Pecyn Dogfennau Cyhoeddus

Os yn galw gofynnwch am

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PWYLLGOR ARCHWILIO
Dydd Iau, 7fed Gorffennaf, 2016

P E C Y N   A T O D O L

1.1.   **Adolygiad Blynyddol**

Ystyried adroddiad y Rheolwr Archwilio Mewnol.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

A43-20161

CYNGOR SIR *POWYS* COUNTY COUNCIL.

AUDIT COMMITTEE
7th July 2016

REPORT AUTHOR: Internal Audit Manager

SUBJECT: Annual Internal Audit Report 2015/16

REPORT FOR: Information

1.0 INTRODUCTION

1.1 The Public Sector Internal Audit Standards (PSIAS) established in 2013 are the agreed professional standards for internal audit in local government. PSIAS was the code under which the Internal Audit Service operated during 2015/16. It sets out the requirement for the Head of Internal Audit to report to officers and the Audit Committee to help them inform an opinion on the effectiveness of the governance framework, risk and control in operation within the Council.

2.0 ANNUAL OPINION REPORT

2.1 An attached report has been prepared by the Head of Internal Audit. The report fulfils the responsibility under the PSIAS for the financial year ended 31st March, 2016 by summarising internal audit activity, highlighting matters for consideration, referring to future audit activity for ongoing assurance and giving an overall opinion on the level of internal control within the Council.

Recommendation:	Reason for Recommendation:
The report and appendix on the annual internal control opinion be considered and noted.	**To comply with the Public Sector Internal Standards and to contribute to effective governance arrangements.**

Relevant Policy (ies):			
Within Policy:	**Y / N**	**Within Budget:**	**Y / N**

Relevant Local Member(s):	N/A

Person(s) To Implement Decision:	
Date By When Decision To Be Implemented:	

Contact Officer Name:	Tel:	Fax:	Email:
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Powys County Council
INTERNAL AUDIT REPORT

ANNUAL INTERNAL AUDIT REPORT 2015/16

29th June 2016

Final

Powys

1. PURPOSE

1.1 The Public Sector Internal Audit Standards (PSIAS) established in 2013 are the agreed professional standards for internal audit in local government. PSIAS was the code under which the Internal Audit Service operated during 2015/16. It sets out the requirement for the Head of Internal Audit to report to officers and the Audit Committee to help them form an opinion on the effectiveness of the governance framework, risk and control in operation within the Council.

1.2 This report fulfils the Audit Manager's responsibility under the PSIAS for the financial year ended 31st March, 2016 by summarising internal audit activity, highlighting matters for consideration, referring to future audit activity for ongoing assurance and giving an overall opinion on the level of internal control within the Council

2. ROLES AND RESPONSIBILITY

2.1 It is a management responsibility to develop, maintain and ensure compliance with internal control systems by conducting their business in accordance with laws, standards and policies, and that public money is safeguarded, accounted for and used economically, efficiently and effectively.

2.2 It is the responsibility of Internal Audit to form independent and objective judgements by identifying weaknesses in control and their associated risks. Management are responsible for determining whether to accept and implement the recommendations, or alternatively, to recognise and accept the risks resulting from any failure to take action.

3. BASIS OF ASSURANCE

3.1 Internal Audit work has been conducted in accordance with the principles of the Public Sector Internal Audit Standards and additionally in accordance with embedded internal quality assurance systems.

3.2 The annual opinion is limited to the work carried out by Internal Audit during the 2015/16 financial year that has been selected in accordance with the approved Internal Audit Planning Strategy. This strategy ensures alignment wherever possible to corporate priorities, service requirements, identified risk and outcomes of previous internal audit work.

3.3 Most internal audits offer an independent and objective opinion on the level of financial and management control within the specified service area. The range of these opinions is defined in detail in Appendix A.

3.4 The outcome of internal audit work on systems, value for money and probity for 2015/16 is summarised below:-

Audit Opinions	Number of Reports	% of Population
Substantial Assurance	11	13%
Reasonable Assurance	54	63%
Limited Assurance	15	17%
Low Assurance	6	7%
Total	86	100%

The proportion of reviews deemed to have acceptable control systems (high & reasonable) is 76% of all audit work undertaken for 2015/16. This, when considered against the proportion of opinions in previous years, represents a continuation of the improvement experienced last year.

3.5   Internal audit work also supports the Council to receive external funding through the certification of grant funding from the Welsh Government, European Union and the Department of Business, Innovation and Skills. Internal Audit certified grants to the value of £7 million in 2015/16.

