

# **Internal Audit Annual Report 2024-25**

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# Internal Audit Annual Report 2024/25

## Contents

Contents	2
1. Introduction and background	4
2. Internal Audit Opinion 2024-25	4
3. Summary of audit work 2024/25	8
4. Counter fraud summary	9
5. National Fraud Initiative (NFI)	10
6. Irregularities	10
7. Proactive exercises	11
8. Other counter fraud activity	12
9. Added value	12
10. Corporate Governance Work	13
11. Collaborative Working	13
12. Assurance Advisory Support	12
13. Agile Auditing	14
14 Data Analysis	14
15. Assurance Mapping	15
16. Internal Audit performance	15
17. Conformance with GIAS in the UK Public Sector	19

# Internal Audit Annual Report 2024/25

18. Quality Assessment	20
19. Improvement Programme	20
Appendix 1- Summary of Internal Audit Work 2024-25	21
2024-25 Audits – Reporting stage	22
2024-25 Audits Cancelled or Deferred	23
Appendix 2 – Audit Coverage by Corporate Risk	25
Appendix 3 – Definitions	27
Definitions of assurance ratings	27
Definition of risk ratings	27

# Internal Audit Annual Report 2024/25

## 1. Introduction and background

- 1.1 This report outlines the internal audit work that Internal Audit has carried out during the financial year 1 April 2024 to 31 March 2025.
- 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 Global Internal Audit Standards (GIAS) in the UK Public Sector requires 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 2024-25

- 2.1 The CIA has based his 2024-25 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. Risks and issues identified from work completed around special

# Internal Audit Annual Report 2024/25

investigations

7. Assurances received from external regulators and other sources
8. The outcome of the Council's review of its Corporate Governance framework and governance arrangements 2024-25.

2.2 During the last twelve months the new Global Internal Audit Standards (GAIS) produced by the Institute of Internal Auditors (IIA) have been out for consultation. To ensure Local Government can fully comply with the new standards the Chartered Institute of Public Finance Accounts has reviewed the GIAS and provided the GIAS in the UK Public Sector. The GIAS were launched in January 2025 and the GIAS in the UK Public Sector will be in place from 1 April 2025.

2.3 This year's annual opinion needs to consider a number of key factors:

- The Principal Internal Auditor – Career Pathway has successfully completed the level 4 ILM qualification and is about to start the certified exams with the Institute of Internal Auditors.
- One of the new Career Pathway – Senior Auditors has successfully found a new post within Denbighshire County Council, and this has meant that the team have been operating an auditor down from November 2024.
- One of the two Career Pathway – Senior Auditors has successfully passed Level 2 of the Association of Accounting Technician qualification and is currently study for the Level 3 qualification.
- The remaining Career Pathway – Senior Auditor is about to start their professional studies with the Institute of Internal Auditors in May 2025.
- It is hoped that over the next three years the Career Pathway - Principal Internal Auditor and the remaining two Career Pathway – Senior Auditors will address the skill gap.

# Internal Audit Annual Report 2024/25

- The last 12 months has seen six special investigations compared to the previous year when there were seven. The first investigation was carried out by the service, but the remaining five investigations have been undertaken by the Internal Audit Team. With an experienced team this number of special investigations would have been a challenge, but with a relatively new and inexperienced team, it has meant the reviews have taken longer, but it has been a good learning curve.
- An unprecedented amount of staff sickness has occurred this year resulting in over 200 days of the audit plan being lost to staff sickness.
- Between the middle of June through to the middle of August, three members of the Internal Audit Team provided support to the Waste project. Initially they went across on a part time basis, but two then went full time. This has meant that during this period Internal Audit lost 48 days.

2.4 These key factors has meant the delivery of the Internal Audit Plan for 2024-25, 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.

2.5 The Chief Internal Auditor's 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' or 'No' 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.

2.6 Internal Audit has completed three items of advisory work during the year, but discussions with Heads of Service (HoS) have identified that more advisory reviews will take place in the financial year 2025/26. This is a positive sign and

# Internal Audit Annual Report 2024/25

demonstrates that management are willing to engage with Internal Audit to review service risks and controls.






