



## **Powys County Council**

Internal Audit Activity 2017/18

1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 (Quarter 4)

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Our audit activity is split between:

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

See appendix A for individual audits.

See Appendix B for Recommendations made.

## 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 4<sup>th</sup> 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

## Overview of Internal Audit Activity

Internal Audit work is largely driven by an Annual Audit Plan. The audit reviews included within the plan relate to those areas highlighted as key corporate risks, reviews specifically requested by Senior Management, or areas that SWAP has identified as potential emerging risks for the Authority.

This is approved by the Section 151 Officer following consultation with the Executive Management Team. This year's (2017/18) Plan was presented to this Committee on 6th July 2017.

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk. It is important that Members are aware of the status of audits as this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

The summary of the Annual Plan for 2017/18 given overleaf highlights progress to date. Based on the findings of each review, an overall control assurance is offered.

The detailed progress of each audit is attached in appendix A.

A list of the reportable recommendations made during 2017-18 is attached in Appendix B. Please note that the list is not exhaustive as it does not include those audits done outside of the management system. Progress will be made to report these recommendations for the next committee.

## Summary of Audit Assignments by Delivery Status

## Audit Plan Progress

### 1. Corporate Plan- Delivering Services for Less

▪ Completed	3
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	0
▪ Carried Forward	1
▪ Deferred / Delayed by Client	1

### 2. Corporate Plan – Supporting People in the Community

▪ Completed	9
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	1
▪ Carried Forward	0
▪ Deferred / Delayed by Client	1

### 3. Corporate Plan – Developing the Economy

▪ Completed	1
▪ Draft / Discussion	1
▪ In Progress	0
▪ Audit Initiation	0
▪ Carried Forward	0
▪ Deferred / Delayed by Client	0

## Summary of Audit Assignments by Delivery Status

## Audit Plan Progress - Continued

### 4. Corporate Plan – Improved Learner Outcomes

▪ Completed	16
▪ Draft / Discussion	1
▪ In Progress	2
▪ Audit Initiation	0
▪ Carried Forward	0
▪ Deferred / Delayed by Client	0

### 5. Healthy Organisation - Corporate Governance

▪ Completed	2
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	0
▪ Carried Forward	0
▪ Deferred / Delayed by Client	1

### 6. Healthy Organisation - Financial Management

▪ Completed	7
▪ Draft / Discussion	3
▪ In Progress	0
▪ Audit Initiation	0
▪ Carried Forward	0
▪ Deferred / Delayed by Client	0

## Summary of Audit Assignments by Delivery Status

## Audit Plan Progress - Continued

### 7. Healthy Organisation – Risk Management

Completed	1
Draft / Discussion	0
In Progress	1
Audit Initiation	0
Carried Forward	0
Deferred / Delayed by Client	0

### 8. Healthy Organisation – Performance Management

Completed	0
Draft / Discussion	0
In Progress	0
Audit Initiation	0
Carried Forward	0
Deferred / Delayed by Client	1

### 9. Healthy Organisation – Commissioning & Procurement

Completed	2
Draft / Discussion	0
In Progress	0
Audit Initiation	0
Carried Forward	0
Deferred / Delayed by Client	1

## Summary of Audit Assignments by Delivery Status

## Audit Plan Progress - Continued

### 10. Healthy Organisation – Information Management

▪ Completed	3
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	0
▪ Carried Forward	1
▪ Deferred / Delayed by Client	0

### 11. Healthy Organisation – Programme and Project Management

▪ Completed	4
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	0
▪ Carried Forward	0
▪ Deferred / Delayed by Client	1

### 12. Healthy Organisation – People and Asset Management

▪ Completed	3
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	0
▪ Carried Forward	0
▪ Deferred / Delayed by Client	1



## Summary of plan delivery position

## Conclusion

Powys County Council entered into a partnership with SWAP to deliver internal audit services from the 1<sup>st</sup> April 2017. Wide scale changes in roles and responsibilities and new protocols, procedures and systems have taken time to become familiar. Understandably, this upskilling has impacted on the team's ability to deliver the audit plan especially in the first quarter. Two historic cases of long term sickness have severely reduced the resources available. However, additional resources have been brought in from other partners and outside contractors to limit the audit plan slippage.

In addition, this position has been exacerbated by some clients delaying the start of audit projects, uncertainty over the status of certain pieces of work and failing to respond effectively to the draft audit process. The Audit Team try to reschedule projects to minimise disruption to the plan, but there will be some instances that will unavoidably result in a loss of productive days. Internal audit has now created an issues log that will be sent regularly to the Contract Manager to identify those clients that have adversely affected the Internal Audit process. Furthermore, it is intended to allocate a sponsor for each piece of work to ensure a single point of contact in the council to ensure effective accountability, liaison and dialogue

It is envisaged that these measures will help to reduce the lost days.

Overall, the Internal Audit Team has delivery approximately 85% of the Internal Audit Plan for the 2017/18. Whilst this is at the lower end of percentage plan delivery for SWAP members, it is deemed reasonable given the factors identified above. Those assignments not delivered in 2017/18 have been considered in the planning process for 2018/19 and have been included in the plan where necessary.

