



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

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

### **GOVERNANCE & AUDIT COMMITTEE**

**26<sup>th</sup> January 2024**

#### **Report of the Audit Manager – Anne-Marie O’Donnell**

#### **Matters for Decision**

**Wards Affected:** All Wards

#### **Internal Audit Update Report & 23/24 Internal Audit Plan Amendments**

##### **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 October 2023.

It is also necessary at this time to amend the Internal Audit Plan, previously agreed by this committee, due to the number of audit days lost to sickness and a vacancy.

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

Since the last committee meeting a total of 17 reports have been issued and 5 Post Audit Reviews have been undertaken.

Appendix 1 of this report details the formal audit reports issued, Appendix 2 gives details of progress against the plan for 23-24 and

Appendix 3 provides a response from the Chief Finance Officer in relation to Report Number 31 – Court Deputy Service.

Appendix 4 provides a response from the Director of Strategy & Corporate Services in relation to Report Number 41 – Mandatory Training Strategy & Corporate Services Directorate

### **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 12<sup>th</sup> October 2023.

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

Due to the number of days lost due to sickness and a vacancy it is necessary to gain members’ approval to remove a number of audits from the internal audit plan.

### **4. Staffing Issues**

One member of staff is currently on long term sickness, another has returned to work following long term sickness absence and will be working reduced hours for a period.

There is also currently one vacancy within the team. Following a recent recruitment drive it was not possible to appoint to the vacant auditor post. In light of this it was agreed to change the post from an auditor to a trainee auditor. The new post will offer the successful candidate the opportunity to gain the Certified Internal Auditor Qualification.

As at the 31<sup>st</sup> December a total of 129 audit days have been lost to sickness and 53 lost due to the vacancy.

## 5. Audit Work Undertaken

Since the last committee meeting a total of 17 formal reports, as at 31<sup>st</sup> December 2023, have been issued in line with normal reporting processes.

### Final Reports Issued

7 Primary Schools

Community Independence Service

National Fraud Initiative (NFI) – Blue Badge Parking Permits to Benefits

Agency Deceased Persons

National Fraud Initiative (NFI) – Council Tax Reduction Scheme

Court Deputy Service

Direct Payments Monitoring

South Wales Trunk Road Agency Payments Processes

iTrent Sickness Pilot

Disabled Facilities Grants

Mandatory Training – Strategy & Corporate Services Directorate

1 private item

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 and Senior Auditor are undertaking investigations in line with the Authority's Disciplinary Policy and Processes.
- The Senior Auditor has attended the iTrent System (Payroll & HR) Project Board meetings.
- The Audit Manager had attended the Leisure Insourcing Project Board meetings.

- 2 special investigations are in progress
- Staff have continued to provide advice to staff from across the Authority.
- 5 Post Audit Review has been undertaken, details of which are provided below.

## 6. Post Audit Reviews Undertaken & Recommendations Tracking

There have been no issues identified with recommendations not being implemented.

Audit Report Title	Number of recommendations made	Issues identified during Post audit Review
Cwmtawe Community School	4	3 recommendations have been implemented, the 4 <sup>th</sup> was trialled but was not deemed to be as efficient as previous processes. This was accepted and agreed by the Auditor.
Amazon Procurement Card Purchases	2	All recommendations are currently being progressed. The Audit Manager has attended working group meetings to address their implementation and wider issues which have since come to light.

Hillside Secure Children's Home	4	All recommendations have been implemented
Ysgol Gymraeg Ystalyfera Bro Dur	4	All recommendations have been implemented
Neath Register Officer	5	4 recommendations have been implemented. The 5 <sup>th</sup> in relation to a new till system cannot be progressed at this time discussions are ongoing.

## 7. Audit Plan Amendment

As previously stated in this report due to lost audit days it will not be possible to complete all the audits contained in the previously agreed internal audit plan. It is therefore proposed the following amendments are made to the plan.

