
Internal Audit Progress Report (as at 31 December 2022)

Introduction	2
Background	2
Independence and Objectivity	2
Continuing Professional Development	2
External Peer Assessment	3
Summary of Work Performed	3
Current Activities	3
Resources	6
Annual Plan	7
Critical Findings or Emerging Trends (Q3 2022/23)	10
Value for Money Findings (Q3 2022/23)	11
Audit Performance and Added Value	11
Added Value	11
Performance	12
Audit Plan Delivery	14
Recommendations	14
Conclusion	15
Appendix A	Report Status as at 31 December 2022
Appendix B	Audit Plan
Appendix C	Recommendations Summary
Appendix D	Red & red / amber open recommendations
Appendix E	Red & red / amber recommendations completed since last Committee

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Internal Audit Progress Report

1 Introduction

1.1 Background

The Internal Audit Progress Report sets out performance in relation to the Internal Audit Plan. It summarises the work performed, the priority recommendations raised, the critical findings, emerging trends, and relevant value for money findings.

This progress report covers the period from 1 April – 31 December 2022, and follows the updates provided in the last Committee meeting held on 29 November 2022. This report is structured to provide a summary account of audit activities, outcomes and progress made against the Audit Plan 2022/23.

The Audit Plan 2022/23 was approved by the Governance and Audit Committee on 15 March 2022. The Internal Audit Plan provides the framework for audit work each year and is aligned to the Council's corporate governance arrangements, whilst also being responsive to any changes to the risks faced by the Council during the year.

1.2 Independence and objectivity

The Internal Audit section reports to the Audit Manager. In line with the provisions of the Public Sector Internal Audit Standards (1100), organisational independence is maintained, as the Audit Manager is not responsible for managing any functions beyond the Internal Audit and Investigation teams. The Audit Manager reports administratively to the Head of Finance and functionally to the Governance and Audit Committee for audit-related matters. There have been no impairments of independence or objectivity.

1.3 Continuing Professional Development

Auditors have completed their year-end personal reviews and formalised their objectives for 2022/23. Prior to discussing performance, auditors updated their skills assessment in application of the IIA Professional Competencies Framework.

The results of personal reviews and skills assessments informed the year-end Audit Manager's review against the Quality Assurance and Improvement Programme (Standard 1300), from

which a generally strong baseline of knowledge and skills were recognised across the audit team.

1.4 External Peer Assessment

The Public Sector Internal Audit Standards (PSIAS) requires an external assessment of conformance with the Standards to be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The latest external peer assessment was completed by the Head of Audit from Rhondda Cynon Taf and reported to the Governance and Audit Committee in March 2018.

Further to the details provided to Committee in July and November 2022, the assessment is being completed by the Chief Auditor in Monmouthshire / Newport who has been allocated to undertake the peer assessment of Cardiff Council's Internal Audit service.

It is intended for the assessment to be presented to the Governance and Audit Committee in its March 2023 meeting.

2 Summary of Work Performed

2.1 Current Activities

During quarter three 2022/23, the priorities and approach of the audit team were to deliver a combination of management support through consultation and engagement in high-risk areas, and to further progress the delivery of assurance engagements from the Audit Plan.

The Internal Audit Team has continued to be available and to provide advice and guidance on the design and implementation of effective controls in the administration of Welsh Government COVID-19 grants schemes as well as for the Homes for Ukraine Scheme, to achieve compliance and control, and arrangements for the effective prevention and detection of fraud.

Work continues to be undertaken predominantly on a desktop basis, although site visits are taking place for establishment audits, and where there is a need to observe the operation of physical controls or operating practices.

The table below shows a list of audits and their reporting status in the current year until 31 December 2022, whereby 30 new audit engagements were completed to at least draft output stage and 19 audit engagements from the prior year have been finalised. A summary of the audit outputs and opinions in the year to date is shown below.

Figure 1. Audit outputs and opinions (at 31 December 2022)

Status	Number of completed audits	Opinion				
		Effective	Effective with opportunity for improvement	Insufficient with major improvement needed	Unsatisfactory	No opinion given
Draft	12	3	8	1	0	0
Final	37	5	20	5	0	7
TOTAL	49	8	28	6	0	7
	30	New Audit Engagements completed				
	19	Finalised Audit Engagements from 2021/22				

Figure 2. 2022/23 Audit outputs and opinions (at 31 December 2022)

