

AUDIT COMMITTEE

26TH JUNE 2015

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES – H. JENKINS

SECTION B – MATTER FOR INFORMATION

WARDS AFFECTED - ALL

INTERNAL AUDIT SERVICE – PROGRESS REPORT TO 31st May 2015

1. Purpose of the report

- 1.1 To provide details of the work undertaken for the period from 1st March 2015 to 31st May 2015 and an update on progress against the 2015/16 Internal Audit Plan.

2. Background

- 2.1. 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 during the period stated above. This work is then set against the original Internal Audit Plan to show what progress has been achieved against that plan.
- 2.2. 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

- 3.1. A total of 23 formal audit reports have been issued since 1st March 2015 in line with normal distribution guidelines.
- 3.2. The following is a summary list of the reports that have been issued:
 - Bank Reconciliation
 - Adult Education
 - 1 Special Investigation
 - 8 Primary Schools

- 1 Comprehensive School
- Carbon Reduction Commitment Energy Efficiency Scheme
- NNDR
- Planning
- Housing Benefits
- Payroll
- Homelessness
- Pre-employment checks – Adult Services
- Data Protection Registration in Schools
- Creditor Payments
- Council Tax
- Live Kilometre Service Grant

3.3. Attached as Appendix 1 to this report is a full list of the reports along with a brief summary of their findings.

3.4. In addition to the above, Internal Audit continues to carry out post audit reviews (follow ups) on all the planned audits carried out.

3.5. 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

4.1. Appendix 2 gives details of the work carried out to date against the 2015/16 audit plan.

4.2. There are currently 3 special investigations in progress.

5. Grants

5.1 The annual WAO report on the certification of grants and returns has been received by the Authority. This will be presented at the September meeting of Audit Committee along with the measures put in place to satisfy the recommendations.

6. Staffing

6.1 The Senior Auditor who was studying CIPFA has had to put his studies on hold due to family commitments.

Appendices

Appendix 1 – Published Reports

Appendix 2 – Audit Plan Monitoring 2015/16

List of Background Papers

Audit Files

Officer Contact

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COMPLIANCE STATEMENT

INTERNAL AUDIT SERVICE – PROGRESS REPORT TO 31st May 2015

(a) **Implementation of Decision**

The decision is proposed for immediate implementation.

(b) **Sustainability Appraisal**

Community Plan Impacts:

Economic Prosperity	No impact
Education and Lifelong Learning	No impact
Better Health and Well Being	No impact
Environment and Transport	No impact
Crime and Disorder	No impact

Other Impacts:

Welsh Language	No impact
Sustainable Development	No impact
Equalities	No impact
Social Inclusion	No impact

(c) **Consultation**

There has been no requirement under the Constitution for external consultation on this item.

PUBLISHED REPORTS

Report Ref	Report Subject	Report Conclusion	Category
R57	Bank Reconciliation	Generally good controls were found to be in place and only 1 recommendation was made.	2
R58	Adult Education	The service had received conflicting information re DBS certificates for new starters this has now been resolved, other than this issue generally good controls were found to be in place.	2
R59	Catwg Primary School	Generally good controls were found to be in place which will be further enhanced by the implementation of the recommendations made.	2
R60	Tairgwaith Primary School	Generally good controls were found to be in place which will be further enhanced by the implementation of the recommendations made.	2
R61	Blaendulais Primary School	Generally good controls were found to be in place which will be further enhanced by the implementation of the recommendations made.	2
R62	Cymmer Afan Primary School	Generally good controls were found to be in place which will be further enhanced by the implementation of the recommendations made.	2
R63	Carbon Reduction Commitment Energy Efficiency Scheme	An effective management information infrastructure has been established and is supported by rigorous testing. Only minor enhancements were made.	2
R64	SI – Domiciliary Care	Detail will be provided in the private report presented at the meeting	N/A
R65	Awel Y Mor Primary School	Generally good controls were found to be in place which will be further enhanced by the implementation of the recommendations made.	2

PUBLISHED REPORTS

Report Ref	Report Subject	Report Conclusion	Category
R66	YGGD Trebannws Primary School	Generally good controls were found to be in place which will be further enhanced by the implementation of the recommendations made.	2
R67	NNDR 14/15	Systems in place in relation to the NNDR system are well established and operate effectively, all areas tested yielded satisfactory results and subsequently no recommendations were made.	1
R68	Traethmelyn Primary School	Generally good controls were found to be in place which will be further enhanced by the implementation of the recommendations made.	2
R69	St Joseph's School & Sixth Form	There is a general need for current controls operating within the school to be strengthened to ensure compliance with all of the Authority's Accounting Instructions.	2
R70	Planning	The systems operating within the planning sections are well embedded and operate effectively.	1
R71	Housing Benefits	Generally robust controls are in place and operate effectively recommendation made related to accuracy checks and classification of claims	2
15/16 R1	Payroll	Good controls operate effectively within the payroll system and the recommendations made will further enhance these good controls	2
R2	Homelessness	Overall good controls were found to be in place and operated by knowledgeable and experienced staff	2
R3	Pre-employment checks – Adult Services	Considerable improvement was evident during this audit examination and only minor enhancements were recommended.	2

