had been assessed as a lack of data was available for testing. • Not all staff comply with the Clear Desk Policy implemented by management • The Council's privacy notices issued by each service are not clear, consistent and available for the gathering , processing and sharing of data • No central log exists of all privacy notices and no evidence was seen of privacy notices transferred to the corporate privacy notice template • No formal written report has been presented to the SLT of data security incidents, its cause and effectiveness of response as per the Data Security Incident Policy. It was acknowledged that incidents 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>have been verbally reported to SLT to date.</p> <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with five Medium category and two Low category recommendations being agreed with management.</p>	
16	Ysgol Brynsiencyn	Dec 2015	Lifelong Learning	7	<p>An audit of Ysgol Brynsiencyn was undertaken as part of the approved Internal Audit periodic plan for 2015/16.</p> <p>Key findings from the review are:</p> <ul style="list-style-type: none"> • The school meals record was maintained to a high standard at the school. • The Governing Body has appropriate arrangements in place to define head teacher rights for authorising expenditure and transferring monies between financial headings. • Appropriate documentation to monitor teacher performance (annual) and the performance objectives of the head teacher are used within the school. • The school fund accounts are maintained to an appropriate standard and are audited independently on an annual basis. The "School Fund Audit Record" document should be presented to the Governing Body on an annual basis. • The Governing Body constitution complies with the statutory requirements. • The school has appropriate statutory policies. • The school complies with the Authority's Fleet and 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Driver Policy.</p> <ul style="list-style-type: none"> Some weaknesses were found in the ordering of works, goods and services. All expenditure was properly authorised and correctly accounted for. <p>KEY ACTIONS AGREED</p> <ul style="list-style-type: none"> Purchasing orders should be completed in advance. A complete register of the business interests of the Governors, the Head teacher and their immediate family should be maintained in accordance with the Education Service's Fair funding Scheme. Each supply teacher used by the school should be noted within the electronic diary by the Head Teacher. The "School Fund Audit Record" should be presented to the Board of Governors annually. Physical check should be conducted on the school's asset as well as marking the assets with a permanent ink or ultra violet pen. There should be consistency between the free breakfast register and the "Breakfast Scheme" (Annex C) form. The school should adopt a CCTV policy. <p>Opinion: Arrangements for governance, risk management and/or internal control are reasonable. Management action of moderate to low impact is required.</p>	
17	Ysgol Cemaes	Dec 2015	Lifelong Learning	14	<p>An audit of Ysgol Cemaes was undertaken as part of the approved Internal Audit periodic plan for 2015/16.</p> <p>Key findings from the review are:</p> <ul style="list-style-type: none"> Appropriate arrangements have been placed by the 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Governing Body in order to define head teacher rights for authorising expenditure and transferring monies between financial headings.</p> <ul style="list-style-type: none"> • School income is collected, recorded and banked in accordance with the Education’s Department directions. • Appropriate documentation to monitor the performance of the Head Teacher was completed for 2014/15. • The number of pupils within the “Statistical Census” corresponds to the school records. • The school fund account was satisfactory and an activity summary is produced for parents on an annual basis. • The Governing Body constitution complies with the statutory requirements. • The school have some statutory policies. • Some weaknesses were found with the ordering of works, goods and services. All tested expenditure was properly authorised and correctly accounted for. <p>KEY ACTIONS AGREED</p> <ul style="list-style-type: none"> • School meals income should be correctly recorded and the PY7, CT182a and CT183a forms should reconcile • Order requisitions should be completed before receiving goods. • School lettings should be administered in accordance with the Authority’s guidelines. • The school fund should be audited annually. • School’s assets should be marked with a permanent ink or an ultra violet pen. 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> The free breakfast register should reconcile to the "Breakfast Scheme" (Annex C). <p>Opinion: An overall Limited Assurance audit opinion resulted from the reviews with seven Medium category and seven Low category recommendations being agreed with management.</p>	
18	Affordable Housing, Houses into Homes and Bridging Loan Scheme	Dec 2015	Housing	24	<p>The audit was undertaken as part of the approved Internal Audit Plan for 2015/16. The audit examined Themes 1 & 2 of the Local Housing Strategy related to the issue of addressing affordable housing and empty homes under the Affordable Housing Development Programme, providing support for the Joint Local Development Plan funding, Empty Homes and providing support for housing renewal in the private sector.</p> <p>Key findings from this review are as follows:</p> <ul style="list-style-type: none"> Housing are unable to access financial information regarding revenue fees and income for monitoring and financial management of schemes. Housing are not aware that financial information regarding capital receipts is available and monitored by the Capital Team on a monthly basis. Reconciliations are not carried out by Housing between the schemes and the Council's financial ledger. There are no procedures outlining the implementation and monitoring of the recovery of defaulted loans from the bridging loan scheme. Information provided by the Council Tax Department to 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>identify empty properties is incomplete and inaccurate and impacts on the Empty Homes Officer's efficiency and performance monitoring.</p> <ul style="list-style-type: none"> The lack of ability to distinguish between empty and second homes may affect the Local Authority's discretion in applying a council tax premium of up to 100% of the standard council tax charge on second homes, (Housing (Wales) Act 2014 - Council tax for empty and second homes). <p>Opinion: An overall Limited Assurance audit opinion resulted from the reviews with three High category and eleven Medium category recommendations being agreed with management.</p>	
19	Partnerships	Jan 2016	Corporate	5	<p>The Council actively engages in a number of partnerships at national, regional, sub-regional and local level with involvement ranging from collaboration to full integration. Successful partnership working is deemed essential to the delivery of corporate objectives and better services across the organisation.</p> <p>The audit review was conducted in August and September 2015 to ascertain record and evaluate the Council's arrangements in place to manage, mitigate, monitor and report on the risks associated with partnership working.</p> <p>The key findings from this review are as follows:</p> <ul style="list-style-type: none"> There is currently no partnership policy established to provide a framework for the effective management of new and existing partnership arrangements and no 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>central register maintained to record the partnerships the Council is involved in;</p> <ul style="list-style-type: none"> ▪ The reporting of the success or otherwise of partnership performance is weak; ▪ There is limited oversight of partnership performance and governance arrangements; ▪ There is no process for assessing the benefits / dis-benefits of on-going partnership arrangements on an annual / regular basis. ▪ There is no process established for the review of key partnerships' risk registers and not all service risk registers highlight the risks of working in partnership. ▪ It was confirmed in relation to sample testing of individual partnerships that the individual partnership agreements are formally documented, management arrangements defined, the functions, area of responsibility and the partnerships' overall aims clearly stated. ▪ In all relevant cases, the basis of the Council's financial contribution to the partnership was defined and where applicable, the treatment of any surpluses or deficits, and any assets or liabilities arising on termination or planned expiry of the project clearly outlined. ▪ In all cases also the partnership agreement provided for conflict resolution and detailed clearly the circumstances under which partners could withdraw / terminate the agreement. ▪ In relation to the sample of partnerships reviewed, there is sufficient flexibility in terms of financial contributions to allow the Council to meet its savings targets. 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Opinion: An overall Limited Assurance audit opinion resulted from the review with five High Category recommendations being agreed with management.</p>	
20	HR Policies & Practices for Managing the Workforce	Jan 2016	Transformation	14	<p>An audit of HR Policies and Practices for Managing the Workforce was undertaken as part of the approved Internal Audit plan for 2015/16.</p> <p>The key findings from this review are as follows:</p> <ul style="list-style-type: none"> • HR policies and procedures are readily accessible on the Council's Intranet and employees are made aware of policies and practices during Induction Training. ▪ A report identifying employees who have not attended specific training courses could not be easily generated by the current HR System, Northgate. A manual record is maintained by the HR Officer in each service. ▪ A list of corporate mandatory training events was not evidenced. ▪ There is a facility on the Northgate MyView System where Managers can view their employees' training records; however, the facility has not yet been enabled by the system provider. ▪ There are no procedures outlining the calculation of annual leave entitlement balances for leavers which managers are required to calculate. ▪ Incorrectly calculated annual leave entitlement was observed in 44% of a sample of leavers tested (7/16), resulting in total overpayment of £754.92. 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> ▪ Payroll are not always informed by managers of all paternity leave taken to ensure Statutory Paternity Pay for eligible employees is correctly calculated. ▪ Services took on average 2 days to implement Return to Work Interviews following an employee's sickness absence, within the target of 5 days following return to work. ▪ 26% (15/58) of Sickness Absence Records were not complete, i.e. backing documents not available and/or completed. ▪ 17% (2/12) of employees did not comply with the Flexible Working Hours Scheme Rules and Regulations. ▪ There is no evidence that managers are undertaking Performance Improvement Reviews within the Council. <p>Opinion: An overall Limited Assurance audit opinion resulted from the review with two High, seven Medium and five Low Category recommendations being agreed with management.</p>	
21	Fleet Management	Jan 2016	Highways, Waste & Property	6	<p>An audit of Fleet and Driver Management was undertaken as part of the approved internal audit periodic plan for 2015/16.</p> <p>The key findings in this review were as follows:</p> <ul style="list-style-type: none"> ▪ The Vehicle Fleet and Driver Management policy has been reviewed periodically in light of legislation since its implementation in 2009. ▪ Assurance was obtained that the Council's fleet vehicles are appropriately recorded on the Corporate Asset 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Register as at the year end.</p> <ul style="list-style-type: none"> ▪ Performance monitoring information and data is not recorded in management meetings to support management decisions and inform quarterly PIs. ▪ The Authority seeks value for money by procuring fleet vehicles in quantity and going out to tender in accordance with CPR and EU guidelines. ▪ The Authority is part of the “All Wales Transport and Plant Group” which undertakes benchmarking exercises between all 22 local Authorities. ▪ Benchmarking data shows that the Authority compares favourably to other authorities in relation to in-house repairs and maintenance of fleet vehicles and value for money in relation to the purchase of fuel for fleet vehicles. <p>Opinion: Arrangements for governance, risk management and/or internal control are reasonable.</p>	
22	Ysgol Amlwch	Jan 2016	Lifelong Learning	5	<p>An audit of Ysgol Gynradd Amlwch was undertaken as part of the approved Internal Audit periodic plan for 2015/16.</p> <p>Key findings from the review are:</p> <ul style="list-style-type: none"> • The school meals record was maintained to a high standard at the school. • The school fund accounts are maintained to an appropriate standard and are audited independently on an annual basis. The “School Fund Audit Record” 	Substantial

