



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

12th January 2023

Report of the Chief Accountant Technical & Governance (Head of Internal Audit) – Diane Mulligan

Matters for Information

Wards Affected: All Wards

Internal Audit Update Report

1. Purpose of the Report

The purpose of this report is to provide details of the internal audit work undertaken since the last Governance & Audit Committee meeting in September 2022.

2. Executive Summary

Since the last committee meeting in September 2022 the team has again been impacted by a considerable number of days lost to sickness. This sickness absence and the current vacancy has impacted on the work which had been planned to be undertaken.

Appendix 1 of this report details the formal audit reports issued.

Appendix 2 of this report gives details of progress against the plan for 22-23

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, an update is given below outlining internal audit work undertaken since the Governance & Audit Committee meeting held on 27th September 2023.

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

4. Staffing Issues

Since the last committee meeting there have been a total of 25 (as at 16th December 2022) days lost to sickness.

I am pleased to advise members that the Auditor vacancy has now been filled and the new member joined the team on 2nd January 2023.

Two members of the team are due to sit another professional Institute of Internal Auditors examination in February 2023.

5. Audit Work Undertaken

Since the last committee meeting a total of 15 formal reports have been issued, as at 16th December 2022, in line with normal reporting processes. One of the audits undertaken resulted in a limited assurance rating and the responses received from the Headteacher is attached as appendix 3.

Final Reports Issued

Officer Declarations

Members ICT Equipment

Direct Payments Support Service

Tonnau Primary School

Third Sector Grant Scheme

Llangatwg Community School

Working from Home – control of equipment

Swansea Bay City Deal – Supporting Innovation & Low Carbon Growth

Extended Audit of Alderman Davies Church in Wales Primary School

Trem Y Mor Complex Needs Day Service

Trem Y MOR Respite Service

St Joseph's RC School & 6th Form Centre

Rhodes House Behavioural Support Service

Dwr Y Felin Comprehensive School

National Fraud Initiative

In addition to the audits undertaken which resulted in the issue of a formal report the following work has also been undertaken:

- The Audit Manager has attended the fortnightly meetings of the Social Services Quality Practice Strategic Group.
- The Audit Manager and an Auditor have attended the monthly meetings of the Leisure Insourcing Project Board.
- The Audit Manager has attended the first Social Care Case Management Platform Project Board.
- The Senior Auditor has attended the Itrent System (payroll) Project Board meetings.
- All data sets required by the Cabinet Office to enable data matching to be undertaken for the National Fraud Initiative have been uploaded to the NFI platform.
- Staff have attended a number of training webinars.
- Staff have continued to provide advice to staff from across the Authority.
- The Head of Internal Audit and the Audit Manager have commenced preparation for the upcoming external review as required by the Public Sector Internal Audit Standards.

- Two Post Audit Reviews have been undertaken, where testing was undertaken to ensure that the agreed recommendations had been implemented. In both cases all recommendations had been implemented.
- There are currently 2 special investigations underway.

6. Financial Impacts

No implications.

7. Integrated Impact Assessment

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

8. Valley Communities Impacts

No implications.

9. Workforce Impacts

No implications.

10. Legal Impacts

No implications.

11. Risk Management Impacts

The work of Internal Audit is key in relation to ensuring compliance with internal controls. This work forms part of the Council's overall risk management arrangements.

12. Consultation

There is no requirement for external consultation on this item.

13. Recommendations

That members note the content of the reports and appendices.

14. Appendices

Appendix 1 – Audit Reports Issued.

Appendix 2 – Audit Plan Monitoring.

Appendix 3 – Headteacher response in relation to reports issued with a limited assurance rating.

