SWAP

SOUTH WEST AUDIT PARTNERSHIP

Delivering Audit Excellence

Powys County Council

Internal Audit Activity 2017/18

1st April 2017 to 31st September 2017 (Quarter 2)

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Our audit activity is split between:

- **Corporate Priorities**
- **Healthy Organisation Principles**

See appendix A for individual audits.

Role of Internal Audit

The Internal Audit service for Powys County Council is provided by the South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors and is also guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS). The work of the Partnership is also guided by the 'Internal Audit Charter' that was approved on the 4th April 2017.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work is categorised as:

Corporate priorities for the Council are:

- Services Deliver for Less
- Supporting People in the Community
- Developing the Economy
- Improving Learner outcomes for all

Alongside audit work specifically designed to support the delivery of these outcomes, we have also developed our audit plan to provide assurance that the council operates as a 'Healthy Organisation'. The eight key areas are:

- ➢ Corporate Governance
- ➢ Financial Management
- ➢ Risk Management
- ➢ Performance Management
- ➢ Commissioning and Procurement
- ➢ Information Management
- ➢ Programme & Project Management
- ➢ People and Asset Management

Summary of Audit Assignments by Delivery Status

Overview of Internal Audit Activity

1. Corporate Plan- Delivering Services for Less

- In Progress – 2
- Draft / Discussion – 1
- Not Started - 2

2. Corporate Plan – Supporting People in the Community

- Audit Initiation – 3
- In Progress – 1
- Draft / Discussion – 1
- Completed – 3
- Not Started - 1

3. Corporate Plan – Developing the Economy

- In Progress – 1
- Completed – 1
- Not Started - 0

4. Corporate Plan – Improved Learner Outcomes

- Audit Initiation – 1
- In Progress – 3
- Draft / Discussion – 3
- Completed – 10
- Not Started - 8

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Summary of Audit Assignments by Delivery Status	Audit Plan Progress - Continued

5. Healthy Organisation - Corporate Governance

- Audit Initiation –   1
- Completed –   1
- Not Started -   2

6. Healthy Organisation - Financial Management

- In Progress –   3
- Draft / Discussion –   3
- Completed –   3
- Not Started -   2

7. Healthy Organisation – Risk Management

- Not Started -   2

8. Healthy Organisation – Performance Management

- Not Started -   1

9. Healthy Organisation – Commissioning & Procurement

- In Progress –   2
- Completed –   1
- Not Started -   1

Summary of Audit Assignments by Delivery Status

Audit Plan Progress - Continued

10. Healthy Organisation – Information Management

- In Progress –   1
- Draft / Discussion –   1
- Completed –   1
- Not Started -   1

11. Healthy Organisation – Programme and Project Management

- In Progress –   4
- Not Started -   1

12. Healthy Organisation – People and Asset Management

- In Progress –   1
- Draft / Discussion –   1
- Completed –   1
- Not Started -   1

Summary of plan delivery position	**Conclusion**
	Naturally, the transfer of Internal Audit Services to the SWAP Partnership in April 2017 has meant that new protocols, procedures and systems have taken time to become familiar. It is envisaged that the embedding process has mostly been achieved but has caused the delivery of the audit plan to be slightly behind the desired position.
	In addition, this position has been exacerbated by some clients delaying the start of audit projects and uncertainty over the status of certain pieces of work. The Audit Team try to reschedule projects to minimise disruption to the plan, but there may be some instances that will unavoidably result in a loss of productive days.
	However, additional resources have been brought in and a revised schedule has been developed that allows the work programme to be delivered or mostly delivered in line with the agreed standards.
	In summary, whilst these have been challenging times for the team, the delivery of the audit plan at this point appears to be on track.

C.P. Ref	Directorate/Service	Audit Area	Audit Type	Audit Name	Quarter	Status
1	*Finance	Financial Transactions Management	Governance, Fraud & Corruption	National Anti-Fraud Initiative 1718 - PCC	April 2017	In progress
1	*Adult care services	Supporting Adults	Operational	Financial Overspend - Recovery Plan 1718 - PCC	April 2017	In progress
1	*Transport and infrastructure	Transport Planning	Operational	Leasing Commercial Vehicles 1718 - PCC	July 2017	Not Started
1	*Finance	Financial Transactions Management	Operational	Medium Term Financial Strategy 1718 - PCC	Oct 2017	Not Started
1	*Transport and infrastructure	Highway Development Control	Operational	Winter Maintenance 1718 - PCC	July 2017	Draft
2	*Education and skills	Access and Inclusion	Operational	Supporting Travellers Project 1718 - PCC	April 2017	In progress
2	*Housing	Enforcement	Follow Up	Gas Safety Follow-Up 1718 - PCC	April 2017	Completed
2	*Housing	Managing Tenancies	Operational	Housing - Service Charges 1718 - PCC	July 2017	Completed
2	*Adult care services	Supporting Adults	Operational	Supporting People 1718 - PCC	July 2017	Draft
2	*Children and Family's Services	Supporting Children	Operational	Grant - Youth Services 1718 - PCC	July 2017	Completed