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>document should be presented to the Governing Body on an annual basis.</p> <ul style="list-style-type: none"> • The Governing Body constitution complies with the statutory requirements. • The school has appropriate statutory policies. <p>Opinion: Arrangements for governance, risk management and internal control are good.</p>	
23	Ysgol Gynradd Bodedern	Feb 2016	Lifelong Learning	16	<p>Key findings of an audit of Ysgol Gynradd Bodedern undertaken as part of the Internal Audit periodic plan for 2015/16 were as follows:</p> <ul style="list-style-type: none"> • The school budget is discussed on a regular basis with the Governors and adopted annually by the governing body • The school meals record and school breakfasts are maintained to a satisfactory standard • The process for ordering and paying of goods were generally followed but the order was not signed until after receiving the invoice • The teachers' pay review forms have not been completed for 2015/16 academic year but the forms for the previous year were returned promptly • The School Fund accounts for 2014/15 were audited by an independent person but no record was evidenced in the minutes of the official appointment by the Governing Body. 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Opinion: An overall Reasonable Assurance audit opinion resulted from the review with two High, seven Medium and five Low Category recommendations being agreed with management.</p>	
24	Council Tax	Mar 2016	Resources	8	<p>An audit of the system for collection of council tax revenue was undertaken as part of the approved internal audit periodic plan for 2015/16.</p> <p>The key findings from this review are as follows:</p> <ul style="list-style-type: none"> ▪ There was no reconciliation made of the number of Council Tax bills generated as per the billing files and the bills issued as per the postal docket provided by the contractor. ▪ Targets for visits of exempt / void properties were not achieved in the period due to resources issues. ▪ There is no process of confirming the ongoing eligibility for Single Person Discount currently operated; notifications of single occupancy status and changes in circumstances do not currently require a formal declaration that the information provided is correct. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with four Medium category and four Low category recommendations being agreed with management.</p>	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
25	NNDR	Mar 2016	Resources	7	<p>An audit of the system for collection of Non Domestic Rates was undertaken as part of the approved internal audit periodic plan for 2015/16.</p> <p>The key findings from this review are as follows:</p> <ul style="list-style-type: none"> ▪ There is no reconciliation made of the number of Council Tax bills generated as per the billing files and the bills issued as per the postal docket provided by the contractor. ▪ Targets for visits of exempt / void properties were not achieved in the period due to resources issues. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with two Medium category and five Low category recommendations being agreed with management.</p>	Reasonable
26	Main Accounting	Mar 2016	Resources	9	<p>An audit of Main Accounting System - CIVICA was undertaken as part of the approved internal audit periodic plan for 2015/16.</p> <p>The key findings in this review were as follows:</p> <ul style="list-style-type: none"> ▪ At present there is no means of identifying duplicate feeder numbers within the CIVICA System. ▪ The timetable for the production of management accounts has not been formally documented to provide assurance that all feeders have been inputted prior to month end closure. ▪ Month end procedures are not documented. 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> ▪ Year-end reconciliation of balances to the general ledger are not carried over to the next financial year promptly from 2014/15 to 2015/16. ▪ The reconciliation of Debtors is not undertaken on a monthly basis. ▪ Password control should reflect the Authority's ICT policy on logical access for non-network users. ▪ The CIVICA Team does not review the appropriateness of the access levels of accountants and high level users. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with two Medium category and five Low category recommendations being agreed with management.</p>	
27	Housing Strategy	Mar 2016	Housing	6	<p>This audit was undertaken as part of the approved Internal Audit plan for 2015/16.</p> <p>The key findings from this review are as follows:</p> <ul style="list-style-type: none"> ▪ The Housing Strategy was developed by addressing current issues that have an impact on Housing such as the Welfare Reform, Economic Decline, The Housing (Wales) Act 2014 and the outcomes from statistical analysis. It is recognised that for the Strategy to fulfil its purpose at a local level, links need to be made to other major areas of work for the Council. Corporate Objectives as seen in the Corporate Plan were 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>therefore taken into account when writing the Strategy.</p> <ul style="list-style-type: none"> ▪ The Anglesey Housing Partnership was established in 2014 and includes representatives from the Housing and Adults Services as well as representatives from external organisations such as local housing associations. ▪ The Executive Board approved the Housing Strategy in its meeting held on 12 January 2015. ▪ The Housing Strategy addresses the key purposes of the Housing (Wales) Act 2014. ▪ Whilst communication and links with external stakeholders are maintained through the Anglesey Housing Partnership, internal communication could be strengthened. It was found that the Annual Delivery Plan did not reflect all aspects of the Strategy and changes that influence the Corporate Objectives should be communicated internally appropriately. Aspects of the Strategy were not included in 2 out of 5 individual Service Delivery Plans obtained by the Auditor. ▪ An action plan has been developed to ensure the Strategy is implemented and a routine is in place for monitoring. The Anglesey Housing Partnership is to receive biannual updates against the action plan and the Executive Board is to receive an annual review. The Partnership has at the time of the audit received one update against the action plan with a second due to take place in May 2016. ▪ The monitoring process can be strengthened by 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>creating procedures to determine individual responsibilities and collection of information supporting the implementation of the action plan.</p> <ul style="list-style-type: none"> ▪ The action plan will be monitored and presented to the Partnership on a six month basis. ▪ There are no procedures relating to updates following a review on aspects where implementation has fallen short or consequences / alternatives are considered. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with two Medium category and four Low category recommendations being agreed with management.</p>	
28	Ysgol Talwrn	Mar 2016	Lifelong Learning	14	<p>An audit of Ysgol Talwrn was undertaken as part of the approved Internal Audit periodic plan for 2015/16.</p> <p>Key findings from the review are:</p> <ul style="list-style-type: none"> ♦ It was found that the school budget is adopted annually by the governing body and that financial issues are discussed on a regular basis. ♦ The level of school meals arrears were found to be high at 43.6% of the cash due at the time of visit. ♦ The financial powers of the Head teacher, and the Head teacher in conjunction with the Chair of Governors were found to be reviewed on a regular 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>basis.</p> <ul style="list-style-type: none"> ♦ It was found that the register of business interests of the Head teacher and Governors and their immediate family was complete and reviewed on a regular basis. ♦ Tests conducted on a sample of school meals income records, school breakfasts and general income records found that records were accurate and maintained to a satisfactory standard. ♦ The school did not always complete a requisition form in advance of purchase, nor complete the relevant boxes on the remaining form correctly. ♦ The school has registered with the Information Commissioner in accordance with the Data Protection Act 1988. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with four Medium category and ten Low category recommendations being agreed with management.</p>	
29	EIG Grant	Mar 2016	Lifelong Learning	0	<p>This review was intended to satisfy grant requirements and provide assurance that clear accounting records are maintained of delegated funding amounts and to identify all income and expenditure in relation to non-delegated funds.</p> <p>The review was limited to the Education Improvement Grant provided to the Council by the Welsh Government in 2015/16. Figures provided by the Finance Service show that the overall grant total in the period was £3,604,209 comprising EIG</p>	Substantial

