

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO	AUDIT AND GOVERNANCE COMMITTEE
DATE	28 JUNE 2017
SUBJECT	INTERNAL AUDIT REPORT FOR 2016/17
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 and Governance 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 and Governance 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 2016 to 31 March 2017 and contains an assurance statement based on the work of Internal Audit during the year ended March 2017. The report is supported by **Appendices A to H** detailing progress against performance targets for 2016/17 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 2017, 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 1/4/16 to 31/3/17

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 2016/17 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 **73.85%** of the Annual Plan against a target of **80%** and an all Wales average performance indicator of **85%**. However, there are **3** audits which constitute work in progress at the year-end and will demonstrate on completion that **78.46%** 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 2016/17 with the shortfall due in main to the following reasons:

- The Annual Plan was based on a staffing level of **5** posts, an Audit Manager and the Head of Internal Audit, which equated to **5.68 staff (FTE)** and **1,542 days** in the plan. However, during the year the staffing levels equated to **4.91 (FTE)**. A period of maternity leave, which commenced on 8 February 2016, has reduced the audit resource by **200 days**. This has naturally impacted on the ability of the Service to achieve the Annual Plan;
- **6** projects commenced in 2015/16 had not been completed as at 31 March 2016 and the work was carried forward into 2016/17 as work in progress; this accounted for **111.55 days**;
- **4** unplanned audit projects were performed which accounts for a further **49.40 days**;
- **7** audit projects exceeded planned targets for various valid reasons accounting for an additional **97.62 days**;

3.2.3 The Service completed **48 audits** during the year, **4** of which were unplanned against a planned target of **65 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 2016/17, which compares favourably with the Wales average indicator of **99%**.
- 3.2.5 The Service completed **79.17%** of audits within the planned time against a very challenging performance indicator of **90%**. Achievement of this indicator was affected by the **7** projects which exceeded planned targets. However, when compared to the all Wales average figure of **68%** 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 **98.57%**. This represents the failure to agree in respect of **4** recommendations out of a total of **279** 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 **3.59 days** against a performance target of **7 days** and an all Wales average of **7.2 days**. The Service took on average **2.05 days** to issue final reports from receiving management responses compared to a target of **2 days** and an all Wales average of **3.4 days**.
- 3.2.8 The Service commenced 2016/17 with **4.91 (FTE)** officers in post compared to a staffing structure of **5.68 FTE**. A Trainee Accountant has been seconded for a period of 6 months to cover maternity leave from January to June 2016. The outsourcing of management from Conwy County Borough Council ended 31 March 2017 due to the permanent appointment of a Head of Internal Audit and Risk as from 1 April 2017.
- 3.2.9 There was a marked improvement in the level of sickness during 2016/17. Sickness accounted for **12 days** absence during 2016/17 compared to an annual target of **45 days** and an actual **117 days** absence during 2015/16.
- 3.2.10 Finally, the performance indicator in respect of staffing costs demonstrates the average cost per directly chargeable audit day is **£240.14** against an all Wales average of **£227**.

3.3 Factors Affecting the Extent of Internal Audit Work

- 3.3.1 Slippage of **258 days** occurred in the year that resulted in **23** 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 2016/17 Annual Plan. Internal Audit will prioritise those areas for review during 2017/18. 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 2017. However, the assurance is qualified in respect of the **23** audit projects removed from the Annual Plan during 2016/17 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 2016/17 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 2016/17.
- 4.2.2 All of the audits performed during the year have resulted in positive levels of assurance with the exception of the following audits, which were assessed as providing Limited Assurance and are summarised in **Appendix C**:
- Housing Benefit Key Controls;
 - Corporate Safeguarding;
 - Child Care Court Orders under the Public Law Outline;
 - Payment Card Industry Data Security Standards;
 - Extra Care Housing – Commissioning Arrangements;
 - Corporate Procurement Framework – Corporate Compliance; and
 - Housing Maintenance Unit.
- 4.2.3 The audits listed above will be followed up during 2017/18.
- 4.2.4 A further review of the Risk Management Framework was undertaken during 2016/17, which demonstrated reasonable process in embedding risk management in the Authority.
- 4.2.5 Second follow up audits were undertaken of Business Continuity and ICT Disaster Recovery and reported to the Audit and Governance Committee on the 9 February 2017. Business Continuity demonstrated good progress in implementing actions to address the audit recommendations and the level of assurance was reassessed as Substantial. The ICT Disaster Recovery follow up confirmed that of the 8 outstanding recommendations in the initial follow up, 1 High level recommendation had been implemented and a further 4 high rated and 3 medium rated recommendations were deemed work in progress. The level of assurance remained Reasonable. A further review of ICT Disaster Recovery will be reported to the Audit and Governance Committee on 28 June 2017.
- 4.2.6 Internal Audit continued to focus resources into grant related areas during 2016/17 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 **81.08%** of reviews resulted in 'positive' opinions (Substantial or Reasonable) and **18.92%** resulted in 'negative' assurance opinions (Limited or Minimal). The **18.92%** of reports receiving negative assurance opinions is made up of **7** reports (7 Limited, Nil Minimal).

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 **4** additional unplanned audits during the year for the reasons stated in **Appendix D**. This accounted for an additional **49.40 days'** work.

4.4 Audit Follow-ups and Recommendation Tracking

4.4.1 To comply with CIPFA's Public Sector Internal Audit Standards 2013 a formal follow up process is in operation within the Service to confirm that the recommendations made in Internal Audit reports have been implemented by management within agreed timescales. A follow up audit will, whenever possible, take place six months after the issue of the final report, with the exception of those audits assessed as providing substantial levels of assurance where follow up work is not performed, in order to maximise audit resource.

4.4.2 A schedule of the **11** follow up audits conducted during 2016/17 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.

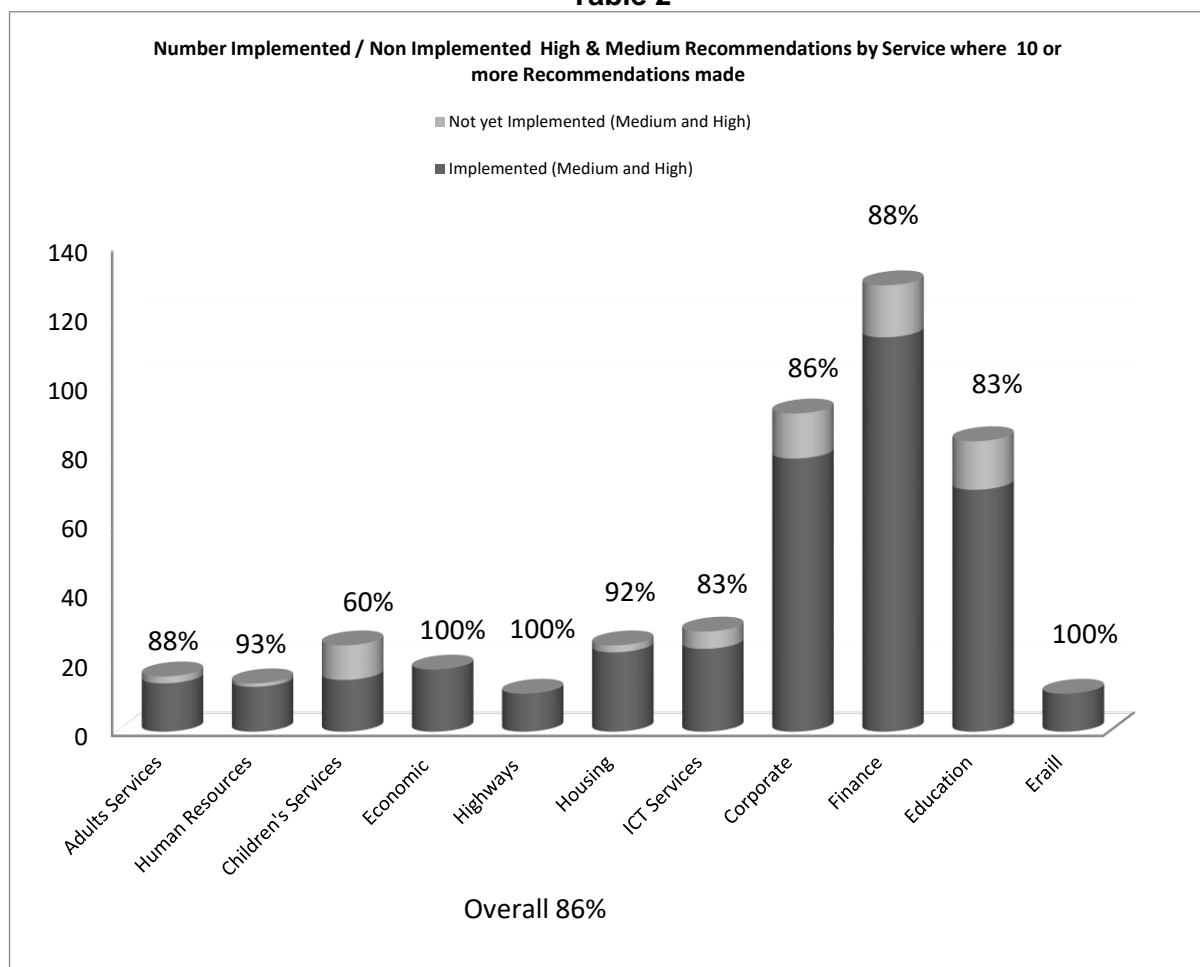
4.4.3 **Table 1** below summarises the implementation of recommendations as at 31 March 2017.

Table 1 - Status of agreed recommendation as at 31-3-2017				
Status	High	Medium	Total	%
Complete	87	305	392	86
Outstanding	20	42	62	14
Total	107	347	454	100

4.4.4 Recommendations are currently rated as red, amber, yellow or green according to the perceived risk as outlined in **Appendix F**. Those rated green 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 2017 was **86%** of recommendations having been 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 2015/16. This has accounted for **224.46 days'** work compared to an annual target of **153 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 **9** Council Tax Reduction Scheme (CTRS) fraud offences, resulting in **£1,974.38** being recovered. **381** National Fraud Initiative (NFI) data matches have been processed during 2016/17 resulting in savings of **£2,529.42**.