No.	Assurance Audit Engagement	Audit Opinion
1.	Welsh Government Covid Grants - Assurance (2021/22)*	Effective
2.	Get me home service	
3.	ICF schemes (incl. Families First)	
4.	School Asset Management - Thematic (Albany)	
5.	Housing Benefit / Local Housing Allowance / Council Tax Reduction Scheme	
6.	Income and Debtors	Effective with opportunity for improvement
7.	Health and safety	
8.	Leisure Contract Governance	
9.	Shared Regulatory Services in Cardiff	
10.	Cantonian	
11.	Schools with Surplus Balances - Thematic	
12.	Agency Staff Payments	
13.	Risk Management Arrangements	
14.	Procurement	
15.	Brindley Road Stores	
16.	Safeguarding	
17.	Cardiff Caravan Park	

No.	Assurance Audit Engagement	Audit Opinion	
18.	Cardiff Riding School		
19.	Cardiff Organic Waste Treatment Contract		
20.	Glyncoed Primary School		
21.	Catering in Opted out schools		
22.	Cardiff Dogs Home		
23.	Contract Variations		Insufficient, major improvement needed
Audit Work with 'No Opinion'			
24.	CRSA - Purchases and Payments	Consultancy, and certification, advice guidance	
25.	CRSA - Payroll and HR		
26.	Joint Committees - Prosiect Gwyrdd		
27.	Joint Committees - Port Health Authority		
28.	Joint Committees - Glamorgan Archives		
29.	Service / Process Consultancy		
30.	Education Improvement Grant 2021/22		
Concluded Audits from the Prior Year			
31.	Purchasing and Payments - in year testing	Effective	
32.	Commissioning and Procurement - People and Communities		
33.	Main Accounting		
34.	Cradle to grave audit	Effective with opportunity for improvement	
35.	Telecare		
36.	Information Governance		
37.	Business Continuity and Incident Management		
38.	Performance management		
39.	Purchasing cards		
40.	Directorate Recovery Planning		
41.	Resources - Pre-Contract Assurance		
42.	Income and debtors - Social Services		
43.	School Health and Safety – Thematic		
44.	Value for money in Digital Initiatives		
45.	Children's Placements		Insufficient, major Improvement needed
46.	Section 106 agreements		
47.	Mileage & Subsistence		

No.	Assurance Audit Engagement	Audit Opinion
48.	Cloud Computing	
49.	Pre-contract assurance - Children's Services	

*Arrangements were made for the audit of 'Welsh Government Covid Grants – Assurance' to be overseen by another Operational Manager within Accountancy, and to remove any involvement in the audit review from the Audit Manager, who has advised on the design and operation of controls in the administration of these grants.

Further to the table above, the outputs that were not been given an assurance opinion and the reasons for this were as follows:

Figure 3. Completed audits without an assurance opinion (at 31 December 2022)

Audit	Comments
Joint Committees - Prosiect Gwyrdd	Work to support completion of Statement of Accounts, 2021/22
Joint Committees - Port Health Authority	
Joint Committees - Glamorgan Archives	
Service and Process Consultancy –Homes for Ukraine Scheme and Welsh Government COVID-19 Grants.	Compliance, control, and counter-fraud guidance
Education Improvement Grant 2021/22	Grant certification
CRSA - Purchases and Payments	Control Risk Self-Assessment completion exercises with clients
CRSA - Payroll and HR	

The report status for the year to date is shown in **Appendix A**.

2.2 Resources

A new Principal Auditor post has been widely advertised with a closing date of 16 January 2023. This is in accordance with the audit team structure update provided to the Governance and Audit Committee on 29 November, whereby Members were advised of the decision to invest in an additional Principal Auditor post, to enhance a solid core of senior officers within the team and to not fill vacant posts at lower grades.

Since the last Committee update, a flexible retirement request has been approved for the Group Auditor through which their hours will reduce by 10 hours per week (from 37 to 27) from 1 April 2023. Information on this, and minor adjustments in the working hours of other members of the audit team relating to the financial year 2023/2024 are contained in agenda item 8.2 – Internal Audit Charter and Audit Plan 2023/24.

Committee has been advised of the impact of vacant posts on the progression of the audit plan in the year to date and, to support audit coverage in areas of IT and corporate governance this year, a contract has been awarded for the delivery of four audit engagements under the direction of the Audit Manager. At the time of reporting, the two IT audits are in a position of active fieldwork. There have also been some instances of sickness which have had an impact on the available staff resources during quarter three.

As all operational auditors and the audit assistant record all actual time worked, there is useful management information available for planning, monitoring, and reporting purposes. Timesheet data contained 891 chargeable days up to the end of quarter three, against a pro-rata plan of 1078 days. The lower number of chargeable days to planned are primarily attributed to the vacant senior auditor post, but also impacted by greater use of administrative and management time, and staff engagement in development and corporate wellbeing initiatives. There have been some instances of short-term sickness, although the impact of this on staff resources has been relatively minor.