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>awarded of £3,296,824 plus match funding of £307,385.</p> <p>From the review of the grant controls and records assurance can be provided that adequate and proper controls and records have been maintained in relation to the EIG for period 2015/16.</p> <p>No recommendations were made in the review.</p>	
30	School Meals Arrears	Mar 2016	Lifelong Learning	9	<p>An internal audit review was undertaken of the administration of school meals arrears within the Authority as part of the approved internal audit periodic plan for 2015/16.</p> <p>The key findings in this review were as follows:</p> <ul style="list-style-type: none"> ▪ Only 7/48 primary schools within the Authority have access to the programme in the School Information and Management System (SIMS) to assist with the recording and monitoring of school meals income and registers. A new electronic system to allow schools to manage school meals income will be in place at all schools from September 2016. ▪ Schools were not complying fully with Education Service procedures for the management and recovery of school meals arrears; consequently there is an inconsistent approach to the recovery of arrears in the Authority's schools. ▪ School meals arrears exceed the Education Service percentage guide of 10% at all 5 schools audited. Average arrears within the 5 schools audited were seen to be 45.14% of cash due for December 2015. 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> ▪ CT183a (weekly) and CT182a (monthly) forms were not always correctly completed and errors were found within the CT182a (monthly), CT183a (weekly), PY40 and PY7 registers even though head teachers had signed the forms to evidence supervisory checks undertaken. ▪ School meals income is not always banked promptly at the end of the school term. ▪ Discrepancies identified by the Income Section in reconciling school meals income recorded as banked on the CT182a monthly return to the financial ledger were not being followed up and resolved. ▪ No training sessions or refresher training is available for school meals clerks. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the reviews with six Medium category and three Low category recommendations being agreed with management.</p>	

