



Report of the Chief Auditor

Governance & Audit Committee – 4 September 2024

Internal Audit Monitoring Report - Quarter 1 2024/25

Purpose:	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 April 2024 to 30 June 2024.
Policy Framework:	None.
Consultation:	Legal, Finance, Access to Services.
Report Author:	Simon Cockings
Finance Officer:	Ben Smith
Legal Officer:	Stephen Holland
Access to Services Officer:	Rhian Millar
For Information	

1. Introduction

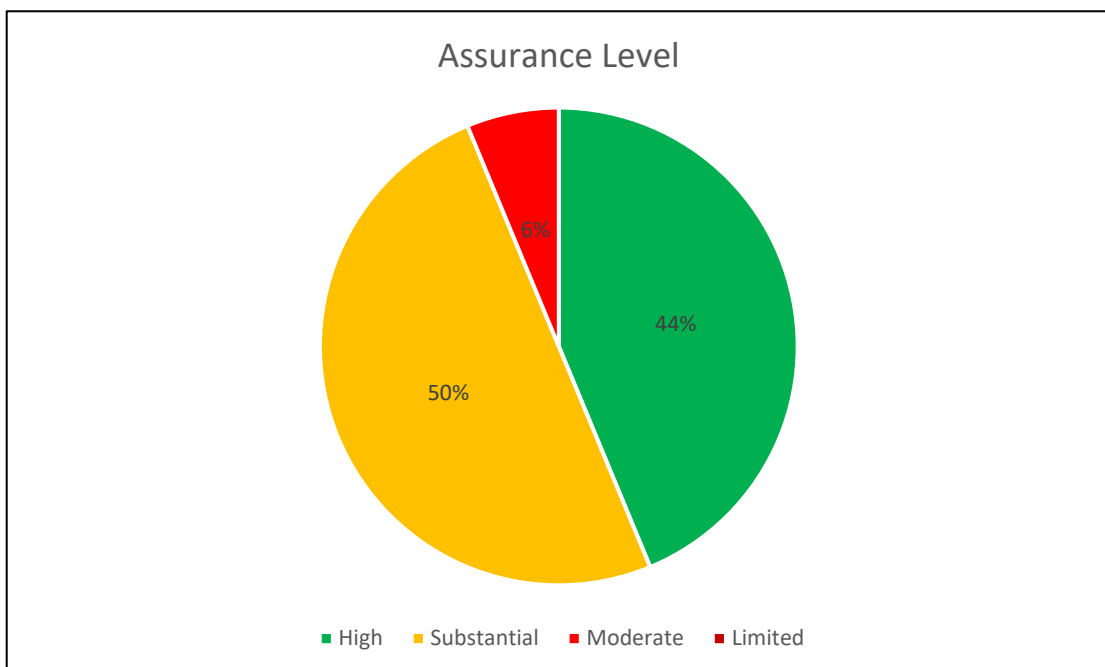
- 1.1 The Internal Audit Annual Plan 2024/25 was approved by the Governance & Audit Committee on 5 June 2024. This is the first quarterly monitoring report to be presented to allow the Committee to review and comment upon the progress of the Internal Audit Section in achieving the Annual Plan.
- 1.2 This report shows the audits finalised in the period 1 April to 30 June 2024.

2. Audits Finalised 1 April to 30 June 2024

2.1 A total of 16 audits were finalised during the quarter. The audits finalised are listed in Appendix 1 which also shows the level of assurance awarded at the end of the audit and the number of recommendations made and agreed. Appendix 2 provides a summary of the scope of the reviews finalised during the period.

2.2 An analysis of the assurance levels of the audits finalised is shown in the following table and chart:

Assurance Level	High	Substantial	Moderate	Limited	Total
Number	7	8	1	0	16



2.3 A total of 86 audit recommendations were made and management agreed to implement all of them. i.e., 100% of the recommendations were accepted against a target of 95%.