Time is available for audit development purposes, and one Auditor has funding in place to study the Certified Information Systems Auditor (CISA) Qualification with ISACA.

2.3 Annual plan

The Audit Plan 2022/2023 is contained within Appendix B. Whilst set on an annual basis, the Audit Plan is adaptable and responsive and will be subject to ongoing risk assessment, prioritisation, and review throughout the year to maximise assurance and management support. In-year changes may be introduced where appropriate, to respond to emerging risks and issues as the year progresses.

For the information of the Committee, all audits that were at draft status at the end of 2022/2023 are highlighted in 'grey' in order to enable the finalisation of these audits to be tracked, whilst

providing a visible separation from the audit engagements contained within the Audit Plan 2022/2023.

Delivery of the Audit Plan 2022/2023 has been significantly lower than targeted in quarter three. This is attributed in part to a reduced level of staff resources as outlined in section 2.2. 'Resources', and to some isolated delays in receiving the information requested in order to conclude audit fieldwork. The quarter three position in delivering the Audit Plan is shown in section 3.2 'performance'.

The Audit Plan has been reviewed and the Audit Manager has identified forty remaining audits in scope to be worked upon before the financial year end. The audits are targeted to provide a sufficient spread of assurance, that mitigates any impairment to the annual opinion of the Audit Manager on the Council's control environment for 2022/2023. These have been grouped into priority 1 audits (25 audits) and priority 2 audits (15 audits) and are contained within the tables below.

- **Priority 1 audits** are all to be targeted to for issue to draft report stage by the end of the financial year. Delivering these audits would ensure all fundamental areas of the plan are delivered, that core areas of corporate governance have been reviewed, and that there is sufficient coverage at the directorate level. Delivering these audits would achieve 52% of the Audit Plan against a target of 70%.
- **Priority 2 audits**, which include the thematic audit of performance management across each directorate, and wider directorate-level audits, are to commence when the allocated auditor has delivered their priority 1 audits.
- It is intended to conclude any priority audits which have not been completed by the financial year-end in quarter one 2023/2024, for which a provision will be made in the Audit Plan 2023/2024 with a request for Committee approval on 21 March 2023.

Alongside this targeted approach, there will be a need to ramping audit delivery during quarter four, to be managed through monitoring and review arrangements, and assisted in part by the four audits being delivered under contract within this timescale.

Figure 4. Priority 1 Audits

Status (as at 31.12.2022)	Assignment
Report Writing / Review	Waste Management Enforcement
	City Deal 2021/22
Audit Fieldwork	ICT Audit - Cyber Security Governance
	Directorate PCI - DSS Compliance
	Central Transport Service
	Norwegian Church Preservation Trust 2021/22
	Disposal of Land and Buildings
Commencing Fieldwork	Council Tax
	Pensions and Investments
	Cardiff Further Education Trust Fund 2021/22
Planning	Ethics and Values
	Partnership / Arms-length Assurance
	In-year testing - Purchases and Payments
	In-year testing - Payroll and HR
	Complaints and Compliments
	Alarm Receiving Centre
	Performance Management – Economic Development
	Eastern High
	FOLLOW UP - Cardiff West Community High School
	International White Water
Not yet started	Harbour Authority
	Health and Safety – Education & LL
	National Fraud Initiative
	Fitzalan High School
	Baden Powell Primary school

Figure 5. Priority 2 Audits

Status (as at 31.12.2022)	Assignment
Planning	Performance Management - Adults, Housing & Communities
	Performance Management - Education and Lifelong Learning
	Performance Management - People and Communities
	Performance Management - Childrens Services
	Performance Management - Resources
	Performance Management - PTE
	Performance Management - Governance and Legal Services
	Youth Offending Service
	Commercial Waste
Not yet started	Skip Hire
	Emergency Duty Team
	Home Care
	Community Safety
	Delegation and decision making
	Residential Care

2.4 Critical findings or emerging trends (Q3 2022/2023)

During quarter three, one draft report has been issued with an opinion of ‘insufficient with major improvement needed’. The audit, of contact variations, relating to formal changes to a contract relating to price, volume, costs, the term etc. has been issued in draft. Management consideration and discussion will follow before the report is finalised, at which time the assurance rating and recommendations will be confirmed.

Sample-based testing did not identify instances where contract variations had not been appropriately approved, but it was considered that systems were not being utilised effectively in order to have a complete central record of contract variations. Variation information was being recorded on the Council’s electronic procurement systems and Contracts Register (Proactis) and not being integrated with the financial ledger (SAP), representing a risk to the completeness and accuracy of variation order information held. In the absence of a complete central record, it is

not possible to provide the necessary assurance that variations are being appropriately reported and consistently approved in accordance with corporate requirements.