In addition, the work of internal audit supports the Council by auditing environmental management systems (ISO14001). Compliance with these standards is an essential requirement of retaining the Trunk Road Agency. These audits help the Council to save money by reducing the consumption of energy and consumables whilst decreasing the potential impact on the environment.

3.6   The outcome of internal audit work on external funding and environmental audit is summarised below:

Control Level	No. of Certifications	% of Population
Certified/ Compliant	20	100%
Qualified	0	0%
Not Certified/ Non-Compliant	0	0%
Total	20	100%

In many cases, the Auditors work closely with the Service Departments to ensure that the Council claims all eligible amounts and does not risk having to repay money back to Central Government.

3.7   Whilst all of the principal risks and systems of the Council will not have been included in the 2015/16 work programme, Internal Audit have undertaken sufficient work to give a reasonable judgement that that a robust control framework exists.

3.8   A complete list of audit assignments undertaken throughout the year is attached in appendix B. Overall, the majority of areas reviewed demonstrate effective governance and control, but conversely there were a small number of reports issued that identified specific areas where the level of control was inadequate (low assurance). These areas were or will be considered by Internal Audit Working Group who track agreed actions to ensure they have been implemented.

3.9.1   The majority of the fundamental systems are audited annually given the Council's operational reliance on the key financial systems and the potentially critical consequence of a material issue if error or fraud occurs.

3.9 .2 Key financial systems such as payroll, creditors, main accounting, pension fund investments, accounts receivable, debt management, capital accounting, treasury management, collaborative budget planning, purchase cards, housing rents and purchase ordering all had reasonable or substantial control systems in place.

Limited assurance was given for council tax as it had more significant areas of control weakness. These concerns have been accepted and addressed in management actions plans.

Future projects like the roll-out of purchase 2 pay and starters and leavers will provide a more efficient transaction process, but potentially lose some of the more traditional front end controls. Internal Audit will support these projects to advise on alternative control methods such as post payment reconciliation and exception reporting.

3.9.3   In addition to the core system work, the audit team have undertaken assignments across all areas of the Council. Below are summaries of those reports deemed to be sufficiently material for the purpose of the annual opinion.

Schools Over-Delegation Report

The Section 151 Officer commissioned a review into the over-delegation of funds to schools for 15/16. It was found that an additional £1.2 million was incorrectly allocated to individual schools due to the absence of a formal reconciliation and sign-off of the budget prior to its allocation. Ineffective communication was also a contributing factor. The Officer involved was an agency worker who left the employment of the Council shortly after the issue was discovered.

An action plan was developed by those Managers responsible which included a formal sign-off by the Budget Holder and Finance. This was successfully implemented for the budget allocation to Schools for 16/17.

Business Continuity

A review of ICT Services found that there was no defined plan in place to enable the council to continue to operate in the event of IT failure. Whilst the risk of these failures occurring is relatively low, the loss of IT services and in particular communication networks would have a critical effect on the delivery of front line services to the public. This has been identified as the top risk in the service risk register and plans are currently being put in place to address the issue.

Risk Management

The Council has made significant advances in the production of the risk register over the last 2 years including the link to the budget setting process and single impact assessment. However, further work needs to be undertaken to embed the process and in particular understand the Council's risk appetite and risk mitigation. This report is still in draft but management will develop an action plan shortly.

Gas Safety

The Council has a responsibility as Landlord to ensure all fixed gas appliances e.g. boilers are checked annually. An audit review found that whilst checks were being undertaken, the back offices processes were not robust enough to promptly identify potential breaches. An action plan has been developed and delivered by the Housing team.

Section 106

A section 106 agreement is when the Council enters into a contract with a landowner to provide specific conditions that would make the planning application acceptable. This often includes lodged sums to provide facilities to the community. The review found that there was a lack of coordination that could result in not achieving the intended outcomes.

3.10   Follow –up

3.10.1 A working group of the audit committee track the implementation of agreed actions on adverse opinion reports (Low and Limited Assurance) by calling in the responsible officers to receive assurances that corrective measures have been delivered. During the course of the 2015/16 financial year, the working group tracked the outcome of 12 internal audit reports. Where there had been an inadequate response or some slippage, the responsible Officers were required to re-visit action plans and were called back to future meetings until the working group were satisfied that the items could be signed off.

