



## Report of the Chief Auditor

Audit Committee – 11 December 2018

### Audit Committee – Action Tracker

<b>Purpose:</b>	This report details the actions recorded by the Audit Committee and response to the actions.
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#### For Information

#### 1. Introduction

- 1.1 During the course of Audit Committee meetings various actions may be decided which are recorded on the minutes of the meetings.
- 1.2 As agreed in 2016/17 an Action Tracker process was put in place to ensure transparency over the outcomes of actions agreed by Committee.
- 1.3 The Action Tracker records the actions agreed by the Audit Committee and provides an outcome for each action.
- 1.4 The Action Tracker for the 2017/18 and 2018/19 municipal years are attached in Appendix 1 and 2.
- 1.5 The Action Tracker is regularly updated and any completed actions will be marked 'CLOSED' and coloured in grey.
- 1.6 The Action Tracker is reported to each Audit Committee meeting for information.

## **2. Equality and Engagement Implications**

2.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

2.2 There are no equality and engagement implications associated with this report.

## **3. Financial Implications**

3.1 There are no financial implications associated with this report.

## **4. Legal Implications**

4.1 There are no legal implications associated with this report

**Background Papers:** None

**Appendix 1** – Action Tracker 2018/19

**Appendix 2** – Action Tracker 2017/18

## Appendix 1

<b>AUDIT COMMITTEE ACTION TRACKER 2018/19</b>	
<b>Action</b>	<b>Outcome</b>
<b>09/10/18 Min 47 – Internal Audit Monitoring Report</b>	
The Interim Head of Digital & Transformation Services is to provide an update on the ICT Disaster Recovery Audit in Q3.	The Interim Head of Digital & Transformation has been invited to attend the December Audit Committee to provide an update on the Disaster Recovery Audit.
<b>09/10/18 Min 50 – Annual Report of School Audits 2017/18</b>	
Education/Procurement to provide the Audit Committee with the finalised catalogue for use by Schools to purchase supplies within 3 months.	
<b>09/10/18 Min 51 – WAO Annual Improvement Report 2017/18</b>	
The Wales Audit Office updates the Committee regarding how the Council monitors and makes best use of recommendations from the National Shared Learning Agenda.	
The Chief Finance Officer be requested to report future budget variations to the Committee.	
<b>09/10/18 Min 52 – WAO Update October 2018</b>	
Details were provided in relation to the Financial, Pension Fund and Performance Audit work. The Committee highlighted the amount of bureaucracy that existed and the potential cost to the WAO. The potential cost of the bureaucracy to be highlighted to the Auditor General.	
<b>09/10/18 Min 54 – Audit Committee Workplan</b>	
The Trusts & Charities Update to be reported to the next scheduled meeting in December.	
An Officer be requested to accompany the Chair and Vice-Chair to the Cardiff Audit Committee meeting on the 13/11/18.	The Chair, Vice Chair and Chief Auditor attended Cardiff Audit Committee meeting on 13/11/18. CLOSED
<b>14/08/18 Min 31 – Draft Audit Committee Annual Report 2017/18</b>	
The Annual Report, with the suggested amendments in relation to the narrative in paragraph 9.4 (Risk Registers) be approved and presented to a future meeting of the Council	Suggested amendments were made to the Draft report, with the revised version being circulated to Members. The final report was presented to Council on 25/10/18. CLOSED
<b>14/08/18 Min 32 – Audit Committee Performance Review 2017/18 Action Plan</b>	
The approved action plan should be appended to the Audit Committee Workplan for the September and December meetings.	The approved Action Plan will be appended to the workplan at these meetings as requested to track implementation of the agreed actions. CLOSED
<b>14/08/18 Min 33 – Internal Audit Annual Report 2017/18</b>	
The Chief Auditor to raise the need for a refresh of the PI's through the Welsh Chief Auditors Group. Chair requested that future year's Internal Audit Plans include reference to the Council's corporate priorities.	Next Welsh Chief Auditors Group meeting is due to take place at the end of October – PI's will be raised as an agenda item. PI's were raised at the meeting on 19/10/18 and the group is working to review these. CLOSED Consideration will be given to reference the Council's corporate priorities in the 2019/20 Audit Plan. CLOSED
<b>17/07/18 Min 20 – Draft Annual Governance Statement 2017/18</b>	