Further legislative requirements are coming into force that the organisation needs to begin to prepare for. The Procurement Bill is due to come into force in the next 12-18 months which aims to improve transparency on public procurements and requires greater reporting on public procurements across the board, including contract variations. The audit has advocated that a project-based approach is used to review, and update where required, current systems and processes, and to ensure all responsibilities are clearly defined and understood across the Council aligned to the requirements of the Bill. In making any system updates there is an opportunity to make the best use of technology and automation. Further to this a system of training and guidance on systems and responsibilities has been recommended.

2.5 Value for Money findings (Q3 2022/2023)

There were no value for money themed audits undertaken within the reporting period.

The vast majority of audits undertaken by the Internal Audit Team have objectives which cover value for money assurances, from which a general satisfactory level of assurance can be provided for the reporting period. However, within the audits of a lower assurance opinion, there were control gaps which need to be addressed to provide assurance that the objectives of these services are being run with proper attention to a combination of economy, efficiency, and effectiveness.

3 Audit Performance and Added Value

3.1 Added value

Relationship Manager meetings were held with Directors and their representatives during the development of the audit plan in quarter four 2021/2022. Further meetings were then held quarterly during 2022/2023, with particular focus given to understanding the priorities and risks within each management team, and the changes to systems or processes planned or underway, in order to direct audit advice and inform the planning of audit engagements.

Feedback from audit clients has been positive in the year to date, with satisfaction rates at 100% from clients who have responded, 88% of whom advised that their audit 'added value'

In the audit outputs issued to date (as at 31 December 2022), there have been 237 recommendations made, of which 96 have been agreed, and 141 are presently being considered by audit clients through draft audit outputs. These are summarised below:

Figure 6. Recommendations raised and agreed

Rating	Recommendations made	Recommendations agreed	Recommendations being considered
Red	1	0	1
Red / amber	77	41	36
Amber / green	155	53	102
Green	4	2	2
TOTAL	237	96	141

One recommendation relating to a contract management review reported in 2021/2022 has recently not been accepted. The amber / green recommendation was for steps to be taken to check professional indemnity insurance is in place for those instructed for legal practice (namely solicitors and barristers) on a particular framework. In order to be part of the Framework, appropriate arrangements for professional indemnity insurance have to be in place and on that basis, management consider that it isn't necessary to check those provisions when work is outsourced under the Framework.

3.2 Performance

As outlined in section 2.1 ('Current Activities'), the priorities and approach of the audit team were to deliver a combination of management support through consultation and engagement in high-risk areas, and to further progress the delivery of assurance engagements from the Audit Plan.

The primary reasons why the audit service is operating at a lower capacity are outlined in 2.2 ('Resources'). At the outset of the year, a proposed target for delivery of the Audit Plan was set at 70% and integrated into audit planning and performance management processes. The target was considered to be stretching and achievable, for which the primary reason for slippage against this measure relates to the ongoing vacancy for which a recruitment exercise is underway, as referred to in section 2.2 ('Resources'). Steps have been taken to prioritise the audits for delivery during quarter 4, and a ramping up of delivery, for which details are provided in section 2.3 ('Annual Plan').

A number of audits have been finalised from last financial year, as shown in figure 1 and 2, but the majority of the new audits completed this year are at draft stage. Once reports have been considered and responded to by management the number of finalised audits will increase, as will the measure of finalised audits per full time equivalent. Attention is being given to engaging managers with a view to concluding draft audits.

The percentage of draft reports completed in four weeks has been improving each quarter and recovering from quarter one performance. The importance of prompt audit reporting will be a continued focus this year.

Governance and Audit Committee Members have taken particular interest in performance against the percentage of audit recommendations implemented within the agreed timescale, which has been below target for a number of years. After an improvement in performance against this measure in quarter two, which allows for slippage of two working weeks from the target set for actions to be evidenced as complete, performance has fallen slightly. The Audit Manager attended Senior Management Team on 10 January 2023 to present and discuss the position in responding to recommendations on a timely basis and emphasise the importance of maintaining good and clear communication as recommendations are progressed, and in the event of any difficulties or changing circumstances.