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 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.

- 4.6.3 A follow up audit of the Risk Management Framework undertaken in July 2016 identified that 'Reasonable' progress had been made in implementing the three outstanding recommendations from the 2015/16 audit. One Medium category recommendation was assessed as fully implemented and one low category recommendation was assessed as being no longer applicable. The recommendation assessed as not fully implemented was the result of Service Delivery Plans not being submitted promptly or completely by the Services and that supporting evidence for existing controls to mitigate one of the top five risks was not available.
- 4.6.4 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.

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.
- 4.7.2 Following the WAO report, Good Scrutiny Good Question, the Council commissioned the Centre for Public Scrutiny (CfPS) to undertake a review of scrutiny in the Authority. The review identified that although a number of improvements have been made to the scrutiny function, its potential in assisting the Council achieve its corporate objectives and in strengthening partnership working were not being fully realised. In consultation with CfPS a comprehensive action plan aimed at embedding openness and challenge within the organisational culture has been developed. 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 There were no significant events during the year, which merit reference in the Annual Report.

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 in accordance with the Corporate Risk Matrix. 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 2017;
- The results of follow-up action taken in respect of audits performed during 2016/17 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, Deloitte 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 2016/17, 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 **23** planned audits removed from the Annual Plan during 2016/17.

6.3 Acceptance of Recommendations

- 6.3.1. The number of recommendations accepted by management is **98.57%**. This represents the failure to agree in respect of **4** recommendations out of a total of **279** 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 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 **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.
- 6.5.4 Although a procurement framework has been developed within the Authority the level of compliance with the Contract Procedure Rules and EU regulations remains a weakness. The procurement process is also the weakest element of the Extra Care Housing – Commissioning Arrangements audit.
- 6.5.6 **Corporate Safeguarding** – A review of corporate safeguarding arrangements in Welsh Councils published by the WAO in July 2015 recommended councils establish a rolling programme of internal audit reviews to undertake systems testing and compliance reviews of the council's safeguarding practices.
- 6.5.7 Although responsibility for safeguarding children and adults has been brought together under Head of Service (Children), safeguarding is 'everybody's business', alluding to our collective responsibility. Some services in the Council are slow to embed safeguarding objectives into the business planning processes and embrace safeguarding as a fundamental part of all aspects of work involving children, young people and vulnerable adults. A follow up of Corporate Safeguarding will be reported to the Audit and Governance Committee on 28 June 2017.
- 6.5.8 **Children's Services – Child Care Court Orders under the Public Law Outline** – The Public Law Outline is a protocol attempting to reduce unwarranted delays in family court cases. Weakness were evidenced in record keeping, evidence gathering and court skills, which are deemed crucial to ensure speedy resolution. Support worker visits were not always conducted in accordance with plans to ensure the safety and wellbeing of a child. The audit resulted in a limited assurance rating and will be followed up in July 2017.
- 6.5.9 **The Care and Social Services Inspectorate Wales (CSSIW)** undertook an inspection of service for children in Anglesey during November 2016 and concluded that "*management oversight of safeguarding, access and assessment arrangement were insufficient and the pace of change in improving the provision of help, care and support and/or protection for children and families in Anglesey must be accelerated*". Internal Audit have been requested by the Audit and Governance Committee to provide an update as to the progress made in implementing the resulting improvement plan.
- 6.5.10 **Payment Card Industry Data Security Standards (PCI DSS)** – The Authority has not identified the level of compliance required or produced a compliance programme to meet PCI DSS requirements. A cross-departmental working group including the Head of Function (Resources) and Section 151 Officer as champion has been established to ensure PCI DSS compliance.

- 6.5.11 **Governance - Compliance with Council Policies** – 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 account for complying with Council policies. Issues relating to non-compliance with key corporate policies and procedures have been identified in internal audits performed during 2016/17, most notably Corporate Procurement Framework – Corporate Compliance and the Follow Up of HR Policies & Practices for Managing the Workforce.

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 Deloitte 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 2016/17 has demonstrated compliance with both internal and external standards.
- 6.6.5 In accordance with the Standards an external assessment must take place at least every five years by a 'qualified, independent assessor or assessment team from outside the organisation.' The Welsh Chief Internal Auditors Group (WCIAG) agreed upon self-assessment with independent external verification and has established the scope of the assessment and a terms of reference. Anglesey's Internal Audit Services' Peer Assessment was undertaken in March 2017 by the Head of Internal Audit, Denbighshire County Council.
- 6.6.6 The external assessment concluded that the relevant structures, policies and procedures of the internal audit service, as well as the processes by which they are applied, comply with the requirements of the individual *Standard* or element of the Code of Ethics in all material respects.
- 6.6.7 The external assessor concluded that Anglesey's Internal Audit is effectively managed, with the majority of the Public Sector Internal Audit Standards conformed to and the self-assessment, reported to the Audit and Governance Committee 6 December 2016, already recognising any partial compliance. One area that needs to be strengthened is the development on an audit assurance mapping process to improve the coordination of corporate assurance provided by internal audit, other regulators and other assurance sources, e.g. consultancy reports, scrutiny reports, peer reviews.

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;
- External assessment every 5 years.

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 2017, 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 2016-17

APPENDIX A

Description	IOAC Actual 2013/14	IOAC Actual at 31/3/15	IOAC Actual at 31/3/16	IOAC Actual at 31/03/17	IOAC 2016/17 Target	Wales Average 2015/16
1. % Planned Audits Completed	81%	92%	60.32%	73.85%	80%	85%
2. Number of Audits	51	46	38	48	65	97
3. % Clients responses 'Satisfied'	100%	100%	100%	100%	100%	99%
4. % Recommendations accepted	100%	100%	98%	98.57%	100%	99%
5. % Implementation of High & Medium Recommendations at Follow up audits	46%	49%	74%	86%	85%	N/A
6. % Audits completed within planned time	N/A	N/A	78.95%	79.17%	90%	68%
7. % Directly chargeable time against total available	N/A	N/A	59.74%	60.37%	70%	67%
8. Average days from closing meeting to issue of draft report	N/A	N/A	6.61 days	3.59 days	7 days	7.2 days
9. Average days between response to draft and final report issue	N/A	N/A	2.41 days	2.05 days	2 days	3.4 days
10. Average actual cost per directly chargeable audit day	£245	£238	£318	240.14	£280	£227
11. No. Audit Staff	5.5	5.6	5.68	5.68	5	8.1
12. % staff leaving	0	0	0	0	0	10%

MARCH 2017

APPENDIX B

ANGLESEY COUNTY COUNCIL INTERNAL AUDIT SLIPPAGE 1-4-16 TO 31-03-17

ASSIGNMENTS	REASON	DAYS	RISK RATING
CORPORATE Contract Audit – Capital Expenditure	Lack of Audit Resources.	20	N/A
Data Protection & Information Governance	Audit undertaken October 2015.	15	Reasonable
Transformation Programme - Smarter Working	To be undertaken 2017/18 following implementation of changes to office accommodation & agile working.	15	One off review
RESOURCES Creditors	Follow Up undertaken January 2016.	10	Reasonable
Sundry Debtors	At the request of the Head of Service – June 2017.	10	Limited
Isle of Anglesey Charitable Trust	Slippage until further notice as governance arrangements changing. Charitable Trust may become Incorporated Company.	10	N/A
COUNCIL BUSINESS Democratic & Members' Services	Lack of Audit Resource.	8	N/A
TRANSFORMATION IT Audit	Lack of Audit Resource.	40	N/A
ECONOMIC & COMMUNITY REGENERATION Environmental Health Studies	WAO report October 2014. This work is being carried out by the CIEH in Wales in conjunction with the Wales Heads of Environmental Health group. Once the Best practice Standards have been adopted the authority will use them as appropriate.	15	Not known
Leisure Function & Performance	Transformation of Leisure Services.	10	Substantial
Project Management Office	Lack of Audit Resource.	10	N/A
HIGHWAYS, WASTE & PROPERTY SERVICES Building Design & Maintenance Services	Lack of Audit Resource.	10	Not known
Engineering & Design Services	Lack of Audit Resource.	10	Not known
Flood Control	Lack of Audit Resource.	10	Not known
Housing Business Unit & HRA Governance	Lack of Audit Resource.	10	Not known

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Homelessness Prevention, Allocations etc.	Lack of Audit Resource.	10	Not known
Adult Services Services for the Elderly – Review of Strategy	Lack of Audit Resource.	15	Not known
Lifelong Learning Secondary Schools	3 Schools.	30	Various
TOTAL SLIPPAGE		258	

The above areas of planned audit work were not audited during 2016/17 for the reasons stated. Where relevant the audits not performed during 2016/17 will be prioritised for review in 2017/18.