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	Completed
1	*Adult care services	Supporting Adults	Operational	Financial Overspend - Recovery Plan 1718 - PCC	April 2017	Carried Forward
1	*Transport and infrastructure	Transport Planning	Operational	Leasing Commercial Vehicles 1718 - PCC	July 2017	Deferred by Client
1	*Finance	Financial Transactions Management	Operational	Medium Term Financial Strategy 1718 - PCC	Oct 2017	Completed
1	*Transport and infrastructure	Highway Development Control	Operational	Winter Maintenance 1718 - PCC	July 2017	Completed
2	*Education and skills	Access and Inclusion	Operational	Supporting Travellers Project 1718 - PCC	April 2017	Completed
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	*Housing	Procurement & Contracts	Investigation	Contractor (SWG)– Procurement 1718- Requested	Jan 2018	Completed

2	*Housing	Procurement & Contracts	Investigation	Contractor (SWG) – Health & Safety 1718- Requested	Jan 2018	Completed
2	*Housing	Procurement and Contracts	Investigation	Contractor (Arbed) – Contract Management	Jan 2018	Completed
2	*Adult care services	Supporting Adults	Operational	Supporting People 1718 - PCC	July 2017	Completed
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 – Leaving care	Oct 2017	Client Delayed
2	*Housing	Housing	Operational	WQHS 1718 - PCC	Oct 2017	Completed
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	Draft with Client

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	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	Completed
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	Completed
4	*Education and Skills	Management of Schools	School	Llangedwyn C in W School 1718 - PCC	July 2017	Completed
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	Guilsfield C.P. School 1718 - PCC	Oct 2017	Draft with Client
4	*Education and Skills	Management of Schools	School	Llandrindod High School- Budget Process 1718	Oct 2017	In Progress
4	*Children and Family's Services	Supporting Children	Grant Certification	Welsh Gov - Schools - EIG & PDG (Q2) 1718 - PCC	Oct 2017	Completed
4	*Children and Family's Services	Supporting Children	Grant Certification	Welsh Gov - Schools - EIG & PDG (Q3) 1718 - PCC	Jan 2018	Completed
4	*Children and Family's Services	Supporting Children	Grant Certification	Welsh Gov - Schools - EIG & PDG (Q4) 1718 - PCC	Jan 2018	Completed

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	Deferred by Client
5	*Democracy	Governance	Governance, Fraud & Corruption	GDPR Preparation	Oct 2017	Completed
6	*Leisure and Culture	Community Facilities	Operational	School Cashless System	April 2017	Completed
6	*Finance	Payroll and Pensions	Operational	Pensions 1718 - PCC	April 2017	Completed
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	Draft with Client
6	*Education and Skills	Management of Schools	Special Investigation	School Transport Rule 5.2 1718 - PCC	July 2017	Draft with Client
6	*Finance	Accounts Payable	Operational	Purchase Cards 1718 - PCC	July 2017	Completed

6	*Finance	Financial Transactions Management	Operational	Income Collection - Planning 1718 - PCC	July 2017	Completed
6	*Finance	Accounts and Audit	Key Control	Debtors	Oct 2017	Draft with Client
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	In progress
7	*Risk Management and Insurance	Risk Management	Governance, Fraud & Corruption	Risk Management 1718 - PCC	Jan 2018	Completed
8	*Democracy	Governance	Governance, Fraud & Corruption	Service Improvement 1718 - PCC	Jan 2018	In Progress Delayed by Client
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	Completed
9	*Democracy	Governance	Governance, Fraud & Corruption	Section 33 1718 - PCC	Jan 2018	In Progress Delayed by Client

9	*Council Property	Maintenance of Council Property	Operational	JVC Legal Costs 1718 - PCC	Oct 2017	Completed
10	*Information and Communication Technology	Cloud and Hosted Services	ICT	Cloud/Internet Filtering 1718 - PCC	April 2017	Complete
10	*Information and Communication Technology	Information Security Management	ICT	End Point Security 1718 - PCC	April 2017	Carried Forward
10	*Information and Communication Technology	Threat and Vulnerability Management	ICT	Cyber Security Assessment 1718 - PCC	April 2017	Completed
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	Completed
11	*Finance	Accounts and Audit	Advice	New Accounting Systems - Project Support 1718 - PCC	April 2017	Completed
11	*Finance	Accounts and Audit	Operational	New Revenue Systems - Project Support 1718 - PCC	April 2017	Completed
11	*Finance	Accounts and Audit	Operational	Supporting Social Care Systems 1718 - POWYS	April 2017	Completed



11	*Transport and Infrastructure	Highway Development Control	Operational	HTR - Wholly Owned Company 1718 - PCC	Jan 2018	Deleted
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	Completed
12	*Human Resources	Workforce Planning	Operational	Workforce Planning 1718 - PCC	July 2017	Completed
12	*Human Resources	Occupational Health	Governance, Fraud & Corruption	Sickness Management 1718 - PCC	Jan 2018	Carried Forward