

Internal Audit Annual Report 2022-23

Internal Audit Annual Report 2022/23

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1. Introduction and background

- 1.1 This report outlines the internal audit work that Internal Audit has been carried out for the financial year 1 April 2022 to 31 March 2023.
- 1.2 The Accounts and Audit (Wales) Regulations 2014 require the review of governance arrangements to be reported within the authority, in the Council's case the Governance & Audit Committee, and externally with the published accounts of the authority. The Annual Governance Statement (AGS) is an annual review of the systems of internal control and gathers assurance from various sources to support it. Internal Audit is a key contributor and the Chief Internal Auditor (CIA) should provide a written annual report to those charged with governance to support the AGS
- 1.3 The Public Sector Internal Audit Standards (PSIAS) require the 'chief audit executive', in the Council's case the Chief Internal Auditor (CIA), to deliver an annual internal audit opinion and report that the organisation can use to inform its Annual Governance Statement.
- 1.4 This is achieved through a risk-based plan of work, agreed with management and the Governance & Audit Committee. The opinion does not imply that Internal Audit has reviewed all risks relating to the Council.

2. Internal Audit Opinion 2022-23

2.1 The CIA has based his 2022-23 opinion on the following:

1. The scope and outcome of Internal Audit's work during the year;
2. Any follow up action taken in respect of audits from previous periods;
3. Internal Audit report opinions and assurance ratings;
4. The issues and risks that Internal Audit has raised during the year;
5. The effectiveness of management's response to the issues and risks that Internal Audit has raised;
6. Assurances received from external regulators and other sources;

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7. The outcome of the Council's review of its Corporate Governance Framework and governance arrangements 2022-23.

- 2.2 This year's annual opinion needs to consider a number of key factors: During the last 12 months, two Internal Auditors (40% of the team), have successfully secured new roles in different organisations. The Chief Internal Auditor has re-evaluated what skill gaps have been created and how they could be filled. This has taken time and has meant the delivery of the Internal Audit Plan for 2022-23, has been disrupted and prompting a refocusing of the plan on areas of greatest priority to the council which can be delivered within the resources available to Internal Audit.

- 2.3 As local authorities scaled down their Covid 19 teams at the end of June 2022, the Chief Internal Auditor returned to his full-time post. The focus of the team for the remaining nine months was to focus on the 2022-23 plan, but unfortunately the financial year has seen the team focus on three investigations as a consequence of two whistleblowing complaints and one irregularity. These three investigations have been labour intense and has meant staff being pulled off projects in the 2022-23 plan.

- 2.4 My opinion is largely based on the completion of the risk based internal plan, see Appendix 1 for a list of audit results and assurance ratings definitions. No audit during the year received 'Low' assurance, the others being awarded 'High' or 'Medium' Assurance ratings. Where significant issues have been identified, overall these have been appropriately addressed, which confirms that management is responsive to our work.

- 2.5 Internal Audit has completed one item of advisory work during the year which demonstrates that management is willing to engage with Internal Audit to establish good risk and control environments. Although an assurance rating is not given for this work, the outcome is used to inform our overall opinion on the adequacy of governance, risk management and control arrangements.

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- 2.6 Our work has highlighted some areas of weakness in management of risks and/or controls which may put achievement of objectives at risk. Improvements are required to address such areas so that the framework of governance, risk management and control is adequate.
- 2.7 For the purpose of this Annual Report, sufficient audit work was carried out, including the assignments that have been concluded but not yet finalised, which has enabled me to form the Annual Internal Audit Opinion for 2022/23. In reaching my opinion, I have considered the balance of the results of our audit work against this environment and concluded that the major risk issues are not significant in aggregate to the system of internal control. When considering the balance of audit work carried out in 2022/23 and the assurance ratings given, regard is also placed on the response from senior management. Internal Audit has not reviewed all risks and assurances relating to Denbighshire County Council and, therefore, I cannot provide absolute assurance on the internal control environment.