**ANGLESEY COUNCIL
INTERNAL AUDIT**

**ANALYSIS OF ADDITIONAL UNPLANNED WORK PERFORMED DURING
1st APRIL 2015 TO 31st MARCH 2016**

	AREA	NATURE OF THE WORK	AUDIT DAYS
1	Bryn Trewan	The Audit Committee requested that Internal Audit look at original documentation in relation to the re-charge of sewage cost in relation to 60 properties at Bryn Trewan, Caergeiliog.	3.11
2	Grant Certification – European Social Fund	Final Certification.	4.30
3	WG Pupil Deprivation Grant 2014/15	Internal Audit was informed in September 2015 that the Pupil Deprivation Grant Authority Allocation Certificate and an Internal Audit Report had to be submitted to WG by 331 October 2015.	4.80
4	WG Welsh In Education Grant 2014/15	Internal Audit informed in August 2015 that the WEG Authority Allocation Certificate and an Internal Audit Report had to be submitted to WG by 31 October 2015.	2.70
5	WG 14 - 19 Learning Pathways Grant 2014/15	Internal Audit was informed in September 2015 that the 14-19 Learning Pathways Grant Authority Allocation Certificate and an Internal Audit Report had to be submitted to WG by 31 October 2015.	13.92
6	WG School Effectiveness Grant 2014/15	Internal Audit informed in August 2015 that the SEG Authority Allocation Certificate and an Internal Audit Report had to be submitted to WG by 31 October 2015.	9.05
	TOTAL DAYS		37.88

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SCHEDULE OF FOLLOW UP AUDITS 2015/2016

	Description	Auditor	Audit Date	Follow up Date	No. Recs	Recs Outstanding & WIP	High	Medium	Low	Original Audit Opinion	Revised Audit Opinion
1	Creditors – Follow Up	ECW	Mar 15	Feb 16	11	10 (2WIP)	0	4	6	Reasonable	Reasonable
2	ICT Disaster Recovery	EW	Jul 15	Mar 16	13	8 (3 WIP)	4	4	0	Minimal	Reasonable
3	Business Continuity Management	EW	Aug 15	Mar 16	7	5 WIP	3	2	0	Limited	Reasonable

AUDIT RECOMMENDATIONS AND THE AUDIT OPINION

1. DEFINITIONS OF ASSURANCE RATINGS

New assurance level definitions for 2015/16 are clearer and more precise and bring into play the priority of recommendations made. They are:

LEVELS OF ASSURANCE	DEFINITION
SUBSTANTIAL ASSURANCE	Arrangements for governance, risk management and internal control are good. No or only low impact management action is required. No high and a maximum of 2 medium priority recommendations are made.
REASONABLE ASSURANCE	Arrangements for governance, risk management and/or internal control are reasonable. Management action of moderate to low impact is required. No high priority recommendations are made.
LIMITED ASSURANCE	Arrangements for governance, risk management and internal control are limited. Management action of high to moderate impact is required. A number of high and/or medium priority recommendations are made.
MINIMAL ASSURANCE	Arrangements for governance, risk management and internal control are significantly flawed. High impact management action is required in a number of areas. A significant number of high priority recommendations are made.

2. Definitions of Recommendation Priorities

Definitions of the priorities used for recommendation have been made to improve consistency within the audit team and help the level of understanding by the report recipient. They are:

RECOMMENDATION PRIORITY	DEFINITION
High	Significant action required relating to the absence if or non-compliance with fundamental control processes creating the potential for significant governance issues, malpractice, risk or error to go undetected.
Medium	Important action required to bring the internal control system up to an acceptable standard or eliminate an unacceptable level of non-compliance with existing control processes.
Low	Action which would improve the internal control in general but which is not vital to the overall control system.

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High Rated Internal Audit Recommendations Outstanding as at 31/03/2016

Report	Recommendation	Date Raised	Agreed Date of Implementing	Responsible Officer	Comments
Corporate					
System Controls - Logical Access and Segregation of Duties 1961.14/15	2.2 The Council should ensure that it maintains a record for all users that evidences that they have received access to, read, understood and agreed to abide by all key ICT policies including the ICT Security (once approved) and Acceptable Usage Policies.	08/09/2014	31/03/2015 - date changed to 30/09/2015	Legal Services Manager – changed to Corporate Information Officer	<p>SIRO & S.151 Officer Review Information was requested from other Welsh authorities with regard to existing solutions being used by other Welsh authorities. Based on responses received, initial demonstrations were given by potential providers during January 2015. A tender specification document was then prepared and a tender notice published (Sell2Wales) on 8 April 2015 - closing date for receipt of tenders 8 May 2015. Five tenders were received.</p> <p>A report requesting funding was submitted to an informal Executive meeting on 1 June. The Executive was not prepared to support the project (owing to the objections of the Section 151 Officer) and the item was removed from the formal Executive agenda for 15 June.</p> <p>As directed by the SRO, the task is to be continued up to, but excluding, the letting of the contract - meeting to take place on 18 June to finalise tender evaluation results and feedback to suppliers.</p> <p>Work in progress. Reported in Information Corporate Governance Board on 13/10/2015.</p>
System Controls - Logical Access and Segregation of Duties 1961.14/15	2.3 A procedure should be put in place that ensures new starters requiring access to the Council's network, systems and data are not granted such access until such time as ICT is provided with evidence the user has confirmed that	08/09/2014	31/03/2015 - date changed to 30/12/2015	ICT Business Transformation Manager	<p>ICT - Once policy compliance software is in place a grace period of two weeks is given to new starters to approve the policies.</p> <p>Upon the implementation of policy compliance software it is proposed that the system is set to open on all PC's when the user logs in – this will</p>