- 2.7 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.
- 2.8 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 2024/25. 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.
- 2.9 When considering the balance of audit work carried out in 2024/25 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.
- 2.9 One of the special investigations related to a member of staff being dishonest, falsifying returns and stealing money. Although this is a concern, I am pleased to report that the service identified the fraud and acted swiftly by suspending the individual and contacting Internal Audit. Internal Audit lead on the investigation with support from key officers in the service and the outcome of the investigation was that the individual resigned but was also found guilty in the disciplinary hearing that took place in their absence.
- 2.9 The Chief Internal Auditor's opinion is that the Council's governance, risk management and internal control arrangements in the areas audited continue to operate satisfactorily. While the scope of assurance work was reduced due to

# Internal Audit Annual Report 2024/25

the staff issues mentioned above and five investigations, reasonable assurance can be given that there have been no major weaknesses noted in relation to the internal control systems operating within the Council.

## 3. Summary of audit work 2024-25

- 3.1 The Internal Audit Strategy is produced to concentrate on key risks facing the Council. The Internal Audit Strategy 2024-25 was agreed at the Governance and Audit Committee on the 12 June 2024, 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 2024/25 and the final outturn for the financial year. The table below shows a summary of the audit opinions provided during the last five years, categorised as follows:

Assurance Rating	2020-21	2021-22	2022-23	2023-24	2024-25
High Assurance 	5	8	20	19	13
Medium Assurance 	10	14	9	5	10
Low Assurance 	1	2	0	0	0
No Assurance 	0	0	0	0	0
Advisory 	6	2	3	1	3
Reviews Completed	22	26	32	24	26

- 3.3 The assurance opinions were either 'high' or 'medium' this year (100%).
- 3.4 We had no low or no assurance reviews this year, but the process in place for dealing with a low or no assurance review is to put the review on the next Governance and Audit Committee agenda and ask a representative from the



# Internal Audit Annual Report 2024/25

service to attend and to confirm that the agreed improvements will be implemented and responding to any challenge from members.

- 3.5 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 the year, consideration is given to the management response and progress made with implementing the agreed action plan.
- 3.6 Projects which are at draft stage but are yet to be finalised are listed in Appendix 1.
- 3.7 Additionally, 29 audits from the Audit Strategy 2024-25 financial year were either cancelled, put on hold or will be completed in 2025-26 (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 five investigations.
- 3.8 The last year 12 months has seen internal audit continue to work within the Council's Agile Working Policy. The Agile approach links to the Council's vision to address the climate emergency, placing emphasis on the importance of sustainability and the health and wellbeing of both employees and the community. The benefits of improved work life balance, employee engagement and reduced travel make a direct contribution to this strategic priority.

## 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.

# Internal Audit Annual Report 2024/25

## 5. National Fraud Initiative (NFI)

5.1 Audit Wales facilitates a national data matching exercise (National Fraud Initiative – NFI) every two years. Work on the 2022/23 exercise has been completed and a report will be finalised and reported to the Governance and Audit Committee in July 2025. The table below summarises the main results achieved in recent 2022/23 exercise:

NFI Results	2021/22	2022/23	2023/24
Housing Benefit	£21,040	£3,660	£5,037.88
VAT	-	-	-
Council Tax Single Persons Discount	£5,622	-	-
Council Tax rising 18s	£7,326	-	-
Council Tax Reduction Scheme	£59,010	£52,081	£43,583.11
<b>Total</b>	<b>£92,998</b>	<b>£55,741</b>	<b>£48,620.99</b>

5.2 Over recent years the number of Housing Benefit (HB) and Council Tax Reduction (CTR) matches have reduced year on year due to the roll out of Universal Credit.

## 6. Irregularities

6.1 During the 2024/25 financial year, Internal Audit has been informed of four allegations of fraud. Internal Audit has carried out investigations into three of the allegations and has made appropriate recommendations. Three of the investigations have been completed and the last one is due to fully start in April 2025.

