

AUDIT COMMITTEE

27th SEPTEMBER 2012

FINANCE & CORPORATE SERVICES

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

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Doc. Code: AUD-270912-REP-FS

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SECTION A – MATTERS FOR DECISION

ITEM 1

FINAL STATEMENT OF ACCOUNTS 2011/12

1. Purpose of Report

- 1.1 This report addresses the need for Members to approve the audited Annual Statement of Accounts by 30th September 2012.

2. Background

- 2.1 The draft Statement of Accounts must be prepared and passed to the Council's External Auditors by 30th June each year. They then have a three month period to audit the accounts and at the end of this period they will provide a report for Members consideration and approval before the statutory deadline of 30th September.
- 2.2 The draft Statement of Accounts was provided to the Wales Audit Office on the 28th June 2012, one day prior to the agreed deadline and they have now substantially completed the audit work.

3. Statement of Accounts

- 3.1 Finance and Wales Audit Office staff have been updating the draft Statement of Accounts for areas identified during the audit that needed to be corrected and amended. Some of these are issues of clarification in relation to notes of the accounts whilst others are corrections of some of the figures. Most changes have no impact on the level of reserves and balances carried forward as at 31st March 2012, however, there is one item in relation to the former Housing Revenue Account Subsidy Reimbursement to WG which has necessitated the reopening of the 2010/11 HRA accounts in order to reflect an additional sum payable to the Assembly. This has reduced the former HRA balances from £13.645m to £13.354m, a reduction of £291,000.
- 3.2 In order to finalise the accounts, it has been discussed with the Chair that the Statement of Accounts, the Council's report on the accounts together with the Wales Audit Office ISA 260 report will be tabled at the Audit Committee meeting.

Reason for Decision

To comply with Accounts and Audit Regulations and Council Constitution.

List of Background Papers

Authority's Financial Records

Wards Affected

All

Officer Contact:

Mr. Hywel Jenkins - Head of Financial Services

Tel. No. 01639 763646

E-mail: h.jenkins@npt.gov.uk

SECTION B – MATTERS FOR INFORMATION

ITEM 2

TREASURY MANAGEMENT MONITORING 2012/13

1. Purpose of Report

This report sets out treasury management action and information submitted to Policy & Resources Cabinet Committee on 13 September 2012 which also needs to be considered by the Audit Committee.

2. Rates of Interest

Bank base rates continue to be at an all time low of 0.5% (since 5th March 2009) and detailed below are the changes in the bank base rate since April 2008.

Effective Date	Bank Rate
10 April 2008	5.00%
08 October 2008	4.50%
06 November 2008	3.50%
04 December 2008	2.00%
08 January 2009	1.50%
05 February 2009	1.00%
05 March 2009 to date	0.50%

The following table provides examples of external borrowing costs as provided by the Public Works Loans Board as at 29th August 2012.

	Equal Instalments of Principal		Annuity		Maturity	
	Previous 10 Jul 12	Current 29 Aug 12	Previous 10 Jul 12	Current 29 Aug 12	Previous 10 Jul 12	Current 29 Aug 12
	%	%	%	%	%	%
5-5.5 years	1.34	1.24	1.34	1.24	1.82	1.70
10-10.5 years	1.82	1.70	1.83	1.72	2.77	2.65
20-20.5 years	2.77	2.65	2.86	2.74	3.73	3.62
35-35.5 years	3.56	3.45	3.74	3.64	4.14	4.10
49.5-50 years	3.95	3.87	4.10	4.05	4.14	4.08

3. General Fund Treasury Management Budget

The following table sets out the treasury management budget for 2012/13 and consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

A comprehensive review has been carried out of all Council loan profiles and investments. This work has highlighted that budgetary savings can be achieved for 2012/13 at £1.3m of which £0.8m will be incorporated as base budget savings into future years.

	2012/13 Original Budget £'000
Debt Charges	17,047
Investment Income	
- Total	-780
- Allocated to other funds	170
- General Fund	-610
Net General Fund	16,437

NB: Other funds include Trust Funds, Social Services Funds, Schools Reserves, Bonds etc.

4. Borrowing

No new loans have been arranged to date and this is in line with the Treasury Management Strategy for 2012/13. However, it is possible that new external borrowing will be entered into during the second half of 2012/13 if interest rates are deemed to be appropriate. This is in line with the Treasury Management Strategy approved by Council in March 2012.