Figure 7. Performance against targets for 2022/2023 (to date)

Performance Indicator	2021/22 Outcome	2022/23 Target	Q1 Outcome	Q2 Outcome	Q3 Outcome
The percentage of the Audit Plan completed	61%	70%	13%	25%	29%
The average number of audit productive days per FTE	147	150	37	68	103
The average number of finalised audits per FTE	7.4	9	1.43	3.13	4.82
The percentage of draft audit outputs delivered within four weeks	92%	90%	80%	84%	87%
The percentage of audit recommendations implemented within the agreed timescale	68%	80%	56%	71%	65%

3.3 Audit Plan Delivery

In addition to monitoring and managing the numbers of audits delivered, audit engagements are allocated in order to ensure that there is a breadth of assurance by the financial year-end, upon which to provide a complete Audit Manager annual opinion.

As outlined in section 2.4 – Current Activities, there have been thirty new audit engagements completed in the financial year 2022/2023 to date. The current position for the full Audit Plan 2022/2023 is shown in **Appendix B** – Audit Plan.

3.4 Recommendations

A summary of the open audit actions is included within **Appendix C**, to support the Governance and Audit Committee to monitor and review the management response to recommendations.

Included within **Appendix D** are the red and red/amber open recommendations including the current management response for the information and monitoring of the Committee. **Appendix E** contains the red and red/amber recommendations, which have been completed since the last Committee meeting. Amber / green and green recommendations are provided to Committee via a separate route.

The table below shows the instances where implementation dates have been revised typically by audit clients, for audits which are not recognised as fully addressed by management (as at 31.12.2022). The position against recommendations is reported, to monitor progress and target discussions on the effective management of risk, in relationship management meetings each quarter.

Figure 8. Revised recommendation implementation dates and status

Directorate / Audit Category	Number of recommendations with revised dates	Actions now implemented	Actions still open
Fundamental	22	20	2
Corporate	24	18	6
External and grants	13	9	4
Adults, Housing and Communities	40	25	15
Children' Services	29	23	6
Economic Development	39	30	9
Education and Lifelong Learning	86	59	27
Planning Transport and Environment	45	33	12
People and Communities	1	1	0
Resources	57	44	13
Governance and Legal Services	8	8	0
Waste Management	81	78	3
	445	348	97
Schools	187	133	54
TOTAL	632	481	151

NB - It should be noted that the table above represents the position as at 31 December 2022, whereas the recommendation tracker appendices show the detailed position against each recommendation at the closest possible date to each Committee meeting.

4 Conclusion

4.1 Summary

During quarter three 2022/2023, the priorities and approach of the audit team have continued to be the delivery of a combination of management support through consultation and engagement in high-risk areas, and delivery of assurance engagements from the Audit Plan.

A new Principal Auditor post has been widely advertised with a closing date of 16 January 2023. This is in accordance with the audit team structure update provided to the Governance and Audit Committee on 29 November, whereby Members were advised of the decision to invest in an additional principal auditor post, to enhance a solid core of senior officers within the team and to not fill vacant posts at lower grades.

Delivery of the Audit Plan 2022/2023 has been significantly lower than targeted in quarter three. This is attributed in part to a reduced level of staff resources as outlined in section 2.2. 'Resources', and to some isolated delays in receiving the information requested in order to

conclude audit fieldwork. The quarter three position in delivering the Audit Plan is shown in section 3.2 'performance'.

The Audit Plan has been reviewed and the Audit Manager has identified forty remaining audits in scope to be worked upon before the financial year end. The audits are targeted to provide a sufficient spread of assurance, that mitigates any impairment to the annual opinion of the Audit Manager on the Council's control environment for 2022/2023.

Delivering the prioritised audits would ensure all fundamental areas of the plan are delivered, that core areas of corporate governance have been reviewed, and that there is sufficient coverage at the directorate level.

Alongside this targeted approach, there will be a need to ramping audit delivery during quarter four, to be managed through monitoring and review arrangements, and assisted in part by the four audits being delivered under contract within this timescale.

Report Status (as at 31 December 2022)