Summary of Recommendations and Assurance Levels 1-4-16 to 31-3-17

APPENDIX C

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
1	DLO Stock Check WIP 2015/16	May 2016	Housing	N/A	<p>An annual stock check was undertaken by the Authority's Internal Audit Service at the BMU Depot on the 28 March 2016. The total closing stock value identified was £134,515.08</p> <p>Opinion: Stock records maintained at the Depot were sufficiently accurate and provide a reliable record of the stock levels as at the year-end.</p>	Substantial
2	Housing Benefit Key Controls WIP 2015/16	June 2016	Housing	12	<p>The key findings from the review of Housing Benefit Key Controls are as follows:</p> <ul style="list-style-type: none"> Procedural updates are circulated by e-mail to Housing Benefit staff as appropriate. Relevant forums and various regional meetings are also used to share good practice. The Authority's guidance needs to be updated to ensure it is in-line with DWP's Housing Benefit Overpayment Guidelines issued during February 2015 and subsequently reviewed in July 2015. Evidence was not always found to be kept on claimants' files as expected. A record of decisions made regarding recovery method of overpayment was not kept on file. It is expected that an 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Overpaid Housing Benefit and Excess Council Tax Reduction Recovery form is completed as a record of the trail of decisions taken during the recovery process.</p> <ul style="list-style-type: none"> There are problems when reconciling the amounts authorised to be written off and the actual amount written off on the Northgate SX3 system. There was one instance where the amount written off for an individual claimant was greater than that authorised by the Section 151 Officer. Regular meetings are held to discuss monitoring performance with positive action taken to ensure that accuracy is improved. Further action has been taken to improve overpayment recovery with the equivalent to one full time officer spending their time on overpayments. <p>Opinion: Arrangements for governance, risk management and internal control are limited. An overall Limited Assurance audit opinion resulted from the review with one High category, five Medium category and six Low category recommendations being agreed with management.</p>	
3	Corporate Safeguarding WIP 2015/16	Aug 2016	Corporate	32	<p>In 2014/15 the Wales Audit Office examined the extent to which Councils have put in place, and are operating, effective management and assurance processes and controls for safeguarding.</p> <p>The review recommended 'Internal Audit to include Safeguarding within its annual programme to provide assurance on the</p>	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>effectiveness of the Council's Corporate Safeguarding Arrangements'.</p> <p>During 2013/14 the Council brought together responsibility for safeguarding children and adults under one Head of Service (Children). In 2014/15 a Corporate Safeguarding Board was established to ensure that the Council's key duties in relation to safeguarding children, young people and vulnerable adults are being adequately discharged.</p> <p>An audit of the Corporate Safeguarding was undertaken as part of the approved Internal Audit plan for 2016/17.</p> <p>Findings of the review identified:</p> <ul style="list-style-type: none"> • The Corporate Safeguarding Children and Vulnerable adults Policy and Procedure had not been updated to reflect recent statutory guidance including the Social Services and Well-being (Wales) Act 2014, coming into force April 2016, and Keeping Learners Safe guidance (2015); • There was limited evidence of dissemination of information on corporate appointments in relation to safeguarding and identification of senior officers performing designated safeguarding roles within the Council; • Limited use also of the Council's intranet to publicise and promote safeguarding both internally and externally, including reporting on the work of the Corporate Safeguarding Board, linking to relevant policies and action plans, and reinforcing the Council's commitment to 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>safeguarding and promoting the wellbeing of children, young people and vulnerable adults;</p> <ul style="list-style-type: none"> Although safeguarding objectives were reflected within the service development plans in most cases, it was identified that there was not always alignment with risk registers in terms of accordingly recording safeguarding risk; Although assurances were received that staff with direct safeguarding duty had undertaken relevant safeguarding training/ refresher training as appropriate, there is a gap in terms of staff in general attending awareness training and specific training for evidence checkers (ID verification for DBS process) designated safeguarding officers outside of Social Services and Schools; safer recruiting training for managers is currently not a mandatory requirement; Limited compliance was evident in relation to the obtaining and checking of references for regulated activity posts pre-interview, and limited in relation to the maintenance of complete records to evidence safeguarding pre-employment checks including references and DBS checks; Some issues identified in relation to the identification of posts requiring DBS disclosure as assessed against DBS eligibility criteria; exceptions identified when assessing compliance with Council DBS policy including DBS for new starters, risk assessment and renewal of check every three years; No corporate policy on the secure handling of information provided by DBS is made available to individuals at the point of requesting them to complete a DBS application form or asking consent to use their information to access any service DBS provides; Some exceptions identified in relation to safeguarding 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>standards within contract arrangements including the absence of specific terms and conditions covering:</p> <ul style="list-style-type: none"> - the requirement for agencies / organisations to have and to comply with safeguarding policies and procedures; and - performance management to ensure compliance with safeguarding policies and procedures as appropriate. <p>Opinion: Arrangements for governance, risk management and internal control are limited. Some services in the Council are slow to embed safeguarding objectives into the business planning processes and embrace safeguarding as a fundamental part of all aspects of work involving children, young people and vulnerable adults.</p>	
4	Child Care Court Orders under the Public Law Outline WIP 2015/16	Dec 2016	Children's Services	29	<p>Section 17 of the Children Act 1989 states that it is the general duty of the local authority to safeguard and promote the welfare of children within the authority's area and to promote the upbringing of those children by their families.</p> <p>The removal of a child from its parent is in some cases essential to ensure the safety and wellbeing of a child. The Public Law Outline (PLO) is a protocol attempting to reduce unwarranted delays in family court cases.</p> <p>Key findings from the review are summarised below:</p> <ul style="list-style-type: none"> • The information held on RAISE (the health and social care electronic record system) is unreliable due to: 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> — delays in the uploading of documents — Instances where documents are only uploaded onto the file of one sibling on RAISE when they are relevant to all siblings. — Lack of evidence on RAISE files showing pre-proceedings meetings have been held or of the official letters sent to those with parental responsibility informing them of decisions made in Legal Gatekeeping Meeting and listing the Local Authority's concerns. • Timescales for actions necessary by parents to avoid court proceedings are not recorded in the Letter Before Proceedings • Support worker visits were not always conducted in accordance with the plans to ensure the welfare of the child(ren) whilst remaining in the care of their parents during court proceedings • Not all employees within Children's Services have attended Data Protection Training • The Service has identified the requirement for further training on court skills and have organised an Advanced Competency Based training workshop during the year, which included two days on the topic of "Law, Evidence, Procedure and Best Practice" and a further two days covering court skills and report writing. Managers reported a positive feedback from those who attended the course • Further attempts have been made during the year to improve report writing and evidence gathering skills by 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>advertising for the post of Consultant Social Worker – PLO / Court Specialist who will assist in promoting high quality social work practice and support staff and managers to improve practice in relation to care proceedings. At the time of the audit, the post had been advertised twice, but no one had been appointed.</p> <p>Opinion: Arrangements for governance, risk management and internal controls are limited. There are gaps in the process that leave the Service exposed to risks. Management action of high to moderate impact is required.</p>	
5	Ysgol Llanerchymedd	May 2016	Lifelong Learning	12	<p>Key findings of an audit of Ysgol Llanerchymedd undertaken as part of the approved Internal Audit periodic Plan for 2016/17 were as follows:</p> <ul style="list-style-type: none"> • Tests conducted on a sample of school meals income, school breakfasts and general income records found them to be accurate and maintained to a satisfactory standard • The school budget is adopted annually by the governing body and financial issues are discussed on a regular basis • The school did not always complete a requisition form in advance of purchase of goods and/or services • The 2015/16 teachers' pay review form had not been returned to the Education Department prior to 1 September 2015 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> The school has not registered with the Information Commissioner in accordance with the Data Protection Act 1988 <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the review with two medium category and three low category recommendations being agreed with the head teacher.</p>	
6	Ysgol Tywyn	June 2016	Lifelong Learning	4	<p>Key findings of an audit of Ysgol Tywyn undertaken as part of the approved Internal Audit Plan for 2016/17 were as follows:</p> <ul style="list-style-type: none"> The schools meals record was maintained to a high standard at the school but the level of arrears were not effectively monitored in accordance with the Education Department's Guidelines The school budget is discussed on a regular basis and adopted annually by the Governing Body The school fund account is maintained to an appropriate standard and independently audited on an annual basis. The "School Fund Audit Record" document is presented to the Board of Governors on an annual basis. <p>Opinion: Arrangements for the governance, risk management and internal control are good.</p>	Substantial
7	Ysgol Llandegfan	June 2016	Lifelong Learning	1	<p>Key findings of an audit of Ysgol Llandegfan undertaken as part of the approved Internal Audit Plan for 2016/17 were as follows:</p>	Substantial

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> The schools meals record was maintained to a high standard The school budget is discussed on a regular basis with the Governors and adopted annually by the Governing Body The school fund account is maintained to an appropriate standard and independently audited on an annual basis. The "School Fund Audit Record" document is presented to the Board of Governors on an annual basis. <p>Opinion: Arrangements for the governance, risk management and internal control are good.</p>	
8	Ysgol Y Graig	June 2016	Lifelong Learning	5	<p>Key findings of an audit of Ysgol Y Graig undertaken as part of the approved Internal Audit Plan for 2016/17 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 General income records and music tuition fees were accurate and maintained to a satisfactory standard School meals were not always correctly recorded and the level of arrears should be effectively monitored in accordance with the Education Department's Guidelines. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the review with one Medium category and four</p>	Substantial