5. Investment Income

In line with the Council's Investment Strategy, the 2012/13 Budget for investment income is £710,000 and income generated to date totals £0.9m. Members should note that all investments are classified as 'specified' i.e. up to 12 months and are currently with the major banks including HSBC, Barclays, Lloyds Group, Bank Santander, Clydesdale, and RBS. The Council also has an investment with Lancashire City Council and The Greater London Authority.

It is now expected that the 2012/13 Investment Income will be circa £1.04m and this increase has been incorporated into Section 3 above.

Members should note the following position in relation to the recovery of monies from investments in Icelandic related banks:

Table 1 – Original Investments

Bank	Original Investment	Amount of Principal Repaid	Current Outstanding Investment
	£'000	£'000	£'000
Glitnir	2,000	2,000	0
Heritable	9,000	6,818	2,182
KSF	3,000	2,253	747
Landsbanki Islands HF	6,000	2,632	3,368
	20,000	13,703	6,297

In addition to the amounts listed above, an additional £50k was received in relation to the Glitnir Bank settlement. This £50k was in respect of interest due on the original investment.

Table 2 – Investments Held in Escrow Accounts – Icelandic Kroner

Bank	Investment (Sterling Equivalent)	Amount Repaid	Outstanding Investment
	£'000	£'000	£'000
New Glitnir	387	0	387
New Landsbanki	47	0	47
	434	0	434

Some of the investments matured by the old Glitnir and Landsbanki banks have resulted in cash being held in the form of Icelandic Kroner. In line with Icelandic law, the Kroner is not tradable and can only be spent within Iceland. The Local Government Association is pursuing ways of transferring these investments to realise repayments into Sterling. These new investments with the new banks are held in Escrow Accounts in the name of the local authority and generating interest in excess of 3%.

There have been no changes to report on the Icelandic Investments since the last report.

List of Background Papers

Treasury Management Files

PWLB Notice Number

Appendix

None

Wards Affected

All

Officer Contact

For further information on this report item, please contact:

Mr. Hywel Jenkins - Head of Financial Services

Tel. No. 01639 763646

E-mail: h.jenkins@npt.gov.uk

Mr Huw Jones – Chief Accountant – Capital and Exchequer

Tel No: 01639 763575

E-mail: h.jones@npt.gov.uk

Mr Ross Livingstone – Senior Accountant

Tel No: 01639 763590

Email: r.livingstone@npt.gov.uk

ITEM 3

INTERNAL AUDIT SERVICE – ANNUAL REPORT FOR THE YEAR ENDED 31st MARCH 2012

1. Purpose of the Report

To provide details of the work undertaken for the financial year 2011/12 compared with that included in the Internal Audit Plan, to detail performance against targets set for the section at the start of the year and to highlight issues relevant to the performance of the section.

2. Background

One of the terms of reference of this Committee is to ‘monitor internal (and external) audit performance’. In order to comply with this requirement to monitor the in-house service, an annual report is given below outlining Internal Audit work undertaken during the last year. This work is then set against the original Internal Audit Plan with any variations explained (Appendix 1).

In addition, information is provided for Members on the current position regarding staff vacancies within the Section and the actions being taken to address it.

3. Audit Performance

A comparison of the work completed during the financial year with the work planned was provided to the last Audit Committee held in March. Attached as appendix 2 are the performance figures for the section for 2011/12, with detailed comments provided (below).

The position with regard to vacant posts in the section has been reported to Audit Committee on a regular basis throughout the year. Whilst the level of vacancies has had an adverse effect on the section, the total number of reports issued by the section has significantly exceeded that of recent years. There was one vacant post at end of March which will be filled from 1st October.

In terms of the overall plan, 87% of the plan was completed, and due to a higher than anticipated level of special investigations during the year, 107% of the planned high risk audits were completed (the reason that this is higher than 100% is because more High Risk Special Investigations have been carried out compared to the original plan). These figures are an improvement on those for the previous year.

With regard to the Best Value performance indicators (Appendix 2), the following comments are made:

- L(IA) 1 – The target was marginally exceeded.
- L(IA) 2/3/4 – This is a consequence of the vacant posts throughout the year.
- L(IA) 5 – The target was exceeded.
- L(IA) 7 – These targets were missed due to the training requirements of the new members of staff, which extended the time taken on a number of audits.
- L(IA) 8 – These targets were exceeded.
- L(IA) 9 – This indicator is largely outside the control of the section.
- L(IA) 10 – Problems with a small number of reports have adversely affected performance against this target.
- L(IA) 11 – Again performance against this indicator is to an extent outside the control of the section, though there is an improvement on the previous year and the target has been exceeded.