2	*Adult Care Services	Supporting Adults	Operational	Social Care Payment Process 1718 - PCC	Oct 2017	Audit Initiated
2	*Children and Family's Services	Supporting Children	Operational	Looked after Children 1718 - PCC	Oct 2017	Audit Initiated
2	*Adult Care Services	Supporting Adults	Operational	Social Care Job 2 1718 - PCC	Jan 2018	Not Started
2	*Adult Care Services	Residential Homes	Operational	WQHS 1718 - PCC	Oct 2017	Audit Initiated
3	*Planning and Building Control	Building Control	Operational	Planning - Building Control 1718 - PCC	April 2017	Completed
3	*Consumer Affairs	Investigation, Inspections and Monitoring	Operational	Partnership and Collaborations 1718 - PCC	April 2017	In progress
4	*Consumer Affairs	Investigation, Inspections and Monitoring	Grant Certification	BIS - Trading Standards 1718 - PCC	April 2017	Completed
4	*Children and Family's Services	Supporting Children	Grant Certification	Welsh Gov - Schools - EIG & PDG (Final Claim) 1718 - PCC	April 2017	Completed
4	*Education and Skills	Management of Schools	School	Castle Caereinion 1718 - PCC	April 2017	Completed
4	**Education and Skills	Management of Schools	School	Llanfyllin High School 1718 - PCC	April 2017	Audit Initiated

4	*Education and Skills	Management of Schools	Follow Up	LLandrindod High School Follow-Up	April 2017	Completed
4	*Education and Skills	Management of Schools	Follow Up	Ysgol Bannau Follow-Up 1718 - PCC	April 2017	Completed
4	*Education and Skills	Management of Schools	Follow Up	Abermule CP Follow-Up 1718 - PCC	April 2017	Completed
4	*Education and Skills	Management of Schools	School	Llanbister CP 1718 - PCC	April 2017	Draft
4	*Education and Skills	Management of Schools	School	Mount Street Infant CP 1718 - PCC	April 2017	Completed
4	*Education and Skills	Management of Schools	School	Mount Street Junior CP 1718 - PCC	April 2017	In progress
4	*Education and Skills	Management of Schools	School	Leighton C.P. School 1718 - PCC	July 2017	In progress
4	*Education and Skills	Management of Schools	School	Llangedwyn C in W School 1718 - PCC	July 2017	Draft
4	*Education and Skills	Management of Schools	Operational	Grant - EIG Q1 1718 - PCC	July 2017	Completed
4	*Education and Skills	Management of Schools	Follow Up	Llanfaes CP School Follow Up 1718 - PCC	July 2017	Completed
4	*Education and Skills	Management of Schools	Follow Up	Builth Wells CP Follow Up 1718 - PCC	July 2017	Completed

4	*Education and Skills	Management of Schools	School	High School 4 1718 - PCC	Oct 2017	Not Started
4	*Education and Skills	Management of Schools	School	High School 3 1718 - PCC	Jan 2018	Not Started
4	*Education and Skills	Management of Schools	School	Guilsfield C.P. School 7 1718 - PCC	Oct 2017	Draft
4	*Education and Skills	Management of Schools	School	Primary School 8 1718 - PCC	Oct 2017	Not Started
4	*Education and Skills	Management of Schools	School	Primary School 9 1718 - PCC	Jan 2018	Not Started
4	*Education and Skills	Management of Schools	School	Primary School 10 1718 - PCC	Jan 2018	Not Started
4	*Education and Skills	Management of Schools	School	Thematic Control Review 1718 - PCC	Oct 2017	Not Started
4	*Children and Family's Services	Supporting Children	Grant Certification	Welsh Gov - Schools - EIG & PDG (Q2) 1718 - PCC	Oct 2017	In progress
4	*Children and Family's Services	Supporting Children	Grant Certification	Welsh Gov - Schools - EIG & PDG (Q3) 1718 - PCC	Jan 2018	Not Started
4	*Children and Family's Services	Supporting Children	Grant Certification	Welsh Gov - Schools - EIG & PDG (Q4) 1718 - PCC	Jan 2018	Not Started