3.10.2 Those areas that the group consider still to be open are ICT business continuity, software licensing, housing ICT support systems, debt management and direct payments. These will be tracked at forthcoming meetings.

3.10.3 The group also found examples of good practice where services had embraced the audit report and delivered innovative corrective actions. One such area was Section 106 Agreements where the Planning Function has co-ordinated a multi-service response to ensure that the Council and the citizens of Powys benefit from Planning approvals.

3.11   Anti- Fraud Measures & Investigations

3.11.1 No organisation can guarantee that it will be free from fraud or financial irregularity, the extent of which can be a measure of the effectiveness of internal controls. Internal Audit carried out a number of investigations (13) referred throughout the year either by whistle-blowers, management or as a direct response to internal audit work.

3.11.2 Cases that Internal Audit have investigated or supported have included allegations into the following fraud types:

- Bank mandate fraud
- Payment incentives
- Cash loss
- Private works
- Misuse of council assets
- Failure to declare and pay income due to the Council
- Theft of stock, fuel and consumables
- Travel Expenses

3.11.3 Investigation reports have been promptly provided to Service Managers presenting the evidence collected. Where appropriate this has included interviewing suspects, providing witness statements and liaison with the Police to pursue criminal convictions and to recover potential losses.

3.11.4 The Internal Audit Team continued to coordinate the Council's response to the National Fraud Initiative (NFI) which identifies potential fraud by matching data with other public and private bodies. The role involved ensuring that information was legally collected in accordance with fair processing principles, undertaking detailed investigations and supporting other nominated investigatory functions.

During the year, 2158 matches were investigated. The Council referred 197 Housing Benefit cases to the Department of Works and Pensions for further investigation. A further 21 matches found errors/overpayments to the value of £9,000. The majority of these errors occurred in cases where persons had received direct payments, but had failed to promptly inform the Council of a change in circumstances.

Assurance can be gained that the controls were working effectively in creditors, VAT, pensions, payroll and insurance because a low level of errors discovered.

3.11.5 The 2015 flexible matching exercise, which matched Council Tax and electoral register records, identified cases where persons had claimed single person discount to which they were not entitled. During 2015/16, 88 errors/overpayment cases were identified and actions were taken to recover £65,082.63.

3.11.6 The Internal Audit Team carried out a fraud risk assessment in 2015/16.The assessment found that whilst the Council has anti-fraud and corruption policies / mechanisms in place that include whistleblowing, money laundering and bribery, some policies needed to be reviewed and refreshed. Internal Audit cannot own those policies, as they cannot have operational responsibility, but have developed some model policies that will be subject to approval by the Council.

3.11.7 Overall, the level of reactive and proactive anti-fraud and corruption work undertaken by Internal Audit is appropriate and outcomes have been positive. However, it should be noted that whilst the Council have made financial savings through the delayering of managers and supervisors, the greater span of managerial control has increase the risk of cases of fraud and corruption as more opportunities become available.

3.12.1 A significant challenge to the council remains the financial context within which the Council operates. Delivering a continuous programme of substantial savings continues to impact on all areas of the business. Saving plans are established and the Council appears well placed to respond to the immediate spending cuts. However, the scale and pace of change required for both front line and support services remains a fundamental risk for the future. This area will focus in future audit plans and will in particular focus on evidence of delivery in the financial plans and evidence that severance schemes offered sound business cases and that the cashable savings have been delivered.

3.12.2 In a council of Powys' size and complexity, with its significant priorities, transformational plans and saving requirements, there is an inherent risk of breakdown in the systems of control particularly where roles, responsibilities and systems are changing. Internal Audit will support Management in the transition to new ways of working that manage risk and ensure effective and proportionate control. System audits and system development will be the focus of internal audit work together with added value reviews that have been requested by the client.

3.12.3 Internal Audit have supported a number of projects in 15/16 to provide control advice and challenge where necessary. The main projects are listed below:
- School Cashless Catering System
- Gypsy Traveller site
- New income and awards systems

- Closure of accounts
- Council Tax Refunds
- Internet Policy

3.13   Internal Audit have supported the work of the Corporate Information Operational Governance group (CIOG) and the Information Governance Manager by contributing to officer meetings and reviewing information security arrangements during the course of systems and operation reviews. All information control weakness were addressed as part of agreed action plans. In addition, a spot check across three Council buildings was undertaken to ensure that the Council were in compliance with data protection principles on information security.

