

Report To: Corporate Governance Committee

Date of Meeting: 18 December 2013

Report Author: Head of Internal Audit Services

Title: Internal Audit Progress Report

1. What is the report about?

This report updates the Committee on Internal Audit's latest progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.

2. What is the reason for making this report?

To bring the Committee up to date regarding:

- delivery of our Assurance Plan for 2013/14
- recent Internal Audit reports issued
- management's response to issues we have raised
- Internal Audit's performance

3. What are the Recommendations?

- Committee considers and comments on Internal Audit's progress and performance to date in 2013/14
- Committee considers and comments on recent Internal Audit reports issued and follow ups carried out

4. Internal Audit Progress

Delivery of the Internal Audit Assurance Plan 2013/14

4.1. Appendix 1 provides a breakdown of our work during 2013/14, compared to the Internal Audit Strategy. It includes assurance scores and number of issues raised for the completed reviews, definitions used to form our audit assurance and the ratings used to assess the risk-levels for issues raised.

Summary of Recent Internal Audit Reports

4.2. Our reports use colours for assurance ratings as follows:

Green	High Assurance	Risks and controls well managed
Yellow	Medium Assurance	Risks identified but are containable at service level
Amber	Low Assurance	Risks identified that require meeting with Director/Lead Member
Red	No Assurance	Significant risks identified that require member / officer case conference

4.3. Since my report in November 2013, we have issued the following reports. Executive summary reports and action plans are appended to this report for further information.

Audit Report	Audit Opinion	Issues Raised			Comments
		Critical Risk (Red)	Major Risk (Amber)	Moderate Risk (Yellow)	
Thinking & Assessment for Learning Grant 2011-12	N/A	n/a	n/a	n/a	Review of grant for Welsh Government assurance
Financial Assurance 2013/14 - Rhyl-based Services	Green	0	0	3	
Welfare Advice	Yellow	0	1	7	
Corporate Health & Safety	Yellow	0	1	5	

Management's response to issues raised by Internal Audit

4.4. Most of our Internal Audit reports identify risks and control weaknesses. We rate these as critical, major or moderate risk. Management agrees actions to address the risks, including responsibilities and timescales.

4.5. We report all instances where management fails to respond to our follow up work or where they exceed the agreed implementation date by more than three months. This Committee decides whether it needs to take further action, e.g. by calling the relevant people to its next meeting or asking for a written report to explain lack of progress.

4.6. Since my last report to this Committee, we have followed up the following reports and have no responses outstanding.

Audit Report	No. of Issues Followed Up	Outcome of Follow Up
Countryside Operations	3	<ul style="list-style-type: none"> All issues due so far have been addressed 4 additional issues with later implementation dates to be followed up in April 2014
Fostering Service	2	<ul style="list-style-type: none"> Significant progress made on both issues Further follow up in January 2014 to confirm completion
Deputy for Finance (Court of Protection)	5	<ul style="list-style-type: none"> 3 actions completed 2 actions in progress Further follow up of the above 2 actions plus 3 more not yet due to be carried out in February 2014
Ysgol Clawdd Offa, Prestatyn	20	<ul style="list-style-type: none"> All issues addressed Report attached for information No more follow up visits due
Pavilion Theatre, Rhyl	15	<ul style="list-style-type: none"> All operational issues have been addressed Some strategic issues are longer-term as part of the Rhyl Going Forward Strategy No more follow up visits due
Public Realm	15	<ul style="list-style-type: none"> All issues addressed. No more follow up visits due.

Internal Audit Performance

Essential Assurance - all targets 100%

Review of agreed Financial Assurance areas in Assurance Plan by 31/03/14

So far, we have completed 75% of the planned projects, with the remaining project scheduled to be completed before 31 March 2014.

Review of agreed Grants & Certification Assurance areas in Assurance Plan by 31/03/14

So far, we have completed 80% of the planned projects, with the remaining project scheduled to be completed before 31 March 2014.

Review of agreed Corporate Governance Assurance areas in Assurance Plan by 31/03/14

Most of these projects are scheduled for later in the year to allow time for progress on the Corporate Plan. So far, we have completed 18% of the planned projects.

Review of agreed High Corporate Risk Assurance areas in Assurance Plan by 31/03/14

All eight projects are scheduled for completion by 31 March 2014. So far we have completed 13% of the planned projects.

Customer Standards - all targets 100%

Contact customers at least 2 weeks in advance to arrange a suitable date for our visit

Current performance is 91%. Shorter notice given to customer in one case.

Send customers the agreed Project Scoping Document before we commence work

Current performance is 100%

Send the customer a draft report within 10 working days of the closing meeting

Current performance is 100%

Send the customer our final audit report within 5 working days of agreeing the draft

Current performance is 100%