2.4 All recommendations are classified as High Risk, Medium Risk, Low Risk or Good Practice. An analysis of the recommendations agreed during the quarter is shown in the following table and chart:

Risk Level	High Risk	Medium Risk	Low Risk	Good Practice	Total
Number	1	16	54	15	86



- 2.5 The Audit Plan is a ‘living’ document which is likely to change during the year due to emerging risks or new priorities. However, it is important that the Committee can monitor progress against the plan approved at the start of the year. To achieve this, Appendix 3 shows each audit included in the Plan approved by Committee on the 5 June 2024 and identifies the position of each audit as at the 30 June 2024.
- 2.6 One full-time post became vacant in May following the resignation of one member of the team. One part-time post also continued to be vacant throughout the quarter. As a result, 68 days were lost in quarter one due to vacant posts. The vacant posts are due to be advertised shortly.
- 2.7 The Internal Audit Annual Plan for 2024/25 contains 120 separate audit activities. As at 30 June 2024, 16 audit activities (13%) had been completed, with one additional activity (1%) substantially complete with the audit report issued as draft. As a result, 17 audit activities have been completed to at least draft report stage (14%). An additional 32 activities were in progress at the end of the quarter (27%). As a result, approximately 41% of the audit activities included in the 2023/24 Audit Plan had either been completed or were in progress. A copy of the plan showing the status of the activities as at the 30 June 2024 can be found in Appendix 3.
- 2.8 One audit report with ‘Moderate’ assurance level was issued in the quarter as summarised in the table below. Note this audit was included on the 23/24 audit plan and the report was noted as being issued as draft at the end of quarter four.

2.10

Audit	Management of Absence
Objectives	Review of compliance with the Council's Management of Absence Policy, administered by the Human Resources (HR) Department. The audit included detailed testing on the following areas: Policy, Direction & Training, Initial Capture of Sickness Events, Return to Work Procedure, Identification of Breaches, Informal Stage Procedure, Stage 1 Interview Procedure, Stage 2 Interview Procedure, Stage 3 Interview / Final Hearing Procedure, Appeal Procedure, Long Term Absence – Management & Administration of Pay, Management of Long Term Absence, Reporting.
Assurance Level	Moderate
Summary of Key Points	
<p>1. <u>Policy, Direction & Training</u> Mandatory online training (e-learning) is available for managers via Fusion. It is a requirement that this training be repeated every three years. There are currently 1,481 'S' graded managers who have access to the training. The Corporate Learning & Development Team provided confirmation that at the time of the audit only 348 Managers had completed the Fusion e-learning course in the last three years. (High Risk – repeated audit recommendation)</p> <p>2. <u>Return To Work (RTW) Procedure</u> A report was obtained of all RTW interviews required for the period 1 November 2022 to 1 November 2023. In total, 6,182 RTW were listed as required in the report. It was noted that at the time of testing, 1,425 RTW interviews had not been completed.</p> <p>A sample of twenty completed RTW interviews were reviewed to ensure that the interviews had been recorded on Fusion and had been completed promptly following the member of staff's return to work. The following was found:</p> <ul style="list-style-type: none"> a) Nineteen interviews had taken place within two weeks of the employees' return to work. b) One interview had taken place 3 months after the employee's return to work. RTW interviews should be completed on the staff members first day back in work, or shortly afterwards. (Medium Risk – repeated audit recommendation) <p>3. <u>Informal, Stage 1 and Stage 2 Procedures</u> Sample testing of 10 breaches from each category from Fusion reports revealed:</p> <ul style="list-style-type: none"> • Informal Stage Procedure <ul style="list-style-type: none"> a) No Return to Work or breach interviews had been conducted for two of the cases tested. b) No breach interview had been conducted for three of the cases tested. c) A breach Record of Action had been logged on Fusion for one of the cases tested, but the form was incomplete. 	