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Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R21	Officer Declarations All Chief Officers	<p>Overall, the findings from this audit were positive with only clerical rather than compliance issues identified.</p> <p>The revised Employee Code of Conduct provides clear instruction on what is required of staff at all levels. The Code is made available to all staff via the Authority’s intranet and on the whole Accountable Managers are aware of their responsibility in raising awareness of the requirement for staff to declare any interests, gifts/hospitality and/or additional employment.</p> <p>Testing has however identified numerous instances where the most up to date version of the declaration forms had not been used.</p> <p>Currently, Accountable Managers and Chief Officers are not required to complete all 3 declaration forms upon commencement of their post. This requirement should be included as part of the recruitment process and the Code should be updated to include this. In addition, the Code should also be updated to reflect the newly created position of the Chief Finance Officer.</p> <p>As required by the Code, declaration of interests, involvements, hospitality and gifts and additional employment have been provided by all Chief Officers and Accountable Managers within the Authority. A review of declaration forms submitted by ‘other staff’ across the Authority highlighted no key concerns.</p>	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R22	Members ICT Equipment Chief Executive	It is evident that good processes are in place in relation to issue and control of ICT equipment to Members. Two minor recommendations have been made, which when implemented will further enhance the good controls already in place.	Substantial
R23	Direct Payments Support Service Head of Adult Services	<p>Good controls and processes were found to be in place within the Direct Payment Support Service in the support and guidance provided to direct payment recipients. This support includes assistance to recruit personal assistants and help with all the required safeguarding checks.</p> <p>The training programme for all staff and partners should be recommenced to ensure all parties are fully conversant with direct payments and these payments promoted wherever possible. Consideration should be given by the Direct Payment Support Service to liaise with ICT colleague to “build” an IT system to incorporate all the key elements of the service and to readily provide management information.</p>	Reasonable
R24	Tonnau Primary School Head of Education Development	<p>The school was found to be complying with current DBS guidance although an additional training need was identified and a recommendation made to address it.</p> <p>Good controls were found to be in place in relation to Budgetary Controls, Travel & Subsistence, Purchasing/Procurement Card, Cash Collection, and Health and Safety.</p>	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		Enhancements are required in some of the areas audited and recommendations were made to address these.	
R25	Thirst Sector Grant Scheme Chief Finance Officer	<p>It is clear that good processes are in place in relation to all aspects of the administration of the Third Sector Grant Scheme. Clear instructions/terms and conditions are in place in relation to the scheme itself, the eligibility criteria and the application process.</p> <p>The budget set and all payments made are subject to prior members' approval. Testing yielded satisfactory results in relation to administration and payment of both single year and multi- year grants.</p> <p>The scheme is adequately promoted to ensure maximum reach to the target audience.</p>	Substantial
R26	Llangatwg Community School	Enhancements are required in a number of the areas audited. The Unofficial Fund must be audited on an annual basis, the cash book should be fully completed and a record of income and expenditure should be maintained. Purchasing Cards must be used only by the officer named on the card and the guidance must be followed. The long term variance in the school bank account must be investigated and corrected. Health & Safety Guidance must be adhered to in particular in relation to emergency lighting	Limited