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	<p>they have access to, read, understood and agreed to abide by the Council's key ICT Security and Data Security policies. Where users have been granted access but then fail to provide such evidence as required above their access should be removed until such time as evidence is provided.</p>				<p>continue every time they login until the policies have been accepted. ICT would also investigate the possibility in the longer term that Internet access is removed by default for new users and is only granted upon evidence of approval of key ICT policies.</p> <p>SIRO & S.151 Officer Review – Investigate the introduction of a log-in screen which includes declaration on having read, understood and agreed to abide by key ICT Policies to be acknowledged by all users prior to log in.</p> <p>Upon implementation of the policy compliance software new starters will be given a grace period of two weeks to approve policies and will appear on their PC's until policies have been accepted and internet usage will be removed if key policies have not been accepted. However implementation of the policy compliance software is currently under review by a corporate group that is chaired by the SIRO – please see above.</p> <p>A project lead by the SIRO/Monitoring Officer has been charged with implemented a policy management /acceptance system, this is still ongoing.</p> <p>Once a solution is in place this will provide the tool for ICT to meet this recommendation.</p>
<p>System Controls - Logical Access and Segregation of Duties 1961.14/15</p>	<p>8.3 In line with best practice and the Council's Financial Procedure Rules the following segregation of duties should be applied in the following Council systems:</p> <p>Debtors & Ledger – Cashier's access levels to the debtor system and ledger should be reviewed to ensure that appropriate segregation of duties is maintained between those receiving income and those recording income.</p>	<p>08/09/2014</p>	<p>31/12/2014 date changed to 31/12/2015</p>	<p>Head of Resources.</p>	<p>Officer Review – For the financial systems the responsibility to ensure adequate segregation of duties will be included in appropriate job descriptions following the scheduled restructuring of the Finance Service.</p> <p>Debtors / Ledger / Creditors – The implementation concerning the financial system will be part of the CIVICA relaunch.</p> <p>Payroll – Establishment and Payroll duties to be segregated within Payroll system following</p>

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	<p>Reconciliations, including debtor system, cash receipting and bank reconciliation should be reviewed by an independent employee to ensure accuracy.</p> <p>Adjustments/credit notes/write offs to debtors should be reviewed and approved by an employee who does not have responsibility for recording these transactions.</p> <p>Creditors – The Supplier amendments report should be reviewed by a supervisory level employee who does not have access to perform changes to supplier details, recording of invoices, approving invoices and authorising payments.</p> <p>Payroll/HR Establishment – functions should be restricted to officers who do not have access to process payroll or those establishment records set up by payroll must be reviewed by an independent employee to ensure integrity. The officer responsible for executing the payroll run should be independent from processing payroll to ensure to ensure integrity is maintained. Exception reports should be run and checked by a supervisory level (independent) employee back to source documents. The variance reports should be checked by a supervisory level employee (independent) to ensure accuracy. Access rights of all HR/Payroll system users should be reviewed to ensure appropriateness, in particular the officer responsible for reconciling payroll and reviewing.</p>				<p>liaison between S151 Officer and Head of Profession – HR.</p> <p>Asset Register has been completed.</p>
Third Party	Rec 3: A corporate review of all identified	07/10/2014	31/12/2014	Business	

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Assurance Report Monitoring 1736.11/12	weaknesses and recommendations / actions within Third Party Assurance reports should be undertaken regularly to identify any common themes; to ensure consistency in responses and that there is no duplication of effort in such responses.			Planning and Programme Manager	
Third Party Assurance Report Monitoring 1736.11/12	Rec 5: Recognised significant weaknesses identified in reports, whether draft or final, or via other method should be notified to the corporate centre promptly and appropriate action to redress undertaken.	07/10/2014	31/12/2014	Business Planning and Programme Manager	
Risk Management Framework 011.15/16	6.1 Heads of Service should ensure that Service Delivery Plans are submitted promptly and within deadline with all sections completed including links to the Risk Registers.	21/09/2015	31/12/2015	Business Planning and Programme Manager	02/03/2016 Corporate Planning and Performance Management Framework inclusive of budget requirement circulated to all Heads of Service outlining and informing them of how different aspects are linked. Only 4 out of 9 Services submitted draft SDP's on time. At the beginning of March, 5 remain to be submitted and this issue has been raised to the Penaethiaid.
Corporate					
Affordable Housing, Houses into Homes, Bridging Loan Scheme 025.15/16	6.2a Interest accrues from the payments of interest owing and the accrued interest on the borrowing from the Bridging Loan Scheme should be recovered under the terms and conditions stated in the facility agreement.	16/12/2015	31/12/2015	Revenues & Benefits Manager.	

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<p>Affordable Housing, Houses into Homes, Bridging Loan Scheme 025.15/16</p>	<p>6.2e Financial Information for Bridging Loan Scheme should be available to enable to Housing to financially monitor and/or conduct reconciliations on a regular basis (monitoring receipts of interest payments).</p>	<p>16/12/2015</p>	<p>31/12/2015</p>	<p>Revenues & Benefits Manager.</p>	
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Medium Rated Internal Audit Recommendations Outstanding as at 31/03/2016

Report	Recommendation	Date Raised	Agreed Date of Implementing	Responsible Officer	Comments
Corporate					
Agency Staff 1940.14/15	6.6 Any new use of agency workers should be in accordance with IOACC Agency Workers Policy and alternatives to use to be discussed with HR Officers. The revised Agency Workers Policy now requires that Appendix 1 – REASON FOR HIRING AN AGENCY WORKER - should be completed by Services and returned to HR prior to any agency workers being hired.	02/07/2014	31/07/2014	Chief Executive	Heads of Service to be requested to instruct relevant employees to comply with the revised Agency Workers Policy in terms of the requirement to complete the form at Appendix A and forward it to HR prior to employing any agency, contract, self-employed and consultancy staff.
System Controls - Logical Access and Segregations of Duties 1961.14/15	3.1b The ICT Security Policy should include defined responsibilities and procedures. The departmental system administrators should be formally recorded or identified and sign off on all responsibilities defined. All departmental system administrators should familiarise themselves with the ICT Security Policy and implement the policy where necessary.	08/09/2014	31/01/2015 changed to 31/03/2015	Technical Services Manager	Case Review – designated officers responsible for ICT security for key identified electronic application and systems used for the storage of sensitive / personal data will be available following implementation of system administrator held accountable and responsible for the security of that system i.e. logical access, group and individual access rights and segregation of duties. ICT - We will amend the ICT Security policy to include this requirement and will draw the policy to the attention of assigned Service information asset owners. Once the policy compliance software is in place assigned officers will be required to review / approve key ICT policies.
Information Governance 009.15/16	1.2a The Procurement Section should ensure that Data Processing Agreements are included at the quotations/ tender stage and included as a separately executed appendix to every new relevant	21/10/2015	30/11/2015	Procurement Officer	Meeting held on 22/2/2016 to discuss personal data security safeguards in procurement. Corporate Information Officer to create an action plan detailing what should be included in the contracts and to be sent to SLT in the next

