



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

16th June 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 17th March 2023.

2. Executive Summary

Since the last committee meeting in March 2023 the team has continued to complete work contained in the previous year's plan and commenced work on the plan for 2023/24. A total of 16 reports have been issued. One Post Audit Review has 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 23-24

Appendix 3 of this report provides a response from the Head of Property & Regeneration in relation to Report No. 6 Responsible Persons – Council Buildings

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 17th March 2023.

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

4. Staffing Issues

There are no staffing issues which need to be brought to the attention of members at this time.

5. Audit Work Undertaken

Since the last committee meeting a total of 16 formal reports have been issued, as at 31st May 2023, in line with normal reporting processes.

Final Reports Issued

22/23

Housing Benefits

Cwmtawe Community School

Sundry Debtors

2 Private Items

23/24

4 Primary Schools

1 Comprehensive School

School Primary Support Officer & Bursar Service

Procurement – Amazon Purchases

Responsible Persons – Authority Buildings

Pendarvis Family Time Centre

Control Risk Self Assessments – Fundamental Financial Systems

Hillside Secure Children's Home

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 completed 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.
- The Senior Auditor prepared for and gave evidence at an Education Workforce Council Fitness to Practice Hearing.
- An Auditor attended a Leisure Insourcing Project Board meeting in the Audit Manager's absence.
- Three special investigations are in progress
- Staff have continued to provide advice to staff from across the Authority.
- One Post Audit Review has been undertaken, details are provided below.

6. Post Audit Reviews Undertaken & Recommendations Tracking

<u>Audit Report Title</u>	<u>Number of recommendations made</u>	<u>Issues identified during PAR</u>
Llangatwg Community School	7	4 recommendations have been fully implemented and 3 recommendations have been partly implemented. The Auditor is continuing to monitor progress. It was always envisaged these recommendations would take time to fully embed.

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. Reason for Proposed Recommendation

To enable members to discharge their duty in respect of their oversight of internal audit.

16. Appendices

Appendix 1 – Audit Reports Issued.

Appendix 2 – Audit Plan Monitoring.

Appendix 3 – Head of Property & Regenerations response to report No. 6

Officer Contact:

Diane Mulligan

Chief Accountant Technical & Governance/Head of Internal Audit

d.mulligan@npt.gov.uk

01639 763603

Anne-Marie O'Donnell

Audit Manager

am.odonnell@npt.gov.uk

01639 763628

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
22/23 R46	Chief Finance Officer Housing Benefits 22/23	Very good controls were found to be in place in the majority of areas tested within the Housing Benefits service. Enhancements are required in relation to Staff Declarations and Staff GDPR Training.	Reasonable
R47	Private Item		
R48	Head of Education Development Cwmtawe Community School	Good controls were found to be in place in relation to a number of the administrative processes within the school. Enhancements are required to the controls in place with regard to Procurement of Goods and Services, the Unofficial Fund, Health and Safety and the administration of School Minibuses. A vacancy for a Finance Officer at the school since September 2022 and the lack of structured training programme in place for a relatively new School Business Manager were found to be factors contributing to the recommendations made. The school was complying fully with DBS guidance.	Reasonable
R49	Private Item		
R50	Chief Finance Officer	Good controls were found to be in place within Sundry Debtors with regard to - processes and procedures; reconciliations; debt recovery; write offs and use of credit notes.	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
	Sundry Debtors 22/23	There are opportunities to further enhance the new Apex system. The Sundry Debtor team should be commended for their work in implementing and supporting the new Apex IT system. The quality of guidance information provided to users and maintained by the team were of a particular high quality.	
23/24 R1	Head of Education Development Blaendulais Primary School	The school was complying fully with DBS guidance in relation to both staff and governors. A recommendation was made in relation to processes in place in relation to the procurement of goods and services.	Substantial
R2	Head of Education Development Tywyn Primary School	The school was complying fully with DBS guidance in relation to both staff and governors. Good controls were in place and no recommendations were made.	Substantial
R3	Head of Education Development Llangiwg Primary School	The school was complying fully with DBS guidance. Recommendations were made in relation to processes in place regarding the school unofficial fund, the procurement of goods and services and health & safety.	Reasonable
R4	Head of Support Services & Transformation	No recommendations were made and it was clear from feedback received from Headteachers that the Service provided is professional, efficient and plays a vital role in the day to day effective running of schools.	Substantial

