

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Audit and Governance Committee
Date:	12 February 2019
Subject:	Outstanding Internal Audit Recommendations / Issues & Risks
Head of Service:	Marc Jones, Head of Function (Resources) / S151 Officer 01248 752601 MarcJones@ynysmon.gov.uk
Report Author:	Nanette Williams, Senior Auditor 01248 751809 NanetteWilliams@ynysmon.gov.uk
Nature and Reason for Reporting: This report provides an update on the status and detail of the outstanding risks that Internal Audit has raised.	

1. Introduction

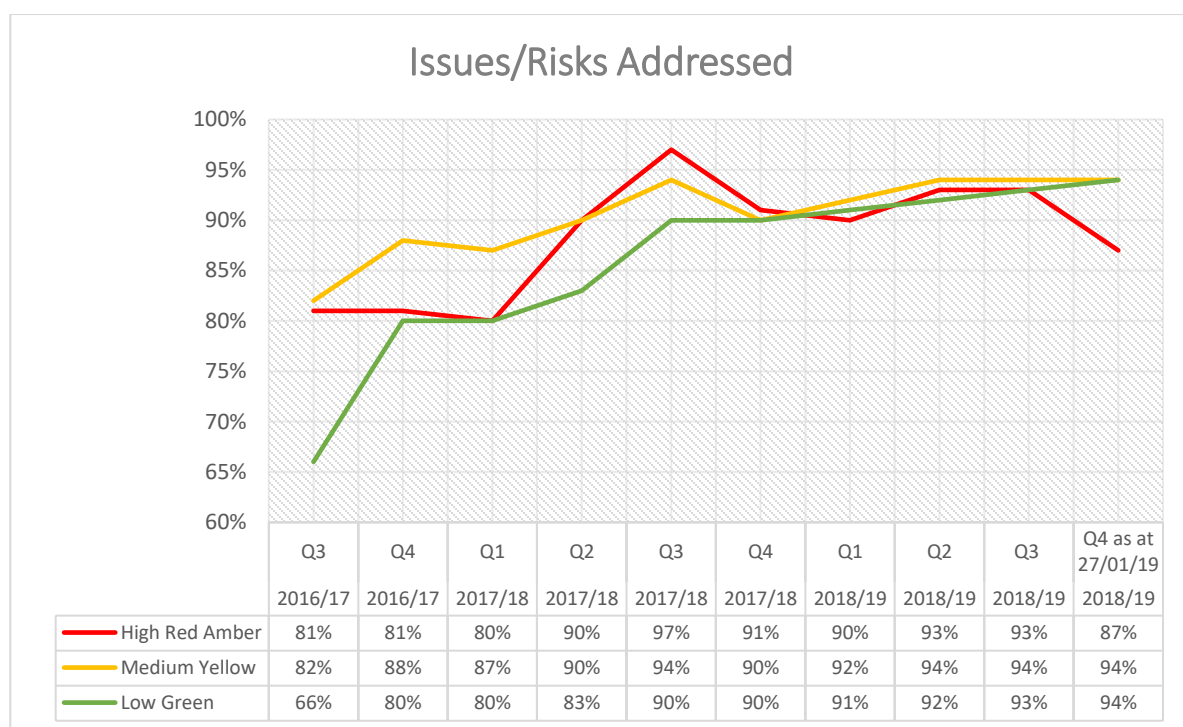
- 1.1. The Audit and Governance Committee requested details of all the outstanding recommendations twice a year. The last report was presented to the Committee at their meeting on the 19 September 2018.

2. Recommendation

- 2.1. That the Audit and Governance Committee notes the Council's progress in addressing the outstanding Internal Audit recommendations and Issues/Risks raised since 1 April 2014.