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		contract.				few weeks.
Information Governance 009.15/16		1.2b Managers should review running contracts involving a third party contractor processing personal data on behalf of the Council to determine whether a Data Processing Agreement should be imposed on the contract.	21/10/2015	30/09/2015	Corporate Information Officer	Work has commenced on this issue, however recommendations from the Information Commissioner's Office in respect of procurement of services will require a wider review of the data protection safeguards required in the procurement of services involving personal data. The review required by the ICO is time sensitive, this needs to be done before the recommendation can be completed. The target date should be amended.
Information Governance 009.15/16		1.2c SIRO should ensure that all 'Category 1' contracts operated by the Council are covered by DP Agreements in accordance with ICO recommendations.	21/10/2015	30/09/2015	Corporate Information Officer	
Information Governance 009.15/16		1.11 A written report should be presented to the SLT in evidence that all data security incidents are reviewed for cause of the breach and the effectiveness of response as per Section 8.1 of the Data Security Incident Policy - Version 2.0 (June 2015).	21/10/2015	15/11/2015	Corporate Information Officer	
Finance						
Council Tax 1987.14/15		4.2 Suppressed accounts should be reviewed by a senior officer on a regular basis and evidence of review retained on file.	13/05/2014	30/09/2015	Operations Manager	Re-iterated from 2013/14 audit report. Suppressions with "end dates" are removed automatically by the system. Those which remain open are being reviewed currently.
Ysgol Pentraeth 1960.14/15		4.2.5 - The Income Section should enquire and ensure that monies banked by the school in the Post Office (£307.70) during January 2014 have been fully and correctly accounted for in the Authority's account.	11/12/2014	31/01/2015 changed to 30/06/2015	Income Officer	A copy of the report was requested 22/6/15. Target completion date 30/6/15.

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Sundry Debtors 1982.14/15	3.1a Recovery action should be taken in line with the Council's Sundry Debtor Billing, Collection and Recovery Policy.	01/04/2015	31/12/2015	Revenues & Benefits Manager	For debt raised since April 2014 this is being undertaken. For older debts decisions do not comply with policy. Recovery is being targeted based on amount and age with the aim of reducing the age analysis biased towards older debts.
Sundry Debtors 1982.14/15	<p>3.4 The following procedures should be introduced in order to provide additional controls over account suppressions:</p> <ul style="list-style-type: none"> - The CIVICA facility to set appropriate time limits on suppressions should be used in all cases. - Reason for suppression of recovery action should be appropriately recorded within the system notes facility. - A report of all suppressions should be reviewed by a relevant officer on a regular basis in order to ensure that all reasons for suppressions are on-going. - Documentation in support of suppressions should be retained on file giving reason for suppression including the name and signature of the officer authorising the suppression. 	01/04/2015	31/08/2015	Income Officer	All new suppressions have an end. Lists have been produced for all other suppressions and work upon them is continuing to either lift suppression, cancel invoices etc. Need to revise target date due to volume of work.
Treasury Management 1983.14/15	1.9 Treasury Management processes and procedures should be fully, clearly documented and dated in order to set out who can approve, documentation required and segregation of duties.	06/05/2014	31/07/2015	Capital & Treasury Management Accountant	Re-iterated from Treasury Management Report 1932 2013/14 (reference 1.8).
NNDR 1988.14/15	8.1a Debt recovery procedures should be applied consistently in accordance with the Council's agreed policies.	13/05/2014	31/07/2015	Operations Manager	Corporate policy and detailed appendices are in draft form, and these are being followed in practice. Corporate Scrutiny Committee, over next 7 - 12 months is reviewing debt collection and recovery procedures within the Council. Following this outcome, SLT Executive to

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					consider formally adopting the draft policy. Reiteration of recommendation in 2013/14 audit report (1920 13/14).
NNDR 1988.14/15	8.1b Debts not recovered after completion of the Council's debt recovery process should be forwarded to the Council's bailiffs/ enforcement officers promptly.	13/05/2014	31/07/2015 – date changed to 31/03/2016	Operations Manager	Recent referrals to Enforcement Agents have been passed on a more timely basis. A review is being undertaken to reduce the pre-enforcement stage by amalgamating two letters into one. Reiteration of recommendation in 2013/14 audit report (1920 13/14).
NNDR 1988.14/15	8.2 Suppressed accounts should be reviewed on a regular basis and evidence of review retained on file.	13/05/2014	31/07/2015	Operations Manager	The suppressions with "end dates" are automatically removed by the system. Those which are "open" will be reviewed by end July. Reiteration of recommendation in 2013/14 audit report (1920 13/14).
Bryn Trewan 1993.14/15	2 - Invoices for the current year should be issued to those identified as liable under the land registry search (APPENDIX B)	06/05/2015	31/05/2015 changed to 31/07/2015	Income Officer	Land Registry Searches have been obtained. Meeting to be arranged within Finance to agree way forward.
Housing Benefits 1997.14/15	9.1 As intended action should be taken to bring actual accuracy performance towards the target set of 99% accuracy.	14/04/2015	30/06/2015	Operations Manager	
Fleet and Driver Management 016.15/16	3.4a Responsibility for management of the LPG fuel contract should be clarified between the Building Service Engineer and the Procurement Manager.	19/01/2016	31/03/2016	Procurement Officer	
Fleet and Driver Management 016.15/16	3.4b The extension period of the current contract between the Authority and MoD Commercial for supply of LPG fuel should be confirmed.	19/01/2016	31/03/2016	Procurement Officer	Details were provided as at 22/12/2015.
Affordable Housing, Houses into Homes, Bridging Loan	2.2 A regular reconciliation of fees and income should be undertaken to the financial ledger to ensure that all income is accounted for and has been accurately	16/12/2015	31/12/2015	Capital & Treasury Management	

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Scheme 025.15/16	coded to the departmental budget where appropriate.			Accountant	
Affordable Housing, Houses into Homes, Bridging Loan Scheme 025.15/16	2.3a Reconciliation should be undertaken by Housing of all capital receipts to ensure that all income can be accounted for.	16/12/2015	31/12/2015	Capital & Treasury Management Accountant	
Affordable Housing, Houses into Homes, Bridging Loan Scheme 025.15/16	2.5a Reconciliations should be undertaken of all Houses to Homes grant claims obtained by Flintshire County Council against the financial ledger to ensure that the income received is complete and accurately accounted for and corresponds to the data held by Housing.	16/12/2015	31/12/2015	Capital & Treasury Management Accountant	
Affordable Housing, Houses into Homes, Bridging Loan Scheme 025.15/16	4.1b Reconciliations of the commuted sums should be carried out on a monthly basis to ensure that these are complete and have been accurately recorded.	16/12/2015	31/12/2015	Capital & Treasury Management Accountant	
Housing					
Homelessness 1868.14/15	<p>2.1 Key aspects of Homelessness procedures need improving to reflect the increase in focus on homeless prevention.</p> <p>Procedures need to be enhanced to:</p> <ul style="list-style-type: none"> • reflect administrative changes including the introduction of the new combined assessment form and Orchard System; • the use of the new CIVICA financial system; • include more detail e.g. administration of the Homeless Prevention Fund, protection of the belongings of homeless 	23/12/2014	30/10/2015	Principal Housing Officer	