3. Summary of audit work 2022-23:

- 3.1 The Internal Audit Strategy is produced to concentrate on key risks facing the Council. The Internal Audit Strategy 2022-23 was agreed with the Governance and Audit Committee on the 8 June 2022 and it has been updated throughout the year to ensure that Internal Audit focuses its resources in areas of greatest priority and risk at the time and provides assurance in the areas where it is most needed. Progress and changes are reported to the Governance & Audit Committee as part of the Internal Audit Update Report.
- 3.2 The Schedule in Appendix 1 contains a list of all audits agreed in the Audit Strategy 2022/23 and the final outturn for the financial year. The table below shows a summary of the audit opinions provided during the year, categorised as follows:

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Assurance Rating	2018-19	2019-20	2020-21	2021-22	2022-23
High Assurance ●	8	12	5	8	20
Medium Assurance ●	17	9	10	14	9
Low Assurance ●	5	7	1	2	0
No Assurance ●	0	0	0	0	0
Advisory ●	2	4	6	2	3
	30	32	22	26	32

3.3 The assurance opinions were either ‘high’ or ‘medium’ this year (100%).

3.4 We had no low assurance reviews this year, but the process in place is to put the review on the next Governance and Audit Committee agenda and ask a representative from the service to attend and to confirm that the agreed improvements will be implemented and responding to any challenge from members.

3.5 Projects which are at draft stage but are yet to be finalised are listed in Appendix 1.

3.6 Additionally, 25 audits from the Audit Strategy 2022-23 were either cancelled or deferred to 2023-24 (shown in Appendix 1). This was due to the reduced capacity of the Internal Audit team during the year, but also the focus of internal audit activity on three investigations.

3.7 As in previous years, there were no reports with ‘No Assurance’ rating issued during the year.

3.8 The Internal Audit Opinion considers the number of no and low assurance reports, particularly the issues raised and the overall impact on the control environment. Where no or low assurance review have been followed up during

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the year, consideration is given to the management response and progress made with implementing the agreed action plan

3.9 The last year has seen no Government enforced lockdown, and there were no known impairments or restrictions to internal audit's scope affecting the projects undertaken during the year. Internal Audit has worked remotely during the last year and the team are now fully adjusted to the new way of working.

4. Counter Fraud summary

4.1 Counter-fraud arrangements are vital to the Council with the aim of protecting public funds and accountability. The responsibility for managing the risk of fraud lies with management; however, Internal Audit is involved in evaluating the risk of fraud and the manner in which it is managed by the council. National Fraud Initiative (NFI)

5. National Fraud Initiative (NFI)

5.1 Work on the 2020/21 exercise is complete and the 2022/23 exercise is underway. The table below summarises the main results achieved in recent exercises; the 2022/23 exercise is still ongoing:

NFI Results	2018/19	2020/21	2021/22
Housing Benefit	£24,989	£12,830	£21,040
VAT	-	-	-
Council Tax Single Persons Discount	£665,027	£18,307	£5,622
Council Tax rising 18s	£3,039	£9,913	£7,326
Council Tax Reduction Scheme	£8,118	£74,289	£59,010
Total	£701,173	£115,339	£92,998

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5.2 Over recent years the number of Housing Benefit (HB) matches have reduced significantly due to the roll out of Universal Credit and the number of Council Tax Reduction (CTR) has reduced in the last 12 months. This has resulted in the Council processing less CTR matches this time resulting in a lower percentage of overpayments being recorded against the CTR matches.

6. Irregularities

6.1 During the 2022/23 financial year, Internal Audit has been informed of two allegations of fraud. Internal Audit carried assisted with two investigations. Both investigations are currently on-going. A third investigation was completed by Internal Audit around a service failing to comply with agreed procedures around handling money. The investigation confirmed procedures had been breached and controls have been strengthened and staff made aware of current procedures.

Outcome of Investigations	2022/23
Dismissal / contract terminations	0
Resignations accepted after investigation	0
Written warnings issued	0
No further action	1
Investigations pending outcomes	2
Prosecutions	0

7. Proactive exercises

7.1 The Internal Audit team has undertaken proactive exercises which were included in the Internal Audit Strategy. This includes reviewing direct payments

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and housing tenancy fraud and this year's financial audits including Revenues and Benefits focused on the controls to prevent and detect fraud. The outcome of these reviews have been reported to Governance and Audit Committee and improvement action plans agreed with the relevant services.

8. Other counter fraud activity

8.1 The Council has a current Strategy for the Prevention and Detection of Fraud, Corruption & Bribery which was align with the Fighting Fraud and Corruption Locally Strategy for Local Government. A Fraud Response Plan has been updated and was approved at the Governance and Audit Committee in July 2021. The strategy and plan will need to be reviewed during the next 12 months to ensure they are both still fit for purpose.