3.14   The Internal Audit Section was sufficiently resourced to deliver an annual opinion on internal control for 2015/16. However, the Council is responding to challenging funding settlements that have resulted in budget reductions across all service areas. Internal Audit's contribution to those savings has resulted in a restructured team with less resources.

      A long-term secondment of a Principal post has resulted in a vacancy in the team. This post could not be filled possibly because of its temporary nature. In response, the audit team have reallocated duties until clarity is provided on the secondment. In addition, the absence of several members of the team due to planned operations and one long-term sickness have resulted in some slippage to the audit plan. However, external contractors have been brought in to enable the team to deliver sufficient work to provide an audit opinion.

3.15   There have been no restrictions imposed on the scope of internal audit work during the year or in the provision of this control opinion. As a result, Internal Audit has maintained the required independent and objective status.

4.   HOW WE HAVE PERFORMED/ IMPROVED?

4.1   The Internal Audit Team have made improvement in the following areas over 2015/16:

- Mobile and Paperless working including portable scanners
- Improved Reporting Style
- Improved Computer Audit Skills
- Developed Control Self-Assessment

4.2   A self -assessment of the Audit Committee identified the support provided by Internal Audit as Good.

4.3   Internal Audit are participating in an accord with other Welsh Local Authorities to undertake peer reviews against the PSIAS standards. This will save the Council £10k.

4.4   99% of our customers that responded have rated the Internal Audit Service as Excellent or Good; the remaining 1% rated us as satisfactory.

4.5   A follow-up review by KPMG found that Internal Audit had made substantial progress towards the recommendations outline in the external quality assessment.

5.   ASSURANCE STATEMENT

5.1   No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance; this statement is intended to provide reasonable assurance.

5.2   Based on the work undertaken by Internal Audit during the 2015/16 financial year, it is the opinion of the Internal Audit Manager that the control environment provides "Satisfactory Assurance " i.e. the control environment is generally effective, but there are some areas of the Council where improvement in control is required.

5.3   Internal Audit will promote improvement in these specific areas and will ensure that they are included where possible in the internal audit work programme.
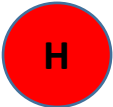
6.   APPENDICES

APPENDIX A

Audit Report - Overall Assurance Opinions

The table below is a defined set of assurance ratings that demonstrate a clear link between the number and priority of the agreed actions and the overall opinion issued.

Opinion	Basis Guide	Definition
SUBSTANTIAL ASSURANCE	No or a few low priority actions.	Internal controls were in place and operating effectively. Any weaknesses identified relate only to issues of good practice which could improve the efficiency and effectiveness of the system or process. Risks against the achievement of objectives are well managed.
REASONABLE ASSURANCE	One or more medium priority recommendations.	Generally risks were well managed, but some systems require the introduction or improvement of internal controls to ensure effective service delivery. However, if not addressed the weaknesses could increase the likelihood of strategic / service risks occurring.
LIMITED ASSURANCE	One or more high priority recommendations, or a high number of medium priority recommendations that taken cumulatively suggest a weak control environment.	Some key risks were not well managed and systems require the introduction or improvement of internal controls to ensure effective service delivery. There are weaknesses identified that have a significant impact preventing the achievement of strategic aims and/or objectives, or result in a significant exposure to reputational or other risk areas.
LOW ASSURANCE	One or more high priority recommendations and fundamental design or operational weaknesses in more than one part of the area under review.	The areas reviewed were found to be inadequately controlled. Risks were not well managed and systems require the introduction or improvement of internal controls. The weaknesses identified have a fundamental and immediate impact in preventing achievement of strategic aims and/or objectives, or result in an unacceptable exposure to reputational or other risks.

Agreed Actions – Priority Ratings

The table below is a defined set of priority ratings that demonstrates the significance of the weaknesses identified and the impact that risk may have if it is not addressed.

Priority	Definition
H	**High priority** - A significant weakness in the system or process which is putting the Council at serious risk of not achieving its strategic aims and objectives. In particular: significant adverse impact on reputation; non-compliance with key statutory requirements; or substantially raising the likelihood that a strategic risks will occur. Recommendations in this category require immediate attention.
M	**Medium priority** - A potentially significant or moderate level weakness in the system or process which could put the Council at risk of not achieving its strategic aims and objectives. The issue could potentially have an adverse impact on the Council's reputation or increase the likelihood of strategic risks occurring, if not addressed.
L	**Low priority** - Recommendations which could improve the efficiency and/or effectiveness of the system or process but which are not vital to achieving the Council's strategic aims and objectives. These are generally issues of good practice that we consider would achieve better outcomes.