<b>Audit Name, number of days &amp; risk rating</b>	<b>Proposed action &amp; reasons for proposals</b>
Decarbonisation 20 days High	That this audit is carried forward to the 24/25 plan. The Head of Property & Regeneration is currently recruiting for a Decarbonisation Strategy Manager and an Energy & Carbon Reduction Manager. It would therefore be more appropriate to delay the audit until both posts are recruited to.
City Deal Projects 15 days High	That this audit is carried forward to the 24/25 plan. It was intended that an audit would be undertaken of the Homes to Power Station Project. However there has been very little

	spend to date on this project and it has been subject to a review by Welsh Government and no issues were identified..
Sandfields Business Centre 25 days High	That this audit is carried forward to the 24/25 audit plan.
In House Domiciliary Care 25 days High	That this audit is removed from the plan due to a review currently being undertaken by the service. This has been agreed with the Head of Adult Services. Internal Audit will act in the role of “critical friend” following the service review.
3 <sup>rd</sup> Party Top Ups 15 days Medium	That this audit is removed from the plan. The Head of Adult Services requested that the audit be deleted due to their being limited scope within the legislation for any meaningful changes to be made.
Schools Admissions 35 days High	That this audit be carried forward to the 24/25 audit plan.
Harm Outside the Family 10 days Medium	That this audit be deleted, it has been carried forward previously and is now no longer required.
Empty Properties 20 days Medium	That this audit work be combined with the Homelessness Audit.
Music Service 10 days Medium	That this audit which has been rolled forward from previous years be deleted.

Should there be any days “saved” elsewhere within the plan then the high risk audits to be rolled forward will be started this year.

It is intended that the low rated audits which are in the plan remain as they provide assurance to the Section 151 Officer in relation to the statement of accounts process. They will also provide work for the trainee auditor when appointed.

## **8. Integrated Impact Assessment**

There is no requirement to complete a new assessment for the changes proposed within this report.

## **9. Valley Communities Impact**

No impact

## **10. Workforce Impacts**

No impact

## **11. Legal Impacts**

No impact

## **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 report and appendices and approve the proposed revisions to the 2023/24 Internal Audit Plan.

## **15. Reason for Proposed Decisions**

To comply with the Committee's Terms of Reference and the Public Sector Internal Audit Standards.

## **16. Implementation of Decision**

It is proposed that the decision is implemented immediately.

Appendix 1 – Audit Reports Issued.

Appendix 2 – Audit Plan Monitoring.

Appendix 3 – Response from Chief Finance Officer relating to Report No. 24.

Appendix 4 – Response from the Director of Strategy & Corporate Services relating to Report No. 41.

### **Officer Contact:**

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## Appendix 1 – Published Reports

Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
R27	Head of Adult Services Community Independence Service	<p>It was identified during the audit that recent changes to the positioning of the service within Social Services has created uncertainty around the appropriate criteria for individuals to access the service. The recent changes have involved a change in line management and the service now forms part of Housing and Homelessness. However, it was confirmed that there will be no change to service delivery.</p> <p>Recommendations were made in relation to the need to update the Authority's website with up to date service information; team workloads and cover when staff are absent; staff supervision records and driver documentation.</p> <p>5 recommendations were made 2 of which were high priority and 3 medium priority. All recommendations made were accepted.</p>	Reasonable
R28	Head of Education Development Sandfields Primary School	The school is complying with current DBS guidance. Robust controls were found to be operating in all areas tested and no recommendations were made.	Substantial
R29	Chief Finance Officer	As a result of this review, 357 matches were reviewed, one instance of suspected fraud was identified and has been passed to the Department for Work & Pensions for investigation. It was also	Reasonable