9. Added value

9.1 In addition to providing risk-rated assurance reports, Internal Audit has strived to add value wherever possible i.e. going beyond the standard expected and providing something "more" without any added costs.

10. Corporate Governance Working Group

10.1 Internal Audit is a lead participant in the Corporate Governance Working Group to review governance arrangements and update the Corporate Governance Framework and the Annual Governance Statement.

11. Collaborative Working

11.1 The North and Mid-Wales Internal Audit Partnership meetings attended by Chief Audit Executives from all North Wales councils and Betsi Cadwaladr Health Board facilitates collaboration, sharing ideas and improving efficiency and effectiveness of our services. The Chief Internal Auditor also attends the Welsh

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Chief Auditors Group (WCAG) that coordinates a peer review of conformance against the Public Sector Internal Audit Standards.

12. Assurance Advisory Support

12.1 Internal Audit has provided advisory support on a number of Boards, projects and other requests, including:

1. Information Governance Group
2. Business Rates Support Grants

12.2 Summary reports and presentations are provided to Schools to highlight improvement areas identified during thematic reviews which helps them to identify potential areas of risk or opportunities. Also, we assist the Governing Body to better understand the need for appropriate oversight; and feedback to the Council with the level of support and guidance required for schools where concerns have been identified.

13. Agile Auditing

13.1 The concept of 'Agile Auditing' during the pandemic has been difficult to carry out as access to department ICT systems was time consuming. With increased collaboration and a joint commitment with the service under review, it is possible to complete audits faster and more efficiently. While it was difficult to apply this approach the team have considered the approach on a few audits during the second half of the year and have had positive feedback from the senior managers working with us on these reviews.

14. Data Analysis

14.1 We continue to apply Computer Assisted Auditing Techniques to analyse data as part of our auditing wherever possible. This allows us the opportunity to test

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whole populations of data, or where this is not possible or appropriate, to target our testing in a more effective manner.

15. Assurance Mapping

15.1 Internal Audit performs an annual assurance mapping exercise to map out the key activities performed by the Council and how these are assured. This informs the Internal Audit Strategy so that it focusses on areas of greatest risk and maximise the value from Internal Audit. The assurance map is updated during the year to reflect key changes to risk or the control environment and, where appropriate, the list of audit priority projects is updated. The Chief Internal Auditor meets with Audit Wales officers regularly throughout the year to coordinate audit work and minimise duplication.

16. Internal Audit Performance

16.1 There are no national performance indicators for Internal Audit, so we measure performance by benchmarking with other Councils' Internal Audit Services via the Welsh Chief Auditor's Group. A bench marking exercise is currently being completed by the 22 Welsh councils and the results will be shared with the the group by September 2023.

The table below shows Internal Audit's performance for the year.

Performance Target	Target	Current Performance
Discuss, agree and issue scope for each audit	100%	100%
Draft report issued within 10 working days of the closing meeting	Avg. days >10	12.63
Final report issued within 5 working days of agreeing the draft report and action plan	Avg. days > 5	5.45
Implementation of Agreed actions	75%	53%

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- 16.2 Overall, performance against the indicators has dropped this year. The reason for the draft report and the final report issued being higher this year is due to one review. We issued the draft report to DLL and due to the Company Accountant leaving, the draft report was not moved on for three months despite regular communication with DLL senior management. The audit agreed actions that have been implemented figure his gone up this year as we have invested time in follow up reviews.
- 16.3 Internal Audit are prioritising the completion of assurance work and continue to follow up previous reviews awarded a low assurance to ensure that necessary improvements are being made. While many actions are taking longer to resolve than originally envisaged by services, we are satisfied that progress is still being made to implement the requisite change.
- 16.4 The Chief Internal Auditor attends Service Management Team meetings to prompt completion and provide an update on the performance. Governance and Audit Committee monitor the completion of improvement actions arising from low assurance reports through Internal Audit's follow up reviews and may invite service representatives to explain if insufficient progress is made with audit actions arising from high or medium assurance reports.
- 16.5 A customer satisfaction survey to recipients of internal audit reviews in 2022/23 allows feedback on our performance - rated as either: "Not at all"; "Limited", "Satisfactory", "Good" or "Very Good". The percentage of scores marked as satisfactory or above are shown below. In total, 10 (out of total 17) completed the survey. The survey is anonymous to encourage honest feedback.

