

Internal Audit Update

November 2020

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Internal Audit Reports Recently Issued

Since the last Internal Audit Update report in July 2020, Internal Audit has completed eight reviews and a full copy of each report has been circulated to members of the committee. The assurance given and number of issues raised for each review is summarised below:

Area of work	Assurance Level	Critical Issues	Major Issues	Moderate Issues
Financial Management Systems	N/a ●	0	0	1
Treasury Management	High ●	0	0	3
Accounts Payable	High ●	0	0	0
Housing Support Grant	High ●	0	0	0
Area of Outstanding Natural Beauty (AONB) Grant	High ●	0	0	0
Pupil Development Grant	High ●	0	0	1
Health & Safety Enforcement	High ●	0	0	3
Parking Income	Medium ●	0	0	5
Children's Direct Payments	Low ●	0	4	2

Financial Management System – September 2020

Assurance Not Applicable ● Number of Risk Issues: 1 Moderate ●

Since our review last year, the council has revisited the procurement of the general ledger and the Head of Business Improvement and Modernisation (BIM) has been made the project sponsor. To ensure the new general ledger meets all the council's needs, the project sponsor involved Finance, ICT and Procurement teams from the start to ensure all options were explored.

The agreed way forward is to invite tenders which are set out in four lots. We suggested the need to allow sufficient time to decide: (a) the preferred lot; and (b) which tender within the preferred lot should be awarded the contract. Also, to ensure that the relevant paperwork and questions is completed and that key staff are available.

Until the tender submissions are received and evaluations have been completed, anticipated savings/costs are unclear. At the time of the review, we would have expected to have seen a Project Initiation Document (PID) that would have been completed by the initial project team. The PID should have set out a number of options together with anticipated costs and savings so that the most favourable option(s) be approved before proceeding with the project/procurement. Instead, a report to Cabinet in February 2020 summarised the procurement approach to be taken with various options being considered and potential costs anticipated up to over £2m.

On completing the tender evaluation, and during the assessment stage of the exercise, a business case will need to be completed.

At the time of our review, the council had entered into a period of uncertainty with the Coronavirus pandemic which has impacted the project's progress as key officers needed to focus on responding to the emergency. Similar to other council projects, consideration should be given to performing a 'pause and review' of the project to take stock of the situation and revise plans if and where necessary. The Head of Finance & Property Services indicates specific areas of review which are necessary due to the delay are:

- Investment and upgrades undertaken on existing systems
- Review of resources available - impact of Covid 19 on the service and its finances
- Due to the delay, establish potential for including other Local Authorities.

At this early stage of the project, and with current situation meaning the project will be delayed, we are unable to effectively provide an assurance rating. The project team has considered the options available, working with Conwy County Borough Council to procure the best financial system.

Treasury Management – September 2020

High Assurance ●

Number of Risk Issues: 3 Moderate ●

Since the last review, there have been no notable changes to the way the Council carries out the Treasury Management function. The review has confirmed that there are appropriate controls and procedures in place for the operation of the Treasury Management function, with an adequate level of separation of duties in place. However, a

few issues have been identified, some which are good practice that would further strengthen the Treasury Management process. For instance:

- A risk has arisen around the authorisation of the long term loans as, currently, only the S151 Officer is able to approve them. The Technical Accountant has confirmed this will be resolved once the recruitment of a Chief Accountant is complete.
- Arlingclose Ltd. was appointed as the authority's Treasury Management advisors in January 2019, but there was a delay in the contract being signed. The contract states that the council should meet with its advisors four times a year to discuss the council's financing strategy, but, at the time of the review, the council had only met with Arlingclose once in the last 12 months. The Capital Finance Manager confirms that regular meetings have since resumed.
- The Treasury Management Policy has not been reviewed for a number of years. Within the policy it refers to the Chief Cashier who has not worked for the authority for numerous years. The policy needs to be updated to reflect key changes such as revised Code of Practice and Prudential Code relating to Capital Investments and we suggest introducing a front cover with version control to show the frequency of reviews and key changes made as per the corporate template.

Accounts Payable – July 2020

High Assurance ● Number of Risk Issues: 0

There have been no new developments since the last review. The team has made good progress with checking IR35 conformance; 96.77% of the Council's suppliers on the councils Accounts Payable (AP) system have been checked using the HMRC (Her Majesty Revenues & Customs) CEST (Check Employment Status for Tax) tool.