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					Low category recommendations being agreed with the head teacher.	
9	Ysgol Llanfair PG	June 2016	Lifelong Learning	5	<p>An audit Ysgol Llanfair PG was undertaken as part of the approved Internal Audit Plan for 2016/17.</p> <p>The key findings from the review are as follows:</p> <ul style="list-style-type: none"> • The schools meals record was maintained to a high standard at the school • The school budget is discussed on a regular basis with the Governors and adopted annually by the Governing Body. <p>KEY ACTIONS AGREED</p> <ul style="list-style-type: none"> • Order requisitions should be completed before receiving goods • School letting fees should be reviewed on an annual basis • The school to register with the Information Commissioner in accordance with the Data Protection Act 1988. <p>Opinion: An overall Reasonable Assurance audit opinion resulted from the review with two Medium category and three Low category recommendations being agreed with the head teacher.</p>	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
10	Ysgol Esceifiog	June 2016	Lifelong Learning	4	<p>An audit of Ysgol Esceifiog was undertaken as part of the approved Internal Audit Plan for 2016/17.</p> <p>Key Findings from the review are:</p> <ul style="list-style-type: none"> • The schools meals record was maintained to a high standard at the school • The school budget is discussed on a regular basis with the Governors and adopted annually by the Governing Body • The school fund account is maintained to an appropriate standard and independently audited on an annual basis. The "School Fund Audit Record" document is presented to the Board of Governors on an annual basis. <p>Opinion: Arrangements for the governance, risk management and internal control are good.</p>	Substantial
11	Building Regulation Fees – Inspection & Enforcement Regimes	June 2016	Regulation & Economic Development	8	<p>The key findings from this review are as follows:</p> <ul style="list-style-type: none"> ▪ Building Regulation Charges are not reviewed on an annual basis ▪ There are no procedures in place regarding identifying and how to deal with breaches / potential breach of Building Regulations or Procedures regarding the recording of inspection/s ▪ No procedures exist outlining the administration of refunds ▪ Site visits cannot be recorded within the CIVICA system 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> No formal declaration of interest forms have been completed by officers within the Building Control section No reconciliation is undertaken of invoicing and collection of income to the CIVICA system. <p>Opinion: Arrangements for governance, risk management and internal control are limited. An overall Limited Assurance audit opinion resulted from the review with eight Medium category recommendations being agreed with management.</p>	
12	Planning Application Fees and Charges	Aug 2016	Economic Investment & Regeneration	4	<p>Approximately 1,400 Planning Applications were made during 2015/16 resulting in fee income of £528,386.44.</p> <p>An audit undertaken as part of the Internal Audit plan for 2016/17 identified that the Planning Department has appropriate governance arrangements for managing its Planning Applications.</p> <p>Decisions regarding Planning applications are not always made within the statutory 8-week deadline and there is no public register of all planning applications on the Authority's internet.</p> <p>Opinion: Arrangements for governance, risk management and internal control are good.</p>	Substantial
13	Payment Card Industry Data Security Standards Compliance	Aug 2016	Resources	18	<p>The Authority processed 8,200 online transactions and a further 12,400 CHIP and PIN transactions where the cardholder was not present during 2015/16. Between April and July 2016, 6,682 transactions were processed by the Authority to the value of</p>	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>£1,238,250.22.</p> <p>The portability and ease of use makes card payments vulnerable to misuse and the Authority should conform to the Payment and Data Security Standards (PCI DSS).</p> <p>Key findings form the review are summarised below:</p> <ul style="list-style-type: none"> • There is no compliance programme to outline how the Authority will meet PCI DSS requirements • The Authority does not produce an annual PCI DSS compliance statement or have defined indicators to measure compliance • The ICT Security and Information Security Policies do not reflect PCI DSS compliance • Formal training is currently not provided to employees within 6 months of commencing in a post responsible for processing card payments • The Authority has not identified and mapped the credit card environment • The Authority has not developed a security control framework in compliance with PCI DSS • Annual self-assessments are not performed <p>Opinion: Arrangements for governance, risk management and internal control are limited. There are gaps in the process that leave the Service exposed to risks. Management action of high to moderate impact is required.</p>	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
14	Insurance Arrangements	Nov 2016	Resources	2	<p>The Authority's total insurance settlement for the period 1 April 2016 to 30 September 2016 was £142,442.65 (from claims raised within this period).</p> <p>An audit undertaken as part of the Internal Audit plan for 2016/17 identified that the Resources Department has appropriate governance arrangements for managing the Insurance Service.</p> <p>There is currently no policy documenting procedures regarding returns, timescales and legislation of insurance claims.</p> <p>Opinion: Arrangement for the governance, risk management and internal control are good. No significant or material errors were found.</p>	Substantial
15	Out of Hours Standby Arrangements	Dec 2016	Corporate	10	<p>The Council provides a wide range of services to the people of Anglesey. Some services are required to provide cover outside normal office hours to carry out normal duties or respond to emergencies. In some cases, this may be meet legal or statutory responsibilities.</p> <p>Payments made to individual officers in relation to the operation of standby schemes total £96,795.60 for 2015/16 and £47,024.47 in 2016/17 to period 6.</p> <p>Key findings from the review are summarised below:</p> <ul style="list-style-type: none"> The payment scheme for standby duty on the Intranet had not been updated to reflect the latest pay award 	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> Despite the expectation that all employees undertaking standby duty should receive payment on the same basis following Job Evaluation process, a number of inconsistencies were identified with some individuals continuing to receive proportional standby payment based on historical agreements although working a full rota. Most of the services reviewed maintained and retained sufficiently detailed records to support claims for standby allowances made; it was found however that no records were maintained within one service for out of hours calls received; the Council does not currently utilise call tracking or call recording facilities. Monitoring was not undertaken consistently across all services to assess the degree of value for money in relation to the operation of standby schemes. Effectiveness and efficiency of the standby schemes operated was not routinely reviewed at senior management level. <p>Opinion: Arrangements for governance, risk management and internal controls are reasonable. There is some inconsistency in the application and opportunities still exist to mitigate against further risks.</p>	
16	Extra Care Housing – Commissioning Arrangements	Dec 2016	Adult Services	6	<p>The Extra Care Housing Project is part of a wider programme, the Older Adults Social Care Transformation Programme, which is one of the eight priorities in the Corporate Plan 2013-17.</p> <p>Key findings from the review are summarised below:</p> <ul style="list-style-type: none"> Whilst many of the project documents had been completed as 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>expected, the documentation of the 'lessons learnt' could be improved</p> <ul style="list-style-type: none"> ▪ The procurement process was the weakest element of the controls tested. The Procurement Team were not involved in the process until after the invitation to tender had been sent to the Housing Associations. This resulted in non-compliance with regulations and failure to select the most suitable tendering process (negotiated procedure) for the type of project. ▪ Early liaison and negotiations with relevant departments, such as Housing Benefits, could have resulted in a stronger planning process and a more robust tender document, providing as much information as possible to potential bidders. This may have prevented some of the problems faced during 2015, in particular the matter over the maximum rent available through Housing Benefit which resulted in the Project Team negotiating with the bidder, which is a breach of procurement regulations of being fair and transparent . ▪ Procurement training for project management officers will provide a better understanding of the whole procurement process. ▪ Safeguarding element was not included in the agreements for the provision of service at the Extra Care facility. ▪ Adult Services experienced a high turnover of staff during the lifetime of the project with the Service being unable to recruit to the post of Transformation Manager for some time. This may have had a detrimental impact on the management of the project. <p>Opinion: Arrangements for the governance, risk management</p>	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					and internal control are limited. There are gaps in the process that leave the service exposed to risks. Objectives are not being met or met without achieving value for money.	
17	Corporate Procurement Framework – Corporate Compliance	Mar 2017	Resources	28	<p>This audit was undertaken as part of the approved Internal Audit plan for 2016/17.</p> <p>Compliance with procurement processes has been recognised as a weakness corporately in previous routine audits and special investigations conducted during 2016/17.</p> <p>The key findings from this review are as follows:</p> <ul style="list-style-type: none"> • The Corporate Procurement Team have a Procurement Improvement Plan and are working towards improving Authority-wide compliance with procurement rules and regulations. • The Authority's Procurement Strategy and Policy was approved by Council on 14 May 2015. • The Contract Procedure Rules (CPRs) are reviewed periodically and set out the basis within which all procurement must take place. The CPRs do not include the OJEU financial thresholds for Public Supplies, Services and Works. • A Procurement Handbook has been developed and provides a practical guide to the procurement process with information about tender thresholds, different procurement processes etc. Information regarding the Authority's tender threshold level was incorrectly stated throughout the document as £25k rather than £30k. • Procurement training was delivered during 2015 and a series of contract management training is planned during 2017. Inconsistencies and errors were noted in the procurement training slides held on the intranet. 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<ul style="list-style-type: none"> • Limited use has been made of the Council's intranet to disseminate information and engage procurement champions. The Procurement Strategy and Policy and the Contracts Management Strategy are not held on the intranet or the Policy Portal. • The level of compliance with the Contract Procedure Rules and EU regulations varies throughout the Authority. Although the CPRs state that all contracts of value £25k or greater are to be advertised on Sell2Wales, this was not always found to be the case, one example exceeding the OJEU threshold. • The central contracts register is incomplete and is not available on the Council's intranet to allow for appropriate and timely purchasing decisions prior to the expiry of such contracts. • The Procurement Team have utilised spend and data analytics to identify areas where a procurement exercise may add value for money and ensure compliance with relevant procurement rules and regulations. Procurement exercises have not been undertaken for all areas of contract non-compliance identified. • There is no Sustainability Procurement Policy in place to address sustainable development principles. Sustainability Risk Assessments are not held for contracts valued £25k and above as required by Protocol 3 of the Wales Procurement Policy. • The performance of the Corporate Procurement Team is not currently measured and reported on a corporate level. Key Performance Indicators (KPIs) should be created for the Authority as a whole to strengthen the procurement process and as a measure of whether organisational goals and objectives are being achieved. 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					Opinion: Arrangements for the governance, risk management and internal control are limited. There are gaps in the process that leave the service exposed to risks. Objectives are not being met or met without achieving value for money.	
18	Energy Island	Mar 2017	Regulation & Economic Development	0	<p>This audit was undertaken as part of the approved Internal Audit plan for 2016/17.</p> <p>The Anglesey Energy Island™ Programme is a collective effort between several stakeholders within the public and private sector working in partnership to put Anglesey at the forefront of energy research and development, production and servicing, bringing with it potentially huge economic rewards.</p> <p>The programme is well controlled with robust governance processes. Planning Performance Agreements (PPA) have been formally documented and signed by all parties.</p> <p>Strategic boards have been established for each stakeholder partnership and outcomes monitored and reported on a regular basis.</p> <p>Risks relating to Energy Island along with mitigating actions are identified in both the Corporate and Economic Community Regeneration Service Risk Registers.</p> <p>Opinion: Arrangement for the governance, risk management and internal control are good. No significant or material errors were found.</p>	Substantial
19	Ethical Culture	Mar 2017	Corporate	19	<p>An internal audit review of Ethical Culture was undertaken as part of the Internal Audit Plan for 2016/17. The requirement to evaluate the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities is included under the Public Sector Internal Audit</p>	Reasonable