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Customer Survey Questions	Target	Not At All	Limited	Satisfactory	Good	Very Good
Consulted/made aware on the objectives and/or scope of the audit?	100%					100%
Level of consultation throughout the audit?	100%				20%	80%
Professional and approachable auditor?	100%					100%
Results and conclusions of the review explained?	100%					100%
Accurate report that addressed the key issues?	100%			10%	20%	70%
Were you able to comment on the review	100%			10%		90%
Did you have an opportunity to comment on the results of the review?	100%					100%
Auditor took your views into account?	100%					100%
Was the audit constructive and did it add value overall?	100%				40%	60%
Are you happy with the new way internal audit are conducting their reviews?	100%			30%		70%

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16.6 Performance relating to consultation with service has dipped slightly as we have scored satisfactory in three questions, but the other responses were either good/very good. Since the 1 April 2023, we have redesigned the questionnaire to make it easier and quicker to complete and are also sending it out with the final report to encourage more questionnaires to be returned.

16.7 Here are a few examples of the comments received:

"I feel that the remote audit worked very well as we created a school/audit team on TEAMS. We were able to upload documents into folders. Multiple people were able to add to the folders at the same time and edit the self evaluation which meant there was only ever one master working copy of everything. The documents were also available for the Auditor to browse as they needed to. Any requests for additional information were also uploaded as necessary."

"The audit was conducted in a professional thorough manner, all members of staff involved had the opportunity to discuss with the auditor the processes. We felt that it was a system of uploading documents on to a Teams shared folder worked best for our school, and the auditor also found this very helpful - this maybe useful for other schools to use. The senior audit involved was happy to listen to all our feedback & queries and happy to discuss and respond to this."

"The audit was conducted well and fully inclusive. Every step was explained fully."

16.8 We consider all feedback to ensure we continue to meet our stakeholders' needs.

17. Conformance with Public Sector Internal Standards

17.1 The Accounts and Audit (Wales) Regulations 2014 require the Council to perform an annual review of the effectiveness of its internal audit function. The PSIAS mandates that Internal Audit maintains a Quality Assurance and Improvement Programme (QAIP).

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17.2 The results of the QAIP which includes the internal self-assessment by Internal Audit confirms that Denbighshire Internal Audit Service generally conforms to the requirements of the Public Sector Internal Audit Standards (PSIAS) for its internal audit activity.

17.3 Performance of internal audit was consistent with the Internal Audit Charter which sets out the purpose, authority and responsibility of the internal audit activity consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. Our Internal Audit charter is being submitted to Governance & Audit Committee for approval on the 14 June 2023 meeting.

17.4 The Chief Internal Auditor maintains a quality assessment process which includes reviews of all audit work. The quality assessment process and improvement are supported by a development programme and internal audit manual.

18. Quality Assessment

18.1 An external assessment of our service against the PSIAS in March 2018 stated “Internal Audit is operating in conformance with the standards” and the result was reported to Governance & Audit Committee in November 2018. The External Assessment provides independent assurance against the Institute of Internal Auditors (IIA) and appendix 4 shows progress with implementing the improvement actions identified. An external assessment must be carried out every five years. The Welsh Chief Auditors Group is coordinating the next round of this exercise and has allocated Ceredigion County Council’s Chief Audit Executive (CAE) as the external assessor for Denbighshire Internal Audit Service, to be conducted in June 2023. The CAE for Denbighshire will perform the external assessment for Gwynedd County Council.

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19. Improvement Programme

19.1 A quality improvement programme is in place which consists of all recommendations from the external assessment; all improvement actions arising from the external assessment have since been implemented. Additional improvement actions resulting from this year's annual internal self-assessment include:

- Update Audit Manual to provide greater coverage of consulting arrangements (Standard 2220)
- Update the assurance planning document to include the agreed corporate risk appetite (Standard 2010)

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Appendix 1 – Summary of Internal Work 2022-23

The following table provides an overview of Internal Audit work conducted during the year, including the overall Assurance Ratings and the number of risks/issues raised in the action plans (where applicable).

