



Powys County Council

Internal Audit Activity 2018/19

1st April 2018 to 31st July 2018

Contents

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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 in April 2018.

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

- 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 Members of the Executive Management Team. This year's (2018/19) Plan was presented to this Committee on 27th April 2018.

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 2018/19 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.

Summary of Audit Assignments
by Delivery Status

Audit Plan Progress

1. Corporate Plan- Delivering Services for Less	
▪ Completed	0
▪ Draft / Discussion	0
▪ In Progress	1
▪ Audit Initiation	0
▪ Not Started	2
2. Corporate Plan – Supporting People in the Community	
▪ Completed	2
▪ Draft / Discussion	1
▪ In Progress	5
▪ Audit Initiation	2
▪ Not Started	1
3. Corporate Plan – Developing the Economy	
▪ Completed	0
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	0
▪ Not Started	2

Summary of Audit Assignments by Delivery Status

Audit Plan Progress - Continued

4. Corporate Plan – Improved Learner Outcomes

▪ Completed	8
▪ Draft / Discussion	0
▪ In Progress	4
▪ Audit Initiation	2
▪ Not Started	5

5. Healthy Organisation - Corporate Governance

▪ Completed	1
▪ Draft / Discussion	1
▪ In Progress	0
▪ Audit Initiation	0
▪ Not Started	2

6. Healthy Organisation - Financial Management

▪ Completed	1
▪ Draft / Discussion	1
▪ In Progress	4
▪ Audit Initiation	0
▪ Not started	5

Summary of Audit Assignments by Delivery Status

Audit Plan Progress - Continued

7. Healthy Organisation – Risk Management

▪ Completed	0
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	0
▪ Not Started	1

8. Healthy Organisation – Performance Management

▪ Completed	0
▪ Draft / Discussion	1
▪ In Progress	0
▪ Audit Initiation	0
▪ Not Started	0

9. Healthy Organisation – Commissioning & Procurement

▪ Completed	0
▪ Draft / Discussion	2
▪ In Progress	0
▪ Audit Initiation	0
▪ Not Started	3

Summary of Audit Assignments by Delivery Status

Audit Plan Progress - Continued

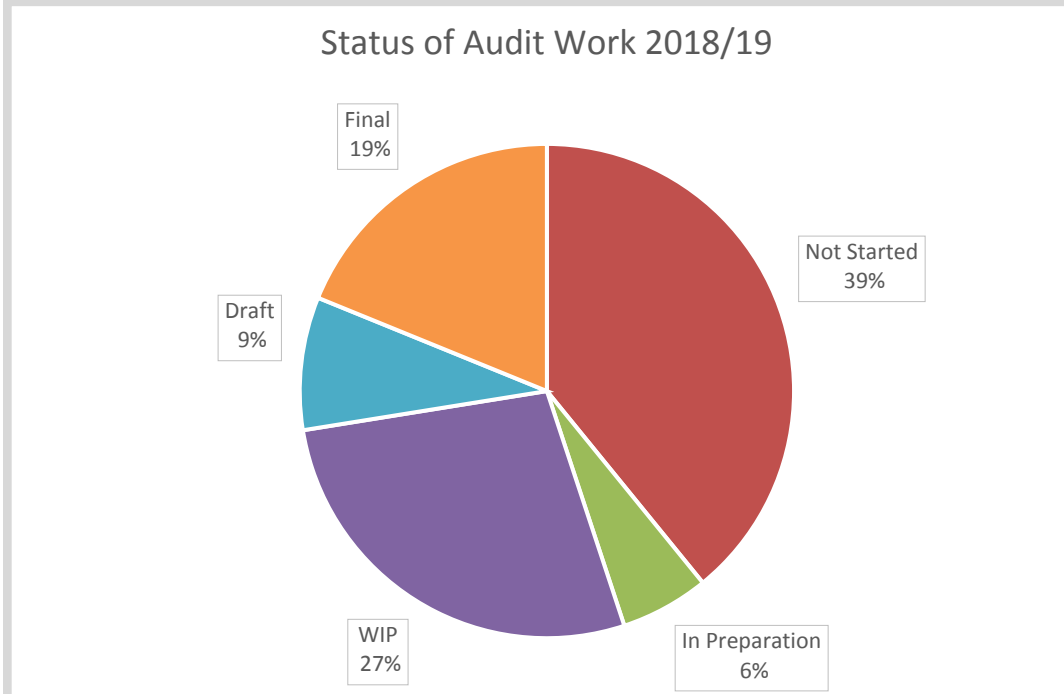
10. Healthy Organisation – Information Management	
▪ Completed	0
▪ Draft / Discussion	0
▪ In Progress	3
▪ Audit Initiation	0
▪ Not Started	2
11. Healthy Organisation – Programme and Project Management	
▪ Completed	0
▪ Draft / Discussion	0
▪ In Progress	0
▪ Audit Initiation	0
▪ Not Started	1
12. Healthy Organisation – People and Asset Management	
▪ Completed	1
▪ Draft / Discussion	0
▪ In Progress	2
▪ Audit Initiation	0
▪ Not Started	3

Summary of plan delivery position

Conclusion

The report be noted.