# Internal Audit Annual Report 2024/25

Outcome of Investigations	2024/25
Dismissal / contract terminations	1
Resignations accepted after investigation	1
Written warnings issued	0
No further action	0
Investigations pending outcomes	0
Prosecutions	0

## 7. Proactive exercises

- 7.1 On an annual basis the Internal Audit team has undertaken proactive exercises which are included in the Internal Audit Strategy. The work will normally focus around reviewing direct payments, housing tenancy fraud and reviewing all the Council's financial systems and controls to prevent and detect fraud. Further assurance around fraud is provided by completion of the bi-annual National Fraud Initiative (NFI) exercise which identifies potential fraudulent case and appropriate recover if required.
- 7.2 As part of the Chief Internal Auditors role, the CIA attends the North and Mid Wales Audit Partnership (M&NWAP) and the Welsh Chief Auditors Group (WCAG) and on both agendas, there is a standard item around fraud and corruption. These meetings ensure any fraud issues are shared and discussed.
- 7.3 The North Wales Counter Fraud Group of Audit Leads or a person nominated, meet twice a year to provide strategic oversight of the Council's counter-fraud activities across the region. The role of the group is to:
- Ensure the development and implementation of appropriate counter-fraud strategies across all business areas proportionate to risk;
  - To ensure effective co-ordination, liaison and communication of counter-fraud activity;

# Internal Audit Annual Report 2024/25

- To monitor the effectiveness of counter-fraud strategies through the development of appropriate performance indicators and reporting mechanisms;
- To provide guidance and assistance to relevant Heads of Service, senior management and staff on issues relating to fraud;
- To discuss incidences of internal fraud to ensure controls are in place; and
- To discuss and review methods of reducing fraud within councils.

## 8. Other counter fraud activity

- 8.1 The Council has a Strategy for the Prevention and Detection of Fraud, Corruption & Bribery which was aligned with the Fighting Fraud and Corruption Locally Strategy for Local Government and a Fraud Response Plan, which were both approved by the Governance and Audit Committee in July 2021. It is the intention of the Chief Internal Auditor to review and update the Strategy and Fraud Response Plan in 2025/26.
- 8.2 During the last twelve months the M&NWAP has considering a number of options available for delivering Fraud and Corruption training across North Wales. A training provider has been agreed, and the Chief Internal Auditor is currently working with the provider to tailor the Fraud Corruption and Bribery E-learning module to Denbighshire County Council's requirements.

## 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.
- 9.2 Discussions with Heads of Service in March /April has identified services are seeing the value of performance reviews with three being completed in 2024/25. The number of performance reviews will increase in 2025/26, as these

# Internal Audit Annual Report 2024/25

reviews support services in assessing how they are performing and provides Internal Audit with assurance that there are adequate controls in place around the service reviewed.

## 10. Corporate Governance Work

- 10.1 Internal Audit is a lead participant in the Corporate Governance Work to review governance arrangements and update the Corporate Governance Framework and the Annual Governance Statement.
- 10.2 During 2024/25 the Corporate Governance Officer Group (CGOG) has been re-instated by the Chief Internal Auditor. This group has met three times this year and is looking at governance arrangements within the Council. The group will also be responsible for producing the Annual Governance Statement (AGS) for 2024/25 which is scheduled to go to the Governance and Audit Committee on 11 June 2025.

## 11. Collaborative Working

- 11.1 The M&NWAP meetings attended by Chief Audit Executives from all North Wales councils and Betsi Cadwaladr Health Board facilitates collaboration, sharing ideas, as well as improving efficiency and effectiveness of our services. The Chief Internal Auditor also attends the Welsh Chief Auditors Group (WCAG) that coordinates a peer review of conformance against the new GIAS in the UK Public Sector.

## 12. Assurance Advisory Support

- 12.1 Internal Audit has provided advisory support on a number of boards, projects and other requests, including:
1. Service Performance Challenge
  2. Information Governance Group

# Internal Audit Annual Report 2024/25

## 3. Climate Change Champion

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.

12.3 This year we have supported two town council's in line with the Charter Denbighshire County Council set up with Denbighshire's city, town and community councils in September 2020. The support has been around ensuring there is good governance arrangements in place and that the accounting records are accurate and true.

## 13. Agile Auditing

13.1 It is difficult to apply agile auditing with a small team, but we have looked at adopting the main principles around touching base on a daily basis with the Principal Auditor to ensure the team remain focused on the task and all resources are used efficiently and effectively. The team has 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. With increased collaboration and a joint commitment with the service under review, it is possible to complete audits faster and more efficiently.