Ref No:	Report Title	Status of Project	Assurance Rating	Risks/Issues Raised		
				Critical	Major	Moderate
D212212	Revenues & Benefits	Complete	High ●	0	0	0
D212211	Equalities	Complete	Medium ●	0	0	3
D212213	Finance Services	Complete	High ●	0	0	2
D212228	Families First Funding	Complete	High ●	0	0	0
D212222	Ysgol Brynhyfryd	Complete	High ●	0	0	2
D212219	Ysgol Hirraddug	Complete	High ●	0	0	2
D212217	Ysgol Y Castell	Complete	High ●	0	0	1
D212216	Ysgol Tremeirchion	Complete	High ●	0	0	1
N/A	NFI	Complete	N/A	N/A	N/A	N/A
D222325	AONB	Complete	High ●	0	0	0
D212203	Commercial Waste	Complete	Medium ●	0	1	2
D222335	Ysgol Caer Drewyn & Ysgol Carrog	Complete	High ●	0	0	3
D222332	Ysgol Gellifor & Ysgol Bryn Clwyd	Complete	Medium ●	0	0	5
D222338	Christchurch C P	Complete	High ●	0	0	2
	PLASC	Complete	High ●	0	0	0
D212215	Ysgol Melyd	Complete	Medium ●	0	1	2
	Community Safety	Complete	Medium ●	0	1	2
D222305	Revenues and Benefits Phase 1	Complete	High ●	0	0	0
D222305	Revs & Bens Phase 2	Complete	High ●	0	0	0
D222330	ALN	Complete	High ●	0	0	0
D212220	Ysgol Dewi Sant	Complete	High ●	0	0	1
D222304	Financial Systems - Payroll	Complete	High ●	0	0	0
D212226	Financial Systems - Accounts Payable	Complete	High ●	0	0	1

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D212226	Financial Systems – Treasury Management	Complete	High ●	0	0	0
D212226	Financial Systems – Budget Control	Complete	High ●	0	0	1
D222327	Blue Badges	Complete	N/A	0	0	0
D212226	Denbighshire Leisure Limited – Governance & Contract Management	Complete	Medium ●	0	0	4
N/A	Support Budgets & Direct Payments: Adults 3rd Follow Up	Complete	Medium ●	0	0	0
N/A	Provision of Homeless Accommodation 3rd Follow Up	Complete	High ●	0	9	7

2022-23 Audits- Reporting Stage

	Report Title	Status of Project	Comment
	Work Force Planning	Fieldwork	
	ICT Asset Management	Fieldwork	
	Housing Support Grant	Fieldwork	
	Christ the Word	Draft Report	

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2022 – 23 Audits Cancelled or Deferred

Report Title	Status of Project	Comment
Fostering	Planned for 2023-24	
Looked after children – Independent Reviewing Officer	Planned for 2023-24	
Programme & Project Management	Planned for 2023-24	
Liberty Protection Safeguards	Planned for 2023-24	
Procurement – pre tender stage	Planned for 2023-24	
Mediquip	Planned for 2023-24	
Court of Protection	Planned for 2023-24	
Community Equipment Service	Planned for 2023-24	
Partnership Arrangements	Planned for 2023-24	
Youth Service	Planned for 2023-24	
Tackling Poverty	Planned for 2023-24	
Asset Management	Planned for 2023-24	
Health and Wellbeing	Planned for 2023-24	
Flood Risk Strategy	Planned for 2023-24	
Insurance	Planned for 2023-24	
Planning Applications	Planned for 2023-24	
Post 16 Education Grant	Planned for 2023-24	
Homelessness	Planned for 2023-24	
Cefndy Healthcare	Planned for 2023-24	
Risk Management	Planned for 2023-24	
Denbigh High School	Planned for 2023-24	
Esgob Morgan	Planned for 2023-24	
Pentrecelyn	Planned for 2023-24	
Cash Collection	Planned for 2023-24	
ALN	Planned for 2023-24	

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Appendix 2 – Audit Coverage by Corporate Risk