The Chair and Head of Legal, Democratic Services & Business Intelligence discuss amendments to the Annual Governance Statement (AGS) 2017/18. An amended version it to be circulated to Audit Committee. A special meeting should be called to approve the amended version if necessary.	Amended version of the AGS was distributed to Members on the 13/08/18. A special meeting was held on the 23/08/18 to review and discuss the amendments and to approve the AGS. - CLOSED
The Chair is to discuss the term 'sustainable savings' in the AGS with the Head of Financial Services & Service Centre.	The term 'Sustainable Savings' remains unchanged in the final version of the AGS. - CLOSED
<b>17/07/18 Min 20 – Draft Statement of Accounts 2017/18</b>	
A briefing note is to be provided to the Committee on the position of Charitable Trust Funds to provide clarity on why they are not included in the Statement of Accounts.	Chief Treasury & Technical Officer has been informed of this request. Report presented to Committee on 11/12/18. CLOSED
<b>26/06/18 Min 17 – Audit Committee Review of Performance 2017/18</b>	
The Chair meets the Chief Executive to discuss the impact of the 31 high level risks identified and how the Authority is managing those risks.	The Chair is due to meet with the Chief Executive and The Chief Finance Officer on the 28/09/18. Chair met with the Chief Executive and Chief Finance Officer on 28/09/18. CLOSED
The Committee resolved to attend an Audit Committee of another public body. Mid and West Wales Fire Authority was proposed and agreed. It was also proposed that the Chair and Vice Chair visit an Audit Committee of another Local Authority, with RCT CBC being proposed.	Arrangements are being made for the Chair and Vice Chair to attend a committee meeting at Cardiff Council. Visit took place 13/11/18. CLOSED
<b>12/06/18 Min 5 – Internal Audit Monitoring Report Quarter 4 2017/18</b>	
Deferred audits relating to governance and risk to be undertaken in Q1 or Q2 2018/19.	Committee have already been made aware that these two audits have been prioritised in Q1 & Q2. Both audits were started in Q1 and are underway. Results will be reported back to Committee via the Quarterly Report in due course. Audits were finalised early in Q3, with both audits receiving a Substantial level of assurance. A summary of the key points from the audits has been included in the Q2 monitoring report for information. - CLOSED
GDPR should be added to the 2018/19 audit programme and the Committee should be advised if the Council is GDPR compliant.	GDPR was already included on the 2018/19 audit programme following the consultation exercise and review of risk registers to inform the planning of the 18/19 audit plan. This has also been prioritised in Q1. Results of the audit will be reported back to Committee via the Quarterly Report in due course. The audit was finalised early in Q3 with a Substantial level of assurance, concluding that the Authority is broadly compliant with the principal changes to legislation that were introduced as part of GDPR introduction, but some recommendations for improvement were made as a result of the review. - CLOSED
<b>12/06/18 Min 6 – Social Care Contracts Audit</b>	
An update on the progress made in addressing the issues identified should be provided to Audit Committee at a later date.	Following meeting on the 14/08/18 at Committee's request, a representative from department is due to attend the December committee meeting to provide an update. Further update has also been scheduled for April 2019.
<b>12/06/18 Min 9 – 2016/17 Performance Review Update Report</b>	

<p>The Performance Review 2016/17 update report is to be discussed at the Special Audit Committee scheduled to take place on 26/06/18.</p>	<p>Issues identified were discussed and covered as part of the Performance Review on 26/06/18. CLOSED</p>
<p><b>12/06/18 Min 12 – Overall Status of Risk Report Q4 2017/18</b></p>	
<p>The Strategic Delivery &amp; Performance Manager provides the Chair with access to the Risk Register.</p>	<p>Corporate risks are now included in the public reports pack to Audit Committee and ICT are working on developing a new ICT based Risk Management System to replace the existing one. – CLOSED</p>

## Appendix 2

<b>AUDIT COMMITTEE ACTION TRACKER 2017/18</b>	
<b>Action</b>	<b>Outcome</b>
<b>10/04/18 Min 73 – Work of Policy Development &amp; Delivery Committees</b>	
The Audit Committee be supplied with a written explanation of the roles of the Policy Development & Delivery Committees (PDC's) as well as their link with corporate objectives.	Chief Auditor sent e-mail to the Leader's PA on 18/06/18 requesting the information to be provided. An update report will be brought to committee at a future meeting. Email sent to Head of Democratic Services on 15/08/18 requesting update. Update report due to be presented to Committee on 09/10/18. Report presented to Committee on 09/10/18. CLOSED
The Audit Committee be supplied with the end of year report for PDC's for the current Municipal year.	As above. CLOSED
The Audit Committee be supplied with the structure/work plan for the next Municipal year for each PDC including expected outcomes and timelines.	As above. CLOSED
<b>10/04/18 Min 72 – Key Risks</b>	
The Committee should have a flavour of the key risks of the Authority, particularly the impact of the 31 high risks identified. The Committee should be able to assess the significance of risks against the well-being objectives of the Council and the risks should be highlighted / made public.	Corporate risks are now included in the public reports pack to Audit Committee and ICT are working on developing a new ICT based Risk Management System to replace the existing one. – CLOSED
<b>10/04/18 Min 77 – Internal Audit Plan 2018/19</b>	
The Internal Audit Plan 2018/19 was approved subject to a few refinements to be discussed with the Chief Auditor and Chair. An amended Audit Plan to be provided at the next meeting of the Audit Committee.	Following discussions with the Chair it was agreed that the 2018/19 Audit Plan remain unchanged with any suggested revisions to be incorporated into future plans. CLOSED
<b>10/04/18 Min 80 – Audit Committee Performance Review 16/17 Update</b>	
An update is to be provided to Audit Committee on the actions arising from the 2016/17 Performance Review.	Update report provided at committee meeting 12/06/18. CLOSED
<b>08/03/18 Min 67 – Internal Audit Monitoring Report – Moderate Reports</b>	