3. Performance of Implementing Outstanding Recommendations and Issues / Risks Raised by Internal Audit

- 3.1. As previously reported, Internal Audit has now moved away from making recommendations to raising 'Issues' and 'Risks'.
- 3.2. To encourage management to have ownership for the risks, it is their responsibility to develop an action plan to address the issues / risks identified.
- 3.3. Issues / risks are followed up by monitoring how the risks have been addressed. Reports which have received 'Limited' or 'No' Assurance will follow a formal follow up process by Internal Audit where risks will not be cleared until it is evidenced that sufficient action has been taken to mitigate the risks. All other issues / risks are monitored through the self-administered corporate action tracking system (4action).
- 3.4. To provide the Committee with trend information, the graph below highlights the performance in addressing the issues / risks:



- 3.5. As can be seen, the Council has steadily improved its performance with the overall implementation percentage currently at **93%**. There has however been a slight dip in performance in addressing High/Red/Amber issues/risks, as evident from the graph, from **93%** in quarter 3 to **87%** in quarter 4 to date. This is due to several issues/risks becoming due in December for the Learning Service, which coincided with a change in staff responsible for updating 4action.

4. Current Outstanding Recommendations and Issues / Risks

4.1. As at 27 January 2018, the Council has the following outstanding recommendations and Issues/Risks (detailed in [Appendix A](#)):

Up to 27/01/2019	High	Red	Amber	Medium	Yellow	Low	Green	Totals
Total Implemented	76	9	47	322	102	206	39	801
Total Not implemented	0	1	18	7	18	12	3	59
Total	76	10	65	329	120	218	42	860
% Implemented	100%	90%	72%	98%	85%	94%	93%	93%
% High Red Amber Implemented	87%							
% Medium Yellow Implemented				94%				
% Low Green Implemented							94%	

Appendix A – Outstanding Recommendations and Issues / Risks

All High, Red and Amber Rated Internal Audit Issues / Risks Outstanding with target date up to 27/01/2018

Ref	Report	Issue / Risk	Date Raised	Agreed Target Date	Responsible Officer	Comments
Children's Services						
1	Child Care Court Orders under the PLO 044 2016/17	<p>4 Support worker visits were not found to have been conducted in accordance with the care plan during court proceedings. This results in children not being seen and supported for a longer period of time than what was assessed to be necessary according to the risk identified.</p> <p>There is a risk of emotional and / or physical harm to the child.</p>	27/01/17	31/01/18 changed from 31/03/17	Support Service Manager	<p>First Follow Up 161744f1 – All Support Worker visits do comply with all care plans. Failure to comply could lead to disciplinary proceedings being followed against the member of staff.</p> <p>Second Follow Up 161744f2 – draft report issued 23/01/19.</p>
2	Child Care Court Orders under the PLO 044 2016/17	<p>1 Testing highlighted that The Care Proceedings, Public Law Outline and Legal Matters 2016 Protocol was not always followed in circumstances requiring swift action. An Emergency Legal Gatekeeping meeting was not held within 24 hours of the decision being made to hold an Emergency Legal Gatekeeping Meeting.</p> <p>This can lead to appropriate actions and decisions not being made in a timely manner with a risk of a child being emotionally and / or physically harmed.</p>	27/01/17	31/01/18 changed from 31/09/16	Service Manager Corporate and Partnership.	<p>First Follow Up 161744f1 – All Support Worker visits do comply with all care plans. Failure to comply could lead to disciplinary proceedings being followed against the member of staff.</p> <p>Second Follow Up 161744f2 – draft report issued 23/01/19.</p>
3	Child Care Court Orders under the PLO 044 2016/17	<p>2 Team Managers' approval of decisions to proceed cases to Legal Gatekeeping meetings are not being documented. It was also found that documents such as pre-proceedings meetings, PLO review meeting records, pre-proceedings letters,</p>	27/01/17	31/01/18 changed from 31/01/17	Service Manager Corporate and Partnership.	<p>First Follow Up 161744f1 – All Support Worker visits do comply with all care plans. Failure to comply could lead to disciplinary proceedings being followed against the member of staff.</p>