Powys

Appendix B

Assignment Name	Area	Final date	Opinion	Fundamental - High	Significant - Medium	Merits - Low	Control Risk
CORPORATE							
Equalities Act	Corporate/ Strategic	15/04/16	Reasonable	1	0	0	**LOW**
Risk Management	Corporate/ Strategic	Draft *	Limited	4	5	1	**MEDIUM**
Internet Filtering Review	Corporate/ Strategic	On-Going	Limited	n/a	n/a	n/a	**MEDIUM**
Commissioning Review- Respite Care	Corporate/ Strategic	31/05/16	Substantial	0	0	0	**LOW**
Data Protection	Corporate/ Strategic	13/05/16	Reasonable	0	3	1	**LOW**
RESOURCES DIRECTORATE							
Business Services							
Members Expenses	Operational Reviews (Support Services)	12/10/15	Reasonable	0	3	3	**LOW**
Payroll	Core/ Fundamental Systems	30/11/15	Reasonable	3	13	9	**LOW**
Debt Management & Recovery - Follow up	Core/ Fundamental Systems	02/02/16	Reasonable	0	5	0	**LOW**
Council Tax	Core/ Fundamental Systems	21/06/16	Limited	2	5	6	**MEDIUM**

Assignment Name	Area	Final date	Opinion	Funda mental - High	Signific ant - Medium	Merits - Low	Control Risk
ICT & Customer Services							
Customer Services Brecon	Operational (Customer Facing)	20/05/15	Reasonable	0	2	1	**LOW**
Portable IT assests/ External contractor	Operational Reviews (Support Services)	01/06/15	Low	2	7	2	**HIGH**
Customer Services Llanfair	Operational (Customer Facing)	21/04/15	Limited	0	5	2	**MEDIUM**
Customer Services Llanfyllin	Operational (Customer Facing)	07/05/15	Reasonable	0	3	3	**LOW**
Business Continuity (Follow Up) (provisional)	Corporate/ Strategic	08/04/16	Low	5	5	0	**HIGH**
Software Licensing	Operational Reviews (Support Services)	06/04/16	Low	7	6	2	**HIGH**

Assignment Name	Area	Final date	Opinion	Funda mental - High	Signific ant - Medium	Merits - Low	Control Risk
Professional Services							
Capital	Core/ Fundamental Systems	23/04/15	Reasonable	0	2	3	**LOW**
Main Accounting System	Core/ Fundamental Systems	03/12/15	Substantial	0	0	3	**LOW**
Sick Absence - follow up	Operational Reviews (Support Services)	29/06/16	Reasonable	1	2	0	**LOW**
Declaration of Interest - follow up	Operational Reviews (Support Services)	28/04/16	Reasonable	1	4	2	**LOW**

Grants Management (follow up)	Regulatory	12/01/16	Limited	0	4	3	**MEDIUM**
Debtors System	Core/ Fundamental Systems	22/07/15	Reasonable	0	1	8	**LOW**
Treasury Management	Core/ Fundamental Systems	09/09/15	Substantial	0	0	1	**LOW**
Collaborative planning	Core/ Fundamental Systems	13/01/16	Substantial	3	1	1	**LOW**
Purchase Cards	Core/ Fundamental Systems	05/05/16	Substantial	1	1	0	**LOW**
Creditor (Follow up)	Core/ Fundamental Systems	08/04/16	Reasonable	1	5	3	**LOW**
Capital - Follow up	Core/ Fundamental Systems	17/03/16	Substantial	0	0	0	**LOW**
Pension Fund Investment	Core/ Fundamental Systems	06/04/16	Substantial	0	2	0	**LOW**
VAT Checking (NFI)	Core/ Fundamental Systems	15/04/16	Substantial	N/A	N/A	N/A	**LOW**
Creditor Checking (NFI)	Core/ Fundamental Systems	16/04/16	Substantial	N/A	N/A	N/A	**LOW**
Eprocurement	Core/ Fundamental Systems	24/05/16	Reasonable	2	3	4	**LOW**

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Assignment Name	Area	Final date	Opinion	Fundamental - High	Significant - Medium	Merits - Low	Control Risk

PEOPLE DIRECTORATE

Adult Services

Direct Payments - Follow up	Operational (Customer Facing)	20/04/16	Limited	1	3	0	**MEDIUM**
DToC - Follow up review	Operational (Customer Facing)	24/11/15	Reasonable	0	1	1	**LOW**