4. Assurance Statement

As part of the annual reporting procedures, the Chief Internal Auditor has to provide a statement of assurance on the systems of internal control operating within the Authority. This statement is based on the work carried out by the section during the year.

It is necessary to highlight to this Committee, any problems in connection with non implementation of significant recommendations contained within agreed Internal Audit Reports. Non implementation could point to continuing weak internal controls operating or non compliance with existing satisfactory controls which then present risks to the Authority. The issue of staff checks in schools has improved considerably during 2011/12 but will continue to be closely monitored by Internal Audit. Also highlighted during the year was the issue of implementation of recommendations in respect of both the debtors and creditors systems. This is currently being addressed by the Head of Financial Services in collaboration with Internal Audit.

The remaining aspect that needs to be highlighted concerns, in general terms, the various Internal Control Systems operating within the Council. This Committee in line with one of its Terms of Reference (and importantly in compliance with the Council's Code of Corporate Governance), i.e. "to examine and keep under review the adequacy and effectiveness of internal controls/compliance" requires a regular appraisal of the work undertaken by the Internal Audit Service, throughout the year in connection with this important area of its duties and responsibilities. It must be stressed that assurance – on the existence of robust internal controls – can never be absolute – the most the Internal Audit Service can provide to this Committee is a reasonable assurance that there are no major weaknesses in the internal control systems examined during any year.

In terms of giving an assurance on the robustness of internal controls / compliance within the Authority based upon the assignments and sample testing completed this financial year including the majority of fundamental financial systems and the subsequent response to implementation of recommendations, the conclusion is that:

Reasonable assurance can be given that there have been no major weaknesses noted in relation to the various internal control systems operating within the Authority.

In addition to the assurance statement above, the work carried out by Internal Audit is essential in enabling the Director of Finance and Corporate Services to review the effectiveness of the system of internal financial control and to produce the 'Annual Governance Statement' that is included in the annual Statement of Accounts.

5. Issues Affecting Audit Performance

Other than the staffing issue raised above, there have been no issues affecting audit performance throughout the year.

List of Background Papers

Internal Audit Files

Appendices

Appendix 1 – Performance Indicators 2011/12

Wards Affected

All

Officer Contact

Mr. Hywel Jenkins – Head of Financial Services

Tel. No. 01639 763646

E-mail: h.jenkins@npt.gov.uk

Mr. Dave Rees – Chief Internal Auditor

Tel. No. 01639 763634

E-mail: d.rees1@npt.gov.uk

AUDIT PLAN MONITORING 2011 / 12

Service Area	Risk Factor	Planned Completion Date	Current Position/ Comments
Education, Leisure and Lifelong Learning			
School Based Audits:			
Primary Schools	H	20 Schools to be audited in the year.	Sixteen school audits have been completed and reports issued.
Secondary Schools	H	3 Schools to be audited in the year.	Financial probity checks have been completed on eleven schools and reports issued.
Other audit areas to be confirmed during the year.			
Other Education:			
CRB's in Schools	H	Throughout the year	Work is on-going with ELLL and HR.
Education Grants	L	Throughout the year	The number of grants to be audited is determined by WAG. All audits requested have been completed.
Other audit areas to be confirmed during the year.			
Leisure, Culture and Lifelong Learning:			
Other audit areas to be confirmed during the year.			

AUDIT PLAN MONITORING 2011 / 12

Service Area	Risk Factor	Planned Completion Date	Current Position/ Comments
Finance and Corporate Services			
Revenue Collection:			
Council Tax	H	Quarter 4	Work was completed and a report issued.
NNDR	M	Quarter 4	Work was completed and a report issued.
Sundry Debtors	M	Quarter 4	Work has been completed and a report issued.
Cash Collection	H	Quarter 3	Unannounced cashier spot checks have been carried out.
Benefits Administration:			
Housing Benefits	H	Quarter 4	Work was completed and a report issued.
Attendance at Prosecution Panel	N/A	On-going	All panel meetings have been attended.
Exchequer:			
Payroll	H	Quarter 4	Work was completed and a report issued.
Creditor Payments	H	Quarter 4	A data matching exercise has been carried out on behalf of WAO and a report issued. A further audit exercise was completed and a report issued.
Travel and Subsistence Allowances	H	Quarter 3	Not completed
Accountancy:			
Treasury Management	H	Quarter 4	Carried out by WAO.
Main Accounting System	H	Quarter 4	Carried out by WAO.