Corporate Risk	Coverage	Assurance Rating
CRR00001 The risk of a serious safeguarding error where the council has responsibility resulting in serious harm or death	Reasonable	High ●
CRR00006 The risk that the economic and financial environment worsens beyond current expectations, leading to additional demand on services and reduced income	Reasonable	Medium ●
CRR00011 The risk of an ineffective response to a serious event, such as severe weather, contamination, public safety (including cyber-attack) or a public health event (such as Covid-19).	Reasonable	Medium ●
CRR00012 The risk of a significantly negative report(s) from external regulators	Reasonable	Medium ●
CRR00013 The risk of significant liabilities resulting from alternative models of service delivery	Reasonable	High ●
CRR00014 The risk of a health and safety incident resulting in serious injury or the loss of life (where H&S is referred to, this incorporates fire safety)	Reasonable	High ●
CRR00018 The risk that programme and project benefits are not fully realised	Reasonable	High ●
CRR00021 The risk that effective partnership interfaces between BCU Health Board and Denbighshire County Council do not develop, leading to significant misalignment between strategic and operational direction of BCU and DCC.	Partial	High ●
CRR00027 The risk that even if the settlement is as anticipated, decisions that are necessary to identify and deliver the savings programme and enable a balanced budget are not taken or implemented quickly enough	Reasonable	Medium ●

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CRR00030 The risk that Senior Leadership capacity and skills to sustain service and corporate performance is not available	Reasonable	Medium ●
CRR00031 The risk of fraud and corruption resulting in financial and reputational loss and possibly impacting on service delivery	Reasonable	High ●
CRR00033 The risk that the cost of care is outstripping the council's resource	Partial	Medium ●
CRR00034 The risk that demand for specialist care cannot be met locally	Partial	Medium ●
CRR00036 The risk that any negative impacts of leaving the European Union cannot be mitigated by the council	Partial	Medium ●
CRR00037 The risk that partners don't have the resources, matching priorities or commitment to support delivery of shared plans and priorities	Reasonable	High ●
CRR00044 The risk of Ash Dieback Disease (ADB) in Denbighshire leading to significant health and safety issues that represent a potential risk to life	Reasonable	High ●
CRR00045 The risk that the council fails to become a net carbon zero and ecologically positive council by 2030	Reasonable	High ●
CRR00048 The risk that recruitment and retention issues, leading to a loss of expertise and capacity, worsen resulting in poor or inadequate services	Reasonable	Medium ●
CRR00049 The risk that the future funding regime doesn't allow the council to continue to support the most vulnerable learners and disengaged young people in the way we have been through EU funding	Reasonable	Medium ●
CRR00050 The risk that Welsh Government's commitment to eliminate profit from the care of Looked After Children results in an unstable or unsuitable supply of placements	Reasonable	Medium ●

CRR00012 The risk of a significantly negative report(s) from external regulators – regular meetings with Audit Wales and updates from Estyn, Care Inspectorate Wales and Ombudsman confirms that no significantly negative reports were received in 2022/23. A summary is included in the Annual Governance Statement 2022/23.

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Appendix 3 – Definitions

Definitions of assurance ratings

High Assurance ●	Risk and controls well managed and objectives are being achieved
Medium Assurance ●	Minor weaknesses in management of risks and/or objectives but no risk to achievement of objectives
Low Assurance ●	Significant weaknesses in management of risks and/or control that put achievement of objectives at risk
No Assurance ●	Fundamental weaknesses in management of risks and/or controls that will lead to failure to achieve objectives

No opinion / Advisory ● - Advisory opinions are used for audit work carried out at the request of senior management to provide advice on risk, governance and/or control or to develop potential solutions to problems and provide control assurance. They are also used for our reviews of major change projects that are at an early stage where an assurance rating cannot effectively be awarded.

Definition of risk ratings

Internal Audit reports include an action plan that raises risks/issues that highlight improvement areas. These risks/issues are defined in the following table as per the council's Risk Management Strategy. No 'Critical' risks/issues were raised during the year.

Low ●	Advisory issues discussed with managers during the audit and not included in audit reports and action plans.
Moderate ●	Operational issues that are containable at service level.
Major ●	Corporate, strategic and/or cross-service issues potentially requiring wider discussion at SLT.
Critical ●	Significant issues to be brought to the attention of SLT, Cabinet Lead Members and Corporate Governance & Audit Committee.