PUBLISHED REPORTS

Report Ref	Report Subject	Report Conclusion	Category
R4	Date Protection Registration in Schools	7 of the Authority's 78 schools were not registered with the Data Commissioner's Office. All 7 schools immediately registered as a result of contact by the Auditor.	2
R5	YGG Castell Nedd	Generally good controls were found to be in place which will be further enhanced by the implementation of the recommendations made.	2
R6	Creditor Payments	There were a number of recommendations made for improvements across all Directorates including a specific item re VAT recovery. Further information will be provided at the meeting	3
R7	Council Tax	Generally robust controls were found to be in place and these will be further enhanced when the recommendations made are implemented.	2
R8	Live Kilometre Service Grant	Only very minor discrepancies were identified during the audit of the grant claim	N/A

Key:

Category 1 – Service risk assessed as low.

Category 2 – Service risk will be assessed as low when the recommendations are implemented.

Category 3 – There are significant risks that Audit Committee needs to be aware of.

Category 4 – Immediate action is required to reduce the level of risk

AUDIT PLAN MONITORING 2015 - 16

<u>Monitoring Date</u>	<u>31st May 2015</u>				
<u>Audit Plan Item</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<u>Education, Leisure and Lifelong Learning</u>					
School Based Audits					
20 Primary Schools			1 audit completed and report issued		
3 Secondary Schools	M				
Procurement cards	H		Audit in progress		
Other Education					
Unofficial funds of the feeder schools to the new Bae Baglan Comp.	M				
Real Opportunities Funding	M				
Think Families First					
Leisure, Culture and Lifelong Learning					
None					
<u>Finance and Corporate Services</u>					
Revenue Collection					
Council Tax	M				
NNDR	M				
Sundry Debtors	H				
Cash Collection	H				
Benefits Administration					
Housing Benefits	M				
Attendance at Prosecution Panel	N/A		1 panel meeting attended by Audit Manager		

AUDIT PLAN MONITORING 2015 - 16

<u>Monitoring Date</u>	<u>31st May 2015</u>				
<u>Audit Plan Item</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
Exchequer					
Payroll	M				
Creditor Payments	H				
Travel and Subsistence Allowances	M				
Creditor Cut Off Testing 2014/15	M	Audit in progress			
Accountancy					
Treasury Management	H				
Bank Reconciliation	M				
Other					
Review of Write Offs	N/A				
Legal Services					
None					
<u>Chief Executive's</u>					
Electoral Registration	M				
Internal/Public Information	L				
<u>Social Services, Health and Housing</u>					
Housing General Fund:					
Social Lettings Agency	M				
Disable Facility Grants	M				
Social Services					
DOLS	M				
POVA	M				
Escalating Concerns Protocol	M				
Hillside Secure Unit	M				
Trem Y Mor	M				

AUDIT PLAN MONITORING 2015 - 16

<u>Monitoring Date</u>	<u>31st May 2015</u>				
<u>Audit Plan Item</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
Public Protection					
Trading Standards	M	Audit in progress			
Environment					
Stores/Equipment attendance at stock takes					
	H				
Streetcare	H				
Bus service operators grant	M				
Fleet	M				
Grants	M				
Cross Directorate					
Special Investigations		3 currently in progress			
	N/A				
Advice and Guidance Requests	N/A	On-going			
I.T. Audit	N/A	1 audit in progress			
Contract Audit		Final account work on-going			
	N/A				
Corporate Governance Arrangements	N/A	On-going			
Officer Declarations	M	Audit in progress			
Procurement Cards	M				
Honoraria Payments	M				
Settlement Agreements	N/A	On-going			
NFI	N/A	Work on-going			
DBS Checks	H				

AUDIT PLAN MONITORING 2015 - 16

Monitoring Date31st May 2015Audit Plan ItemRisk FactorQuarter 1Quarter 2Quarter 3Quarter 4Other Commitments

Attendance at Working Parties

N/A

On-going

Servicing/Attendance at Audit Committee

N/A

On-going

FOI Requests

N/A

Any received have
been actioned

Review of Accounting Instructions

N/A

Contingencies

N/A

Vision Impaired West Glamorgan

N/A

SWTRA

N/A