Children Services

Leaving Care	Operational (Customer Facing)	06/04/16	Reasonable	0	2	0	**LOW**

Housing

Housing - WQHS	Operational (Customer Facing)	23/07/15	Reasonable	0	0	2	**LOW**
Gas Safety	Regulatory	20/10/15	Low	5	3	0	**HIGH**
Homelessness - Follow up Review	Operational (Customer Facing)	22/02/16	Reasonable	0	4	3	**LOW**
Housing Rents	Core/ Fundamental Systems	04/05/16	Reasonable	0	4	3	**LOW**

Assignment Name	Area	Final date	Opinion	Funda mental - High	Signific ant - Medium	Merits - Low	Control Risk
PLACE DIRECTORATE							
Highways, Transport & Recycling							
Environmental Audits - Rhayader WTS	Operational Establishments (Cyclical)	26/06/15	Compliant (Environmental)		N/A	N/A	**LOW**
Environmental Audits - Rhayader Depot	Operational Establishments (Cyclical)	25/06/15	Compliant (Environmental)		N/A	N/A	**LOW**
Procurement of Contractors	Operational Reviews (Support Services)	13/10/15	Limited	3	1	0	**MEDIUM**
Depot Stocks	Operational (Customer Facing)	20/01/16	Limited	4	2	0	**MEDIUM**
Depots - Summary of findings	Operational Establishments (Cyclical)	16/07/15	Limited	0	6	1	**MEDIUM**
Env Aud Q2-1 - Abercrave Depot	Operational Establishments (Cyclical)	19/11/15	Compliant (Environmental)		N/A	N/A	**LOW**
Env Aud Q2-2 - Abercrave WTS	Operational Establishments (Cyclical)	19/11/15	Compliant (Environmental)		N/A	N/A	**LOW**
Env Audit Q3 1 - Llangammerch	Regulatory	28/10/15	Compliant (Environmental)		N/A	N/A	**LOW**
Env Audit Q1 2 - EMS Audit	Regulatory	17/04/15	Compliant (Environmental)		N/A	N/A	**LOW**

RESTRICTED CLASSIFICATION

Leisure and Recreation

Catering - Vending - VFM (no report)	Advice and Support	27/07/15	N/A	N/A	N/A	N/A	**MEDIUM**
County Hall Restaurant Audit	Operational Reviews (Support Services)	26/01/16	Limited	5	6	3	**MEDIUM**

Regeneration, Property and Commissioning

Environmental Audits - County Hall	Operational Establishments (Cyclical)	25/06/15	Compliant (Environmental)		N/A	N/A	**LOW**
Section 106	Operational (Customer Facing)	30/09/15	Limited	4	2	0	**HIGH**
Trading Standards Estate Agency	Regulatory	14/07/15	Reasonable	N/A	N/A	N/A	**LOW**
Statutory Testing	Operational Reviews (Support Services)	02/02/16	Reasonable	1	2	3	**LOW**

Legal & Democratic

Registrars Q3 Welshpool	Operational Establishments (Cyclical)	13/05/16	Reasonable	2	6	2	**LOW**
Registrars Q3 Newtown	Operational Establishments (Cyclical)	13/05/16	Reasonable	2	8	2	**LOW**

Assignment Name	Area	Final date	Opinion	Funda mental - High	Signific ant - Medium	Merits - Low	Control Risk
SCHOOLS							
Schools - Primary Q1 - Abermule CP	Operational Establishments (Cyclical)	15/09/15	Limited	0	6	2	**MEDIUM**
Schools - Primary Q1 - Ladywell Green Nursery & Infants	Operational Establishments (Cyclical)	08/09/15	Reasonable	0	3	4	**LOW**
Schools - Primary Q1 - Llanfechain CIW	Operational Establishments (Cyclical)	16/07/15	Reasonable	0	4		**LOW**
Schools - Primary Q1 - Maesyrhandir CP	Operational Establishments (Cyclical)	20/07/15	Reasonable	0	2	4	**LOW**
Schools - Primary Q1 - Montgomery CIW	Operational Establishments (Cyclical)	16/07/15	Limited	0	8	3	**MEDIUM**
Schools - Primary Q1 - Oldford Infants	Operational Establishments (Cyclical)	16/07/15	Reasonable	0	2	2	**LOW**
Schools - Primary Q1 - Whitton Aided	Operational Establishments (Cyclical)	16/07/15	Reasonable	0	2	5	**LOW**
Schools - Primary Q1 - Ysgol y Bannau	Operational Establishments (Cyclical)	30/09/15	Low	4	13	1	**MEDIUM**
Schools - Llandrindod High	Operational Establishments (Cyclical)	02/09/15	Limited	7	4	6	**MEDIUM**
High School Canteens	Operational Establishments (Cyclical)	21/07/15	Reasonable	0	5	2	**LOW**
EIG 15/16 Q1	Regulatory	07/08/15	Reasonable	N/A	N/A	N/A	**LOW**
SEG/WEG/14-19 2014/15	Regulatory	13/10/15	Reasonable	N/A	N/A	N/A	**LOW**
Schools - Ysgol Maes Y Dderwen	Operational Establishments (Cyclical)	09/12/15	Reasonable	2	7	10	**LOW**