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	persons.				
Homelessness 1868.14/15	3.1 The key duties of the post of Accommodation Officer including arranging annual inspections of premises used to provide Bed & Breakfast or emergency accommodation for homeless applicants should be formally re-allocated.	23/12/2014	30/10/2015	Principal Housing Officer	<p>As part of Licencing Conditions B&Bs are inspected by Environmental Health.</p> <p>This action was put on hold until the new Housing Options Team were appointed, commencement date 10/08/2015 – this action falls within the remit of the Solutions Officers (1 post still needs to be allocated). Officers currently in training.</p> <p>Use of B&Bs will also now be influenced by the 'suitability' criteria as referred to in the Housing Wales Act 2014, which became effective 27/04/2015.</p> <p>Procedures to be implemented with Housing Options Manager to ensure compliance include:</p> <ul style="list-style-type: none"> • formalise inspection procedure (both annual & routine inspections) • create database of all B&Bs used to include property & room description, amenities & facilities available within each of the premises.
Homelessness 1868.14/15	6.5 Management should re-introduce formal checks to verify that Bed and Breakfast accommodation paid for continues to be occupied to ensure that only valid payments are made.	23/12/2014	30/10/2015	Principal Housing Officer	<p>Involves routine checks of B+B premises.</p> <p>This aspect of management of the B+B accommodation has not been addressed due to staffing pressures within the homelessness team (as was) and the preparation for the implementation of the Housing (Wales) Act 2014.</p> <p>This action forms part of the role of the newly restructured Housing Options Team and these duties will be tasked to the Solutions Officers within the team.</p>
Homelessness 1868.14/15	6.7a Responsibility for conducting a systematic check (and taking remedial action as appropriate) of all Housing Benefit payments made to the Council's	23/12/2014	30/10/2015	Principal Housing Officer	Agreed that this would be implemented by the Housing Options Team.

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	holding account by reference to the weekly schedule of payments and access to the database of current B&B accommodation placements should be formally allocated. Additional columns could be added to the database to allow a record to be made of the start date of the HB claim, the amount of benefit awarded, the cost of the accommodation, and the date the Housing Benefit Section was informed as to when the client left the accommodation.				
Bryn Trewan 1993. 14/15	4 - The Service should review the current rates and decide whether rates re-charged are increased in line with expenditure each year.	06/05/2015	30/10/2015	Technical Services Manager	
Affordable Housing, Houses into Homes, Bridging Loan Scheme 025.15/16	3.1b Housing should ensure that each prioritisation form can be backed up with the priority assessment to demonstrate that a fair assessment has been undertaken and decisions validated.	16/12/2015	31/12/2015	Business Manager	
Affordable Housing, Houses into Homes, Bridging Loan Scheme 025.15/16	4.2 Housing should ensure that the agreement with Grŵp Cynefin is reviewed and renewed to ensure that the agreement reflects current procedures and these are agreed upon by both parties.	16/12/2015	31/03/2016	Business Manager	12/4/2016 Not reviewed as intended by the 31 st of March 2015/16, but will be reviewed during the first quarter of 2016/17.
Affordable Housing, Houses into Homes, Bridging Loan Scheme 025.15/16	6.1b Records for all future/new schemes should be maintained centrally to ensure that all relevant staff are able to access information to cover staff on sickness / leave.	16/12/2015	31/03/2016	Business Manager	
Affordable Housing, Houses into Homes, Bridging Loan	6.1c Financial information for each new scheme should be available to the Housing Department for financial monitoring and/or reconciliation on a	16/12/2015	31/03/2016	Business Manager	

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Scheme 025.15/16	regular basis.				
Adult Services					
Home Care Hours 1949.14/15	<p>4.1 A detailed plan of how the reduction in Service is to be undertaken to ensure that the Unit can plan to operate effectively and efficiently within the next three years should be produced.</p> <p>The review of hours should be documented and made available on request.</p>	13/08/2014	31/12/2014 changed to 01/01/2016	Business Manager	<p>Evaluation tool be identified to provide assurances in relation to the quality of service provided once in-house care services are outsourced. Implement new data capture / key performance indicators/ contract monitoring/ payment processes with providers.</p> <p>Continued monitoring re quality assurance, safeguarding and service continuity processes. The following tasks have been identified in the project plan to ensure that the unit will operate effectively and efficiently and work closely with the external providers who will be providing the currently in housed services.</p> <p>A project group has been set up and are currently meeting every 2 weeks and a detailed project plan has been put in place. There is a meeting on the 23rd of June (2015) to create an options appraisal which will include a review of all current hours provided by internal and external providers within each patch across the Island.</p>
Education					
Ysgol Henblas 1959.14/15	4.2.1 The Register of Supply Teachers should be complete and reconciled to the Authority's budget reports to ensure accuracy of the accounts.	07/10/2014	31/10/2014	Pennaeth	A record of all supply teachers used by the school is maintained but during a follow up audit (050 2015/16) it was noted that the information recorded was incomplete.
Ysgol Henblas 1959.14/15	4.5.1 The School should ensure compliance with the Authority's Fleet and Driver Policy.	07/10/2014	30/09/2014	Pennaeth	
Ysgol Pentraeth 1960.14/15	4.1.1 Looking to the future and in accordance with the Development Plan,	11/12/2014	31/01/2015	Pennaeth	