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>Standards.</p> <p>The key findings from this review, which support an ethical culture are as follows:</p> <ul style="list-style-type: none"> ▪ The Council has in place a wide range of policies and rules on standards of behaviour that, together, add up to an extensive range of ethical policies governing the way the Council conducts its business and ensuring fair and transparent governance. ▪ The Council's governance arrangements, embodied within the Constitution, include specific formal codes of conduct, protocols and standing orders that have been established to regulate the behaviour of individuals and groups within the authority. ▪ Various corporate and HR policies have been established which incorporate ethical expectations, underlining the Council's commitment to ethics and seeking to ensure adherence to ethical principles. ▪ There is a renewed focus on corporate health, safety and welfare following a period in which policies had not been subject to regular review, few Health & Safety Liaison Group meetings were held, and where there was limited corporate involvement and overview of health, safety and welfare performance. <p>However, the following gaps in the framework weaken the Council's ability to promote an ethical culture:</p> <ul style="list-style-type: none"> ▪ There is no formal system for the overview of monitoring of contractor health and safety compliance on an ongoing basis and gaining assurance that the ethical values and principles of the Council are reflected in the culture and practice of 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>contractors.</p> <ul style="list-style-type: none"> Service Delivery Plans did not, in all cases, include key actions of compliance with corporate strategies and policies including: <ul style="list-style-type: none"> - Corporate Health & Safety; - Equality & Diversity and; - Implications of the Well-being of Future Generations (Wales) Act 2015, including the sustainable development principle. The forward contract programme / contracts register is not proactively published on the Council's website to promote open competition and transparent decision-making in accordance with Wales Public Procurement Policy principles. The Council has not developed and adopted a Sustainability policy that brings together the different areas of practice and professional expertise to guide development to sustainable solutions for the benefit of the local community and future generations. Policies outlining the Council's procedures for preventing, detecting, investigating and prosecuting fraud and corruption had not been reviewed and updated and placed on the Policy Portal for easy access. There is no procedure for periodically attesting officers' understanding of and compliance with the code of conduct (and key corporate policies in general) and reinforcing on a regular basis expectations in relation to the need to declare new (and existing) personal interests that may conflict with public duty and register any gifts / hospitality received in relation to the officers' work. The Council has developed a values alignment tool to be implemented within staff recruitment and development 	

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>processes. Technical issues are being worked through to bring the tool into use.</p> <ul style="list-style-type: none"> ▪ The Corporate Communications Strategy (2012-15) had not been reviewed; issues were identified in terms of the effectiveness of the Link internal electronic memo system / Monitor to communicate corporate messages and ensure that the Council's desired ethical culture is embedded within the organisation. There is no process for routinely updating (removing / archiving, as appropriate) website content to ensure that only valid, up to date, consistent and relevant information is displayed. ▪ Not all new employees received induction training and there was no process of monitoring either attendance at corporate induction / completion of service induction. <p>Opinion: Arrangements for the governance, risk management and internal control are reasonable.</p>	
20	Housing Maintenance Unit	Mar 2017	Housing	18	<p>This audit was undertaken as part of the approved Internal Audit plan for 2016/17.</p> <p>Key findings from the review are summarised below:</p> <ul style="list-style-type: none"> • A segregation of duties has not been established on the Orchard System. Staff have access to create, amend, complete and cancel entries on the Orchard HMU and have access to resources beyond what is necessary to perform their duties; • A report listing user access and permission rights cannot currently be extracted from the Orchard System for management review; • There are no documented procedures instructing staff on the 	Limited

	Report Title	Date	Service	Total Audit Recommendations	Key Messages	Assurance Level
					<p>use and the permission rights of the Orchard HMU module;</p> <ul style="list-style-type: none"> • Reconciliations of invoices and jobs recorded on the Orchard HMU Module are difficult as there are no common links between the CIVICA payments and the Orchard HMU systems; • The inputting activity evidenced for job completion dates suggests data is being manipulated to achieve performance targets, which compounded with a lack of internal controls in the Orchard system undermines the validity of the performance data. There is a risk that data can be manipulated or misstated resulting in poor decision-making or even in potential fraud; • Explanations for job cancellations are not recorded or authorised; • The Orchard HMU system does not include the staff costs per job. The true costs of each job are not identified, recharged and consequently the trading account is misstated resulting in poor decision-making and value for money analyses; <p>Opinion: Arrangements for the governance, risk management and internal control are limited. There are gaps in the process that leave the service exposed to risks. Objectives are not being met or met without achieving value for money.</p>	

APPENDIX D

**ANGLESEY COUNCIL
INTERNAL AUDIT**

**ANALYSIS OF ADDITIONAL UNPLANNED WORK PERFORMED DURING
1 APRIL 2016 TO 31 MARCH 2017**

	AREA	NATURE OF THE WORK	AUDIT DAYS
1	Corporate/Lifelong Learning	Review of Education Timesheet Procedure - HR request	3.04
2	Rent Smart Wales	Internal Audit was informed in April 2016 that the Rent Smart Wales Grant Certificate and an Internal Audit Report had to be submitted to WG by 31 October 2016.	7.32
3	Highways Assets Valuations	Audit of Highways Asset systems to in preparation for the change in the CIPFA Code and the way in which highways infrastructure is valued from depreciated historic cost to depreciated replacement cost which would have a significant increase on the value of assets in the balance sheet. CIPFA at its meeting on March 8th, decided not to proceed with the introduction of the Highways Network Asset Code into the financial reporting requirements for local authorities.	30.54
4	Public Sector Internal Audit Standards External Assessment	Work undertaken in preparation for an external assessment by Head of Internal Audit at Denbighshire County Council.	8.50
	TOTAL DAYS		49.40

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SCHEDULE OF FOLLOW UP AUDITS 2016/2017

	Description	Audit Date	Follow up Date	No. Recs	Recs Outstanding & WIP	High	Medium	Low	Original Audit Opinion	Revised Audit Opinion
1	Schools Recommendations – Ysgol Pentraeth Follow Up	Mar 15	Jun 16	11	6 (3 WIP)	0	6	0	Reasonable	Reasonable
2	Schools Recommendations – Ysgol Henblas Follow Up	Sept 14	Jun 16	5	2 (2 WIP)	0	1	1	Substantial	Substantial
3	Schools Recommendations – Ysgol Bodorgan Follow Up	Aug 15	Jun 16	19	7	0	6	1	Reasonable	Reasonable
4	Risk Management Framework – Follow Up	Sept 15	Jun 16	3	1	0	1	0	Reasonable	Reasonable
5	Sundry Debtors Follow Up	April 15	Jun 16	18	9 (3 WIP)	0	6	3	Limited	Limited
6	Ysgol Cemaes – Follow Up	Oct 15	Jul 16	14	5 (1 WIP)	0	3	2	Limited	Reasonable
7	Partnerships – Follow Up	Feb 16	Dec 16	6	4 (2 WIP)	3	1	0	Limited	Reasonable
8	Affordable Housing, Houses into Homes & Bridging Loan Scheme – Follow Up	Dec 15	Dec 16	18	9 (6 WIP)	3	3	3	Limited	Reasonable
9	ICT Disaster Recovery Arrangements – Second Follow Up	Mar 16	Dec 16	8	7 (6 WIP)	4	3	0	Reasonable	Reasonable
10	Business Continuity – Second Follow Up	Mar 16	Dec 16	5	2 WIP	1	1	0	Reasonable	Substantial
11	Human Resources Policies & Practices for Managing the Workforce – Follow Up	Feb 16	Mar 17	12	10 (2 WIP) (5 new recs)	1	4	5	Limited	Reasonable

RISK MATRIX and ASSURANCE RATINGS

APPENDIX F

LIKELIHOOD	Event is almost certain to occur in most circumstances	>70%	Almost Certain	A					
	Event likely to occur in most circumstances	30-70%	Likely	B					
	Event will possibly occur at some time	10-30%	Moderate	C					
	Event unlikely and may occur at some time	1-10%	Unlikely	D					
	Event rare and may occur only in exceptional circumstances	<1%	Rare	E					
					5	4	3	2	1
					Insignificant	Minor	Moderate	Major	Catastrophic
Service					No impact to service quality, limited disruption to operations	Minor impact on service quality, minor service standards are not met, short term disruption to operations	Significant fall in service quality, serious disruption to service standards	Significant impact on service quality, multiple service standards not met, long term disruption to operations	Catastrophic fall in service quality and key service standards are not met, long term catastrophic interruption to operations
Reputation					Public concern restricted to local complaints	Minor adverse local / public / media attention and complaints	Serious adverse local or minor adverse regional or national media attention	Serious negative regional or national criticism	Prolonged regional & national condemnation
Financial Cost (£)					< £50k	£50k - £250k	£250k - £750k	£750k - £3m	>£3m
IMPACT									

LEVELS OF ASSURANCE	DEFINITION	MANAGEMENT INTERVENTION
SUBSTANTIAL ASSURANCE	Arrangements for governance, risk management and internal control are good. No significant or material errors were found.	No or only low impact management action is required. Findings, which are easily addressed by line management.
REASONABLE ASSURANCE	Arrangements for governance, risk management and/or internal control are reasonable. Some inconsistency in application and opportunities still exist to mitigate against further risks.	Management action of moderate to low impact is required. Findings are containable at service level.
LIMITED ASSURANCE	Arrangements for governance, risk management and internal control are limited. There are gaps in the process that leave the service exposed to risks. Objectives are not being met or met without achieving value for money.	Management action of high to moderate impact is required. Findings that need to be resolved by heads of service and SLT may need to be informed.
MINIMAL ASSURANCE	Arrangements for governance, risk management and internal control are significantly flawed. Key controls are considered insufficient with the absence of at least one critical control mechanism. There is also a need to improve compliance with existing controls and errors and omissions have been detected.	High impact management action is required in a number of areas. Weaknesses in control that require the immediate attention of SLT with possible Cabinet intervention.