Ref	Report	Issue / Risk	Date Raised	Agreed Target Date	Responsible Officer	Comments
		<p>intention to issue letters and minutes were not always loaded onto the electronic system or were not loaded promptly and cloned to relevant siblings' file.</p> <p>This leads to the information held being incomplete and an uncertainty on where the information is held which may result in a risk of insufficient evidence available when proceeding to court and an uncertainty whether the appropriate decisions were made.</p>				Second Follow Up 161744f2 – draft report issued 23/01/19.
4	Child Care Court Orders under the PLO 044 2016/17	<p>3 Testing highlighted that the Letters Before Proceedings and Letters of Intent / Notice of Intention to Issue and pre-proceedings meetings did not always comply with the Care, Proceedings, Public Law Outline and Legal Matter 2016 Protocol. Further, the letters were not always sent to all persons with parental responsibility.</p> <p>Parents are therefore not properly informed of the process followed or decision made and what is expected of them in order to improve matters which may result in continuing emotional and / or physical harm to the child and distress to those involved.</p>	27/01/17	31/01/18 changed from 31/03/17	Service Manager Corporate and Partnership.	<p>First Follow Up 161744f1 – All Support Worker visits do comply with all care plans. Failure to comply could lead to disciplinary proceedings being followed against the member of staff.</p> <p>Second Follow Up 161744f2 – draft report issued 23/01/19.</p>
5	Fostering Service – Recruitment and Retention 171820	<p>5 The Child Placement Team is struggling to meet the 'Invest to Save' targets established in 2013/14 and foster carer recruitment figures are generally declining. As a result, appropriate placement options are falling.</p> <p>In addition, fostering and recruitment figures reported by the NFF on the performance of north Wales authorities also suggest that the Isle of Anglesey Council had the lowest</p>	25/05/18	30/09/18	Service Manager Intensive Intervention, Children's Services	

Ref	Report	Issue / Risk	Date Raised	Agreed Target Date	Responsible Officer	Comments
		<p>conversion rate from initial enquiry to approvals in comparison to other authorities in 2016/17.</p> <p>The Service has identified some causes that may have contributed to the service failing to recruit the target number of foster carers within the expected timeframe. Contributing factors have been highlighted to the Corporate Parenting Panel.</p> <p>Overall, there is a risk that demand will increase for external placements, increasing costs to the Council.</p>				
6	Corporate Procurement Framework – Corporate Compliance 076 2016/17	<p>5.1.6 The Council does not have assurance that all its expenditure has been properly procured and it is possible that the Council has incurred expenditure where no formal competitive procurement exercise has been undertaken. Consequently, fit for purpose contracts are not in place and issues such as safeguarding, safety and value for money have not been considered.</p>	12/06/17	31/03/18	Head of Children's Services	<p>161776f2 - Second Follow Up Review</p> <p>The Corporate Procurement Manager confirmed that she has held meetings with Heads of Service to identify all future contracts and tenders to ensure all are identified for procurement activity.</p> <p>Services either have completed or are in the process of reviewing current services provided by external providers to ensure that procurement regulations have been complied with and fit for purpose contracts in place.</p>
Housing						
7	Housing Rents – Readiness for Universal Credit 171818	<p>10 The Housing Rents system (Orchard) is currently not up to date with the current recovery processes. Arrears listings are increased due to the difficulties in calculating and managing monthly payments on a weekly-rent raised system. In addition, recommendations for recovery intervention will reoccur each week although matters have been addressed, such as receipts of regular payments made</p>	24/01/18	31/10/18	Housing Performance and Information Systems Officer	The Senior Housing Management Officer will update Orchard system when the new procedures are adopted

Ref	Report	Issue / Risk	Date Raised	Agreed Target Date	Responsible Officer	Comments
		by the tenant but are still in arrears. As a result, it is unable to identify actual arrears issues requiring immediate attention, making the recovery processes inefficient.				
8	Corporate Procurement Framework – Corporate Compliance 076 2016/17	5.1.3 The Council does not have assurance that all its expenditure has been properly procured and it is possible that the Council has incurred expenditure where no formal competitive procurement exercise has been undertaken. Consequently, fit for purpose contracts are not in place and issues such as safeguarding, safety and value for money have not been considered	12/06/17	31/03/18	Head of Housing Services	161776f2 - Second Follow Up Review The Corporate Procurement Manager confirmed that she has held meetings with Heads of Service to identify all future contracts and tenders to ensure all are identified for procurement activity. Services either have completed or are in the process of reviewing current services provided by external providers to ensure that procurement regulations have been complied with and fit for purpose contracts in place.
Resources						
9	PCI DSS Compliance 066 2016/17	1.5a The debit / credit card environment of the Council has not been mapped to identify the type of transactions and where these are taken in order to ensure an understanding of the environment. There is therefore a risk that the Council is not aware of the card payment environment and are therefore unable to protect its security adequately leading to loss of cardholder data	22/09/16	02/02/18	Revenues & Benefits Manager	Currently being undertaken. Implementation in accordance with PCI DSS Implementation Plan.
10	PCI DSS Compliance 066 2016/17	1.1a There is no formal plan or programme which is regularly reviewed / updated, or when a major change occurs, to ensure corporate compliance with PCI DSS. This can lead to the work towards compliance being ineffective and inefficient with no timescales to ensure swift action and therefore non-compliance. Non-	22/09/16	01/06/18	Revenues & Benefits Manager	PCI DSS Project Improvement Plan in place. Draft PCI DSS out currently for consultation.