AUDIT PLAN MONITORING 2011 / 12

Service Area	Risk Factor	Planned Completion Date	Current Position/ Comments
Chief Executive Services			
Sickness Statistics	M/L	Quarter 2	Work has been completed and a report issued.
Social Services Health and Housing			
Housing General Fund:			
Audit area to be confirmed during the year	M		Not completed
Social Services:			
Hillside Secure Unit	M	Quarter 3	Work has been completed and a report issued.
Social Services Establishment Audits	M	Throughout the year	Work has been carried out on eight establishments and reports issued.
Further audit areas to be confirmed during the year			
Environment			
Convergence Funding	M	Quarter 3	Postponed to 12/13 at WAO request.
Planned Maintenance	M	Quarter 2	Not carried out
Bus Service Operators' Grant	L	Quarter 3	Two grant claims checked and reports issued.
Estates' Income	M	Quarter 4	Not carried out
Carbon Reduction Scheme	M	Quarter 4	Initial scoping work plus provision of advice has been carried out.
Further audit areas to be confirmed during the year			
	M/L		

AUDIT PLAN MONITORING 2011 / 12

Service Area	Risk Factor	Planned Completion Date	Current Position/ Comments
Cross Directorate			
Special Investigations	N/A	On-going	Seventeen reports have been issued, with five other referrals currently on-going.
Advice Guidance and Requests	N/A	On-going	On-going
IT Audit	N/A	On-going	Work is on-going in this area.
Contract Audit	N/A	On-going	Work is on-going in this area.
Corporate Governance Arrangements	M	Quarter 3	Annual Governance Statement produced and work has started on the Bribery Act.
WPI Work inc. Performance Indicators	L	Quarter 1	Work has been completed and a report issued.
Equipment Contracts	L	Quarter 3	Work has been completed.
Maximisation of grant income	L	Quarter 3	Internal Audit support for this work is no longer required.
Further audit areas to be confirmed during the year	M/L		
Other Commitments			
Attendance at Working Parties	N/A	On-going	The Chief Internal Auditor is a member of a task and finish group dealing with declarations of officers' interests and gifts and hospitality.
Servicing/Attending Audit Committee	N/A	On-going	On-going
FOI Requests	N/A	On-going	One FOI request has been received and dealt with.
Project Work	N/A	On-going	
Contingencies	N/A	On-going	
Vision Impaired West Glamorgan	N/A	Quarter 2	Work has been completed and a report issued.

PERFORMANCE INDICATORS 2011/12

No.	IAS Ref	Performance Indicator	All Wales or Local	Target	2010/11 Actual	2011/12 Actual	07/08 - 10/11 Average
L(IA) 1		Progress against original Audit Plan % of planned assignments completed:					
		‘High Risk’ areas	Local	90.00%	91.00%	107.00%	90.00%
		‘Medium Risk’ areas	Local	70.00%	64.00%	60.00%	59.00%
	1	All' Areas	All Wales	85.00%	82.00%	87.00%	78.00%
	1	No of Audits	All Wales	No.	59	79	48
L(IA) 2	5	Percentage of directly rechargeable time in relation to total available	All Wales	70.00%	55.70%	55.10%	59.25%
	8	Percentage of directly rechargeable time actual vs planned	All Wales	85.00%	64.80%	59.30%	74.95%
New	11	Staff costs per 1,000 population	All Wales	£2540	£2,546.57	£1,987.85	£2,531
	11	Population	All Wales	No.	137313	137392	137240
New	12	Staffing costs per £m gross revenue expenditure & H.R.A.	All Wales	£890	£859.21	£677.16	925
	12	GRE and HRA	All Wales	£400	406.975	403.325	387
L(IA) 3	9	Average cost (salaries and employers contributions only) for directly rechargeable day	All Wales	£280	£307.37	£327.65	£245.23
	9	No. of Audit staff	All Wales	No.	9	8	10
		Number of audit posts		No.	11	9	12
		Number of staff leaving during financial year	New	No.	4	0	4
	10	% no. of staff leaving during financial year	All Wales	10.00%	36.00%	0.00%	15.22%
L(IA) 4		Average all-inclusive cost (direct and support costs) for directly rechargeable day	Local	£320	£313.14	£330.88	£254.62

