

ISLE OF ANGLESEY COUNTY COUNCIL	
Adroddiad i: Report to:	Audit and Governance Committee
Dyddiad: Date:	9 February 2021
Pwnc: Subject:	An Update on the Internal Audit Strategy and Priorities for 2020-21
Pennaeth Gwasanaeth: Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer 01248 752601 MarcJones@ynysmon.gov.uk
Awdur yr Adroddiad: Report Author:	Marion Pryor Head of Audit and Risk 01248 752611 MarionPryor@ynysmon.gov.uk
Natur a Rheswm dros Adrodd / Nature and Reason for Reporting: In accordance with the Council's 'Strategy for Committee Meetings', this report meets the requirements of the Local Government (Wales) Measure 2011, which sets out the legislative duties to be performed by a council's audit committee, specifically, to oversee the authority's internal audit arrangements.	

Introduction

1. Because of the current pandemic, the Council has had to prioritise its resources and the efforts of its workforce, so maintaining 'business as usual' has been difficult. However, although half of the Internal Audit team was redeployed within the organisation until late August 2020, 'internal auditing' has continued and has been directed to the areas of greatest value and risk to the organisation, responding to requests for assurance from the Senior Leadership Team, and undertaking mandatory grant audits.
2. We have therefore provided this brief update, as at 27 January 2021, on the audits completed since the last update as at 1 December 2020, the current workload of internal audit and our priorities for the short to medium term going forward.

Recommendation

3. That the Audit and Governance Committee notes Internal Audit's assurance provision and priorities going forward.

CURRENT CONTEXT

4. There needs to be a flexible approach to ensuring audit work meets the needs of the Council in this ever-changing risk and control environment.
5. The internal audit team's workload is therefore being kept under constant review, in close consultation with the Risk and Insurance Manager and the Senior Leadership Team.

ASSURANCE WORK COMPLETED SINCE THE LAST UPDATE

Audit Area	Date of Final Report	Assurance Level	Catastrophic	Major	Moderate
Local Authority Education Grant – Teachers Pay Award – Cost of Teachers' pay award (excluding 6th forms) & Financial Pressures Associated with Teachers Pay Award	27/11/20	Substantial	0	0	0
Local Authority Education Grant – Pupil Development Grant (PDG) – Access	12/01/21 v1 22/01/21 v2	Reasonable	0	0	0
Local Authority Education Grant – Professional learning to support and raise the quality of our teachers	12/01/21	Substantial	0	0	0
Local Authority Education Grant – Wellbeing - A whole-school approach to mental health and emotional well-being	12/01/21	Substantial	0	0	0
Payments – Supplier Maintenance	26/01/21	Limited	0	5	5
Corporate Parenting Panel	27/01/21	Reasonable	0	2	3

6. In accordance with the Committee's request, we have separately issued the full report and action plan for the 'Limited Assurance' report to members of the Committee and the relevant Portfolio Holder.
7. The responsible officer, the Director of Function (Resources) and Section 151 Officer, will be present in the meeting to answer any questions the Committee may have.

WORK IN PROGRESS

8. There are a number of audits currently underway and will be prioritised for completion by the end of the year, while also remaining agile to react to any work arising at short notice, and any requests from the Senior Leadership Team.
9. The previously identified priority areas for audit will be carried forward into the Internal Audit Strategy for 2021/22.

Audit Area	Service	Reason for Audit	Stage	Anticipated Reporting Date
Emergency Management Assurance (First-line assurance)	Corporate	High risk – Covid 19 related; 2020/21 assurance provision	Piloting	April 2021
Recovering Council Debts	Resources	Director of Function (Resources) and Section 151 Officer request	Scoping and preparation	April 2021
The Identification of Duplicate Invoices and Recovery of Duplicate Payments	Resources	Director of Function (Resources) and Section 151 Officer request	Fieldwork	April 2021
Housing – Allocations	Housing	Requested by the Executive	Scoping and Preparation	April 2021
Housing – Homelessness	Housing	High risk – Covid 19 related; requested to prioritise by the Deputy Chief Executive	Fieldwork	April 2021
IT Audit	Corporate	High risk – Covid 19 related; 2020/21 assurance provision	Fieldwork	April 2021
Special Care Payments to Social Care Workforce	Resources	Director of Function (Resources) and Section 151 Officer request	'Parked' due to extension of payment deadline	June 2021

10. The following work is also underway:

National Fraud Initiative

11. The biennial National Fraud Initiative (NFI) exercise is underway. The Auditor General for Wales mandates these data matching exercises under his statutory powers in the Public Audit (Wales) Act 2004.

12. We have received the first tranche of matches, which involved matching Council Tax Single Person Discount and Electoral Register data to identify people who may be claiming the discount when the Electoral Register suggests that there are other adults living in the property and the discount may be fraudulently claimed. An initial review of the matches has highlighted a data quality issue, which we are currently investigating.
13. We have also undertaken work with Cyswllt Môn regarding 'Blue Badges', where matches have suggested that permit holders may be deceased or where a permit is held in more than one local authority area.
14. We expect the NFI to release the remainder of the matches in February 2021.

Overdue Actions

15. Work is progressing to support services with implementing all outstanding actions. The 4action dashboard at [Appendix 1](#) provides the situation as at 27 January 2021.
16. Services have been working hard to address outstanding 'Issues/Risks' leaving currently only three actions overdue, relating to guidelines around Universal Credit, the payment of housing rent by standing order and independent checks of payroll exception reports.

School Unofficial Funds

17. A recent internal audit of school unofficial funds identified that schools did not have any up to date guidance about the proper operation and arrangements of a school fund and consequently, that many had not arranged for an independent audit of their fund (reported to Audit and Governance Committee on 1 December 2020).
18. We have been assisting the Learning Service with developing new guidance and provided two training events for head teachers and governors on their responsibilities with regards the proper operation of a school fund.
19. We have also offered to arrange and fund an independent audit of funds where the head teacher is struggling to appoint an auditor, or has not had the fund audited for some years. We are working with the Learning Service to identify the status of the fund in each school and have provided advice to head teachers on specific queries about the operation of their funds.

Investigations

20. Although not strictly internal audit work, due to the training and skill set of the team, Human Resources has asked us to assist with three investigations, one of which we have concluded and two that are ongoing.

APPENDIX 1 – OVERDUE ACTIONS (4ACTION DASHBOARD) AS AT 27 JANUARY 2021