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	the school should agree a strategy to ensure the effective management, monitoring and consultation with regards to the school budget (including the reserves). The strategy should outline the frequency, level of detail and the general format of how financial information should be presented to the Governing Body.				
Ysgol Penntraeth 1960.14/15	4.2.2 The headteacher should undertake weekly, monthly and spot verification checks of the school meals income in accordance with the Education Department's directives. The head teacher should sign the monthly 182a statement to certify that the relevant checks have been undertaken and records are accurate.	11/12/2014	31/12/2014	Pennaeth	
Ysgol Penntraeth 1960.14/15	4.2.3 School meals income should be banked regularly and promptly in accordance with the Education Department's directives.	11/12/2014	01/09/2015	Pennaeth	It was noted during the follow up audit that the income is generally banked regularly but that there are occasions where there was a delay in banking and that the level of monies collected exceeded the levels recommended in the Education Department's Guidelines.
Ysgol Penntraeth 1960.14/15	4.2.4 The date of banking should be recorded against the relevant entry on the monthly CT182a statement to ensure a complete audit trail.	11/12/2014	31/12/2014	Pennaeth	
Ysgol Penntraeth 1960.14/15	4.3.1 Ordering requisitions should be completed before receiving goods. In cases of an emergency a verbal order may be raised and relevant documentation completed the next working day.	11/12/2014	01/09/2015	Pennaeth	
Ysgol Penntraeth 1960.14/15	4.6.1 The Governing Body Constitution should comply with the relevant statutory requirements.	11/12/2014	31/12/2014	Pennaeth	

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Ysgol Cemaes 028 2015/16	4.1.1 School meals income should be accurately recorded on the PY7, CT182a, CT183a and the PY40 registers in accordance with the Education Department's directives. The school meals register should be signed by the individual collecting the monies to certify the correct monies have been received and by whom.				
Ysgol Cemaes 028 2015/16	4.1.3 The school should follow the Education Department's procedures for the administration and recovery of school meals arrears and steps taken to ensure that any arrears are dealt with promptly to prevent levels of arrears becoming difficult for parents to repay.	04/01/2016	31/01/2016	Pennaeth	
Ysgol Cemaes 028 2015/16	4.2.1 Ordering requisitions should be completed before receiving goods. In cases of an emergency a verbal order may be raised and relevant documentation completed the next working day.	04/01/2016	31/01/2016	Pennaeth	
Ysgol Cemaes 028 2015/16	4.2.2 Before any invoice is paid all relevant boxes on the requisitions form should be completed in accordance with the specified procedures to ensure appropriate certification and a complete audit trail. In cases of an emergency a verbal order may be raised and relevant documentation completed the next working day.	04/01/2016	31/01/2016	Pennaeth	
Ysgol Cemaes 028 2015/16	4.3.1 Letting of the school should be administered in accordance with the Authority's guidelines and use of the lettings form which should be completed by the hirer before renting the building.	04/01/2016	31/01/2016	Pennaeth	

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Ysgol Cemaes 028 2015/16	4.3.2 To ensure that the hirer is aware and has agreed to the Authority's terms of the letting, the hirer should return the signed agreement slip prior to the letting being agreed.	04/01/2016	31/01/2016	Pennaeth	
Ysgol Cemaes 028 2015/16	4.3.4 The school should agree lettings fees which should be approved by the Governing Body.	04/01/2016	31/01/2016	Pennaeth	
Ysgol Cemaes 028 2015/16	4.3.5 Lettings income should not be banked in the school fund account. Lettings should be banked using the CT202 "Girobank School Income Analysis Form".	04/01/2016	31/01/2016	Pennaeth	
Ysgol Cemaes 028 2015/16	4.4.1 The school fund accounts should be independently audited in accordance with the Guidelines for Governors and Headteachers on the Administration of School Funds and presented to the Governing Body on an annual basis.	04/01/2016	31/01/2016	Pennaeth	
Ysgol Gynradd Bodedern 029 2015/16	5.5.1 The teachers' review of pay forms should be forwarded promptly to the Contract and Pensions Team.	29/02/2016	31/03/2016	Pennaeth	
Ysgol Gynradd Bodedern 029 2015/16	5.7.1 The school should register with the Information Commissioner in accordance with the Data Protection Act 1988.	29/02/2016	31/03/2016	Pennaeth	
Ysgol Gynradd Bodedern 029 2015/16	5.8.1 A CCTV Policy should be drawn up in accordance with statutory requirements. The requirement for an annual assessment of the equipment should be included in the policy.	29/02/2016	31/03/2016	Pennaeth	
Ysgol Talwrn 029 2015/16	4.3.1 A receipt should be accurately completed, signed by the member of staff in receipt of any income and issued to the payer immediately.	15/03/2016	31/03/2016	Pennaeth	

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Ysgol Talwrn 029 2015/16	4.6.1 A risk assessment should be undertaken of risks associated with responding to the security alarm each time it rings.	15/03/2016	31/03/2016	Pennaeth	
Ysgol Talwrn 029 2015/16	4.7.1 Checks on the fire alarm system should be undertaken and recorded on a weekly basis, including during the absence of the Headteacher.	15/03/2016	31/03/2016	Pennaeth	

SUMMARY OF SPECIAL INVESTIGATIONS - 1 APRIL 2015 TO 31 MARCH 2016

Job No.	Type of Incident	No. of Days	Comment / Result
1955.14/15	School – alleged financial irregularities	4.70	Recommendations made to address poor financial record keeping.
2006.14/15	Recycling Unit	0.34	It is considered that procedures to counter theft from the site are adequate and there is good CCTV coverage. Nothing further can be done regarding anonymous allegation.
005	Missing £100 Cash	4.53	The Police investigation into the incident has now been closed. Weaknesses identified by management and measures to strengthen the procedures have been immediately implemented.
010	School - Theft of Cash	7.03	Perpetrator resigned and investigation closed.
014	Depot – Theft of Diesel	5.68	Police investigation closed. No suspect identified. Recommendations made to the Highways Department re: courses of action that may reduce risk.
017	WG Referral – Disabled Student Allowance – Ineligible Payments	5.34	No recommendations have been made in relation to this referral as the LA no longer administers the DSAs.
022	Unauthorised opening of visitor attraction & cash issues	27.09	Insufficient evidence to refer to Police. Report issued outlining recommendations to strengthen internal controls.
031	Employee undertaking paid work whilst off sick	0.20	Insufficient information to warrant further investigation. E-mail address only indication of additional employment.
032	Theft of personal monies from school classroom	4.53	Police investigation closed as insufficient evidence to warrant interview of any suspects. Recommendations made and implemented to reduce risks.
035	Potential data breach – hand delivered mail	4.39	CCFO liaising with Corporate Information Officer and Reception Staff in relation to adopting some form of recording of private/confidential hand delivered mail. Following a successful trial period new procedures have been implemented.
052	Potential Timesheet Irregularities	8.51	Investigation ongoing.
TOTAL DAYS		72.34	