Appendix 1 – Published Reports

Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
	NFI Blue Badge Parking Permits to Benefits Agency Deceased Persons	<p>established that there are weaknesses in the systems currently in place for the recovery of Blue Badges in the event of the holder's death.</p> <p>Recommendations were made in relation to a revision of current practices in respect of the recovery of Blue Badges when the holder dies and on how to ensure that Blue Badge system is kept up to date.</p> <p>2 recommendations were made 1 of which was high priority and 1 was medium priority. All recommendations made were accepted.</p>	
R30	Head of Education Development Gnoll Primary School	<p>The school was found to be complying with current DBS guidance in relation to staff and advice was given in relation to Governors' DBSs. Good controls were found to be in place in relation to most areas tested. Recommendations were made in relation to Purchasing/Procurement Cards and Cash Collection, which once implemented will enhance the good controls already in place.</p> <p>In total 2 recommendations were made both of which were low priority. Both recommendations made were accepted.</p>	Reasonable
R31	Chief Finance Officer Court Deputy Service	<p>The service has recently undergone significant staffing changes. The longstanding manager has retired and a new manager and deputy manager appointed.</p>	<p>Limited Please see appendix 3</p>

Appendix 1 – Published Reports

Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
		<p>Good controls were found in relation to the Office of Public Guardian Fees and use of pre-payment cards. However weaknesses were found in a number of areas. Recommendations were made in relation to staff training with the need to prioritise safeguarding and health &amp; safety training; delegation of vehicle administration; use of the Caspar IT system; review and update of client documentation; review and update of policy documents to ensure alignment to the Office for Public Guardian; the further roll out of pre-payment cards; management of the waiting list and cataloguing of the safe contents. In total 12 recommendations were made 8 of which were high priority, 3 medium priority and 1 low priority. All recommendations made were accepted.</p>	
R32	<p>Head of Adult Services Direct Payments Monitoring</p>	<p>It was identified during the audit that the Financial Assessments Team are experiencing considerably higher volumes of work following the pandemic. This has consequently impacted the time available for staff to complete Direct Payment financial reviews and audits. It is recognised by senior staff within the Direct Payments Support Service (DPSS) that there is a large backlog of reviews to be undertaken, however the team are working to address this issue currently. The main weaknesses identified related to delays in financial audits and reviews of need being undertaken. It is</p>	Reasonable

Appendix 1 – Published Reports

Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
		<p>important that these issues are addressed to ensure the best use of public monies.</p> <p>Recommendations were made in relation to clearing backlogs; supervisory reviews; formulation of an escalation protocol when issues cannot be agreed and the updating of policies and procedures. The Assessments Manager and the Operational Manager for direct payments have set up regular meetings to address the recommendations made.</p> <p>In total 6 recommendations were made 3 of which were high priority and 3 medium priority. All recommendations made were accepted.</p>	
R33	Head of South Wales Trunk Road Agency (SWTRA) SWTRA Payment Processes	<p>Overall good controls were found to be in place for the payment of invoices. The recommendations made related to IT storage capacity; the addition of another procurement card within the service and compliance with the relevant accounting instructions.</p> <p>In total 3 recommendations were made 2 of which were medium priority and 1 low priority. All recommendations made were accepted.</p>	Reasonable
R34	Private Item		

## Appendix 1 – Published Reports

Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
R35	Director of Strategy & Corporate Services iTrent Sickness Recording Pilot	This review was undertaken following the work the Senior Auditor undertakes as part of the iTrent project board. The pilot covered only 10% of the workforce who were predominantly office based. A number of errors were identified which were attributed to the need for more comprehensive training prior to rolling the process out further. Only 1 high priority recommendation was made in relation to the need for more training.	Reasonable
R36	Head of Education Development St Joseph's Catholic Primary School (Neath)	The school was found to be complying with current DBS guidance. Good controls were found to be in place for all areas tested other than the procurement of goods and services and the school's unofficial fund administration. Two low priority recommendations were made and accepted.	Reasonable
R37	Head of Education Development YGG Castell Nedd	The school is complying in full with current DBS guidance. Good controls were found in all areas tested and no recommendations were made.	Substantial
R38	Head of Housing & Communities Disabled Facilities Grants	Overall, findings relating to the administration of the grant were positive. It was noted that the current waiting list will consume the next financial year's budget. The team has seen the removal of client contributions by the Welsh Government for small/medium grants, with no equivalent funding to bridge the gap. If the increased trend	Reasonable