The pie Chart below illustrates the position in terms of the overall status of assignments:



The Internal audit plan for 2018/19 is on track for delivery.

AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED START	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3

SERVICES DELIVERED FOR LESS

*Management	Project management	Governance, Fraud & Corruption	Projects Benefits Realisation	April 2018	Not Started				
*Adult care services	Supporting adults	Operational	Social Care Financial Recovery Plan	July 2018	Not Started				
*Finance	Financial transactions management	Governance, Fraud & Corruption	National Anti-Fraud Initiative	April 2018	WIP				

SUPPORTING PEOPLE IN THE COMMUNITY

*Adult care services	Supporting adults	Operational	Contractor Payment Monitoring	April 2018	Draft				
*Children and families services	Supporting children	Operational	Children Services-Agency Payments	Jul-18	In Preparation				
*Adult care services	Supporting adults	Grant Certification	Supporting People Grant 18/19 PCC	January 2019	WIP				
*Finance	Accounts and audit	Grant Certification	Grant Certification - Travellers Grant	April 2018	WIP				

AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3
*Housing	Managing tenancies	Operational	Housing Rent System - PCC	October 2018	WIP				
*Housing	Housing stock	Operational	Housing Repairs and Maintenance	October 2018	WIP				
*Children and families services	Supporting children	Grant Certification	Grant Certification - NTSB Grant 2017/8	April 2018	Final				
*Adult care services	Supporting adults	Operational	Brokerage	July 2018	WIP				
*Adult care services	Supporting disabilities	Operational	Direct Payments	July 2018	In Preparation				
*Adult care services	Carers	Operational	Safer Recruitment	October 2018	Not Started				
*Housing	Managing tenancies	Grant Certification	Enable Grant 17/18	June 2018	Final				

DEVELOPING THE ECONOMY

*Management	Preparing business	Operational	Partnership and Collaboration - Follow up	October 2018	Not Started				
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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.

AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3
*Procurement	Contracting	Operational	Supply Chains DO NOT USE	September 2018	Not started				

IMPROVING LEARNER OUTCOMES

*Education and skills	Management of schools	School	Llanfyllin High School 18/19	October 2018	WIP				
*Education and skills	Management of schools	School	Crickhowell High School	January 2019	Final	Partial	3	3	0
*Education and skills	Management of schools	School	Llandrindod High School	July 2018	Final		No Opinion		
*Education and skills	Management of schools	School	Ysgol Llanerfyl 18/19	July 2018	In Preparation				
*Education and skills	Management of schools	School	Ysgol Pontrobert 18/19	July 2018	Final	Reasonable	0	1	4
*Education and skills	Management of schools	Special Investigation	Llanfyllin Primary School 18/19	November 2018	WIP				
*Education and skills	Management of schools	School	Leighton C.P 18/19	July 2018	Final	Reasonable	0	0	1

AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3
*Education and skills	Management of schools	School	Ysgol Cedewain	October 2018	In Preparation				
*Education and skills	Management of schools	School	Guilsfield CP	Apr-18	Final	Reasonable	0	1	3
*Education and skills	Management of schools	School	Mount Street CP	Apr-18	Final	Reasonable	0	1	5
*Education and skills	Management of schools	School	Llanfaes CP	Apr-18	Final	Reasonable	0	2	0
*Education and skills	Management of schools	School	Primary School (TBA)x 2	Jan-19	Not Started				
*Education and skills	Management of schools	School	School Theme - Property and Health and Safety PCC	January 2019	Not Started				
*Education and skills	Management of schools	School	School Theme - Financial Administration PCC	July 2018	Preparation				
*Education and skills	Management of schools	School	School Funding Formula	Oct-18	Not Started				
*Children and families services	Supporting children	Grant Certification	Welsh Gov -18/19 - EIG & PDG Q1	April 2018	WIP				

AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3
*Children and families services	Supporting children	Grant Certification	Welsh Gov - 18/19 - EIG & PDG Q2	July 2018	WIP				
*Children and families services	Supporting children	Grant Certification	Welsh Gov - Schools - EIG & PDG Q4	January 2019	Not Started				
*Children and families services	Supporting children	Grant Certification	Welsh Gov - Schools - EIG & PDG Q3	October 2018	Not Started				

CORPORATE GOVERNANCE

* Healthy Organisation	Governance Framework	Governance, Fraud & Corruption	Healthy Organisation Review 18/19 PCC	April 2018	Not Started				
*Client Support	Follow Up Contingency	Follow Up	Follow Up Audits	April 2018	Not Started				
*Information	Information Security Management	Follow Up	General Data Protection Regulations Follow Up - PCC	April 2018	Final				
*Finance	Accounts and audit	Governance, Fraud & Corruption	Serious and Organised Crime Audit	January 2019	Draft				

AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3

FINANCIAL MANAGEMENT

*Finance	Capital Accounting / Asset Management	Governance, Fraud & Corruption	Capital Accounting	October 2018	Not Started				
*Finance	Payroll and pensions	Governance, Fraud & Corruption	Payroll	October 2018	Not Started				
*Finance	General Ledger / Main Accounting	Governance, Fraud & Corruption	Main Accounting - PCC	July 2018	Not Started				
*Finance	Accounts Receivable	Key Control	Debtors- Credit Notes 18/19- PCC	April 2018	WIP				
*Finance	Financial provisions management	Governance, Fraud & Corruption	PCC - Budgeting 18/19	October 2018	WIP				
*Education and skills	Management of schools	School	Schools - Cashless Systems	July 2018	Not started				
*Finance	Financial transactions management	Operational	Income Generation	July 2018	Not Started				
*Management	Project management	Operational	Members Expenses	April 2018	Draft				
*Finance	Payroll and pensions	Key Control	Travel Allowances	October 2018	WIP				



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AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3

FINANCIAL MANAGEMENT

*Finance	Accounts Receivable	Operational	Debtors System	May 2018	Final	Reasonable	0	2	6
*Finance	Payroll and pensions	Special Investigation	Travel Expenses Follow Up Investigation	September 2018	WIP				

RISK and PERFORMANCE MANAGEMENT

*Risk management	Risk Management	Governance, Fraud & Corruption	Risk Management 18/19 - Follow Up PCC	January 2019	Not Started				
*Management	Quality and performance	Governance, Fraud & Corruption	Performance Management 18/19 - PCC	January 2019	Draft				

AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3

COMMISSIONING and PROCUREMENT

*Procurement	Tendering	Operational	Commissioning - Options Appraisal / Decommissioning	April 2018	Not started				
*Procurement	Contracting	Operational	Commercial Services - Follow up	July 2018	Not Started				
*Procurement	Contracting	Operational	Section 33	Apr-18	Draft				
*Procurement	Contracting	Operational	HOWPS Contract Management	October 2018	Not Started				
*Procurement	Contracting	Operational	Freedom Leisure Contract Management	October 2018	Draft				

INFORMATION MANAGEMENT

*Information	Information Security Management	ICT	Software Licensing - 18/19 PCC	July 2018	WIP				
*Information	Information Security Management	ICT	End Point Security - 18/19 PCC		WIP				



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AREA	SUB AREA	TYPE	ASSIGNMENT NAME	PLANNED	STATUS	OPINION	RECOMMENDATIONS		
							Pr 1	Pr 2	Pr 3
*Information	System support	ICT	Change Control	April 2018	Not started				
*Information	Asset and Configuration Management	ICT	ICT Procurement	July 2018	WIP				
*Information	Strategy and Governance	ICT	Crisis Management	April 2018	Not started				

PROGRAMME and PROJECT MANAGEMENT

*Management	Project Management	Governance, Fraud & Corruption	Project Governance Arrangements	October 2018	Not started				
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PEOPLE and ASSET MANAGEMENT

*Human resources	Administering employees	Operational	Sickness Management 2018	April 2018	WIP				
*Human resources	Workforce planning		Workforce Planning 18/19 PCC	July 2018	Not Started				
*Human resources	Training	Operational	Role of the Powys Manager	April 2018	WIP				
*Human resources	Administering employees	Operational	Voluntary Severance	October 2018	Not Started				

*Health and safety	Monitoring	Operational	Corporate Health and Safety	July 2018	Not Started				
*Finance	Financial transactions management	Special Investigation	Highways Transaction Investigation	May 2018	Final				

Assurance Definitions

None	The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Reasonable	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

Categorisation of Recommendations

In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.