A number of reports were obtained from the AP system and we used ActiveData (data analysis software) to interrogate the reports. Testing of potential duplicate payments and authorisation and accuracy of purchase card payments confirmed that appropriate controls

At the time of the review, there were a few accounts which were still showing as being in dispute with the oldest one dating back to May 2016. This is something that has been raised with the appropriate manager who is looking into the invoices.

Credit balances are monitored periodically. If they relate to current suppliers, the credit balance will be used against the next invoice received. However, if the balance is with a company we no longer use, then the AP team will attempt to recover the monies.

The Accounts Payable team, on average, produce five or six cheques a week which are generally for refunds. Since the recent pandemic, the Senior Payments Officer confirmed that no cheques were produced and that this facility may no longer be required.

Housing Support Grant – October 2020

High Assurance ●

Number of Risk Issues: 0

We carried out a review of the Housing Support Grant to ensure the terms and conditions of the grant are complied with. The Housing Support Grant (HSG) is an amalgamation of three existing grants - Homelessness Prevention, Supporting People and Rent Smart Wales Enforcement. These were amalgamated as part of flexible funding and the 2019/20 financial year is a transitional year with full implementation from 2020/21.

The aim of the HSG is to support the statutory service for preventing homelessness through initiatives to secure and maintain sustainable housing, and the Rent Smart Wales' objective aims to raise the housing management standards in the private rented sector.

Our review found the grant to be well managed with regular monitoring of expenditure and the required paperwork supporting the claims.

The expenditure for Supporting People is in line with the delivery plan; with the council incurring additional eligible expenditure above the level of grant awarded. For the financial year 2018/19, Denbighshire was successful in obtaining additional Welsh Government funding to cover additional eligible expenditure incurred; but, additional funding was not available in 2019/20.

The supporting people team is raising invoices for payment on behalf of service providers following receipt of their quarterly reports detailing their work. While there is a risk of inaccurate or fraudulent payments, sample testing confirms that appropriate controls are in place and operational.

As 2019/20 was a transitional year for the grant, we plan to look at this area again next year to provide assurance on the effectiveness of the delivery of the new funding model and adherence to grant terms and conditions.

Area of Outstanding Natural Beauty (AONB) Grant – September 2020

High Assurance ● Number of Risk Issues: 1 Moderate ●

Our review found it is well managed with all income accounted for in the general ledger, grant income received is used appropriately and contributions from the partner authorities are received within agreed timescales. Our sampling of expenditure found it to be appropriate, with invoices, where necessary, and in line with any grant terms and conditions. Due to the Covid 19 pandemic we were unable to access the petty cash receipts. However, the total petty cash claimed for the financial year was under £100.

From the AONB Joint Committee agreement we understand that the liability is shared across the three authorities. However, we would have expected to see a risk register specific for risks that the AONB may encounter.

Pupil Development Grant – November 2020

High Assurance ● Number of Risk Issues: 1 Moderate ●

Overall, the fund is well managed, with suitable grant controls and records in place.

Funding is allocated appropriately to the school depending on the number of pupils within each school in receipt of free school meals (FSM), with a fixed nominal amount paid over to those schools that do not have any pupils in receipt of FSM. As the allocation was based on PLASC data for 2016, this caused a few notable inconsistencies:

- Schools that did not have any children in receipt of FSM as at 2016 but now do. Additional funds totalling £17,250 was made available for these schools and finance allocated the funding according to the direction provided by GWE.
- Allocation of funding for Rhewl School which closed in July 2018.

GWE Challenge advisor monitors progress against each schools' development plan. The majority of schools use the grant to fund teaching and non-teaching staff. There were a

few payments not deemed to meet the eligibility criteria but the amounts were not considered material.

Funding was also received for LAC, which is allocated to the Education service rather than directly to the individual schools. This was found to be in line with the terms and conditions of the grant award letter.

Health & Safety Enforcement – October 2020

High Assurance ● Number of Risk Issues: 3 Moderate ●

This review of Health and Safety Enforcement looked at the arrangements in place to minimise the risk to the public and avoid potential litigation against the council, financial penalty or reputation damage. It should be noted that audit fieldwork was completed prior to the Coronavirus pandemic; the team has since been placed at the forefront of the council's response to the crisis and this has added significant pressure on the service. Assurance provided is based on the sample testing of the systems and processes in place at the time of our review.

The council has a legal duty to enforce the Health and Safety at Work Act 1974 and related legislation. The Health & Safety Enforcement team aims to ensure that workplaces within Denbighshire (that are external to the council) are safe for employees and visitors. Whilst the primary responsibility for managing health and safety risks lies with the business who creates the risk, the council as local authority health & safety regulators have an important role in ensuring the effective and proportionate management of risks, supporting business, protecting their communities and contributing to a wider public health agenda.