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
	School Primary Support Officers & Bursar Service		
R5	Head of Legal Services/Chief Finance Officer Procurement – Amazon Purchases	<p>It was initially planned that this audit would be an audit of wider procurement across the Authority, however following a discussion with the Head of Legal Services and senior procurement colleagues the scope was amended to focus on the number, value and method of purchases from Amazon. This change of focus was due to an ongoing review of procurement due to new legislative requirements and the increase in value and number of transactions being made via the Amazon website.</p> <p>Testing identified the following:</p> <p>6 members of staff had made purchases on behalf of the Authority using their personal Amazon accounts, these purchases were all valid.</p> <p>There are a number of accounts on the Amazon website linked to NPTCBC.</p> <p>The current Procurement Card User Guide does not make reference to setting up Corporate accounts online.</p> <p>All of the 100 purchases tested were found to be appropriately authorised, deemed reasonable for the service area purchasing them and had supporting documentation.</p>	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		A meeting has been held between the Head of Legal Services, the Chief Finance Officer and the Audit Manager to address the recommendations made within the report.	
R6	Head of Property & Regeneration Responsible Persons - Council Buildings	<p>During the audit process it was found that there was a distinct lack of awareness of the role of Responsible Persons and the approved policy and procedures to be followed.</p> <p>A number of officers in the role stated that they had never received an appointment letter and were not aware that they should have received a letter of appointment which they should have signed and returned accepting the role, this is a basic requirement of the policy.</p> <p>In addition it was found that in a number of instances the required online training had not been undertaken by Responsible Officers, their Deputies and any officers delegated with duties. Despite training colleagues emailing Responsible Officers of the need to undertake the training/refresher training limited responses were received.</p>	Limited
R7	Head of Education Development Alltwen Primary School	The school was found to be complying fully with DBS guidance in relation to both staff and governors. No recommendations were made.	Substantial

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
R8	Head of Children & Young People Services Pendarvis Family Time Centre	The service was found to be complying fully with DBS guidance. Recommendations were made in relation to the details of recordings of family time sessions and the need for them to be entered timeously onto the Social Services Information Service and ensuring that all mandatory training is undertaken at the required intervals.	Reasonable
R9	Head of Education Development Ysgol Gymraeg Ystalyfera Bro-Dur	The school was complying fully with DBS guidance in relation to both staff and governors. Recommendations were made in relation to the processes in place in relation to payment for goods and services; health & safety; the school mini bus and the school unofficial fund.	Reasonable
R10	Chief Finance Officer Control Risk Self Assessments – Fundamental Financial Services	No significant control weaknesses were identified. There were however a number of instances where a negative response was received with a compensating control reported. It is now the responsibility of the accountable managers to review the compensating controls for effectiveness.	Reasonable
R11	Head of Children & Young People Services Hillside Secure Children’s Home	During the financial year 22/23 the Home again needed to draw down from reserves to balance their budget, this was needed due to the refurbishments required. Recommendations were made in relation to the coding and authorisation of procurement card	Reasonable

Appendix 1 – Published Reports

Report Ref	Report Subject & Responsible Head of Service	Report Conclusion	Assurance Rating
		purchases; the current risk assessment relating to the Home's wellbeing dog and driver declarations.	