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Appendix 4 – Quality Assurance Improvement Programme

Progress against actions from the external assessment as at June 2023

Ref	Standard	Agreed action	Comment
	Code of Ethics		
1.	Do internal auditors have regard to the Standards of Public Life's Seven Principles of Public Life?	Amend the Annual Declaration to include Standards of Public Life's Seven Principles of Public Life. Chief Internal Auditor, Completed	Complete. Auditors aware of the Standards of Public Life's principles and annual declaration updated and signed acceptance by all auditors.
	1000: Purpose, Authority and Responsibility		
2.	Does the internal audit charter cover the arrangements for appropriate resourcing?	Internal Audit Charter "Resources" should incorporate the reporting arrangements if there are insufficient resources. Chief Internal Auditor, Completed	Complete. Internal Audit Charter updated accordingly.
	1100: Independence and Objectivity		
3.	The board approves the internal audit budget and resource plan.	Provide details of the annual resources available for Internal Audit, i.e. number of productive audit days available after taking into account non-productive time, e.g. annual leave, training etc. in the Internal Audit Strategy. Chief Internal Auditor, May 2019	Complete. Internal Audit Strategy states the annual resources available for Internal Audit.
	1300: Quality Assurance and Improvement Programme		

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4.	The “Checklist for Assessing Conformance with the PSIAS” produced by CIPFA to satisfy the requirements set out in PSIAS 1311 and 1312 was not used as a basis for the internal assessment.	The IIA’s checklist was used for the internal assessment. Agree to use the PSIAS checklist as agreed by the Welsh Chief Auditors Group in future to conduct the internal assessment. Chief Internal Auditor, March 2019	Complete Internal Audit assessment checklist updated.
1300: Quality Assurance and Improvement Programme 1311: Internal Assessments			
5.	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	The Internal Audit Update report to Corporate Governance Committee to include a review of activity against the risk-based plan. Chief Internal Auditor, May 2019	Complete. Annual Internal Audit Report summarises work completed against the Internal Audit Strategy.
1300: Quality Assurance and Improvement Programme 1311: Reporting on the Quality Assurance Programme			
6	Has the CAE reported the results of the QAIP to senior management and the board and that the results of both external and periodic internal assessment must be communicated upon completion.	This has already been identified following the internal assessment. The external assessment report will be presented to the Corporate Governance Committee. Chief Internal Auditor, November 2018	Complete External assessment presented to Corporate Governance Committee in November 2018.
7	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	Include results of the QAIP and progress within the annual report Chief Internal Auditor, May 2019	Complete. Annual Internal Audit Report includes the results of the QAIP and progress.
2000: Managing the Internal Audit Activity			

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	2060: Reporting to Senior Management and the Board		
8	Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management and the board?	<p>This was also highlighted as part of the review of the Corporate Governance Committee's effectiveness in line with the CIPFA Code of Practice.</p> <p>Review frequency of reporting on Internal Audit activity to the Corporate Governance and update the Forward Work Programme if required.</p> <p>Chief Internal Auditor, April 2019</p>	<p>Complete.</p> <p>Frequency of Internal Audit report reviewed and Forward Work Programme for the Corporate Governance Committee updated. All Low and No Assurance Reports continue to be reported to the Committee at the earliest opportunity.</p>
	2100: Managing the Internal Audit Activity 2110: Governance		
9	Has the internal audit activity evaluated the: <ul style="list-style-type: none"> a) Design b) Implementation, and c) Effectiveness of the organisation's ethics-related objectives, programmes and activities? 	<p>Include a review of Ethics within the Internal Audit Strategy.</p> <p>Chief Internal Auditor, May 2019</p>	<p>Complete</p> <p>A review of Ethics has been completed and includes an agreed action plan. A follow up review of the agreed actions to be carried out in</p>
	2400: Communicating Results 2410: Criteria for Communicating		
10	If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?	<p>Where risk/issues or actions cannot be agreed, these are highlighted within the action plan of the relevant internal audit report and the Corporate Governance Committee made aware.</p>	<p>Complete.</p> <p>Internal Audit Charter updated to include this requirement</p>

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		<p>This will be incorporated within the Internal Audit Charter for clarity.</p> <p>Chief Internal Auditor, May 2019</p>	
11	<p>Does the annual report incorporate a comparison of work actually carried out with the work planned?</p>	<p>This action is difficult to achieve in practice as the Internal Audit plan changes during the year to correspond to changes in risk and priorities.</p> <p>Chief Internal Auditor to assess the effort required to perform this comparison, and if it is not excessive, the comparison will be included in the Internal Audit Annual report.</p> <p>Chief Internal Auditor, May 2019</p>	<p>Complete.</p> <p>Comparison between work planned and work carried out included in the Internal Audit Annual Report.</p>