5	*Leisure and Culture	Community Facilities	Follow Up	County Hall Restaurant Follow-Up 1718 - PCC	April 2017	Completed
5	*Democracy	Governance	Governance, Fraud & Corruption	Healthy Organisation Review 1718 - PCC	Jan 2018	Not Started
5	*Democracy	Governance	Follow Up	Follow Up Audit 4 1718 - PCC	Jan 2018	Not Started
5	*Democracy	Governance	Governance, Fraud & Corruption	GDPR Preparation	Oct 2017	Audit Initiated
6	*Leisure and Culture	Community Facilities	Operational	School Cashless System	April 2017	In progress
6	*Finance	Payroll and Pensions	Operational	Pensions 1718 - PCC	April 2017	Draft
6	*Finance	Local Taxation	Key Control	NNDR 1718 - PCC	April 2017	Completed
6	*Finance	Accounts Payable	Key Control	Accounts Payable 1718 - PCC	April 2017	Completed
6	*Finance	Financial Transactions Management	Operational	Income Generation 1718 - PCC	July 2017	In progress
6	*Education and Skills	Management of Schools	Special Investigation	School Transport Rule 5.2 1718 - PCC	July 2017	In progress
6	*Finance	Accounts Payable	Operational	Purchase Cards 1718 - PCC	July 2017	Draft

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SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS and the CIPFA Code of Practice for Internal Audit in England and Wales.

6	*Finance	Financial Transactions Management	Operational	Income Collection - Planning 1718 - PCC	July 2017	Draft
6	*Finance	Accounts and Audit	Key Control	Fundamental System 4 1718 - PCC	Oct 2017	Not Started
6	*Finance	Accounts and Audit	Key Control	Fundamental System 5 1718 - PCC	Jan 2018	Not Started
6	*Finance	Financial Transactions Management	Key Control	Bank Reconciliation 1718 - PCC	April 2017	Completed
7	*Finance	Financial Transactions Management	Governance, Fraud & Corruption	Fraud Risk Assessment 1718 - PCC	April 2017	Not Started
7	*Risk Management and Insurance	Risk Management	Governance, Fraud & Corruption	Risk Management 1718 - PCC	Jan 2018	Not Started
8	*Democracy	Governance	Governance, Fraud & Corruption	Service Improvement 1718 - PCC	Jan 2018	Not Started
9	*Adult Care Services	Supporting Adults	Operational	Commissioning Review - Equipment Store 1718 - PCC	April 2017	Completed
9	*Consumer Affairs	Investigation, Inspections and Monitoring	Operational	Commercial Services 1718 - PCC	April 2017	In progress
9	*Democracy	Governance	Governance, Fraud & Corruption	Section 33 1718 - PCC	Jan 2018	Not Started
9	*Council Property	Maintenance of Council Property	Operational	JVC Legal Costs 1718 - PCC	Oct 2017	In progress

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10	*Information and Communication Technology	Cloud and Hosted Services	ICT	Cloud/Internet Filtering 1718 - PCC	April 2017	Draft
10	*Information and Communication Technology	Information Security Management	ICT	End Point Security 1718 - PCC	April 2017	Not Started
10	*Information and Communication Technology	Threat and Vulnerability Management	ICT	Cyber Security Assessment 1718 - PCC	April 2017	In progress
10	*Information and Communication Technology	Data Centre	Deferred/Removed	Interface Files 1718 - PCC	April 2017	Completed
11	*Finance	Accounts and Audit	Operational	Supporting Cashless Project 1718 - PCC	April 2017	In progress
11	*Finance	Accounts and Audit	Advice	New Accounting Systems - Project Support 1718 - PCC	April 2017	In progress
11	*Finance	Accounts and Audit	Operational	New Revenue Systems - Project Support 1718 - PCC	April 2017	In progress
11	*Finance	Accounts and Audit	Operational	Supporting Social Care Systems 1718 - POWYS	April 2017	In progress
11	*Transport and Infrastructure	Highway Development Control	Operational	HTR - Wholly Owned Company 1718 - PCC	Jan 2018	On hold
12	*Transport and Infrastructure	Highway Development Control	Follow Up	Depot Stocks Follow-Up 1718 - PCC	April 2017	Completed

12	*Human Resources	Workforce Planning	Operational	Voluntary Severance 1718 - PCC	April 2017	Draft
12	*Human Resources	Workforce Planning	Operational	Workforce Planning 1718 - PCC	July 2017	In progress
12	*Human Resources	Occupational Health	Governance, Fraud & Corruption	Sickness Management 1718 - PCC	Jan 2018	Not Started