High, Red and Amber Rated Internal Audit Recommendations Outstanding as at 31/03/2017

Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
Corporate						
1	System Controls - Logical Access and Segregation of Duties 1961 2014/15	<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>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</p>	08/09/14	31/12/15 – changed from 31/12/14	Head of Resources.	<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 liaison between S151 Officer and Head of Profession – HR.</p> <p>Asset Register has been completed.</p>

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
		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.				
2	Corporate Policies 1761 2011/12	Review and implement the Corporate Policies Report 1761 2011/12.	07/10/14	29/04/16 – changed from 31/12/14	Head of Democratic Services	<p>Update 23/02/16 – Work progressing following decision in October 2015 to allocate funding. Negotiations ongoing with provider regarding contract.</p> <p>Update 30/06/16 - Contract signed with supplier 01/03/16. Training for systems administrators to be delivered in July 2016. Progress reports submitted to SLT in May 2016 and 7 key policies identified by SLT for policy acceptance during first 12 months. Implementation of policy acceptance process to commence in September 2016.</p> <p>Quarterly reports on policy acceptance levels to be submitted to SLT (dates to be agreed) and also annual report to Audit & Governance Committee.</p> <p>Update 02/09/16 – The Authority has conducted an appropriate tendering exercise for a policy management solution. Contract was signed 1st of March. 3 policies on Information Governance were recognised to be of priority for the first phase of implementation of the system – 1 will be introduced per month. The SLT has received a further report and have decided to prioritise 7 policies to be accepted in the first 12 months (September 2016 onwards) – the first 3 will be in relation to Data Protection, 2 will be in relation to Health & Safety, 1 on Absence Management and 1 on Language Standards. SLT will review priorities annually. Administrators for the system have been recognised and have received training on 12 July 2016. The system is now available to the administrators who are in the process of loading policies on the system. The intention is to present the system to staff as a library of corporate policies which is an useful resource of information before introducing the need to accept policies (testing) on the small</p>

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
						<p>number of areas recognised by the SLT.</p> <p>Update 31/10/16 – Information to be circulated via y Ddolen to explain Policy Portal.</p> <p>26/01/17 – Policy Portal available to staff as an electronic library since 24/11/16. Next phase is implementation of policy acceptance requirement. Pilot under way in HR. Gaps in service details in outlook address book need to be addressed before policy acceptance can be implemented. Heads of Service to be provided with details where action required.</p>
3	Corporate Safeguarding Arrangements 053 2016/17	2.5a In cases of exception noted, Heads of Service should ensure that safeguarding objectives are incorporated into the business planning process to embed safeguarding as a fundamental part of all aspects of work involving children, young people and vulnerable adults.	09/09/16	31/03/17	Business Planning and Programme Manager	To be co-ordinated by Business Planning and Programme Manager
4	Corporate Safeguarding Arrangements 053 2016/17	2.5b Heads of Service should ensure risk registers are aligned to the business plan and safeguarding risk identified accordingly within all service risk registers with mitigating actions recorded and monitoring of progress undertaken in accordance with the Corporate Planning Performance Management Framework. Schools should develop risk registers to formally identify and record safeguarding risk and the mitigating controls applied to manage this risk.	09/09/16	30/09/16	Business Planning and Programme Manager	<p>*Schools external regulators ensure that appropriate procedures for safeguarding are in place across all sectors – primary, secondary and special education. Indeed, schools with exceptional educational standards would be subject to special measures immediately should the procedures for safeguarding be, in any way, defective.</p> <p>Schools complete self-assessments for Estyn Inspection purposes and annual self-assessments on safeguarding arrangements are required to be submitted annually to the Education Department; no requirement for schools to formulate safeguarding risk registers has ever arisen from any Inspection and there is currently no regional or national requirement for this.</p> <p>To be co-ordinated by Business Planning and Programme Manager.</p> <p>Update 04/11/16 – In line with the CPPMF service delivery plans for 16/17 have been drafted to include responsibilities surrounding safeguarding. Risk registers for those services are being monitored</p>

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
						quarterly to gain assurances associated risks are also managed.
5	Business Continuity Management Follow Up 081 2016/17	4.1 The Corporate Business Continuity Plan should incorporate Building Recovery Management arrangements.	17/01/17	31/03/17	Head of Democratic Services	Re-iterated from Business Continuity Management 007 2015/16 Original Target date: 31/12/15
Finance						
6	Affordable Housing, Houses into Homes, Bridging Loan Scheme Follow Up 079 2016/17	6.2a Interest accrued 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 Plot 22, Nant Y Pandy, Llangefni facility agreement.	07/12/16	07/12/16	Revenues & Benefits Manager	Re-iterated from Affordable Housing Report 025 2015/16 (14/12/15). Original target date: 31/12/15
7	Solar Panels – Penhesgyn IVC Facility 071 2016/17	1.3 The Head of Service should be reminded that the Authority's Contract Procedure Rules must be followed, specifically that no expenditure can be committed unless provision for it has been made in the revenue or capital budgets, so protecting the Authority's reputation and ensuring that the Council cannot be deemed liable for financial loss of a third party in relation to implied / actual financial commitment relating to contract arrangements.	04/10/16	31/12/16	Head of Resources	
8	Partnerships – Governance Arrangements Follow Up 077 2016/17	3.2a As intended, the Risk & Insurance Manager to contact the 10 strategic partnerships to request a copy of partnership risk registers and ascertain and assess arrangements in place within each partnership to address identified risks. The outcome of this exercise to be reported to Audit & Governance Committee in accordance with the Committee's responsibility for reviewing the risk profile of partnerships and assurances that action is being taken in risk elated issues relating to significant partnerships.	21/12/16	31/03/17	Risk Insurance & Manager	Target date subject to any committee rescheduling that may be necessary in light of the Election in May 2017.

Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
ICT Services						
9	PCI Compliance 2016/17	DSS 066 3.3 A process to assess and record the impact of change to ICT infrastructure on PCI DSS components should be developed as part of the approval and acceptance of change management.	21/09/16	31/10/16	IT Service and Performance Management Manager	
10	PCI Compliance 2016/17	DSS 066 3.4 The Authority should test PCI DSS compliance of any new software as part of the development and acceptance regimes.	21/09/16	30/09/16	IT Service and Performance Management Manager	
11	PCI Compliance 2016/17	DSS 066 3.6 Network scans should be undertaken on a quarterly basis by an approved scanning vendor in accordance with PCI Security Standards Council PCI Quick Reference Guide 11.2.	21/09/16	30/09/16	IT Service and Performance Management Manager	
12	ICT Disaster Recovery Arrangements Follow Up	1.4d Services should ensure that regular test restore of system and data backups of their systems and data is carried out to ensure the integrity and completeness of backups.	17/01/16	31/03/17	Assistant Chief Executive	Re-iterated from ICT Disaster Recovery Arrangement 2004 2014/15. Original target date: 31/12/15 To be implemented by Service Managers with advice and support from ICT Division. Assistant Chief Executive to instruct Heads of Services.
Adults Services						
13	Out of Hours Standby Arrangement 2016/17	073 1.2a Services should ensure that standby schemes are operated in accordance with the Council's 'Standby, On call and Call out' policy and that rates claimed for standby duty reflect the current payment scheme rates.	15/12/16	31/12/16	Head of Adults Services	
14	Out of Hours Standby Arrangement 2016/17	073 3.2 In accordance with the Council's Smarter Working programme services should review current arrangements for the operation of standby schemes to ascertain whether arrangements employed continue to be effective and provide	15/12/16	31/12/16	Head of Adults Services	

Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
		<p>value for money.</p> <p>A regular standby system should only operate where there is a consistent and sustained requirement to provide services / response outside of core hours.</p>				
Children Services						
15	Child Care Court Orders under the PLO 044 2016/17	11.2 It should be ensured that support worker visits are conducted in accordance with the plan to ensure the welfare of a child/children whilst remaining in the care of their parents during court proceedings.	27/01/17	31/03/17	Support Service Manager	<p>Support work team leader to ensure all cases requiring support worker have detailed plan, outlining aim, timescales and review mechanism. Support work team leader to devise mechanisms of ensuring compliance with plans by support workers.</p> <p>Team Leader and Team Managers to agree process of above and system to highlight non-compliance / engagement.</p>
16	Child Care Court Orders under the PLO 044 2016/17	12.1 It should be ensured that all documents are added to RAISE accurately, promptly and cloned to relevant siblings' files.	27/01/17	31/03/17	Service Manager Operations	
17	Child Care Court Orders under the PLO 044 2016/17	5.1 Timescales for the actions necessary by parents to avoid proceedings should be stated in the Letter Before Proceedings.	27/01/17	31/03/17	Service Manager Operations	Team Managers to review, update PLO contract to ensure template identifies timescales.
18	Child Care Court Orders under the PLO 044 2016/17	7.2 The Care Proceedings, Public Law Outline and Legal Matter 2016 should be adhered to when conducting pre-proceedings meetings, by stating timescales and review dates for relevant actions.	27/01/17	31/03/17	Service Manager Operations	Team Managers to ensure review dates to be included in contract of expectations template.
19	Child Care Court Orders under the PLO 044 2016/17	10.1 A formal template of Letter Before Proceedings, which informs parents that decision, has been made to initiate court proceedings should be developed and shared with all relevant officers to ensure relevant information is included.	27/01/17	28/02/17	Service Manager Operations	Team Managers to review template for letter alongside legal advisor input.
20	Child Care Court Orders under the PLO 044 2016/17	10.2 Letters Before Proceedings (where a decision has been made to initiate Court proceedings) should be signed by the Team Manager. A copy should be sent to the Social Worker and Legal Section and a copy kept on child(ren)'s files on	27/01/17	28/02/17	Service Manager Operations	<p>This is called notice of intention to issue. Need to be template letter.</p> <p>TM/Legal to complete letter template.</p>

Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
		RAISE.				Template to be launched and uploaded onto RAISE.