The team's work plan is set out in line with the HSE's National Local Authority (LA) Enforcement Code (referred to as the LA National Code), which sets out the risk based approach to targeting health and safety interventions that local authorities are to follow. The work plan sets out the proactive projects, non-inspection interventions, and reactive visits to be carried out.

Proactive services include in an advisory capacity to provide guidance to businesses on applicable HSE guidance. Reactive services, where inspections are carried out, are usually initiated by a complaint or following an incident. Analysis of inspections carried out

shows that 63% of inspections in 2018-19 and 64% for 2019-20 (as at February 2020) were reactive. Following the conclusion of our review, we note that Covid-19 has resulted in a significant increase in the reactive works carried out and the need to provide support and guidance to businesses.

We agreed improvement actions to address the following issues which were raised prior to the coronavirus pandemic:

- There are no written procedures in place to direct consistent practices and to support business continuity;
- There are inconsistencies in the recording of events where the team are involved in an advisory capacity, and duplication of effort in record keeping;
- The service is not participating in peer reviews which is a requirement of the LA National Code

Parking Income – November 2020

Medium Assurance ● Number of Risk Issues: 5 Moderate ●

The review was carried out to ensure that car parking income is receipted and accounted for safely and accurately following notable changes to income collection arrangements.

The collection of the car park income was outsourced in November 2019 to streamline the process and it was carried out in line with Financial Regulations and Corporate Procedure Rules (CPRs).

We have raised five moderate risk issues and agreed actions with the service on the following:

- Copies of the signed contract for parking income collection was not uploaded to the Proactis (procurement) system.
- Weakness in reconciliation and investigation of income discrepancies:
 - Pay by card income not reconciled
 - Larger cash discrepancies are not investigated
 - VAT error relating to card payments was corrected during our review. There is potential to reclaim VAT for on street parking.

- Monitoring of the contract performance including collection frequency was not in place.
- Lack of review of the collection fee recharged to others.
- Lack of written procedures for the reconciliation of income to include:
 - Reconciliation of cash, pay by card and pay by phone
 - Monitoring the frequency of emptying the machines
 - Process for investigating discrepancies in income.

Children's Direct Payments – November 2020

Low Assurance ●

Number of Risk Issues: 2 Moderate ●

We carried out a review of Direct Payments as this area has not been reviewed for some time and it formed part of our proactive counter fraud measures. A review of support budgets and direct payments within Community Support Services (CSS) was reported to Corporate Governance & Audit Committee in September 2019 and was given a low assurance rating.

A direct payment is an option that is considered for providing care and support to comply with the Social Services and Well-being (Wales) (SSWB) Act 2014 focusing on achieving outcomes for citizens. This can either be paid to the child's parent or carer, or into a managed account where a third party provider will administer the funds. At the time of our review, there were 29 children supported by a direct payment, 8 of which were provided through a managed account, and a further 9 cases were pending (no payment was being made until a personal assistant was appointed).

The council has a working group to review current arrangements with third party suppliers and to explore options to address some of the difficulties in recruiting personal assistants, and are exploring options to stimulate the market. There is a risk that if direct payments are recovered because of recruitment issues, the child's outcomes may not be met or alternative service provisions could be more costly than direct payments. This situation is not unique to Denbighshire and is experienced elsewhere across Wales.

As low assurance has been given, the full Internal Audit Report is included as Appendix 2 which includes the improvement action plan for addressing the issue raised. A summary of the results of our review is included here:

- Staff within the Children with Disabilities team have been provided with training on direct payments, but the Service would benefit from having documented guidance to ensure staff are clear of the process and it is followed consistently.
- There is a robust process for referring citizens via the Children and Families Support Gateway.
- Direct payments are only available to the Children with Disabilities team. We suggested that this be reviewed to ascertain where else this option would be appropriate, in line with the SSWB Act e.g. eligible children with care and support plans.
- Information relating to direct payments is difficult to find due to how it is recorded and the data held on the PARIS system in relation to direct payments was not always accurate and up-to-date.
- Reliance has been placed on the third party provider to carry out checks on Disclosure Barring Service (DBS), right to work in the UK and employer liability insurance cover without adequate checks by the council to monitor that such roles and responsibilities are being fulfilled.
- No contract is in place with the third party provider who the council uses to support direct payments. The provider is also used to support direct payments to adults. Lack of tendering and formal contract contravenes Contract Procedure Rules.
- There was a lack of evidence of the child's outcomes being reviewed within the designated six month period.
- Financial monitoring needed to be improved as direct payments were made towards a personal assistant without one being in post, or to identify where balances have accrued significantly. Following our review, pre-paid cards have been introduced which will improve monitoring arrangements.
- There needs to be better co-ordination between the Children with Disabilities team and the financial assessment officers (FAOs). For instance, when a social worker is visiting the parent or carer to discuss the direct payment and reviewing the child's outcomes, if any financial issues are identified, these should be passed to the FAOs for further investigation.