PERFORMANCE INDICATORS 2011/12

No.	IAS Ref	Performance Indicator	All Wales or Local	Target	2010/11 Actual	2011/12 Actual	07/08 - 10/11 Average
L(IA) 5	2	Quality Assessment – audit assignments completed – clients satisfied with service (based on return of comprehensive survey forms – issued on production of final audit reports)	All Wales	99.00%	99.99%	100.00%	99.69%
	2	Percentage of CSS's returned	All Wales	60.00%	60.00%	60.53%	46.19%
L(IA) 6		Efficiency and effectiveness assessment of the Internal Audit Service by the Council's External Auditors (in line with their statutory responsibility) - Benchmark – “Code of Practice for Internal Audit in Local Government in the United Kingdom”.	Local	N/A	Complied	Awaiting WAO review	Complied
L(IA) 7	4	Total actual time taken for each assignment measured against planned time (excluding special investigations and other ad-hoc work):-					
		Within planned time	All Wales	70.00%	65.00%	24.05%	66.18%
		Within 2 days of planned time	Local	89.00%	92.50%	68.42%	65.08%
		Within 3 to 5 days of planned time	Local	10.00%	2.50%	2.63%	8.21%
		Over 5 days of planned time	Local	1.00%	5.00%	28.95%	11.32%
		Average number of days spent per audit	New		9.4	8.5	14.1
L(IA) 8		Period between end of ‘fieldwork’ and issue of draft audit report for discussion with client (within 10 working days)	All Wales	80.00%	92.50%	82.05%	82.64%
	7	Average no. of days from end of 'field work' and issue of draft report	All Wales	5 Days	4	6	7

PERFORMANCE INDICATORS 2011/12

No.	IAS Ref	Performance Indicator	All Wales or Local	Target	2010/11 Actual	2011/12 Actual	07/08 - 10/11 Average
L(IA) 9		Period between issue of draft report for discussion with client and agreement of draft report with client (within 10 working days) Average number. of days	All Wales Com	80.00% 12 Days	92.50% 6	74.36% 12	72.11% 14
L(IA) 10	6	Issue of final report after agreement of draft (within 2 working days). This higher target level was set in 2003/04. Average number of days	Local All Wales	90.00% 2 Days	77.50% 1	84.62% 1	79.33% 3
L(IA) 11	3	Percentage of recommendations contained in audit reports –agreed – versus implemented within normal post audit review periods Percentage of recommendations Agreed	Local New	95.00% 95.00%	96.00% 96.55%	97.20% 98.20%	91.16% 97.33%
New		Number of Special Investigations completed No of Audits Number of Audits less Special Investigations	New All Wales New	N/A N/A N/A	8 59 51	17 79 62	9 48 39

SECTION B – MATTERS FOR INFORMATION

ITEM 4

Internal Audit Service – Progress Report to 31st August 2012

1. Purpose of the report

To provide details of the work undertaken for the period from the 1st March 2012 to the 31st August 2012 and an update on progress against the 2012/13 Internal Audit Plan.

2. Background

- a. One of the terms of reference of this Committee is to ‘monitor internal (and external) audit performance’. In order to comply with this requirement to monitor the in-house service, a progress report is given below outlining internal audit work undertaken in the last six months. This work is then set against the original Internal Audit Plan to show what progress has been achieved against that plan.
- b. In addition, information is provided for members on the current position regarding staff vacancies and other staffing issues within the section.

3. Audit Assignments Completed

- a. A total of 37 formal audit reports have been issued since the 1st March in line with normal distribution guidelines.
- b. The following is a summary list of the reports that have been issued:
 - Seven Social Services’ Establishments
 - Eleven Primary Schools
 - Three Special Investigation
 - Four Grants
 - NNDR
 - Payroll
 - Housing Benefit
 - Council Tax
 - Creditors
 - Procurement Cards
 - Communities First
 - Strike Deductions
 - Debtors
 - National Strategic Performance Indicators
 - Petty Cash
 - School Minibus

- c. Attached as Appendix 1 to this report is a full list of the reports along with a brief summary of their findings.
- d. In addition to the above, Internal Audit continues to carry out post audit reviews (follow ups) on all the planned audits carried out.
- e. There are no issues in terms of the post audit reviews that need to be brought to Members' attention.

4. Progress against the Audit Plan

- a. Appendix 2 gives details of the work carried out to date against the 2012/13 audit plan.
- b. There are currently seven special investigations to be completed.

5. Staffing

- a. The final vacancy within the section, that of Audit Assistant, was filled on the 24th August. The new member of staff is due to start work with the section on the 1st October.
- b. Currently there are two members of staff studying for their professional accountancy qualifications. Both are studying CIPFA but are at different stages of their courses.

6. National Fraud Initiative (NFI)

- a. The 2012/13 exercise is due to start within the next few weeks. The data extraction from a number of the Authority's systems will take place on the 8th October with all information being current as at that date. The data will then be uploaded using the NFI website. The matches are due to be made available in late January 2013.
- b. An interim exercise is on-going based on Council Tax single person discount cases.

