



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **AUDIT COMMITTEE**

**25<sup>th</sup> September 2019**

### **Report of the Head of Finance – Huw Jones**

#### **Matter for Information**

#### **Wards Affected:**

All Wards

#### **Internal Audit Progress Report to 31<sup>st</sup> August 2019**

#### **1. Purpose of the Report**

The purpose of this report is to provide details of the work undertaken for the current financial year compared to that included in the Internal Audit Plan and to highlight issues relevant to the performance of the section.

#### **2. Executive Summary**

Details of achievement against the 2019/20 Audit Plan are outlined in appendix 1. Appendix 2 gives a summary of all reports issued in this reporting period.

### **3. 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, a progress report is given below outlining internal audit work undertaken in the last quarter. This work is then set against the original Internal Audit Plan to show what progress has been achieved.

In addition, information is provided for members on the current position regarding staff vacancies and other staffing issues within the team.

### **4. Audit Assignments Completed**

A total of 14 formal audit reports have been issued since 1<sup>st</sup> March 2019 in line with normal distribution guidelines. Attached as appendix 1 is a schedule of the reports together with a brief summary of the finding and the risk rating applied following the audit.

The following is a list of the reports issued;

- 3 Private Reports
- 3 Primary Schools
- Annual General Primary Schools Report
- Control Risk Self Assessments – Fundamental Financial Systems
- Fleet Workshops
- Officers' Declarations of Interest
- Glamorgan Education Trust Fund
- Live Kilometre Grant
- DBS Checks - Corporate
- Financial Assessments

## 5. Post Audit Reviews Undertaken

The following Post Audit Reviews (PARS) have been undertaken

<b>Audit</b>	<b>Date of PAR</b>	<b>Issues</b>
Tywyn Primary School	11.06.19	None
Margam Crematorium	14.06.19	All recommendations had been or were in the process of being implemented.
Ysgol Maes Y Coed	18.06.19	None
Ysgol Hendrefelin	18.06.19	All recommendations had been or were in the process of being implemented.
Blaenhonddan Primary School	03.07.19	None
Godre'graig Primary School	08.07.19	All recommendations had been or were in the process of being implemented.
Rhydyfro Primary School	10.07.19	None

## 6. Progress against Plan

Appendix 2 gives detail of the work carried out to date against the 2019/20 Plan.

There are currently 5 special investigations in progress.

## 7. Staffing.

One member of the team has been on long term sick leave and the Fraud Auditor has left the Authority. The vacant Fraud Auditor and Assistant Auditor posts are currently being advertised.

## **8. Financial Impacts**

No implications

## **9. Integrated Impact Assessment**

There is no requirement to undertake an Integrated Impact Assessment as this report is for monitoring/information purposes.

## **10. Valleys Communities Impacts**

No implications

## **11. Workforce Impacts**

No implications

## **12. Legal Impacts**

No implications

## **13. Risk Management Impacts**

No implications

## **14. Consultation**

There is no requirement for external consultation on this item

## **15. Appendices**

Appendix 1 – Published Reports

Appendix 2 – Audit Plan Monitoring 2019/20

## **16. List of Background Papers:**

None

**Officer Contact:**

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## Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Risk Category
R7	Control Risk Self Assessments – Fundamental Financial Systems Head of Finance	Good controls were found to be operating.	1
R8	Fleet Workshops Head of Engineering & Transport	Good controls were found to be operating.	1
R9	Officer Declarations of Interests All Heads of Service	Testing provided generally positive results and recommendations were made in relation to reviewing the Employee Code of Conduct to provide clarity on what is required of officers.	2
R10	Glamorgan Educations Trust Fund Director of Finance & Corporate Services	All requirements were met and no recommendations were made.	1
R11		Private Item	

## Appendix 1 – Published Reports

<b>Report Ref</b>	<b>Report Subject &amp; Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Risk Category</b>
R12	Cillfriw Primary School Head of Participation	Generally good controls were found to be in place however the school had not complied fully with DBS portability guidance	2
R13	Live Kilometre Service Grant Head of Engineering & Transport	Good controls were found to be in place however a calculation error had been made which resulted in a non-material adjustment to the grant being required.	2
R14	YGG Blaendulais Head of Participation	Generally good controls were found to be in place. Recommendations were made in relation to Governor DBS and procurement card administration.	2
R15	St. Therese's RC Primary School Head of Participation	Generally good controls were found to be in place however the school had not complied fully with DBS portability guidance.	2
R16	DBS Checks Corporate Head of Human Resources	DBS guidance has been complied with for the sample of 30 new starters tested.	1
R17		Private Item	