Audit Opinion	Audit Area	High Risk Recommendations		Status (If not Final)
		Proposed	Agreed	
Fundamental / High				
Effective	Resources – Income and Debtors (cf. 2021/22)			Drafts
	Welsh Government Covid Grants - Assurance (2021/22)			Issued
	School Asset Management - Thematic (Albany)			
	Housing Benefit / Local Housing Allowance / Council Tax Reduction Scheme			
	People and Communities – Commissioning & Procurement (cf. 2021/22)			
	Main Accounting (cf. 2021/22)			
	Purchasing and Payments - in year testing (cf. 2021/22)			
	St Illtyd's – School Asset Management (cf. 2021/22)			
Effective with opportunity for improvement	Resources - Health and Safety (cf. 2021/22)			Drafts
	Adults, Housing and Communities - Pre-Contract Assurance (cf. 2021/22)			Issued
	Whistleblowing Processes (cf. 2021/22)			
	Payroll & HR – In Year-Testing (cf. 2021/22)			
	Asset Management (cf. 2021/22)			
	Income and Debtors			
	Health and safety			
	Procurement			
	Cradle to grave audit (cf. 2021/22)			
	Purchasing Cards (cf. 2021/22)			
	Corporate Performance Management (cf. 2021/22)			
	The Hollies – School Asset Management (cf. 2021/22)			
	Herbert Thompson – School Asset Management (cf. 2021/22)			
	Allensbank - School Health and Safety (cf. 2021/22)			
	Information governance (cf. 2021/22)			
	Resources - Pre-Contract Assurance (cf. 2021/22)			
St Mellons - School Health and Safety (cf. 2021/22)				
Severn - School Health and Safety (cf. 2021/22)				

Audit Opinion	Audit Area	High Risk Recommendations		Status (If not Final)
		Proposed	Agreed	
	Greenhill - School Health and Safety (cf. 2021/22)			
	Llanishen - School Health and Safety (cf. 2021/22)			
	Social Services – Income and Debtors (cf. 2021/22)			
	Directorate Recovery Planning (cf. 2021/22)			
	Value for money in Digital Initiatives (cf. 2021/22)			
	Risk Management Arrangements			
	Agency Staff Payments			
	Brindley Road Stores			
	Safeguarding			
Insufficient with major improvement needed	PTE – Pre-Contract Assurance (cf. 2021/22)	1		Drafts
	St Patricks – School Asset Management (cf. 2021/22)	1		Issued
	Contract Variations	1		
	Children's Services - Pre-Contract Assurance(cf. 2021/22)	1	1	
	Mileage and Subsistence (cf. 2021/22)	1	1	
	Cloud Computing (cf. 2021/22)	1	1	
Medium				
Effective	Ysgol Bro Edern (cf. 2021/22)			Draft
	Get me home service			
	ICF schemes (incl. Families First)			
Effective with opportunity for Improvement	Shared Regulatory Services in Cardiff			Drafts
	Schools with Surplus Balances – Thematic			Issued
	Glyncoed Primary			
	Catering in Opted out schools			
	Cardiff Dogs Home			
	Business Continuity and Incident Management (cf. 2021/22)			
	Telecare (cf. 2021/22)			
	Cantonian			
	Cardiff Caravan Park			
	Cardiff Riding School			
Leisure Contract Governance				

Audit Opinion	Audit Area	High Risk Recommendations		Status (If not Final)
		Proposed	Agreed	
	Cardiff Organic Waste Treatment Contract			
Insufficient with Major improvement needed	Children's Placements (cf. 2021/22)	1	1	
	S106 Agreements (cf. 2021/22)	1	1	
Grants / Accounts / External Bodies				
No assurance opinion given	Joint Committees - Prosiect Gwyrdd	Statement of Accounts Reviews / Certification / Support		
	Joint Committees - Port Health Authority			
	Joint Committees - Glamorgan Archives			
	Service / Process Consultancy			
	Education Improvement Grant 2021/22			
Other assignments				
No assurance opinion given	People and Communities - Pre-Contract Assurance (cf. 2021/22)	No recent contact awards – assurance to be obtained via wider audits under portfolio of Corporate Director	Pending finalisation of wider audits	
	Service and Process Consultancy	compliance, control and counter-fraud guidance		
	Purchasing Payments and Processing – Control Risk Self-Assessment (CRSA)	Review and engagement		
	Payroll & HR – Control Risk Self-Assessment (CRSA)	with client on their CRSA		