7. Risk Assessments of Completed Audits

- a. Internal Audit is introducing a system of risk assessments on audit reviews that have been carried out.
- b. The purpose is to provide members of the Audit Committee with a better understanding of the level of risk identified as part of the audit, as well as allowing them to better monitor the progress made on agreed recommendations as post audit reviews will in future be reported to Committee for all category three and four reports.
- c. When an audit has been completed the auditor in conjunction with the Senior/Chief Internal Auditor will provide a risk assessment of the system based on the following three criteria:
 - Number of recommendations in the audit report
 - Likelihood that not to action the recommendations within 6 months will lead to a failure of the system
 - Impact of that failure of the system
- d. The resulting risk assessment will then fall into one of four categories:
 - Category 1 means the service risk following the audit is assessed as low.
 - Category 2 means service risk will be assessed as low if the recommendations are implemented.
 - Category 3 means that there are risks that Audit Committee needs to be made aware of and that the post audit review will be reported to Audit Committee as well.
 - Category 4 means that immediate action is required to reduce the level of risk within the system.
- e. An on-going review of this system will be carried out during the year and any changes felt necessary will be made. The Annual Report will then incorporate data on the number of reports per category.

8. Review of Accounting Instructions

- a. Lack of awareness of accounting instructions (AI's) and the fact that in many cases the information they contain is out of date has been identified for some time as a serious issue in terms of the adherence to the internal controls of a number of the Authority's processes.

- b. Some of the major areas of work affected and recently commented on by Internal Audit include creditor payments, operation of petty cash accounts and sundry debtors.
- c. Internal Audit has included in the 2012/13 Audit Plan work on facilitating a thorough review of AI's by the relevant responsible officers, as well as awareness raising and greater accessibility for staff throughout the Authority.
- d. This work has recently begun and should when completed realise significant improvements in the operation of controls in many of the Authority's systems including those mentioned in 8b above. Further information will be provided to Audit Committee as the work progresses.

List of Background Papers

Internal Audit Files

Debtors Working Files

Creditors Working Files

Appendices

Appendix 1 – Published Reports

Appendix 2 – Audit Plan Monitoring 2011/12

Wards Affected

All

Officer Contact

Mr. Hywel Jenkins – Head of Financial Services

Tel. No. 01639 763646

E-mail: h.jenkins@npt.gov.uk

Mr. Dave Rees – Chief Internal Auditor

Tel. No. 01639 763634

E-mail: d.rees1@npt.gov.uk

Published Reports

Report Ref	Report Subject	Report Conclusion	Category
B1	YGG Tyle'r Ynn	The school has good controls in place in some areas and the report makes recommendations to enhance the controls in place in a number of other areas including that of staff checks. The school is working on the implementation of the recommendations that were made.	2
B2	School Clothing Grant	A number of recommendations have been made to strengthen the system's framework, and to ensure compliance with the Welsh Government's Terms & Conditions.	2
B3	NNDR	Systems in place within the NNDR team are well established and are being carried out effectively by a team of experienced staff. Controls were found to be robust with testing yielding satisfactory results in all areas. No recommendations are made.	1
B4	Ynysmaerdy Primary	The school has good controls in place in many areas and the report makes recommendations to enhance the controls in place in a small number of other areas. The school is working on the implementation of the recommendations that were made.	2
B5	St Josephs Catholic Primary	The school has good controls in place in a number of areas and the report makes recommendations to enhance the controls in place in some other areas. The school is working on the implementation of the recommendations that were made.	2
B6	Special Investigation	This arose as a result of an internal referral from the manager of the service. The investigation has resulted in disciplinary action being recommended.	1
B7	Payroll 2011/12	Good controls were found to be in place for the areas examined. The main issue highlighted was in relation to the timeliness of information that is passed to the Payroll section. Some of the other recommendations made are as a result of start up issues found in the new system and are already being looked into.	2

Published Reports

Report Ref	Report Subject	Report Conclusion	Category
B8	Bus Service Operators' Grant - Apr-Sep 2011	All details regarding the data supporting the grant allocation were satisfactory.	1
B9	Housing Benefit 2011/12	Good controls were found to be in operation in most areas. However, a small number of recommendations were made to address weaknesses found in areas such as new applications and write offs.	2
B10	Beaconsview Respite Service	Good controls are in place in most areas though a number of recommendations have been made to enhance the controls in some other areas.	2
B11	Abbey View Day Service	Good controls are in place in most areas though a number of recommendations have been made to enhance the controls in some other areas.	2
B12	Central Junior School	The school has good controls in place in most areas and the report makes recommendations to enhance the controls in place in a small number of other areas. The school is working on the implementation of the recommendations that were made.	2
B13	Ynysfach Primary School	The school has good controls in place in some areas and the report makes recommendations to enhance the controls in place in a number of other areas. The school is working on the implementation of the recommendations that were made.	2
B14	Council Tax 2011/12	The service has gone through significant change in the last 18 months through implementation of a systems review and the retirement of 3 senior and experienced members of staff. As a result the risk profile of the service has increased significantly. Recommendations have been made in areas where enhancement to controls is required.	3