Appendix 2 – Audit Plan Monitoring at 31st May 2023

Audit Plan Item	Risk Rating	Quarter 1 position as at 31stMay 2023		
Ethics – Members(carried forward from 22/23)	M			
Decarbonisation	H			
Payroll	H			
Council Tax	L			
Housing Benefits	L			
National Non-Domestic Rates	M			
Debtors	L			
Creditors (monthly checks)	M	Ongoing		
Risk Management	M			
Capital Programme	H			
Licencing	M	Audit in planning stage		
Accident Reporting	H			
Performance Management Framework	M			
Cyber Security	H			

Appendix 2 – Audit Plan Monitoring at 31st May 2023

Glamorgan Education Trust Grant & any other grants received	M			
Primary Schools	M	4 schools audited		
Comprehensive Schools	H	1 school audited		
Safe Recruitment in Comprehensive Schools	M			
Music Service (carried forward from 22/23)	M			
Health & Safety/Accident Reporting in schools	H			
Schools admissions	H			
Leisure Services Insourcing	H	Steering group meeting attended.		
Waste Transfer Station	H			
Waste Costs	H			
Stores	H			

Appendix 2 – Audit Plan Monitoring at 31st May 2023

South Wales Trunk Road Agency – Payment Processes	M			
City Deal Projects	H			
Sandfields Business Centre	H			
Empty Properties	M			
In-house domiciliary care provision	H			
Supported Living Arrangements	H			
Follow up on use of respite care (carried forward from 22/23)	M			
3 rd Party Top-ups (clients in residential or nursing care)	M			
Harm Outside the Family (carried forward from 22/23)	M			

Appendix 2 – Audit Plan Monitoring at 31st May 2023

Disabled Facilities Grants	M	Audit in planning stage		
Homelessness to include youth homelessness	H			
Community Independence Team	M	Audit in progress		
National Fraud Initiative (NFI)	H	Reports being reviewed		
Special Investigations & Whistleblowing	H	3 in progress		
Staff Association/Lottery	Not applicable	Advice has been given and bonus draws attended.		
Vision Impaired West Glamorgan	Not applicable			
FOI requests	Not applicable	All received have been answered		
Attendance at working parties & task & finish groups	Not Applicable	Various attended		

Appendix 2 – Audit Plan Monitoring at 31st May 2023

Advice & Guidance requests	Not applicable	Ongoing		
FOI requests	Not applicable	All received have been answered		

From: Head of Property & Regeneration (S Brennan)

To: Chair of Governance & Audit Committee

Subject: Response to the internal audit report No. 6 Council Buildings – Responsible Persons 2023/24

Further to receiving the report the Head of Property & Regeneration has set about organising a range of meetings with all relevant parties to discuss the findings.

The Responsible Persons corporate procedure, and subsequent responsibilities are wide ranging and involve numerous Directorates and sections. In particular Corporate Health & Safety and Human Resources as well as every section that has control of a property.

A further update will be provided to Corporate Management Group, chaired by the Chief Executive once the follow up meetings have been concluded.

Although please see below initial comments.

The report is addressed to the Director of Environment and Regeneration.

Whilst the Property and Regeneration Section have a role to play in the corporate procedure, the procedure is a corporate Health and Safety one, and as such, everyone who has any properties has a part to play.

Appointment of responsible persons.

The Property and Regeneration Section has responsibility for to keep an up to date Responsible Persons list on TPMS, which can only be done if the information is provided. It is the responsibility of relevant Head of Service in each Directorate to inform Property and Regeneration of any changes, and issue the appointment letters where appropriate. The potential to make the list available via the intranet that can be viewed by all staff and updated by authorised staff in each service is also being investigated.

Training.

Recommendations agreed with, it is the duty of the relevant Head of Service in each Directorate to ensure the appointed responsible person is adequately trained. Property and Regeneration are not responsible for Corporate Training.

Delegation of Responsible person duties.

Recommendations agreed with. Whilst the Responsible Person can delegate duties, they cannot delegate responsibilities, to ensure that there is sufficient

cover it is recommended that at least one deputy is appointed and the same training undertaken as the designated RP. It is the duty of the relevant Head of Service in each Directorate to ensure the appointed responsible person is adequately trained.

Completion of Checks and works required.

Whilst this recommendation has been assigned to the Head of Property and Regeneration it would also involve the Head of Streetcare as his operatives would need to use and report any system.

Compliance testing.

No comments at this stage