Medium and Yellow Rated Internal Audit Recommendations Outstanding as at 31/03/2017

Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
Corporate						
21	Information Governance 009 2015/16	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.	21/10/15	30/09/15	Corporate Information Officer	<p>Update 10/02/16 – 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.</p> <p>Update 15/06/16 - No progress as efforts are currently directed towards ensuring DPA is included in all relevant new/ future contracts. However, the Corporate Information Officer has been in meetings with the Procurement section and is hoping to present a report to the SLT regarding a checklist for contracts in the near future.</p> <p>Update 25/08/16 – The Corporate Information Officer has sought advice from the Procurement Solicitor whether the DPA is adequate or requires revision.</p>
22	Information Governance 009 2015/16	1.2c SIRO should ensure that all 'Category 1' contracts operated by the Council are covered by DP Agreements in accordance with ICO recommendations.	21/10/15	30/09/15	Corporate Information Officer	<p>Update 15/06/16 - This recommendation is the responsibility of the Information Asset Owners/ Penaethiaid. The SLT have received a report to raise awareness of this issue. A checklist is in the process of being completed as a tool to ensure important elements are not missed when drawing a contract.</p> <p>Update 25/08/16 – The Corporate Information Officer has sought advice from the Procurement Solicitor whether the DPA is adequate or requires revision.</p> <p>Update 21/10/16 – Work on revising the DPA has commenced.</p>
23	Information Governance 009	1.4a IAOs responsible for remote sites (leisure centres, social services establishments etc.) should	21/10/15	30/06/16 – changed	Corporate Information	10/2/16 – Progress with this recommendation has been delayed because capacity has been diverted to

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
	2015/16	review personal data management systems and on site storage facilities to be able to provide assurance on the appropriateness of the measures in place for the secure storage, movement, retention and disposal of such records.		from 31/01/16	Officer	implementing the ICO's Enforcement Notice. This item will be picked up by the Corporate Information Governance Board in due course.
24	Risk Management Framework & Top 5 Risks Follow Up 062 2016/17	6.1 Heads of Services should ensure that Service Delivery Plans are submitted promptly and within deadline with all sections completed including links to Risk Registers.	27/07/16	31/03/17	Business Planning & Programme Manager	Re-iterated from Risk Management Framework & Top 5 Risks 011 2015/16. Original target date: 31/03/16 The SLT have agreed to instruct adherence to corporate timelines for Service Delivery Plan. Business Planning & Programme Manager to remind Service of timelines Autumn 2016.
25	Corporate Safeguarding Arrangements 053 2016/17	1.1c The Lifelong Learning Child Protection Policy and Recruitment Policy should be updated to reflect the 'Keeping Learners Safe' guidance published in January 2015; implications of the Social Services and Well-being (Wales) Act 2014 should be incorporated into the policy once guidance from the Welsh Government is published. References to Council policies on Safe Recruitment should also be updated.	09/09/16	31/10/16	Head of Learning	
26	Corporate Safeguarding Arrangements 053 2016/17	3.1c Heads of Service should ensure that Designated Safeguarding Officers within their services have received training to ensure role is effectively delivered.	09/09/16	31/03/17	Assistant Chief Executive	Update 29/03/17 – Officers who lead on safeguarding matters within Social Services, Education and the Economic and Regulation Services have received general training on safeguarding matters. The Training Team receive nominations from different services so training sessions are offered.
27	Corporate Safeguarding Arrangements 053 2016/17	4.1d Schools should review their policies to include the requirement for references to support recruitment decision and secure alignment with corporate policy.	09/09/16	31/03/17	Head of Learning	
28	Partnerships – Governance Arrangements Follow Up 077	1.1 Additional guidance / resources intended to be provided as Toolkit attachments, including template agreement, to be drafted by 31/12/16 and made available on the Council's website following formal	21/12/16	31/03/17	Assistant Chief Executive	Amended from original recommendation in Partnerships – Governance Arrangements 003 2015/16.

Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
	2016/17	approval.				
Finance						
29	Affordable Housing, Houses into Bridging Scheme 2015/16 025	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.	14/12/15	31/12/16	Finance Manager	
30	Council Tax 036 2015/16	3.2c Forms for notification of single occupancy status and changes in circumstances should be made available on the Council's website / should include a declaration that the information provided is correct.	30/03/16	24/12/16 – changed from 30/06/16	Revenues Supervisor	Integrating e-Forms to Northgate systems identified as priority within SDP - Victoria forms developed and intended to be fully functional by June 2016. The above summary to be addressed as part of a wider project of placing numerous electronic forms on our web-site. This has become more of an urgent requirement in light of the impending opening of Cyswllt Môn, whose staff may eventually direct customers to complete the appropriate forms on-line. We aim to have a comprehensive suite of forms on our web-site which will hopefully reduce the time that staff have to spend with customers, and also empower those customers to take control of providing information or applying for services, discounts, exemptions etc. themselves.
31	Sundry Debtors Follow Up 051 2015/16	3.1a Recovery action should be taken in line with the Council's Sundry Debtor Billing, Collection and Recovery Policy.	20/06/16	31/12/16	Revenues & Benefits Manager	Re-iterated from Sundry Debtors 1982 2014/15 Original target date: 30/04/15
32	Sundry Debtors Follow Up 051 2015/16	3.1b Sundry debtor accounts subject to recovery suspension should be reviewed on a regular basis and a time limit set for services to answer customer queries before the income is removed from service income codes.	20/06/16	31/12/16	Revenues & Benefits Manager	Re-iterated from Sundry Debtors 1982 2014/15 Original target date: 30/06/15
33	Sundry Debtors Follow Up 051 2015/16	3.2a Aged invoice reports should be run on a regular basis in order to identify any trends and also to evaluate the effectiveness of the collection and recovery of outstanding debts within the Authority.	20/06/16	31/12/16	Revenues & Benefits Manager	Re-iterated from Sundry Debtors 1982 2014/15 Original target date: 30/09/15

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
34	Sundry Debtors Follow Up 051 2015/16	3.2b Outstanding invoices remaining on the old Sundry Debtor system should be fully progressed to final outcome.	20/06/16	16/12/16 – changed from 30/09/16	Revenues & Benefits Manager	Re-iterated from Sundry Debtors 1982 2014/15 Original target date: 31/10/15 Update 31/10/16 – Service desk job number 17567 has been set up to accomplish this task with a date of mid-December 2016 to be completed.
35	Sundry Debtors Follow Up 051 2015/16	3.4 The following procedures should be introduced in order to provide additional controls over account suppressions: 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 .	20/06/16	31/12/16	Revenues & Benefits Manager	Re-iterated from Sundry Debtors 1982 2014/15 Original target date: 30/06/15
36	Sundry Debtors Follow Up 051 2015/16	4.1 The Sundry Debtors system and the General Ledger should be reconciled on a monthly basis promptly from period end.	20/06/16	31/12/16	Revenues & Benefits Manager	Re-iterated from Sundry Debtors 1982 2014/15 Original target date: 30/04/15
37	Non-Domestic Rates 037 2015/16	3.2 In view of current resources, management should assess the level of assurance and associated risk for each category of relief / exemptions operated and make resources accordingly available if necessary to ensure that targets for visits of exempt / void properties can be met thereby minimising any potential loss of revenue to the Council.	30/03/16	31/03/17 – changed from 01/09/16	Revenues & Benefits Manager	Will be addressed as part of the re-structuring process currently being undertaken; Enquiry Officer on secondment will be returning to the section with effect from 01/04/16; Funding for new Enquiry post agreed by the Executive in relation to the administration and enforcement of the new Council Tax premium. Update 31/10/16 – Council Executive on 17/10/16 agreed to fund new permanent Enquiry Officer post from April 2017 to be paid from additional income raised from CTAX premiums. Current temporary lower

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
						graded post to be funded from contingency during rest of 2016/17. New structure currently being implemented and Enquiry Officer roles amended to be Revenue and Benefit specific not generic as previous. Review 31/03/17.
38	Insurance Arrangements 074 2016/17	1.1.2 Insurance policy / strategy should be produced documenting procedures regarding returns, timescales and legislation insurance claims. The policy should be regularly reviewed and updated as and when required or when significant changes and developments happen and should be approved by a senior manager.	15/11/16	31/03/17	Insurance & Risk Manager	
39	Insurance Arrangements 074 2016/17	3.1.7 It should be ensured that insurance recharge premiums are raised promptly in accordance with the leasing agreement.	15/11/16	31/12/16	Revenues & Benefits Manager	
40	PCI DSS Compliance 066 2016/17	A record of all employees with responsibilities for processing card payments and attendance at formal PCI DSS training sessions should be maintained.	21/09/16	31/03/17	Revenues & Benefits Manager	
Housing						
41	Homelessness 1868 2014/15	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.	23/12/14	30/10/15 – changed from 31/03/15	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 10/08/15 – 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 27/04/15.</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)

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
						<ul style="list-style-type: none"> • create database of all B&Bs used to include property & room description, amenities & facilities available within each of the premises. <p>Update 08/08/16 – B&Bs still in use have been inspected by respective Local Authorities (some are located out of County).</p> <p>Due to staffing capacity within the Housing Options Team and the absence of an officer in the post of Private Landlord Liaison Officer this action has not been carried out. However officers are familiar with the premises and facilities within the premises in use. Additional resource will be available from September 2016 allowing focused attention to be targeted on this area.</p>
42	Homelessness 1868 2014/15	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.	23/12/14	30/10/15 – changed from 31/01/15	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> <p>Update 08/08/16 - Use of B+B's has been significantly reduced. Due to staffing capacity within the Housing Options Team and the absence of an officer in the post of Private Landlord Liaison Officer this action has not been carried out. However officers are familiar with the premises and facilities within the premises in use. Additional resource will be available from September 2016 allowing focused attention to be targeted on this area.</p>
ICT Services						
43	Main Accounting 040 2015/16	2.2.2 Password control should reflect the Authority's ICT policy on the logical access control	18/04/16	31/12/16	ICT Business Transformation	