## 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

# Internal Audit Annual Report 2024/25

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.

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

Performance Target	Target	2023/24 Performance	2024/25 Performance
Discuss, agree and issue scope for each audit	100%	100%	100%
Draft report issued within 10 working days of the closing meeting	Avg. days >10	6.00	9.25
Final report issued within 5 working days of agreeing the draft report and action plan	Avg. days > 5	3.4	5.9
Percentage of audit agreed actions that have been implemented by services recorded on the performance management system (Verto)	75%	81%	65%

## Internal Audit Annual Report 2024/25

Percentage of audit agreed actions that have been implemented by schools	75%	59%	74%
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16.2 From the table provided, performance has reduced over the last twelve months:

- The draft report being issued within 10 working days of the closing meeting has gone from an average of 6 to an average of 9.25 days which is just within the agreed 10-day limit;
- The final report issued within 5 working days of agreeing the draft audit report has gone from an average of 3.4 days to an average of 5.9 days which is above the 5-day average.

16.3 The reason for the drop in Internal Audit's performance is due to the challenges the team has faced: -

- Three members of the team volunteering to support the new waste roll out;
- Higher than normal amount of sickness absence;
- A vacancy for five months of the year; and
- Five investigations.

16.4 Internal Audit is 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.

16.5 The Chief Internal Auditor attends Corporate Executive Team (CET), Cabinet, Senior Leadership Team (SLT) and 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



# Internal Audit Annual Report 2024/25

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.

16.6 A customer satisfaction survey to recipients of internal audit reviews in 2024/25 allows feedback on our performance - rated as either: "Not at all"; "Limited", "Satisfactory", "Good" or "Very Good". In total, 10 (out of total 26) completed the survey. The survey is anonymous to encourage honest feedback.

Customer Survey Questions	Target	Not At All	Limited	Satisfactory	Good	Very Good	No Reply
Consulted/made aware on the objectives and/or scope of the audit?	100%	0%	0%	0%	20%	80%	0%
Level of consultation throughout the audit?	100%	0%	0%	0%	20%	80%	0%
Professional and approachable auditor?	100%	0%	0%	0%	10%	90%	0%
Results and conclusions of the review explained?	100%	0%	0%	0%	20%	80%	0%
Accurate report that addressed the key issues?	100%	0%	0%	0%	20%	80%	0%
Were you able to comment on the review	100%	0%	0%	0%	20%	80%	0%
Did you have an opportunity to comment on the results of the review?	100%	0%	0%	0%	10%	90%	0%

## Internal Audit Annual Report 2024/25

Auditor took your views into account?	100%	0%	0%	0%	10%	90%	0%
Was the audit constructive and did it add value overall?	100%	0%	0%	0%	30%	70%	0%

- 16.7 To encourage services to complete the post audit questionnaire, it has been sent out with the final report, and services have been asked to complete the questionnaire, returning it to the Chief Internal Auditor. To try and increase the number of returned questionnaires, the team has sent out reminders to service managers requesting the completed post audit questionnaires in September and January.
- 16.8 This worked well in the 2023/24 financial year with an increase in the number of completed questionnaires, but over the last 12 months the figure has dropped from 14 to just 10 completed questionnaires.
- 16.9 In order to comply with the new Global Internal Audit Standards (GIAS) and the GIAS in the UK Public Sector, the Chief Internal Auditor is required to review the Internal Audit Post Audit Questionnaire and this is something that will be undertaken in quarter one of the 2025/26 financial year.
- 16.10 In the financial year 2023/24, scores ranging from “not at all” through to “very good”, but I am pleased to say this year has seen scores in the “good” and “very good” range. This confirms that the team is performing well and providing the Council with a good Internal Audit service.
- 16.11 Here are a few examples of the comments received:

*“Gas compliance is, along with fire regulations, the most important aspect of our compliance requirements. Whilst we were confident in knowing that we were 100% compliant with the checks, it’s also good to receive feedback on where we could improve the process, particularly with communications between DCC*

# Internal Audit Annual Report 2024/25

*and Liberty gas; and the suggestions will certainly help us with that. Our Head of Service was also extremely pleased at such a positive outcome.*

*“Overall, the audit was conducted thoroughly and professionally with excellent communications from the auditor. The results were discussed prior to issuing and the audit was completed in a reasonable timescale.”*

*“Some scope for staff to spend time in the business getting to know it.”*

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

## **17. Conformance with the New Global Internal Audit Standards within the UK Public Sector**

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 new GIAS in the UK Public Sector mandates that Internal Audit maintains a Quality Assurance and Improvement Programme (QAIP).