- Positive arrangements overall for paying direct payments when a child transitions from the Service to CSS. There is currently no documented guidance for managing the process and continuity arrangements

Progress in Delivering the Internal Audit Assurance

The following projects have not yet commenced but are scheduled for the coming months:

- Revenues and Benefits 2020-21 – focussing on Covid-19 impact
- Financial Services 2020-21 – focussing on Covid-19 impact
- Denbighshire Leisure Limited
- ICT Capacity and Resilience.

As a result of the coronavirus pandemic emergency, a key focus for the team has been providing advice and support to new activities and changes to arrangements that the Council is having to implement at pace to respond to the pandemic. Operationally, the Council has had to react quickly to rapidly changing circumstances, which has had an impact on the pace and progression of some of our audits. We continue to carry out audits remotely and make progress with the highest priority areas within the 2020/21 plan of work (agreed in July 2020) with good engagement from services.

In addition to the planned audit work, the team has been assisting the Council with grant payments (e.g. free school meals, social care workers bonus payments and business rate grants) through provision of support and advice. The team has also supported the Council's Test, Trace and Protect (TTP) Team in response to the Covid-19 pandemic, with a Senior Auditor seconded to the team.

In light of this, the table below shows the impact had on progress against the Audit Plan for 2020/21 with a number of projects being put on hold and some which will no longer be carried out. This is mainly due to the temporary reduction in audit resource due to the redeployment and subsequent secondment of one Senior Auditor to the TTP team (from June 2020), and one Auditor retiring in October 2020. We are currently advertising for a Senior Auditor for a 12 month temporary contract to backfill for the Senior Auditor and there remains uncertainty whether the council will support the recruitment into the vacant Auditor post. The Audit Plan will remain under review, as will the utilisation of available internal audit resource, in the context of the Council's ongoing response to the Covid-19 pandemic and to ensure that we continue to focus our work on areas of greatest risk to the Council. Any high priority areas will be carried forward to next year's Audit Plan (2021/22).

Internal Audit Update – November 2020

Area of work	Current status	Assurance level	Critical issues	Major issues	Moderate issues	Comment
AONB Grant	Complete	Grant certification	0	0	0	Annual accounts audit
Homelessness	Final Draft	-	-	-	-	Nearing completion
Deprivation of Liberty Safeguards	On hold	-	-	-	-	Awaiting revised Welsh Government guidance
Education Improvement Grant	No longer required	-	-	-	-	Grant terms and condition no longer require audit.
Pupil Improvement Grant	Complete	High ●	0	0	1	Annual grant certification
Financial Management System 2019-20	Complete	Not applicable ●	-	-	-	Project at an early stage so unable to give an assurance rating.
Treasury Management 2019-20	Complete	High ●	0	0	3	
Accounts Payable 2019-20	Complete	High ●	0	0	0	
Direct Payments for Children	Complete	Low ●	0	4	2	
Recruitment & Retention	Draft	-	-	-	-	Delayed due to Covid-19
Health & Safety Enforcement	Complete	High ●	0	0	4	
Schools audit: Ysgol Pendref	Draft	-	-	-	-	Delayed due to Covid-19
School Audit: Ysgol Bro Cinmeirch	Closing Meeting					Delayed due to Covid-19
Supply Chain Risk	Closing meeting	-	-	-	-	
Housing Support Grant	Complete	High ●	0	0	0	
Rhyl Regeneration Programme	Draft	-	-	-	-	
Project Management: SC2	Closing meeting					
Project Management: Queens Market	Draft					