AUDIT PLAN 2022/23

Audit Category	Risk	Engagement Type	CIPFA Classification	Audit Plan, 2021/22	Original Audit Plan 2022/23	Assignment	Days	Audit Scope	National Issue	Audit Output Status 31.12.22	Audit Opinion	
Fundamental Audits - S151 Assurance												
Purchasing Payments and Processing	High	Assurance	Chargeable	50	50	CRSA	5	Purchases and Payments are compliant, authorised, accurate and timely		Final Issued	No Opinion Given	
						In-year testing 2021/22 (cf. 2021/22)	0			Final Issued	Effective	
						Purchasing Cards (cf. 2021/22)	0			Final Issued	Effective with Opportunity for Improvement	
						In-year testing 2022/23	25					
						Purchasing Cards	20					
Payroll & HR				50	50	CRSA	5	Recruitment processes are transparent and robust, leave processes are well governed, only bona fide, authorised, and accurate payments are made, with effective prevention, detection, and recovery of errors		Final Issued	No Opinion Given	
						In-year testing 2021/22 (cf. 2021/22)	0			Draft Issued	Effective with Opportunity for Improvement	
						In-year testing 2022/23	15					
						Agency Staff Payments	15			Final Issued	Effective with Opportunity for Improvement	
						Time Recording	15					
Council Tax				0	20	Council Tax	20	Compliance and control, with effective and efficient processes				
HB / LHA/ CTRS				0	20	HB / LHA/ CTRS	20	Effective controls to ensure accurate processing of bona fide claims		Draft Issued	Effective	
Income and Debtors				20	0	Income and Debtors	3	Operation of appropriate arrangements to record, monitor and recover sundry debts.		Draft Issued	Effective with Opportunity for Improvement	
Main Accounting				20	0	Main Accounting (cf. 2021/22)	0	The main accounting system and processes are well controlled and operating effectively		Final Issued	Effective	
Asset Management				20	0	Asset Management (cf. 2021/22)		Effective recording, monitoring, management and control of physical assets		Draft Issued	Effective with Opportunity for Improvement	
NDR				20	0							
Treasury Management				20	0							
Housing Rents				10	0							
Total				210	140		143					
Corporate Audit												
				Original audit plan, 2021/22	Original audit plan 2022/23	Assignment	Days					
Risk Management	High	Assurance	Chargeable	15	15	Risk Management Arrangements	15	Risk management arrangements are effective and operated consistently		Final Issued	Effective with Opportunity for Improvement	
Ethics and values						Whistleblowing Processes (cf. 2021/22)	0	Whistleblowing processes are compliant and effective		Draft Issued	Effective with Opportunity for Improvement	
				15	20	Ethics and Values	20	Policy and process alignment to principles of best practice ethics and values				
Delegation and decision making				20	20	Delegation and decision making	20	Effective application of delegated authority and decision making				
Contract Audit				40	40	Cradle to Grave Audit (cf. 2021/22)	0	Effective contract compliance, control and delivery of objectives		Final Issued	Effective with Opportunity for Improvement	
						Cradle to Grave Audit	20	Effective contract compliance, control and delivery of objectives				
						Contract Variations	20			Draft Issued	Insufficient with Major Improvement Needed	
Taxation				20	20	Taxation	20	Effective compliance and control.				
Procurement				20	20	Procurement	20	Effective and compliance commissioning and procurement compliance and control arrangements		Draft Issued	Effective with Opportunity for Improvement	
Mileage & subsistence				0	0	Mileage & Subsistence (cf. 2021/22)	0	Accurate claiming and authorisation for reasonable expenditure.		Final Issued	Insufficient with Major Improvement Needed	
				15	15	Mileage & Subsistence	15	Accurate claiming and authorisation for reasonable expenditure.				
Welsh Government Covid Grants				0	0	Welsh Government Covid Grants - Assurance (2021/22)	0	Sample check of effective compliance and control in administering WG Grants		y	Draft Issued	Effective
				20	20	Welsh Government Covid Grants - Assurance	20	Sample check of effective compliance and control in administering WG Grants		y		
ICT Audit						Cloud Computing (cf. 2021/22)	0	Effective co-ordination, risk management and control.			Final Issued	Insufficient with Major Improvement Needed
				30	30	ICT Audit - Cyber Security Governance	15	Effective co-ordination, risk management and control				
			Directorate PCI - DSS Compliance	15	Effective co-ordination, risk management and control							
Complaints and Compliments	0	20	Complaints and Compliments	20	Effective arrangements and systems in place for handling complaints & compliments							
National Fraud Initiative	10	10	National Fraud Initiative	10	Data matching counter-fraud exercise							

