



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

17th March 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 on 12th January 2023.

2. Executive Summary

Since the last committee meeting in January 2023 the team has made good progress against the plan and a total of 10 reports have been issued. Three Post Audit Reviews have also been 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 12th January 2023.

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

4. Staffing Issues

The team is now at full complement however due to training requirements the benefit of filling the vacancy will not be fully realised for a number of months.

One of the Auditors has successfully completed her Certified Internal Auditor qualification with the Institute of Internal Auditors and has commenced the next stage of her studies towards full Chartered Membership.

5. Audit Work Undertaken

Since the last committee meeting a total of 10 formal reports have been issued, as at 7th March 2023, in line with normal reporting processes.

Final Reports Issued

Brynamlwg Complex Health Service

2 National Fraud Initiative Matches

1 comprehensive school

Vision Impaired West Glamorgan

Compliance with Audit Wales Proposals for Improvement – Corporate Safeguarding

Fleet Fuel

Children's Services – Emergency Payments

Safe Recruitment

Schools Data Protection Registration

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 has attended the Social Care Case Management Platform Project Board meetings.
- The Audit Manager has met with all of the Senior Management Teams to gain input into next year's audit plan.
- The Audit Manager presented a report to Standards Committee on the Council's Whistleblowing arrangements.
- The Audit Manager is currently undertaking an investigation in line with the Authority's Disciplinary Policy and Processes.
- The Senior Auditor has attended the Itrent System (payroll & HR) Project Board meetings.
- 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.
- A number of Post Audit Reviews have been undertaken, details are provided below.
- There are currently 4 special investigations underway which are the result of either a request for assistance from a senior manager or disclosures made via the Whistleblowing Policy

6. Post Audit Reviews Undertaken & Recommendations Tracking

<u>Audit Report Title</u>	<u>Number of recommendations made</u>	<u>Issues identified during PAR</u>
Margam Crematorium	8	The recommendations made were all of a long term nature and the service is in the process of implementing them.
Integrated Impact Assessments	5	All recommendations have been addressed.
GDPR	2	All recommendations have been addressed.

During this financial year there have been no issues identified with recommendations not being implemented.

7. Financial Impacts

No implications.

8. Integrated Impact Assessment

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

9. Valley Communities Impacts

No implications.

10. Workforce Impacts

No implications.

11. Legal Impacts

No implications.

12. 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.

13. Consultation

There is no requirement for external consultation on this item.

14. Recommendations

That members note the content of the reports and appendices.

15. Appendices

Appendix 1 – Audit Reports Issued.

Appendix 2 – Audit Plan Monitoring.

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Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R36	Brynamlwg Complex Health Service Head of Adult Services	The service demonstrated that it has good controls in place in relation to all areas tested as part of this audit.	Substantial
R37	National Fraud Initiative – Council Tax Reduction Claims at more than 1 property Chief Finance Officer	The 32 matches reported by NFI were investigated and in all cases there was no fraud or error detected. The initial claims had been terminated before the new claims were reassessed.	Substantial
R38	Ysgol Bae Baglan Head of Education Development	The school was found to be complying in full with current DBS guidance in relation to the staff sample audited, in addition all governors at the school had the required DBS disclosure in place. Good controls were found to be in place in relation to the vast majority of administrative processes within the school. Minor enhancements are required to the controls in place with regard to the administration of the school minibuses.	Substantial
R39	Vision Impaired West Glamorgan Chief Finance Officer	The financial statements of VIWG were reviewed and examined and were found to be accurate when compared to supporting documentation. The Charity's fund has increased overall by £322 since 31st March 2021.	Not applicable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R40	Compliance with Audit Wales Proposals for Improvement – Corporate Safeguarding Director of Social Service, Health & Housing	Testing confirmed that all 9 of the Proposals for Improvement made by Audit Wales have been addressed. Whilst the timescales for implementation of some of the proposals may have appeared lengthy. This was entirely due to the timing of the receipt of the report and the resultant pressures faced by the Council when dealing with the Covid 19 Pandemic.	Substantial
R41	Fleet – Vehicle Fuel Head of Engineering & Transport	Good controls were found to be in place within Fleet with regard to; processes and procedures; fuel tank maintenance and servicing; resupply; issuing driver tags; and fuel efficiency. There is a longstanding problem whereby Fleet are not consistently being notified of relevant staffing changes and where driver tags are not being returned. A data analysis identified numerous examples of driver tags still in circulation where the driver is no longer employed by NPTCBC. However further testing did not reveal that any fuel had been drawn using any of tags assigned to previous employees. Recommendations have been made which when implemented will address this issued.	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R42	National Fraud Initiative – Housing Benefit Claimants in receipt of self-employed income Chief Finance Officer	The 72 matches provided by NFI were investigated. No fraud or error was found. The self-employed income had either been declared or the benefit was no longer in payment due to the self-employed income being taken into account.	Substantial
R43	Children’s Services – Emergency Payments Head of Children & Young People Services	Good controls are in place in relation to all aspects of the administration of emergency payments/purchases within Children’s Services. Relevant Accounting Instructions are followed in the processes in place. Testing of the various methods of payments available yielded satisfactory results with adequate authorisation being obtained, correct coding in place, requests being dealt with in a timely manner and a satisfactory audit trail present. All urgent payment/purchasing requests were deemed to be appropriate to the needs of the service. Recommendations were made which will further enhance the controls currently operating.	Reasonable
R44	Safe Recruitment Head of People & Organisational Development	Good controls were operating in all areas tested during the audit. The recommendations made related to policy amendments/clarification and an amendment to the manager’s	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		checklist. Together with a recommendation regarding the requirements for verbal references to be obtained for some posts.	
R45	Data Protection Registration – Schools Head of Education Development	It was found that 5 of the 63 schools were not on the Fee Payers Register, held by the Information Commissioner’s Officer, at the time of testing. This has been rectified as a result of the Auditor making schools aware of the omission. In 37 instances the schools that had registered with the Information Commissioner’s Office, were paying the tier 1 fee for having less than 10 members of staff. These schools have been contacted advising them how to check they are paying the correct tier fee. It is certain that the majority, if not all, of these 37 schools are paying the incorrect fee.	Reasonable