- d) Return to Work and breach interviews had been recorded on Fusion for one of the cases tested but no documents had been uploaded.
- Stage 1 Procedures
 - a) Welfare interviews had been conducted for three of the cases tested, but no breach interview had taken place.
 - b) A Stage 1 warning letter had been uploaded to Fusion, but no breach interview took place for one of the cases tested.
 - c) Breach interviews had been recorded on Fusion, but no copies of the Stage 1 warning letters had been uploaded for four of the cases tested.
- Stage 2 Procedures
 - a) Breach interviews had been recorded on Fusion, but no copies of the Stage 2 warning letters had been uploaded for four of the cases tested.
 - b) A Stage 1 interview rather than a Stage 2 interview was recorded for one of the cases tested.
 - c) An initial interview rather than a Stage 2 interview was recorded for one of the cases tested.
 - d) No breach interview was recorded for one of the cases tested.
(Medium Risk)
- 4. Management of Long-Term Absence
 A sample of ten long term absence cases was selected for testing to ensure that all cases had been referred to Occupational Health and had received regular absence review or welfare meetings. The following was found:
 - a) Two of the cases had not been referred to Occupational Health promptly (one took three months, and one took seven months).
 - b) Only Four of the cases tested had regular absence or welfare review meetings recorded on Fusion.
(Medium Risk – repeated audit recommendation)

3 Additional work undertaken by Internal Audit in the Quarter

3.1 The Internal Audit Team also certified the following grant as required by the terms and conditions of the grant issued by the Welsh Government.

Grant	Amount
Live Kilometre Services Grant 2023/24	n/a - 300,693 eligible kilometres verified

4. Follow-Up of Audits with Moderate Assurance Levels Completed 1 April to 30 June 2024

4.1 The follow-up procedures operated by the Internal Audit Team include revisiting any routine audits which received a Moderate or Limited level of

assurance to confirm and test that action has been taken by management to implement the recommendations made in the original audit.

4.2 The follow-up audit is usually within six months of the final report being issued and includes testing to ensure that any High or Medium Risk recommendations have been implemented. Where agreed recommendations have not been implemented, this will be reported to the appropriate Head of Service (or Chair of the Governing Body in the case of schools) and the Director of Finance & Section 151 Officer.

4.3 Crwys Primary School

The initial review of the school was undertaken in October 2023, with the final report being issued in November 2023 with a Moderate Assurance rating. The follow-up confirmed that good progress had been made, with 16 of the 23 recommendations being confirmed as fully implemented, with a further five recommendations being partly implemented (two Medium Risk and three Low Risk recommendations). Only two Low Risk recommendations had not been addressed. The school was reminded of the importance of fully implementing the outstanding recommendations. Details of the recommendations that had not been fully implemented were also escalated to the Director of Education, the Head of Planning & Resources and the Head of Achievement and Partnership Service for Education to monitor going forward.

4.4 Catering & Cleaning Service

The initial review of the service was undertaken in March 2023, with the final report being issued in June 2023 with a Moderate Assurance rating. The follow-up confirmed that good progress had been made, with 21 of the 25 recommendations being confirmed as fully implemented, with a further three Medium Risk recommendations noted as being partly implemented. Only one Low Risk recommendation had not been addressed. The Service was reminded of the action required to address the outstanding recommendations and this has been escalated to the Head of Service, Director of Education and the Chief Executive.