Published Reports

Report Ref	Report Subject	Report Conclusion	Category
B15	Bronleigh ADS	Good controls are in place in some areas though a number of recommendations have been made to enhance the controls in some other areas.	2
B16	Cwmafan Infant School	The school has good controls in place in some areas and the report makes recommendations to enhance the controls in place in some other areas. The school is working on the implementation of the recommendations that were made.	2
B17	Cwmafan Junior School	The school's controls required enhancement in most areas including that of staff checks. The school is working on the implementation of the recommendations that were made to achieve this.	2
B18	Creditors 2011/12	Many of the findings within this report have been highlighted in previous audit reports. The system controls are in many cases not being fully adhered to, thus increasing the levels of risk within the system. Many staff are inadequately trained in and lack knowledge and awareness of Accounting Instructions, Contract Procedure Rules and the Data Protection Act. This report makes a significant number of recommendations to address the issues raised in the report. Work has begun on a review of the Authority's Accounting Instructions which will significantly improve the current position.	3
B19	Bus Service Operators' Grant – Oct - Mar 2012	All details regarding the data supporting the grant allocation were satisfactory.	1
B20	Pontardawe LDS	Good controls are in place in some areas though a number of recommendations have been made to enhance the controls in some other areas.	2

Published Reports

Report Ref	Report Subject	Report Conclusion	Category
B21	Procurement Cards	There are a number of areas that need to be improved and the report makes recommendations to improve the way in which the procurement card system is utilised.	3
B22	Clun Primary	The school has good controls in place in some areas and the report makes recommendations to enhance the controls in place in a number of other areas. The school is working on the implementation of the recommendations that were made.	2
B23	Communities First	Good controls were evident in respect of compliance with the grant's terms and conditions in relation to expenditure. The recommendations made in the report will help to further strengthen the existing controls which should then be taken forward and used by the projects under the new arrangements.	2
B24	Brynamlwg Special Needs Day Service	Good controls are in place in most areas though recommendations have been made to enhance the controls in some other areas.	2
B25	Strike Deductions Spot Check	Good processes were in place in the Payroll section to deal with amendments to employees pay as a consequence of the strike. The only area of weakness identified was in relation to payroll receiving all the necessary information to make the relevant salary adjustments.	1
B26	Sandfields Primary School	The school has good controls in place in most areas and the report makes a small number of recommendations to enhance the controls in place in other areas. The school is working on the implementation of the recommendations that were made.	1
B27	Cadoxton Special Needs Day Service	Good controls were found to be in place in many areas though enhancement to controls is necessary in some other areas including that of staff checks.	2

Published Reports

Report Ref	Report Subject	Report Conclusion	Category
B28	Sundry Debtors	Many of the recommendations previously made have not been considered by the service and this has resulted in similar concerns being raised within this report as in previous audit reports.	3
B29	YGG Cwmnedd	The school has good controls in place in many areas and the report makes recommendations to enhance the controls in place in some other areas. The school is working on the implementation of the recommendations that were made.	1
B30	Eastern Primary	The school has good controls in place in some areas and the report makes recommendations to enhance the controls in place in a number of other areas. The school is working on the implementation of the recommendations that were made.	2
B31	Rhodes House	Good controls were found to be in place in many areas though enhancement to controls is necessary in some other areas.	2
B32	Special Investigation	This arose as a result of a whistleblowing complaint. The investigation has resulted in disciplinary action being commenced.	2
B33	Special Investigation	This arose as a result of a referral from the service manager. The investigation resulted in a number of recommendations being made to improve the poor practices and controls that were in place.	2
B34	Primary School Free Breakfast Initiative Grant	Adequate records are available to substantiate all claims for payment under the PSFBI grant scheme in respect of 2011/12, enabling the claim to be certified.	2
B35	National Strategic Performance Indicators	Three of the five Performance Indicators were verified and sample checked to underlying data. Errors were discovered for two of the five Performance Indicators. These were subsequently resubmitted to WAG with accurate information.	1