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), and over the next 12 months the Chief Internal Auditor will be assessing the team against the new GIAS in the UK Public Sector 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 was approved by the Governance & Audit Committee on 12 June 2024.

# Internal Audit Annual Report 2024/25

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 PSIAS, which have been replaced from 1 April 2025 by the GLAS within the UK Public Sector will also require an External Assessment to be conducted at least once every five years by a qualified, independent assessor from outside the Council.

18.2 An external assessment was carried out in 2023-24 by Ceredigion County Council on a peer review basis organised through the Welsh Chief Auditors Group and was reported to the Governance and Audit Committee on the 12 June 2024. The report states that:

*“The evaluator has concluded that the Internal Audit service for Denbighshire County Council currently conforms with 45 of the Public Sector Internal Audit Standards (PSIAS) and partly conforms with six. There are five areas of non-conformance identified”.*

18.3 During the last 12 months the Chief Internal Auditor has been work towards completing the action plan agreed to ensure full compliance and progress will be report to the Governance and Audit Committee in the quarterly internal audit updates. At the time of writing this report 10 out of the 11 actions on the QAIP action plan had been completed.

## 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 and progress against the action plan.

# Internal Audit Annual Report 2024/25

## Appendix 1 – Summary of Internal Work 2024-25

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
D232446	Wellbeing Impact Assessment	Complete	Medium ●	0	0	2
D232445	Climate Change and Ecological Change Programme	Complete	Medium ●	0	1	1
D232412	Risk Management	Complete	High ●	0	0	0
D242502	Rhuddlan Town Council	Complete	High ●	0	0	0
D232438	Flood Risk Strategy	Complete	Medium ●	0	0	4
D242504	AONB 2023-24	Complete	High ●	0	0	0
D242503	HSG 2023-24	Complete	High ●	0	0	0
D242528	Liberty Gas	Complete	High ●	0	0	1
D242527	Housing Contact Centre	Complete	High ●	0	0	2
D232403	Coastal Rhyll Flood Defence Project	Complete	Medium ●	0	1	0
D242514	Closure of Caldefryn	Complete	Medium ●	0	1	2
D242510	Review of Building Control	Complete	N/A	0	1	4
D242507	School Transport	Complete	N/A	0	0	1
D242509	Fleet Service Review	Complete	N/A	0	0	4
D232458	Asset Management	Complete	Medium ●	0	0	3
D242531	Schools in financial difficulty	Complete	High ●	0	0	2
D242517	Car Parking Fees	Complete	High ●	0	0	3
D242530	AONB	Complete	Medium ●	0	0	5
D242550	Payroll	Complete	High ●	0	0	0
D242551	Accounts Payable	Complete	High ●	0	0	2
D242552	Treasury Management	Complete	Medium ●	0	0	5
D242553	Bank Reconciliation	Complete	High ●	0	0	1
D242554	Council Tax	Complete	Medium ●	0	1	0

## Internal Audit Annual Report 2024/25

D242555	Sundry Debtors	Complete	High ●	0	0	1
D242556	Housing Benefits	Complete	High ●	0	0	0
D252657	NNDR	Complete	Medium ●	0	1	1

### 2024-25 Audits- Reporting Stage

The following table provides an overview of Internal Audit work started in the 2024/25 financial year but will be completed in the 2025/26 financial year.

Ref No:	Report Title	Status of Project	Comment
D242519	Homelessness prevention service	Fieldwork	
D242501	Overtime and Agency Payments	Fieldwork	
D242522	Grant funding – Children and Communities Grant (CCG)	Fieldwork	
D242533	PLASC post-16	Draft	
D242538	Levelling Up Funding (LUF 1)	Fieldwork	
D242543	Use of corporate purchasing cards	Draft	
D242546	Risk Management	Fieldwork	
D242545	Partnerships	Draft	
N/A	NFI 2022-24	Fieldwork	
A232403	Housing First follow-up	Fieldwork	

# Internal Audit Annual Report 2024/25

## 2024-25 Audits Cancelled or Deferred

The following table provides a list of audits cancelled or deferred.