## Appendix 1 – Published Reports

<b>Report Ref</b>	<b>Report Subject &amp; Responsible Head of Service</b>	<b>Report Conclusion</b>	<b>Risk Category</b>
R18		Private Item	
R19	General Primary Schools Report Head of Participation	This is the annual report which is sent to all Headteachers advising of the issues raised and recommendations made during the previous 12 months.	N/A
R20	Financial Assessments Head of Finance	Generally good controls were found to be operating. Recommendations were made in relation to the Debt Recovery Policy, deferred payments and system access rights.	2

### **Risk Categories**

Category 1 – testing found good controls to be in place

Category 2 – testing found some controls that need enhancing which will be achieved by the implementation of the recommendations

Category 3 – testing revealed a number of areas where improvements in controls are required. A verbal update will be provided



## Appendix 1 – Published Reports

Category 4 – testing revealed areas of concern, the Head of Service will provide a written response to the audit report for consideration by Members of Audit Committee

Category 5 – testing revealed areas of significant concern. The Head of Service and/or Service Manager will attend audit committee

## Appendix 2 – Audit Plan Monitoring as at 31s August 2019

<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<b><u>Education, Leisure and Lifelong Learning</u></b>					
<b><u>School Based Audits</u></b>					
20 Primary Schools	M	1 school audited	3 schools audited		
3 Secondary Schools	H				
<b><u>Other Education</u></b>					
Unofficial Funds (Primary)	H				
Unofficial Funds (Secondary)	H				
Education Grants	M	1 grant being audited	Grant audit finalised		
<b><u>Leisure, Culture and Lifelong Learning</u></b>					
Margam Country Park & Orangery	M				
<b><u>Finance and Corporate Services</u></b>					

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<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<b>Revenue Collection</b>					
Council Tax	L				
Council Tax Recovery	M				
NNDR	L				
Sundry Debtors	L				
Cash Collection	H		Unannounced visits undertaken		
<b>Benefits Administration</b>					
Housing Benefits	L	Unannounced visits undertaken			
<b>Exchequer</b>					
Payroll	L				
Creditor Payments	L				
Creditor (FIS Checks)	H	Regular monthly checks undertaken	Regular monthly checks undertaken		
Off Payroll Payments (IR 35)	H		Advice given		
<b>Accountancy</b>					
Treasury Management	M		Audit in planning stage		

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<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
VAT	M				
<b>Other</b>					
Financial Assessments	M	Audit in progress	Audit complete		
Court Deputy	M	Audit in progress	Draft report issued		
Contingency	N/A	Mobile phone audit in progress			
<b>Legal Services</b>					
None					
<b><u>Chief Executive's</u></b>					
Members' Driver Declarations	M	Audit in progress	Audit ceased following legal advice		
<b><u>Social Services, Health and Housing</u></b>					
<b>Housing General Fund:</b>					
None					

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<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<b>Social Services</b>					
Hillside Secure Unit	M				
Grant Certification	M	1 grant being audited	2 grants audited		
<b>Safeguarding - Children &amp; Adult Services</b>					
Child Sexual Exploitation	H				
Professional Abuse Strategy Meetings	H				
Contingency	N/A				
<b><u>Environment</u></b>					
Stores/Equipment attendance at stock takes	H				
Stores processes	H				
Equipment Tracking /Write Offs	M	Audit in progress	Draft report issued		
Winter Gritting Processes	M				
Town Centre Regeneration Programme	M				
Contingency	N/A				

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<u>Audit Plan Item 2019-20</u>	<u>Risk Factor</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>
<b><u>Cross Directorate</u></b>					
Special Investigations	N/A	3 in progress	5 in progress		
Advice & Guidance Requests	N/A	Ongoing	Ongoing		
Corporate Governance Arrangements	N/A				
Data Security	H				
Contract Audit	M		1 final account processed		
Officer Declarations	M	Audit complete			
Risk Registers	M				
DBS Checks	H		1 Audit Completed		
Complaints Processes	M	Audit in progress	Audit in progress		
Procurement	H				
Money Laundering	M				
Fraud	H	Work ongoing	Blue Badge Audit in progress		
GDPR	M				
<b><u>Other Commitments</u></b>					
Banking Administrator	N/A	Work ongoing	Work ongoing		

## Appendix 2 – Audit Plan Monitoring as at 31s August 2019

Attendance at working parties      N/A      Work ongoing      Work ongoing

<b><u>Audit Plan Item 2019-20</u></b>	<b><u>Risk Factor</u></b>	<b><u>Quarter 1</u></b>	<b><u>Quarter 2</u></b>	<b><u>Quarter 3</u></b>	<b><u>Quarter 4</u></b>
Servicing Audit Committee	N/A	Work ongoing	Work ongoing		
Vision Impaired West Glamorgan	L				
SWTRA	N/A		Audit in progress		
FOI Requests	N/A	All requests have been replied to.	All requests have been replied to		
Staff association/lottery	N/A	Year end accounts audited and Auditor's Statement provided.			
National Fraud Initiative	N/A	Matches being reviewed	Matches being reviewed		