RESTRICTED CLASSIFICATION

Schools -Primary Q2- Builth	Operational Establishments (Cyclical)	21/11/15	Limited	4	2	0	**MEDIUM**
Schools -Primary Q2- Llanbedr	Operational Establishments (Cyclical)	17/07/15	Reasonable	0	6	2	**LOW**
Schools -Primary Q2- Llanbrynmair	Operational Establishments (Cyclical)	30/07/15	Reasonable	0	1	0	**LOW**
Schools -Primary Q2- Bryn Hafren	Operational Establishments (Cyclical)	09/10/15	Reasonable	0	6	1	**LOW**
Schools -Primary Q2- Crickhowell	Operational Establishments (Cyclical)	30/09/15	Reasonable	0	4	2	**LOW**
Schools- Thematic Control Report	Operational Establishments (Cyclical)	10/02/16	N/A	N/A	N/A	N/A	**LOW**
Schools - Primary - Q3 - Knighton	Operational Establishments (Cyclical)	15/12/15	Reasonable	1	1	1	**LOW**
Schools - Primary - Q3 - Montgomery - Follow up	Operational Establishments (Cyclical)	30/11/15	Reasonable	0	8	3	**LOW**
Schools - Primary - Q3 - Llandinam	Operational Establishments (Cyclical)	01/12/15	Reasonable	2	2		**LOW**
Schools - Primary - Q3 - Llanelwedd	Operational Establishments (Cyclical)	21/11/15	Reasonable	1	3	1	**LOW**
Schools - Primary - Q3 - Ysgol Dafydd Llwyd	Operational Establishments (Cyclical)	03/02/16	Reasonable	1	9	1	**LOW**
Schools - Primary - Q3 - Clyro	Operational Establishments (Cyclical)	17/11/15	Reasonable	2	6	2	**LOW**
Schools - Primary - Q3 - Arddleen	Operational Establishments (Cyclical)	01/12/15	Substantial	0	0	1	**LOW**
Schools - Primary - Q3 - Archdeacon Griffiths CIW	Operational Establishments (Cyclical)	25/01/16	Reasonable	1	2	6	**LOW**
High Schools - Over Delegation Report	Operational Reviews (Support Services)	29/04/16	Low	2	2	0	**HIGH**
EIG 15/16 Q2	Regulatory	12/10/15	Reasonable	N/A	N/A	N/A	**LOW**

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EIG 15/16 Q3	Regulatory	08/01/16	Reasonable	N/A	N/A	N/A	**LOW**
PDG 14/15	Regulatory	21/12/15	Reasonable	N/A	N/A	N/A	**LOW**
Free School Meals	Operational (Customer Facing)	18/06/16	Reasonable	1	4	2	**LOW**
Schools - Primary - Q4 - Ysgol Carno	Operational Establishments (Cyclical)	25/04/16	Reasonable	0	2	1	**LOW**
Schools - Primary - Q4 - Buttington/Trewern	Operational Establishments (Cyclical)	21/04/16	Reasonable	0	3	0	**LOW**
Schools - Primary - Q4 - Meifod	Operational Establishments (Cyclical)	06/05/16	Reasonable	1	3	0	**LOW**
Schools - Primary - Q4 - Carreghofa	Operational Establishments (Cyclical)	20/04/16	Reasonable	0	4	0	**LOW**
Schools - Primary - Q4 - Newbridge on Wye	Operational Establishments (Cyclical)	20/04/16	Reasonable	0	4	2	**LOW**
Schools - Primary - Q4 - Ysgol Rhiw Bechan	Operational Establishments (Cyclical)	27/04/16	Reasonable	0	5	0	**LOW**
EIG 15/16 Q4	Regulatory	03/03/16	Reasonable	N/A	N/A	N/A	**LOW**
Post 16 Welsh Gov Submission 14-19 Pathways	Regulatory	12/05/16	Reasonable	N/A	N/A	N/A	**LOW**