Published Reports

Report Ref	Report Subject	Report Conclusion	Category
B36	Petty Cash	<p>In general all ten petty cash accounts looked at as part of this audit are administered correctly. Issues identified were considered to be of a minor nature and these have been taken up with the imprest holders of the petty cash accounts concerned.</p> <p>There is however, a lack of knowledge in relation to the contents of the Accounting Instruction for petty cash and in some instances staff were not aware of its existence/location.</p> <p>A separate audit is due to be carried out which will look at the appropriateness of the current Accounting Instructions and staff awareness of them.</p>	1
B37	School minibus	<p>There are a number of issues that need to be addressed to ensure the school is operating the minibus in line with the document “A Guide to Operating a School Minibus”. The Headteacher has immediately started to implement the report’s recommendations.</p>	3

AUDIT PLAN MONITORING 2011 / 12**Monitoring Date****29th August 2012**

Audit Plan Item	Risk Factor	Quarter 1	Quarter 2
Education, Liesure and Lifelong Learning			
School Based Audits			
Twenty Primary Schools	M	Three reports issued.	Six Reports Issued in the year to date.
Three Secondary Schools	H	Planned change to two schools plus minibus audit due to the number of schools with a minibus.	
Other Education			
Student Finance	M		
Milland Road Training Agency	L		
Prince's Trust	M		
Leisure, Culture and Lifelong Learning			
Youth Clubs	M		
Field Studies Centre	L	To be replaced by minibus audit.	
School minibuses	H	Scope and programme agreed. Work to start at end of quarter 2	First minibus audit completed and report issued.

AUDIT PLAN MONITORING 2011 / 12

Audit Plan Item	Risk Factor	Quarter 1	Quarter 2
<u>Finance and Corporate Services</u>			
Revenue Collection			
Council Tax	H	Monthly checks being carried out	Monthly checks being carried out
NNDR	M		Quarterly checks being carried out
Debtors	H		Monthly checks due to begin.
Cash Collection	H	Spot checks being carried out.	Spot checks being carried out.
Benefits Administration			
Benefits	M		Monthly checks being carried out
Prosecution Panel	N/A	On-going	On-going
Exchequer			
Payroll	M		Monthly checks due to begin.
Creditors	H	Work on cut-off procedures has been completed.	Monthly checks being carried out
Travel Expenses	M		Monthly checks being carried out
Accountancy			
Treasury Management	H		Half Yearly checks due to begin.
Bank Reconciliation	M		
Grants	H		
Trust Funds	M		
Main Accounting	M		
Legal Services			
None			

AUDIT PLAN MONITORING 2011 / 12

Audit Plan Item	Risk Factor	Quarter 1	Quarter 2
Chief Executive's			
System Reviews	M	To be replaced by Risk Register audit.	
Working Time Validation	M	Scope prepared.	Work in progress
Risk Register	M	Work in progress.	Draft report being prepared
Social Services, Health and Housing			
Housing			
Property Bay Wales	H	Preliminary work in progress.	Work in progress
Social Services			
External Care Providers	H		
Hillside Secure unit	M		
Establishment Audits	M	On-going, two reports issued to date.	Five reports issued to date
Home Care Finance To Be Agreed	M N/A	Work in progress	Work completed
Environment			
Carbon Reduction Scheme	H	Work due to start in July	Awaiting Environment Directorate
Stores	M		Quarterly checks due to begin.
Convergence Funding	H		
Fuel Usage of Vehicles	M		
Cash – Pay and Display	M	Scope prepared.	Work in progress

AUDIT PLAN MONITORING 2011 / 12

Audit Plan Item	Risk Factor	Quarter 1	Quarter 2
Cross Directorate			
Special Investigations	N/A	Currently five investigations on-going	Two reports issued, seven investigations outstanding.
Advice and Guidance	N/A	On-going	On-going
IT - Asset Management	N/A		
IT - Wireless Network	N/A		
IT - Mobile Telephones	N/A		Work in progress.
Contract Audit	N/A	On-going	Work in progress.
Corporate Governance	N/A	Annual Governance Statement Produced.	
Bribery Act	N/A		
Officer Declarations	M		Quarterly checks being carried out.
FOI Act	M		
Petty Cash	M		Quarterly checks being carried out.
			One report issued.
CRB Checks	M		Work in progress.
Other Commitments			
Working Parties	N/A		On-going
Audit Committee	N/A	On-going	On-going
FOI Requests	N/A		
Accounting Instructions	N/A		Work in progress.
Contingencies	N/A	One grant claim has been audited and report issued.	
WGBWA	N/A		
WPI's	L	Work in progress	Work completed and report issued.