Appendix 1 – Published Reports

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		checks, electrical safety checks and fire wardens. All statutory policies must be approved by the Governing Body.	
R27	Working From Home Control of Equipment All Heads of Service	During the course of the audit it was found that although the majority of Accountable Managers contacted were complying with Homeworking Guidance some were unaware of the requirement for Loan Agreement Forms to be completed for any items of equipment taken home by staff. Accountable Managers sampled were reminded of this requirement and assurances were given that they would be completed by staff and authorised appropriately.	Reasonable
R28	Swansea Bay City Deal-Supporting Innovation & Low Carbon Growth Head of Property & Regeneration	This audit concentrated on the Governance Processes in place for the project. It was evident that there are comprehensive and effective controls operating in all of the areas tested. Substantial assurance can therefore be provided that there are no control weaknesses in the areas tested which would affect the achievement of the SILCG's objectives.	Substantial
R29	Extended audit of Alderman Davies Church in Wales Primary	The school was found to be complying in full with current DBS guidance. Staff are commended for the effort and work they have undertaken in addressing the lack of information available in relation to the unofficial funds, which had been managed by staff	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
	Head of Education Development	<p>who are currently not in school. More efficient and transparent processes are now in place.</p> <p>Good controls were found to be in place in relation to Salary & Wages, Travel & Subsistence, Procurement of Goods & Services, School Clubs/Childcare Provision, Health & Safety and Corporate Governance.</p> <p>Enhancements are required in some of the areas audited namely:- payment by staff for meals; school meal debt and ICT & Internet Policy. Minor recommendations were also made in relation to the unofficial fund.</p>	
R30	Trem Y Mor Complex Needs Service Head of Adult Services	<p>Good controls were found to be in place in relation to Safeguarding, Day Service Attendance & Charges, Individual Support Plans, Medication Records & Storage and Staff Cover & Vacancy Management.</p> <p>Recommendations were made to strengthen controls currently in place relating to Service User Monies, Service User Risk Assessments and Staff Supervision Records.</p>	Reasonable
R31	Trem Y Mor Respite Service Head of Adult Services	<p>Good controls were found to be in place in relation to Respite Attendance & Occupancy, Respite Service Charges, Individual Support Plans, Medication Storage and Safeguarding.</p> <p>Recommendations were made to strengthen controls in relation to Service User Risk Assessments and Purchasing Card use.</p>	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R32	St Joseph's RC School & 6 th Form Centre Head of Education Development	<p>The school was found to be complying in full with current DBS guidance for staff however could not provide sufficient evidence available at the time of the audit in relation to DBS disclosures for 4 school governors.</p> <p>Good controls were found to be in place in relation the majority of processes operating within the school.</p> <p>Enhancements are required to the controls in place with regard to the administration of the School Fund and the School Minibuses and recommendations were made to address this.</p>	Reasonable
R33	Rhodes House Behavioural Support Service Head of Adult Services	<p>Testing identified that at all times there were sufficient staff on duty to maintain the required staffing/client ratios and the service was reactive in amending daily activity plans when staff absences occurred at short notice.</p> <p>All staff had the required level of DBS disclosure in place and there is a system in place for ensuring that renewals are undertaken at the required time.</p> <p>Good controls were in place in relation to: - administering medication; the control of medication brought into the service; ensuring that clients meet the eligibility criteria for attending the service and ensuring that maximum numbers are not exceeded; control of overtime worked and petty cash.</p>	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		Enhancement to current controls are required in relation to operation of the centre minibus and procurement card administration.	
R34	Dwr Y Felin Comprehensive School	<p>The school was found to be complying with DBS guidance. Good controls were found to be in place in relation to the majority of processes within the school.</p> <p>Enhancements are required to the controls in place with regard to Driver Declaration Forms, Unofficial Funds, Purchasing Cards and the School Minibuses.</p>	Reasonable
R35	National Fraud Initiative	<p>A total of 97 matches identified by NFI, where potentially the benefit claimant was in receipt of an occupational pension which they had not declared to the Authority, were investigated. These investigations resulted on only 2 recalculations of benefit being undertaken this resulted in an immediate saving to the Authority of £6,500 and ongoing annual savings in the region of £3,000.</p> <p>Controls operating within the housing benefit team were found to be strong and the team would have had no way of knowing of the undeclared pension other than via the NFI matching exercise.</p>	Substantial

Appendix 1 – Published Reports

Risk Categories

Substantial Assurance - testing found good controls to be operating.

Reasonable Assurance - testing found some controls which need enhancing which will be achieved by implementing the agreed recommendations.

Limited Assurance - testing revealed a number of areas where enhancement to existing controls is required. The Head of Service to provide a written response to the Governance & Audit Committee on actions taken to address the issues raised during the audit.

No Assurance - testing revealed areas of significant concern, the Head of Service and or Accountable Manager will attend the next Governance & Audit Committee to provide members with an update on actions taken to address the issues raised during the audit.