Appendix 1 – Published Reports

Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
		<p>for the service continues it will see clients facing a longer wait time and impact on other services provided by the Authority.</p> <p>Recommendations were made relating to giving consideration to how these grants will be funded in future; recording of visits to properties and the need for Driver Declaration checks for staff to be undertaken.</p> <p>In total 3 medium priority recommendations were made and accepted.</p>	
R39	Head of Education Development Crymlyn Primary School	The school was found to be complying in full with current DBS guidance. Robust controls were found to be operating in all areas tested and 1 low priority recommendation was made, and accepted, in relation to the timing of the coding of procurement card purchases.	Substantial
R40	Head of Education Development Blaenhonddan Primary School	The school is complying with current DBS guidance and robust controls are operating in all areas tested. No recommendations were made.	Substantial
R41	Director of Strategy & Corporate Services	The sample of Strategy & Corporate Services teams examined during this audit had completed only 35.8% of all of the mandatory training courses. However in relation to safeguarding (68.9%) and GDPR (71.1%) there was significantly better compliance.	Limited Please see appendix 4

## Appendix 1 – Published Reports

Report Ref	Responsible Head of Service & Report Subject	Report Conclusion	Assurance Rating
	Mandatory Training – Strategy & Corporate Services	Mandatory training provides staff with the skills and knowledge they need to identify, minimise and report risks during their day to day activities. Non-compliance with mandatory training exposes NPTCBC to unnecessary reputational, financial, health & safety and safeguarding risks. In total 8 recommendations were made of which 3 were high priority and the remaining 5 medium priority. All recommendations made were accepted.	
R42	Head of Education Development YGG Tyle'r Ynn	The school was found to be complying in full with DBS guidance. Robust controls were found to be operating in all areas tested and no recommendations were made.	Substantial
R43	Chief Finance Officer NFI Council Tax Reduction Scheme	No fraud was detected in any of the 85 matches reviewed. Robust controls were found to be operating in both the Housing Benefit and Council Tax teams in relation to the administration of the Council Tax Reduction Scheme. No recommendations were made.	Substantial

### Assurance Categories:

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

## Appendix 1 – Published Reports

**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.

**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 be 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 31<sup>st</sup> December 2023

<b>Audit Plan Item</b>	<b>Risk Rating</b>	<b>Quarter 1 position as at 31<sup>st</sup>May 2023</b>	<b>Quarter 2 position as at 30<sup>th</sup> September 2023</b>	<b>Quarter 3 position as at 31<sup>st</sup> December 2023</b>
Ethics – Members(carried forward from 22/23)	M		Audit paused due to resource issues	Audit will be picked back up in January 2024.
Decarbonisation	H			
Payroll	H			Audit in planning stage
Council Tax	L			
Housing Benefits	L			
National Non-Domestic Rates	M			
Debtors	L			
Creditors (monthly checks)	M	Ongoing	Ongoing	Ongoing
Creditors	M		Audit complete and report issued	
Risk Management	M			Audit in planning stage
Direct Payments (added from contingency budget)	H		Audit complete and draft report issued	Final report issued.
Capital Programme	H		The Audit Manager has attended meetings of the Capital Programme Steering Group	The Audit Manager has continued to attend meetings of the Capital Programme Steering Group

Appendix 2 – Audit Plan Monitoring at 31<sup>st</sup> December 2023

Court Deputy Service (added at request of Chief Finance Officer)	H			Audit complete and report issued.
Licencing	M	Audit in planning stage	In progress	Audit almost complete, paused due to staffing constraints
Accident Reporting	H		Audit in planning stage	Agreed at October committee to incorporate into individual service audits
Performance Management Framework	M			Audit in planning stage
Cyber Security	H			Audit in planning stage
Glamorgan Education Trust Grant & any other grants received	M		Independent Examination completed & opinion produced	
Primary Schools	M	4 schools audited	6 schools audited	13 schools audited
Comprehensive Schools	H	1 school audited		1 audit in progress
Safe Recruitment in Comprehensive Schools	M			Audit in progress
Music Service (carried forward from 22/23)	M			