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
		where possible for non-network users.			Manager	
Children's Services						
44	Child Care Court Orders under the PLO 044 2016/17	11.1a The Agency Decision Maker process should be looked at in an effort to shorten the process.	27/01/16	31/03/17	Permanency Consultant Social Worker	
45	Child Care Court Orders under the PLO 044 2016/17	11.1b A deputy should be appointed as Agency Decision Maker in the absence of the Head of Service.	27/01/16	31/03/17	Permanency Consultant Social Worker	
46	Child Care Court Orders under the PLO 044 2016/17	14.1a A request should be made to the Human Resources Team for officers to attend the Information Governance training if they have not already done so.	27/01/16	31/03/17	Service Manager Operations	Service Manager Operations to ensure training took place on 02/17 and all managers attended.
47	Child Care Court Orders under the PLO 044 2016/17	14.4a Password requirement on RAISE should be enforced to be at least 7 characters in length, contain a mix of upper and lower case letters and also a mix of letters and numbers. If this is not possible, users should be instructed to ensure their password meet these requirements.	27/01/16	31/03/17	Service Manager Operations	Quality Assurance Team are to draft basic guidelines
Human Resources						
48	HR Policies and Practices for Managing the Workforce Follow Up 078 2016/17	8.1b Sickness co-ordinators should ensure sickness information is entered in to the Northgate system promptly.	27/03/17	31/03/17	Head of Profession – Human Resources	HR to issue reminder to co-ordinators.
Education						
49	Cash – Ysgol Llanfairpwll 032 2015/16	1 If the system of cash collection via lockable post boxes within each classroom at Llanfairpwll Primary School proves successful then consideration should be given to adopting this system as best practice in all primary schools on the Island to ensure that school monies can be deposited securely.	24/02/16	30/09/16	Education Officer	Education Officer (Primary Schools) and Head teacher to consider bringing this matter to the attention of other Head teachers via Strategic Group to raise awareness / share lessons learned from this experience. Update 31/10/16 – Education Officer to share Ysgol Llanfairpwll's experiences with the Strategic Group and then to all schools on the basis of Ysgol

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Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
						<p>Llanfairpwll's feedback, which are:</p> <ol style="list-style-type: none"> 1. Are there lockable post boxes in the classes? Yes 2. If yes, are they effective? ~YES VERY EFFECTIVE 3. Should we promote them to all schools? YES 4. If not, for what reason? You need to buy good quality ones, which comes at a cost to the school.
50	Ysgol Gynradd Bodedern 029 2015/16	5.6.1 The Governing Body should formally appoint a school fund auditor, which should be recorded in the meeting minutes.	29/02/16	31/10/16	Head Teacher	
51	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.	29/02/16	31/03/16	Head Teacher	
52	Ysgol Talwrn 029 2015/16	4.6.1 A risk assessment should be undertaken to identify risks associated with responding to the security alarm.	15/03/16	31/03/16	Head Teacher	
53	Ysgol y Graig 056 2016/17	4.1.1 The Head Teacher should ensure that the Education Service procedures for dealing with school meal arrears are complied with in order to ensure that arrears are effectively managed and not allowed to escalate to a problematic level.	14/06/16	30/09/16	Head Teacher	<p>The implementation of the online payments system in September 2016 should lessen the amount of arrears.</p> <p>The School will employ a school's maintenance officer from September 2016 to assist with the monitoring of arrears.</p>
54	Ysgol Llanfair PG 057 2016/17	4.5.1 Driver records should be updated annually and every member of staff required to complete a form – Declaration for Drivers of Council or Private vehicles.	15/06/16	30/06/16	Head Teacher	
55	Follow-up of School Audits (Ysgol Bodorgan) 050 2015/16	3.1.10 Budgetary matters should be regularly discussed by the governing body. It is recommended that Finance is included on the agenda of every meeting to ensure there is an opportunity for discussion and the Finance Sub-Committee report to the governing body on a regular basis.	15/06/16	31/07/16	Head Teacher	<p>New recommendation.</p> <p>Update 14/03/17 – Acting Head Teacher to ensure Finance is part of the agenda for each meeting.</p>

Appendix G

Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
56	Follow-up of School Audits (Ysgol Bodorgan) 050 2015/16	3.1.18 The Governing Body Constitution should comply with the relevant statutory requirements.	15/06/16	30/06/16	Head Teacher	Re-iterated from recommendation 4.7.1 in the 2013/14 audit report (1918 2013/14). Original target date 31/01/14. Update 14/03/17 – 1 short due to lack of interest, but 1 parent recently put forward and will be discussed in next meeting.
57	Follow-up of School Audits (Ysgol Henblas) 050 2015/16	3.2.2 It should be ensured that the register of Supply Teachers is complete and reconciled to the budgetary reports to ensure accuracy of the accounts.	15/06/16	31/07/16	Head Teacher	Re-iterated from recommendation 4.2.1 in the 2014/15 audit report (1959 2014/15). Original target date 31/10/14.
58	Follow-up of School Audits (Ysgol Henblas) 050 2015/16	3.2.5 The school should ensure full compliance with the Authority's Fleet and Driver Management Procedures.	15/06/16	31/07/16	Head Teacher	Re-iterated from recommendation 4.5.1 in the 2014/15 audit report (1959 2014/15). Original target date 30/09/14.
59	Follow Up of School Audits 050 2015/16	3.3.10 The Education Service should monitor the governing body membership returns and ensure that each category of governor is represented and that the level of representation is consistent with guiding principles; any variance should be should be followed up to ensure that there are appropriate governing arrangement in each school.	15/06/16	31/12/16	Head of Learning	New recommendation.
60	Follow Up of Ysgol Cemaes 065 2016/17	4.1.1 The Head Teacher should ensure that the Education Service procedures for dealing with school meal arrears are complied with in order to ensure that arrears are effectively managed and not allowed to escalate to a problematic level.	19/09/16	23/09/16	Head Teacher	Re-iterated from Ysgol Cemaes audit report 028 2015/16 Original implementation date: 31/01/2016.
61	Follow Up of Ysgol Cemaes 065 2016/17	4.2.1 Ordering requisitions should be completed before receipt of an invoice or goods. In cases of an emergency, a verbal order may be raised and relevant documentation completed the next working day.	19/09/16	19/09/16	Head Teacher	Re-iterated from the Ysgol Cemaes audit report 028 2015/16 Original target date: 31/01/2016.
62	Follow Up of Ysgol	4.2.2 All relevant boxes on the requisitions form	19/09/16	19/09/16	Head Teacher	Re-iterated from the Ysgol Cemaes audit report 028

Appendix G

Ref	Report	Recommendation	Date Raised	Agreed Target Date	Responsible Officer	Comments
	Cemaes 065 2016/17	should be completed before any invoice is paid 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.				2015/16 Original target date: 31/01/2016.

SUMMARY OF SPECIAL INVESTIGATIONS - 1 APRIL 2016 TO 31 MARCH 2017

Job No.	Type of Incident	No. of Days	Comment / Result
055.16/15	Theft of cash, Ysgol Llanerchymedd	7.36	Keys to the community hall and Mudiad Meithrin classroom were stolen from the home of one of the Mudiad's organisers. No loss of cash to the authority, but cash in excess of £500 was stolen from the Mudiad. Police have concluded their enquiries and no suspect was identified. Advice given to the headteacher regarding safeguarding the school and contents. Keys to the community part of the school are now held by the caretaker, headteacher and official key holder only.
052. 5/16	Mon Community Transport Time Sheet (MCT) referral	4.73	Referral from Highways and Property regarding the possibility of a member of MCT staff falsifying his time sheets for financial gain. Enquiries have shown that whilst the staff member may have maximised his hours he did not exceed his contracted hours for which he was paid regardless therefore there was no criminal financial loss the Authority. There may be management issues and these are in the process of being dealt with by Highways and Property. There is also a separate enquiry regarding staff relationships, which are being dealt with by the department and HR. The matter referred to Audit has been addressed.
	Receipting of Planning Applications	2.43	Concern raised that compliment slips were being issued in lieu of receipts at the Planning Department. Enquiries have confirmed that the monies received following the issue of such slips had been recorded and banked correctly. Advice given that in future an official receipt form should be issued. Matter Closed.
	Primary School Crime Prevention report	13.65	Following a number of incidents of theft/loss of cash at Primary Schools a crime prevention and best practice appraisal is being carried out, with the view of producing a report for the Education Department outlining improvements and best practice that could be considered by the Primary Schools within the Authority.
071.16/17	Solar Panels – Penhesgyn IVC Facility	12.77	Referral from the Section 151 Officer relating to a schedule of costs and losses submitted to the Council by a company in respect of a project to install solar photovoltaic systems at Penhesgyn.
084.16/17	Heating Engineers	9.59	Concerns raised that external heating engineer may have invoiced for work not carried out. Following the investigation, it became apparent that the problem regarding invoicing was as a result of employee error at the company. The employee has since resigned. Due to the failure of the company keeping track of invoices and work carried out, Housing Services have decided to cease using the company for a period of 12 months. Recommendations were made to Housing with relation to random checks of work carried out by external contractors and also to address an issue with persons who may have an interest in any external company closing off work and invoices for those companies. All recommendations have been accepted.

SUMMARY OF SPECIAL INVESTIGATIONS - 1 APRIL 2016 TO 31 MARCH 2017

088.16/17	Smallholdings Contracts	22.84	Concerns raised regarding the allocation of contracts to one contractor. Following the investigation there was nothing to suggest that anything untoward had taken place with the awarding of the contracts to the one contractor. However some procedural deficiencies were identified and recommendations made these are yet to be agreed upon.
8	Disposal of Asset	37.91	Review of the process supporting the disposal of an Authority's asset. Procedural deficiencies have been identified and recommendations made are yet to be agreed.
9, 10, 11	Others ongoing/continuous. HB/CTR, RIPA, NFI	113.18	Various HB checks prior to referring to DWP for investigation. RIPA consultation with other authorising officers and policy reviews into non-RIPA authorisation, i.e. the policy regarding surveillance and observations into matters that are not core functions such as disciplinary matters and minor criminal matters, which do not fall within the meaning of the act. This is ongoing in consultation with the Council Data Control Officer. Ongoing 2014/15 NFI exercise updating results. Also preparing for 2016/17 exercise, checking data sets and Fair Processing Notices. The 2016/17 NFI exercise is under way there are 3,097 matches in total with 779 recommended matches. There are 1,057 Duplicate Creditors matches, however only 113 of these are recommended, of 30 already examined there are no issues; there are 549 Blue Badge to DWP deceased list matches of which 515 are recommended. However having carried out an initial sift it would appear that the majority of the matches are as a result of the external Blue Badge Information System (BBLIS), not being updated. It is from this list that the matches are created; the internal list seems to have been updated. Cyswllt Mon and Social Services will be carrying out further checks on the list. The issue of not updating the BBLIS is not confined to this authority. There are a number of ongoing CTRS fraud investigation ongoing as a result of the NFI data match exercise.
TOTAL DAYS		224.46	