Internal Audit Update – November 2020

Area of work	Current status	Assurance level	Critical issues	Major issues	Moderate issues	Comment
Business Rates Grants	In progress	-	-	-	-	Advisory
Discretionary Business Grants	In progress					Advisory
Free School Meals Direct Payments	Complete	-	-	-	-	Advisory
Social Care Workers Bonus Payments	Complete	-	-	-	-	Advisory
Rhuddlan Town Council	Complete	N/a				External fee earning work
National Fraud Initiative	Ongoing	N/a	N/a	N/a	N/a	Commencing 2020-21 exercise
Revenues & Benefits 2020/21	Opening Meeting					Focus on Covid impact
Capital Management	Scoping					
Financial Services 2020/21	Scoping					
Community Living Schemes	Fieldwork					Additional/New audit
Data Protection & Freedom of Information	Draft					Includes information security when remote working
Denbighshire Leisure Limited	Not started					Q4
ICT Capacity & Resilience	Scope Prep					Q4
Commercial Waste	Scope prep					On hold
Blue Badges	Not started					On hold
Ethical Culture	Draft					Nearing completion
Risk Management	Not started					Q4
Adoption Service	On hold					
Highways Maintenance	Not started					
Community Safety	Not started					

Internal Audit Update – November 2020

Area of work	Current status	Assurance level	Critical issues	Major issues	Moderate issues	Comment
Empty Homes	On Hold					
Housing Maintenance	Not started					
Equalities/ Wellbeing Impact Assessments	On Hold					
General Fraud Enquiries	Ongoing	N/a	N/a	N/a	N/a	
Follow up audits	Ongoing	N/a	N/a	N/a	N/a	
School fund audits	Ongoing	N/a	N/a	N/a	N/a	
Corporate Governance Framework	Ongoing	N/a	N/a	N/a	N/a	
Corporate Working Groups	Ongoing	N/a	N/a	N/a	N/a	
Consultancy & Corporate Areas	Ongoing	N/a	N/a	N/a	N/a	
Team Meetings /1:1s	Ongoing	N/a	N/a	N/a	N/a	
Management	Ongoing	N/a	N/a	N/a	N/a	
Training & Development	Ongoing	N/a	N/a	N/a	N/a	

As indicated previously, a reduction in resource will mean that the following projects will no longer be completed in 2020/21. These areas will continue to be assessed and high priority areas will be carried forward to the Audit Plan for 2021/22:

- Community Mental Health Team – on hold until 2021/22 by request of BCUHB
- Deprivation of Liberty Safeguards (DOLS) – on hold until WG guidance released
- Adoption Service – on hold. Wrexham CBC (host authority) also plan to audit.
- Youth Service – on hold
- Works in Defaults – no longer a priority
- Workforce Development – carry forward to 2021/22
- School Audits – on hold, carry forward to 2021/22
- Heritage Services – no longer a priority
- Additional Learning Needs – carry forward to 2021/22
- Empty Homes – no longer a priority
- Commercial Waste – on hold
- Exceptions and Exemptions with CPRs – on hold
- Equalities / Wellbeing and Impact Assessments – on hold

Progress with Improvement Actions 2020-21

Responsibility to resolve issues and manage agreed actions lies with management. The International Internal Audit Standards require internal audit to monitor what is happening to the results of audit engagements to ensure that actions have been implemented effectively or that management has accepted the risk of not taking action. The table below summarises progress as at the end of June 2020. The progress and current status of the actions showing as overdue is available on request.

Service	Actions raised	Actions due	Actions completed	%	Actions past due date	%
Business Improvement & Modernisation	16	12	11	92	1	8
Community Support Services	20	18	9	50	9	50
Communities & Customers	25	19	3	16	16	84
Education & Children's Services	27	24	22	92	2	8
Facilities, Assets & Housing*	9	9	8	89	1	8
Finance & Property Services	33	32	18	56	14	44
Highways, Facilities & Environmental Services	21	20	8	40	12	60
Legal, HR & Democratic Services	46	40	26	65	14	35
Planning, Public Protection & Countryside Services	32	25	17	68	8	32
Total	229	199	121	61	78	39

* Some internal audit actions are still shown under the Facilities, Assets & Housing Service on Verto, but continue to be updated by the relevant officers.

Performance is below target overall but shows improvement when compared against the last Internal Audit Update reported to committee in July 2020. The coronavirus pandemic has caused some slippage against original agreed timescales; however, some of the longstanding actions have been resolved. Internal Audit has worked with Legal, HR & Democratic Services in particular to re-evaluate certain actions taking into account the current situation, for example, a different approach was agreed to addressing risk surrounding driver safety in light of significant reduction in travelling since the coronavirus pandemic and the increased use virtual meetings.