Assurance Categories

Substantial Assurance – substantial assurance is provided in relation to the effectiveness of the internal controls operating at the time of the audit.

Reasonable Assurance - reasonable assurance is provided in relation to the effectiveness of the internal controls operating within the service which will be further enhanced by the implementation of the agreed recommendations.

Appendix 1 – Published Reports

Limited Assurance - limited assurance is provided in relation to the effectiveness of the internal controls operating within the service audited. The Head of Service is required to provide a written response to the Governance & Audit Committee on actions taken to address the issues raised during the audit.

No Assurance - following the audit no assurance can provided in relation to the internal controls operating within the service audited and the Head of Service will be required to attend this committee to advise members of what actions they have taken to address the failings identified during the audit.

Appendix 2 – Audit Plan Monitoring at 10th March 2023

Audit Plan Item	Risk Rating	Quarter 1 & 2 Position as at 31st August 2022	Quarter 3 Position as at 16th December 2022	Quarter 4 Position as at 10th March 2023
Members ICT Equipment	M	Audit in progress	Audit Complete	
Ethics – Member	M			Carried forward to 23/24
Payroll	H			Due to issues with the Itrent system this audit was delayed till the new financial year
Housing Benefits	H		Audit in progress	Audit complete & draft report issued
Creditors	M			Audit in progress full audit being undertaken in place of the planned payroll audit
National Non-Domestic Rates	M			Control Risk Self-Assessment Issued
Debtors	M			Audit in progress
Creditors (monthly checks)	M	Being undertaken monthly	Being undertaken monthly	Being undertaken monthly
Court Deputy Service	M			Audit in planning stage

Appendix 2 – Audit Plan Monitoring at 10th March 2023

Third Sector Grants	M	Audit in progress	Audit Complete and report issued	
Registrars	M	Audit in planning stage	Audit in progress	Audit complete and draft report issued
Procurement	H		Audit in planning stage	Audit in progress
GDPR/Data Security	M	Audit complete		
Compliance with Safe Recruitment Policy	M		Audit in progress	Audit complete
Leisure Insourcing	H	Steering group meetings being attended	Steering group meeting being attended	Insourcing delayed until 2024
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	1 comprehensive school audit in progress
Pupil Development Grant Working Group (substituted	M		Meetings attended and advice given.	

Appendix 2 – Audit Plan Monitoring at 10th March 2023

in place of Education Support Officer at Head of Service request due to sums involved in new grant and lack of Welsh Gov guidance)				
Music Service	M			Carried forward to 23/24
Bursar & Primary Support Officer Service	M	Audit in planning stage	Audit in progress	Audit in progress
School Based Counselling Service	M			Audit in planning stage
Flood Risk	H			Audit in planning stage
Stores	H		Stock take attended	Year-end stocktake will be attended in Mid-March
SWTRA – Partners use of vehicles	H			Client asked that audit is not undertaken due to issues with obtaining information
City Deal Projects	H	Audit in planning stage	Audit complete and report issued	

Appendix 2 – Audit Plan Monitoring at 10th March 2023

Authorised Persons (Buildings)	M			Audit in progress
External Provision of Care	H			Audit in progress
Day Centres	M	1 audit in progress and 1 audit planned to commence in October	3 final reports issued and 1 audit in progress	Audit of Brynamlwg Complex Health Centre Complete
Direct Payments	M	Audit in progress	Audit complete and report issued	
Follow up on use of respite care	M			Carried forward to 23/24
Audit Wales review of Safeguarding – progress on recommendations made	M	Audit in planning stage	Audit in progress	Audit complete
Pendarvis Contact Centre	M			Audit in planning stage
Hillside Secure Children's Home	M		Audit in planning stage	Audit in progress
Harm Outside the Family	M			Carried forward to 23/24
Grants	M	1 grant audited		

Appendix 2 – Audit Plan Monitoring at 10th March 2023

Emergency Payments	H	Audit in planning stage	Audit complete and draft report issued	Audit complete
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	4
Vision Impaired West Glamorgan	Not Applicable		Audit in progress	Audit complete
Staff Association Lottery	Not applicable	Year-end accounts audited	Advice has been given when requested	Advice has been given
FOI requests	Not applicable	All received have been answered	All received have been answered	All received have been answered
Advice	Not applicable	Ongoing	Ongoing	Ongoing
Attendance at working parties & task and finish groups	Not applicable	Ongoing	Ongoing	Ongoing