Appendix 2 – Audit Plan Monitoring at 31<sup>st</sup> December 2023

Health & Safety/Accident Reporting in schools	H			Agreed in October meeting to add additional tests into the current school audit programmes
Schools admissions	H			
Leisure Services Insourcing	H	Steering group meeting attended.	Steering group meetings attended	Steering group meetings attended
Waste Costs	H			
Stores	H			Advice given when sought
South Wales Trunk Road Agency – Payment Processes	M		Audit in progress	Audit complete and report issued
City Deal Projects	H			
Sandfields Business Centre	H			
Waste Transfer Station (added from contingency budget)	H		Audit in planning stage	Audit in progress
Empty Properties	M			
In-house domiciliary care provision	H			
Supported Living Arrangements	H			Audit in planning stage

Appendix 2 – Audit Plan Monitoring at 31<sup>st</sup> December 2023

Follow up on use of respite care (carried forward from 22/23)	M		Audit paused due to resource issues	Audit paused due to resource issues. It is anticipated that it will be concluded before the end of February 2024.
3 <sup>rd</sup> Party Top-ups (clients in residential or nursing care)	M			
Harm Outside the Family (carried forward from 22/23)	M			
Disabled Facilities Grants	M	Audit in planning stage	Audit in progress	Audit complete and report issued.
Homelessness to include youth homelessness	H			
Community Independence Team	M	Audit in progress	Audit complete and draft report issued	Final report issued.
Procurement Cards	H		Audit complete and report issued	
Officers Declarations	M		Audit Complete and report issued	
Mandatory Training (added from contingency budget following concerns raised)	H			1 directorate audit complete. Others in progress.

Appendix 2 – Audit Plan Monitoring at 31<sup>st</sup> December 2023

National Fraud Initiative (NFI)	H	Reports being reviewed	2 reports issued	4 reports issued
Special Investigations & Whistleblowing	H	3 in progress	1 completed and 2 in progress	1 completed and 2 in progress
Staff Association/Lottery	Not applicable	Advice has been given and bonus draws attended.	Advice has been given and bonus draws attended.	Advice has been given and bonus draws attended
Vision Impaired West Glamorgan	Not applicable			Audit in progress
FOI requests	Not applicable	All received have been answered	All received have been answered	All received have been reviewed
Attendance at working parties & task & finish groups	Not Applicable	Various attended	Various attended	Various attended and 1 report issued.
Advice & Guidance requests	Not applicable	Ongoing	Ongoing	Ongoing

Appendix 3 – Response from the Chief Finance Officer relating to report no. 34

To: Governance & Audit Committee

From: Chief Finance Officer – Huw Jones

Subject: Internal Audit Report No 34 – Court Deputy Service.

By way of background the Court Deputy Service has recently undergone some staffing changes. The long serving manager has retired and a new manager and deputy manager appointed.

All recommendations made within the report are accepted and will be implemented.

The major recommendations related to staff training; revision/updating of policies and client documentation; client vehicle administration and the Casper IT System.

Whilst there has been some improvement in the mandatory training which needs to be undertaken it has not been achieved within the timescale recommended by the auditor. I have instructed the service manager to ensure that the outstanding training is completed as a priority.

The other recommendations require some significant changes to current working practices and I have asked the Audit Manager to keep me abreast of the implementation of these recommendations.

Huw Jones  
Chief Finance Officer

Appendix 4 – Response from the Director of Strategy & Corporate Services relating to report no. 41

To: Governance & Audit Committee

From: Director of Strategy & Corporate Services – Noelwyn Daniel

Subject: Internal Audit Report No. 41 – Mandatory Training Strategy & Corporate Services Directorate.

All of my Heads of Service have accepted the recommendations made within the Internal Audit report. They have committed to ensuring that their teams undertake the mandatory training in line with the timescales recommended by the Auditor.

Since the original report was issued, 15<sup>th</sup> December 2023, the latest data shows that there has been good progress made by staff in completing the mandatory training courses.

As records held within iTrent (the payroll and HR system) are updated, with training data, automatic reminders will be sent to staff when mandatory training is due. This will help prevent future occurrences of noncompliance as managers will also be notified when their staff are due to undertake refresher training.

Noelwyn Daniel  
Director of Strategy & Corporate Services