Progress with Counter Fraud Work

Counter fraud work carried out since the last internal audit update includes:

1. Providing advice on counter fraud to officers on request. This has included the emergency Covid-19 related grants for businesses, social care workers and free school meals.
2. National Fraud Initiative (NFI) update:
 - a. NFI exercise 2018-19 is nearly complete and we are closing down any open cases. Monies identified as wrongfully paid are in the process of recovery. A summary of the results will be reported to the next committee meeting.
 - b. The NFI 2020-21 exercise is now being set up with internal audit coordinating the data uploads from various IT systems across the Council and from external parties where systems are hosted elsewhere. Privacy notices have been checked and required Privacy Declaration complete.
 - c. The Auditor General has included data-matching of COVID-19 business support grants paid by local authorities as part of the 2020-2022 NFI to help Councils identify fraudulent applications.
 - d. Audit Wales have published a report summarising the results of the NFI 2018-19 exercise which has uncovered £8m of fraud and overpayments across public services in Wales, compared with £5.4m in the previous exercise. The increase was mainly attributed to several local authorities being more proactive in reviewing matches between council tax single persons discount and the electoral register.
3. School fund certificates from Blessed Edward Jones's school funds are still outstanding for 2018-19 and 2019-20 up to when the school closed. As Blessed Edward Jones School has closed, we are liaising with staff at Christ the Word School to obtain the documents which will enable us to complete the audit. Education Support maintain regular contact with all schools and prompt them to maintain up-to-date certificates.
4. The Strategy for the Prevention and Detection of Fraud, Corruption and Bribery has been drafted which is aligned to the recently published Fighting Fraud and Corruption Locally Strategy for Local Government. The Fraud Response Plan which accompanies the strategy is under development.

Referrals 2020/21

One allegation has been referred to Internal Audit so far this year and it has been referred to the police.

One whistleblowing concern has been raised which features as part of the Committee's Annual Whistleblowing Report (separate agenda item).

Internal Audit Performance Standards

The table below shows Internal Audit's performance to date for 2020/21.

Performance Measure	Target	Current Performance
Send a scoping document before the start of every audit	100%	100%
Issue draft report within 10 days of the closing meeting	Average days less than 10	7 days
Issue final report within 5 days after agreeing the draft report and action plan	Average days less than 5	11.5 days
Percentage of audit agreed actions that have been implemented by services	75%	61%

Performance relating to issuing the final report within 5 days of agreeing the draft report has been adversely impacted by capacity shortage within the team. The performance relating to the number of internal audit actions implemented by management has improved compared to the last internal audit update report, but is still below target. Internal Audit has worked with Legal, HR & Democratic Services and Finance & Property Services to review outstanding actions and record progress on the verto system.

The completion rate by service is summarised in the table on page 18 and a list of overdue actions is available on request. The coronavirus pandemic has caused slippage with some actions and Internal Audit will continue to review long standing actions with the managers concerned to establish reasons affecting timely completion.

CIPFA Practical Guidance for Audit Committees – Update

The Welsh Chief Auditors Group hosted an Audit Committee Chairs Network and the Chair and Chief Internal Auditor attended its first meeting in October 2019. The meeting arranged for June 2020 was postponed due to the coronavirus pandemic and has been rescheduled to November 2020.

The training arranged with CIPFA on “How to be a more effective audit committee” has been put on hold temporarily due to the coronavirus pandemic.

The Chief Internal Auditor proposes to perform another self-assessment against the CIPFA Practical Guidance for Audit Committees in the New Year.

Appendix 1 – Assurance Level Definition

Assurance Level	Definition	Management Intervention
High Assurance ●	Risks and controls well managed and objectives being achieved	Minimal action required, easily addressed by line management
Medium Assurance ●	Minor weaknesses in management of risks and/or controls but no risk to achievement of objectives.	Management action required and containable at service level. Senior management and SLT may need to be kept informed.
Low Assurance ●	Significant weaknesses in management of risks and/or controls that put achievement of objectives at risk.	Management action required with intervention by SLT.
No Assurance ●	Fundamental weaknesses in management of risks and/or controls that will lead to failure to achieve objectives.	Significant action required in a number of areas. Required immediate attention from SLT.

Risk Issue Category	Definition
Critical ●	Significant issues to be brought to the attention of SLT, Cabinet Lead Members and Corporate Governance and Audit Committee.
Major ●	Corporate, strategic and/or cross-service issues potentially requiring wider discussion at SLT.
Moderate ●	Operational issues that are containable at service level.