Report Title	Status of Project	Comment
Fostering - changes coming into force at the end of 2024	On Hold	CIW review currently being undertaken across Wales
Libraries (Q1) savings of 21% costs looking back at 2023/24 savings	Planned for 2025-26	2025/26 Q:1
Impact of budget cuts for schools (3% based on school budget)	Not required anymore as this only applied in 2024/25	Cancelled
Maintenance of DCC properties in portfolio including school and non-school properties	No Longer required	Cancelled
Tracking of budget savings	On Hold	
Public conveniences	On hold	Awaiting outcome of consultation
Review of adult social care and double-handed care packages	Planned for 2025-26 / 2026-27	2025/26 Q:4 or 2026/27 Q:1
Liberty protection safeguards	On Hold	
RIF funding due to end 2027	Planned for 2025-26	2025/26 Q:1
Edge of Care Team	On Hold	
To review the processes in place for making decisions around commission within specific services	On Hold	
New CRM system for customer services.	On Hold	
Review of Planning Applications	Planned for 2025-26	2025/26 Q:1
EAL - use of agency staff for English as an additional language	No Longer required	Cancelled
Procurement - to cover legislative changes, processes, and strategy	Planned for 2025-26	2025/26 Q:1
Blue badges process	Planned for 2025-26	2025/26 Q:1

## Internal Audit Annual Report 2024/25

Staff Pay Scale Review	On Hold	
Contracts where 90% of work completed and waiting for retention work to be completed	No Longer required	Cancelled
Disposal of property under Community asset policy as policy does not include timeframes for disposing of assets.	On Hold	
Cash Collection	On Hold	
Direct Payments/Court of Protection	Planned for 2025-26	2025/26 Q:1
Community Equipment Service	On Hold	
Budget setting process	On Hold	
Technology One	Planned for 2025-26	2025/26 Q:1
DLL - review of Teckle agreement	On Hold	
General Ledger	Planned for 2025-26	2025/26 Q:1
Housing First follow-up	Planned for 2025-26	
Cefndy follow up	Planned for 2025-26	
Tackling poverty	Planned for 2025-26	



# Internal Audit Annual Report 2024/25

## Appendix 2 – Audit Coverage by Corporate Risk as at March 2025

Corporate Risk	Risk	Likelihood	Impact
CRR00001 The risk of a serious safeguarding error where the council has responsibility resulting in serious harm or death	Critical	Almost Certain	Very High
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).	Moderate	Possible	Medium
CRR00012 The risk of a significantly negative report(s) from external regulators	Moderate	Possible	Medium
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)	Moderate	Rare	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.	Major	Possible	High
CRR00031 The risk of fraud and corruption resulting in financial and reputational loss and possibly impacting on service delivery	Moderate	Rare	High
CRR00034 The risk that there is insufficient regulated care.	Critical	Likely	High
CRR00037 The risk that partners don't have the resources, matching priorities or commitment to support delivery of shared plans and priorities	Major	Possible	High

## Internal Audit Annual Report 2024/25

CRR00045 The risk to the council's reputation of not responding swiftly of sufficiently enough in making our contribution to tackle climate change and bring about natural recovery following the declaration of a climate change and ecologically emergency in July 2019.	Major	Possible	High
CRR00048 The risk that recruitment and retention issues, leads to a loss of expertise and capacity resulting in poor or inadequate services	Major	Likely	Medium
CRR00050 The risk that Welsh Government's commitment to eliminate profit from the care of children Looked After in an unstable or unsuitable supply of placements	Critical	Highly Likely	High
CR00051 The risk that the economic and financial environment worsens and results in the Council's inability to set a balanced budget.	Critical	Possible	Very High
CR00052 The risk that insufficient funding leads to withdrawal or scaling back of services (even when a balanced budget is delivered).	Critical	Likely	Very High

# Internal Audit Annual Report 2024/25

## 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.