4.5 Western Bay Adoption Service & Adoption Allowances (Third Follow-Up)

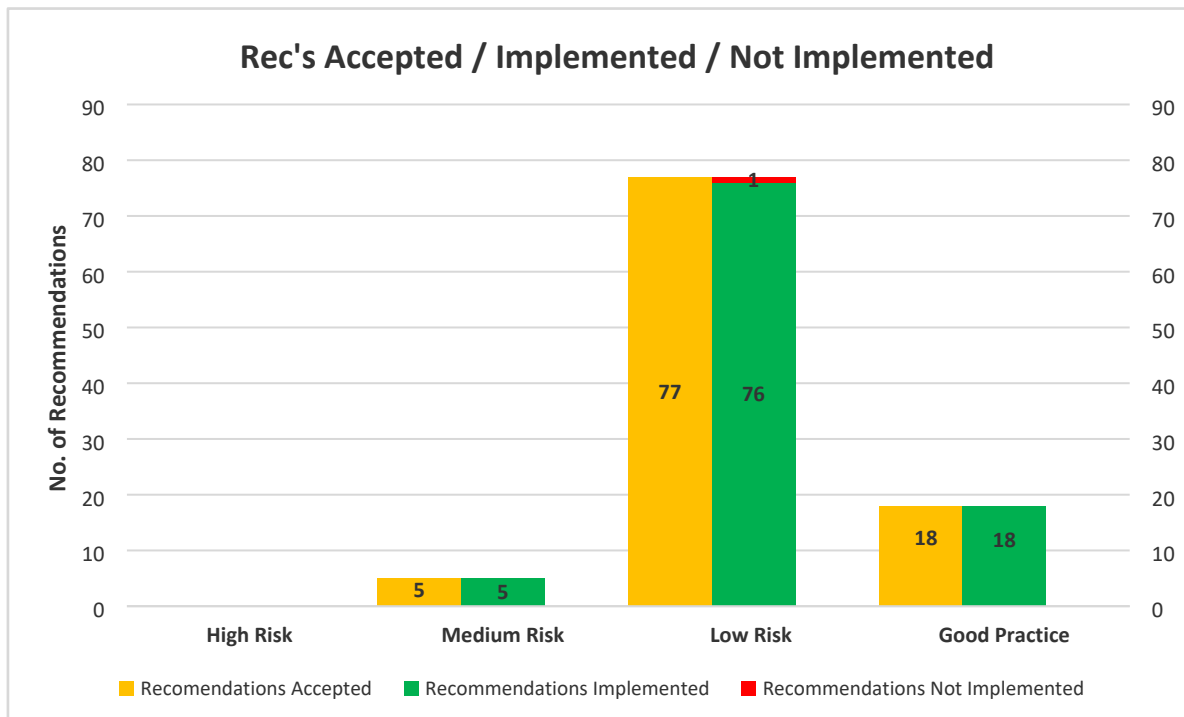
The initial review of the Service was undertaken in July 2022, with the final report being issued in September 2022 with a Moderate Assurance rating. The first follow-up review was completed in August 2023 and the process confirmed that good progress had been made, however testing identified four recommendations that still had not been actioned. The second follow-up found that there was still one remaining Medium Risk recommendation (A purchase order must be created prior to goods and / or services being procured) that had not been fully implemented. Our third follow-up in June 2024 confirmed that this recommendation had still not been fully implemented. As a result, this has been escalated to the Head of Service, Director and the Chief Executive for monitoring and for the appropriate action to be taken.

5 Follow-Up of Audits with High and Substantial Assurance Levels Completed 1 April to 30 June 2024

5.1 Where an audit has been awarded a 'High' or 'Substantial' level of assurance, the relevant Service is asked to confirm the implementation of the recommendations.

5.2 The results of the follow-ups for audits with 'High' or 'Substantial' assurance levels undertaken in quarter two can be found in Appendix 4. Further detail on the recommendations that have not been implemented can be found in Appendix 5. A summary of the results can be found in the table and corresponding chart below.

Recommendation Status	Recommendation Risk Rating			
	High Risk	Medium Risk	Low Risk	Good Practice
Accepted	0	5	77	18
Implemented	0	5	76	18
Not Implemented	0	0	1	0



6 Integrated Assessment Implications

6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, 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 Acts.
- 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.
- Deliver better outcomes for those people who experience socio-economic disadvantage.
- Consider opportunities for people to use the Welsh language.
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

6.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

6.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

6.4 The completion of the Integrated Impact Assessment Screening revealed that:

- The Quarterly Internal Audit Monitoring Report has a low positive impact across all groups.
- It has been subject to consultation with the Director of Finance & S151 Officer, Legal and Access to Services.
- All Well-being of Future Generations Act considerations are positive and any risks identified are low.
- The overall impact of the Quarterly Internal Audit Report is positive as it will support the Authority in its requirement to protect public funds.

7. Financial Implications

7.1 There are no financial implications associated with this report.

8. Legal Implications

8.1 There are no legal implications associated with this report.

Background Papers: Internal Audit Plan 2024/25

Appendices: Appendix 1 - Audits Finalised Q1 2024/25

Appendix 2 - Summary of Scope of Audits Finalised Q1 2024/25

Appendix 3 - Internal Audit Plan 2024/25 - Progress to 30/06/24

Appendix 4 - High/Substantial Audit Follow-Up Results Q1

Appendix 5 – High/Substantial Audit Rec's not implemented Q1

Appendix 6 - Integrated Impact Assessment