Appendix 2 – Audit Plan Monitoring at 16th December 2022

Audit Plan Item	Risk Rating	Quarter 1 & 2 Position as at 31st August 2022	Quarter 3 Position as at 16th December 2022
Members ICT Equipment	M	Audit in progress	Audit Complete
Ethics – Member	M		
Payroll	H		
Housing Benefits	H		Audit in progress
Creditors	M		
National Non-Domestic Rates	M		
Debtors	M		
Creditors (monthly checks)	M	Being undertaken monthly	Being undertaken monthly
Court Deputy Service	M		
Third Sector Grants	M	Audit in progress	Audit Complete and report issued
Registrars	M	Audit in planning stage	Audit in progress
Procurement	H		Audit in planning stage
GDPR/Data Security	M	Audit complete	
Compliance with Safe Recruitment Policy	M		Audit in progress

Appendix 2 – Audit Plan Monitoring at 16th December 2022

Leisure Insourcing	H	Steering group meetings being attended	Steering group meeting being attended
Pupil Deprivation Access Grant	M	Audit Complete	
Glamorgan Further Education Trust	M	Audit complete	
Primary Schools	M	12 schools audited	2 schools audited
Comprehensive Schools	M	1 school audited	3 schools audited, 2 final reports issued and 1 draft report issued
Pupil Development Grant Working Group (substituted in place of Education Support Officer at Head of Service request due to sums involved in new grant and lack of Welsh Gov guidance)	M		Meetings attended and advice given.
Music Service	M		
Bursar & Primary Support Officer Service	M	Audit in planning stage	Audit in progress

Appendix 2 – Audit Plan Monitoring at 16th December 2022

School Based Counselling Service	M		
Flood Risk	H		
Stores	H		Stock take attended
SWTRA – Partners use of vehicles	H		
City Deal Projects	H	Audit in planning stage	Audit complete and report issued
Authorised Persons (Buildings)	M		
External Provision of Care	H		
Day Centres	M	1 audit in progress and 1 audit planned to commence in October	3 final reports issued and 1 audit in progress
Direct Payments	M	Audit in progress	Audit complete and report issued
Follow up on use of respite care	M		
Audit Wales review of Safeguarding – progress on recommendations made	M	Audit in planning stage	Audit in progress
Pendarvis Contact Centre	M		

Appendix 2 – Audit Plan Monitoring at 16th December 2022

Hillside Secure Children's Home	M		Audit in planning stage
Harm Outside the Family	M		
Grants	M	1 grant audited	
Emergency Payments	H	Audit in planning stage	Audit complete and draft report issued
Officer Declarations	M	Audit in progress	Audit complete and final report issued
WFH control of equipment	M		Audit complete and final report issued
Fraud & National Fraud Initiative	H	Work ongoing	1 report issued
Special Investigations & Whistleblowing	H	1 in progress	2 in progress
Vision Impaired West Glamorgan	Not Applicable		Audit in progress
Staff Association Lottery	Not applicable	Year-end accounts audited	Advice has been given when requested
FOI requests	Not applicable	All received have been answered	All received have been answered
Advice	Not applicable	Ongoing	Ongoing

Appendix 2 – Audit Plan Monitoring at 16th December 2022

Attendance at working parties & task and finish groups	Not applicable	Ongoing	Ongoing
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To: Governance & Audit Committee

Subject: Internal Audit Report No. 26 – Llangatwg Community School

All recommendations made within the report are accepted, with recommendations 1, 2 and 3 already complete.

As a result of the audit, the administration of the Unofficial Fund has been and will continue to be overhauled.

Recommendation 4 has been actioned and will continue to be reviewed to ensure adherence to the accounting instruction as the new system is introduced.

It is anticipated that with the assistance of Education Finance, recommendation 5 will be addressed by the end of the year.

Mr Alan Rowlands
Headteacher Llangatwg Community School