Assignment Name	Area	Final date	Opinion	Fundamental - High	Significant - Medium	Merits - Low	Control Risk
ADVISORY / CONSULTANCY							
Cashless System Project	Advice and Support	On-Going	N/A	N/A	N/A	N/A	N/A
Attendance at Service and Management Teams	Advice and Support	On-Going	N/A	N/A	N/A	N/A	N/A
New Audit Management System	Advice and Support	07/01/2016	N/A	N/A	N/A	N/A	N/A
Fraud Risk Assessment	Advice and Support	31/03/16	N/A	N/A	N/A	N/A	N/A
Develop Bribery Policy	Advice and Support	31/03/16	N/A	N/A	N/A	N/A	N/A
Develop Anti-Fraud and Corruption Policy	Advice and Support	31/03/16	N/A	N/A	N/A	N/A	N/A
Develop Anti- money Laundering Policy	Advice and Support	31/03/16	N/A	N/A	N/A	N/A	N/A
Partnerships (no report)	Advice and Support	01/06/15	N/A	N/A	N/A	N/A	N/A
Ctax Refunds Process - Advice	Advice and Support	31/03/16	N/A	N/A	N/A	N/A	N/A
Time Management - New System	Advice and Support	02/07/15	N/A	N/A	N/A	N/A	N/A
Internet usage policy	Advice and Support	01/11/15	N/A	N/A	N/A	N/A	N/A

FRAUD & CORUPTION							
NFI 2014/15	Fraud & Corruption	On-Going	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
FM Handyman- Ddole Road	Fraud & Corruption	09/04/15	Fraud/Irregularit	N/A	N/A	N/A	**MEDIUM**

			y				
Catering Income -Follow up (no report)	Fraud & Corruption	01/06/15	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
Creditors - fraud attempt (Toner Supplies)	Fraud & Corruption	10/09/15	Fraud/Irregularity	N/A	N/A	N/A	**MEDIUM**
Catering Supervisor- Leisure Centre	Fraud & Corruption	01/09/15	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
Vehicle Maintenance Workshops	Fraud & Corruption	16/09/15	Fraud/Irregularity	N/A	N/A	N/A	**MEDIUM**
Catering Irreg - Vending	Fraud & Corruption	06/08/15	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
Regeneration Website Irreg	Fraud & Corruption	N/A	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
Ddole road Vehicle use Irreg	Fraud & Corruption	09/10/15	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
Travelling Expenses (1)	Fraud & Corruption	27/07/15	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
Creditors Supplier Fraud	Fraud & Corruption	19/08/15	Fraud/Irregularity	N/A	N/A	N/A	**HIGH**
Travel Expenses (1)- Follow Up	Fraud & Corruption	17/01/16	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
Fraud Alerts Investigations (NAFN)	Fraud & Corruption	On-going	Fraud/Irregularity	N/A	N/A	N/A	**MEDIUM**
Travel Expenses Ystrad (2)	Fraud & Corruption	29/04/15	Fraud/Irregularity	N/A	N/A	N/A	**LOW**
Travel Expenes (3) Brecon	Fraud & Corruption	29/04/15	Fraud/Irregularity	N/A	N/A	N/A	**LOW**

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Assignment Name	Area	Final date	Opinion	Fundamental - High	Significant - Medium	Merits - Low	Control Risk
EXTERNAL							
BBNPA Rural Alliances - Claim 7	Regulatory	30/04/15	N/A	N/A	N/A	N/A	N/A
BBNPA Rural Alliances - Claim 8	Regulatory	28/10/15	N/A	N/A	N/A	N/A	N/A

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7.   REPORT STATUS

7.1   This report has been prepared for the internal use of the Powys County Council and its contents are restricted. The work involved in the production of this audit report complies with the principles outlined in Public Sector Internal Audit Standards in the United Kingdom.

8.   CONTACTS

8.1   The following audit staff have been involved throughout the various stages of this review. Please do not hesitate to contact them if you have any queries relating to the contents of the report.

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