Ref	Report	Issue / Risk	Date Raised	Agreed Target Date	Responsible Officer	Comments
		compliance can lead to increased transaction costs, reputational damage and / or restrictions or permanent withdrawal from payment card acceptance programmes.				
11	Housing Rents – Readiness for Universal Credit 171818	8 The Housing Service is currently providing tenants with the option to pay through standing order. Bank reconciliations are currently undertaken manually; therefore, payments made through standing orders may not be recognised and coded into the correct account promptly, depending on resource capacity. The Income Section is currently trialling implementation of an automated system. However, there is a risk that the bank reconciliations will not be automated by the go live date. Department for Work and Pensions (DWP) payments are also currently posted manually affecting promptness of DWP receipts (council tax and rents).	24/01/18	31/03/18	Revenues & Benefits Manager	This forms part of improving Income 2018/19 Improvement Plan. UC roll-out delayed until December, 2018. Action for Housing – transfer over payments, move from Standing Order to Direct Debit.
Learning						
12	Primary Schools Themed Audit – Income Collection 171813	1 The Learning Service has not provided updated guidance relating to the collection and recording of income, chasing debt and the security of cash onsite to schools or made schools fully aware of their responsibilities. There is a risk of schools administering income inefficiently and being exposed to fraudulent behaviour and theft, leading to a loss of income and possible negative media attention.	06/11/18	30/11/18	Schools Effectiveness Officer School Business Support Project Officer	The agreed management response for this issue / risk included 3 management actions due in this update period which are recorded separately on 4Action.

Ref	Report	Issue / Risk	Date Raised	Agreed Target Date	Responsible Officer	Comments
13	Primary Schools Themed Audit – Income Collection 171813	<p>2 There is no central compliance monitoring to ensure policies and guidance are followed.</p> <p>There is a risk that school funds will not be properly administered and independently audited annually, school meals income forms will not be returned by all schools every month, forms will not be completed correctly and all income will not be accounted for, also increasing the risk of misappropriation and reputational damage to the school and the Council.</p>	06/11/18	30/11/18	<p>Standards and Inclusion Senior Manager</p> <p>Administration Officer</p> <p>School Business Support Project Officer</p>	The agreed management response for this issue / risk included 3 management actions due in this update period which are recorded separately on 4Action.
Adults Services						
14	Corporate Procurement Framework – Corporate Compliance 076 2016/17	5.1.3 The Council does not have assurance that all its expenditure has been properly procured and it is possible that the Council has incurred expenditure where no formal competitive procurement exercise has been undertaken. Consequently, fit for purpose contracts are not in place and issues such as safeguarding, safety and value for money have not been considered.	12/06/17	31/12/18	Head of Adults Services	<p>161776f2 - Second Follow Up Review</p> <p>The Corporate Procurement Manager confirmed that she has held meetings with Heads of Service to identify all future contracts and tenders to ensure all are identified for procurement activity.</p> <p>Services either have completed or are in the process of reviewing current services provided by external providers to ensure that procurement regulations have been complied with and fit for purpose contracts in place.</p>
Transformation						
15	PCI DSS Compliance 066 2016/17	<p>3.3 There is no process to assess and record the impact of change to ICT infrastructure on PCI DSS components.</p> <p>There is a risk that any changes could compromise the security of cardholder data</p>	22/09/16	30/04/18	IT Service & Performance Management Manager	