<p>The Chief Auditor is to write to all Heads of Service (HoS) and Directors to inform them of Committee's decision to invite all HoS to attend the next Audit Committee Meeting to explain the action that will be taken to address any points arising in any moderate or limited assurance reports that have been presented to Committee as part of the Chief Auditor's Quarterly Monitoring Report.</p> <p>A summary e-mail outlining the new agreed process to be distributed to all Committee Members once the minutes of the meeting on the 08/03/18 have been published.</p>	<p>E-mail outlining the new process was sent to all HoS and Directors on 22/03/18 as requested.</p> <p>E-mail outlining the agreed new process was distributed to all Committee Members on 23/03/18. CLOSED</p>
<p><b>08/03/18 Min 67 – Internal Audit Monitoring Report – Moderate Reports</b></p>	
<p>On issuing a moderate or limited assurance audit report, the relevant Cabinet Member should also be included in the distribution list when the final report is issued.</p>	<p>The relevant Cabinet Member will be included in the distribution list for any moderate and limited assurance reports from 08/03/18. Principal Auditor has been instructed to ensure this is in place going forward. CLOSED</p>
<p><b>08/03/18 Min 68 – Amendments to Contract Procedure Rules</b></p>	
<p>Once the amendments to the Contract Procedure Rules have been finalised, a copy should be forwarded to all Schools' Governing Bodies to make them aware of the changes. Schools are also to be requested to ensure the amended CPRs are included as an agenda item on the next Finance Committee and Building/Property Committee Meeting.</p>	<p>Amended Contract Procedure Rules are currently going through a consultation process. Chief Auditor discussed proposed amendments with Head of Commercial Services on 30/07/18. Further e-mail sent to Head of Commercial Services on 20/08/18. Further e-mail sent to Head of Commercial Services 05/11/18 – amended CPR's are with Legal pending approval. Awaiting proposed amended version.</p>
<p><b>12/12/17 Min 53 – Good Governance When Determining Significant Service Changes</b></p>	
<p>The impact of the proposed cuts included in the 2018-19 budget and the potential impact upon the Internal Audit Section was discussed. It was resolved that the Chair, on behalf of the Audit Committee, writes to the Chief Executive highlighting concern regarding the potential impact of the proposed cuts on the Internal Audit Section.</p>	<p>Letter was sent to the Chief Executive on 20/12/17 as requested. Letter and response presented to Committee on 08/03/18 for information. – CLOSED</p>
<p><b>12/12/17 Min 56 – Internal Audit Monitoring Report Q2 17/18</b></p>	
<p>The appropriate Head(s) of Service are requested to attend the next scheduled meeting in order to update the Committee regarding the progress in respect of their moderate audit ratings.</p>	<p>As agreed at the meeting on the 08/03/18 those HoS that have received reports with moderate assurance ratings will be invited to attend the next committee meeting to explain how they are addressing the issues identified. Staggered invitations commenced from 10/04/18 meeting, and as they arise going forward. - CLOSED</p>
<p><b>26/09/17 – Procurement in Schools</b></p>	
<p>A meeting to be arranged with Procurement and Education representatives do discuss procurement issues at schools as identified in the Annual Report of School Audits. An update on Procurement is to be provided in the February meeting.</p>	<p>Meeting was held with representatives from Education, Procurement and Audit on 18/01/18. Feedback from the meeting provided to Audit Committee on 08/03/18. CLOSED</p>
<p><b>11/07/17 – Performance Review Development of the Audit Committee</b></p>	

In relation to the Audit Committee Performance Review findings, the Chair of the Audit Committee is to investigate the possibility of reinstating regional working groups for Chairs/Audit Committee Members to consider joint training and benchmarking possibilities.	Due to the departure of the previous Chair, no action has been taken to date. This and other development actions will be picked up as part of the next Performance Review initially scheduled for June 2018 with the new Chair in post. - CLOSED
<b>11/07/17 Min 16 – Draft Statement of Accounts</b>	
The Section 151 Officer be requested to provide Committee with an update regarding the funding of reserves and overall good financial management.	Section 151 Officer is due to attend the December meeting to provide an update on the review of reserves and overall budget monitoring/control. - CLOSED
<b>20/06/17 Min 5 – Work Programme</b>	
A description to accompany items within the Work Programme be provided in future.	Standard agenda items have been highlighted in bold in the workplan. CLOSED