Audit Category	Risk	Engagement Type	CIPFA Classification	Audit Plan, 2021/22	Original Audit Plan 2022/23	Assignment	Days	Audit Scope	National Issue	Audit Output Status 31.12.22	Audit Opinion	
Value for Money studies		Assurance		30	30	Value for money in Digital Initiatives (cf. 2021/22)	0	Assurance on value for money in digital initiatives		Final Issued	Effective with Opportunity for Improvement	
						Value for money in use of Council Vehicles	15	Assurance on value for money in use of Council vehicles				
						Value for money in use of Overtime	15	Value for money in use of overtime				
Stores				10	10	Brindley Road Stores	10	Effective and efficient stores management, and stock / equipment control		Final Issued	Effective with Opportunity for Improvement	
Partnership / Arms-length Assurance				0	20	Partnership / Arms-length Assurance	20	Effective governance, risk management and control arrangements				
Education - SOP				0	20	Education - SOP	20	Delivery of objectives, with effective compliance and control				
Pensions and Investments		Assurance		0	20	Pensions and Investments	20	Effective compliance and control				
Governance Arrangements				0	20	Governance Arrangements	20	Audit of the application of good corporate governance arrangements				
Programmes and Projects				0	20	Programmes and Projects	20	Effective, clear and consistent project governance arrangements.				
System Development		TBC		0	30	Provision for System Development	30	Consultation or assurance services, as relevant.				
Health and safety		Assurance		20	0	Health and safety	5	Effective and compliant application of the Council's health and safety framework		Draft Issued	Effective with Opportunity for Improvement	
Safeguarding				20	0	Safeguarding	4	Effective safeguarding governance and control processes		Final Issued	Effective with Opportunity for Improvement	
Performance Management				0	0	Performance Management (cf. 2021/22)	0	Performance management arrangements are effective, and operated consistently.		Final Issued	Effective with opportunity for improvement	
Information governance				20	0	Information governance	0	Effective mechanisms and systems operated in accordance with the data protection act 2018		Final Issued	Effective with opportunity for improvement	
Directorate Recovery Plans				30	0	Directorate Recovery Planning	0	Effective directorate recovery plans from the COVID-19 pandemic		Final Issued	Effective with Opportunity for Improvement	
Business Continuity	Medium			20	0	Business Continuity and Incident Management (cf. 2021/22)	0	Effective business recovery and incident management systems.	y	Final Issued	Effective with opportunity for improvement	
Investigation Processes				30	0							
Members' allowances				15	0							
Total				400	400		409					
Service Specific Audit				Original audit plan, 2021/22	Original audit plan 2022/23	Assignment	Days					
Service / Process Consultancy	High	Consultancy	Chargeable	40	40	Provision for Service / Process Consultancy	40	Consultancy support across the Council, as appropriate		Work Completed (and ongoing)	No Opinion Given	
Resources	High	Assurance		65	60	Resources – Income and Debtors (cf. 2021/22)	0	Operation of appropriate arrangements to record, monitor and recover sundry debts.		Draft Issued	Effective	
						Resources - Health and Safety (cf. 2021/22)	0	Directorate health and safety compliance and risk management.		Draft Issued	Effective with Opportunity for Improvement	
						Resources - Pre-Contract Assurance (cf. 2021/22)	0	Relevant compliance and due diligence checks are undertaken		Final Issued	Effective with Opportunity for Improvement	
						Performance Management	15	Performance management arrangements are effective, and operated consistently.				
	Medium						Telecare (cf. 2021/22)	0	Delivery of service objectives with effective compliance and control.		Final Issued	Effective with opportunity for improvement
							Insurance	15	Delivery of service objectives with effective compliance and control			
							Alarm Receiving Centre	15				
							Central Transport Service	15				
Governance and Legal Services	High	Assurance		50	45	Performance Management	10	Performance management arrangements are effective, and operated consistently.				
	Medium					Electoral Services	20	Delivery of service objectives with effective compliance and control				
						Land Charges	15					
People and Communities	High	Assurance		45	40	People and Communities – Commissioning & Procurement (cf. 2021/22)	0	Commissioning and Procurement compliance and control		Final Issued	Effective	
						Social Services – Income and Debtors (cf. 2021/22)	0	Operation of appropriate arrangements to record, monitor and recover sundry debts.		Final Issued	Effective with Opportunity for Improvement	
						Performance Management	15	Performance management arrangements are effective, and operated consistently.				
						Community Safety	15	Assurance on compliance with statutory requirements				

Audit Category	Risk	Engagement Type	CIPFA Classification	Audit Plan, 2021/22	Original Audit Plan 2022/23	Assignment	Days	Audit Scope	National Issue	Audit Output Status 31.12.22	Audit Opinion	
						Hubs	10	Assurance on payroll, asset management, information governance, payment and income systems				
Adults, Housing & Communities	High	Assurance		145	150	Adults, Housing and Communities - Pre-Contract Assurance (cf. 2021/22)	0	Delivery of service objectives with effective compliance and control.		Draft Issued	Effective with Opportunity for Improvement	
						Performance Management	15	Performance management arrangements are effective, and operated consistently.				
	Mental Health Day Services					15	Delivery of service objectives with effective compliance and control					
	Independent Living					15						
	Residential Care					15						
	Emergency Duty Team					15						
	Adult Services Income Processes					20						
	Allocations, lettings and voids					20						
	Home Care					15						
	Direct Payments - Children's and Adults					20						
	Get me home service					2						
ICF schemes (incl. Families First)	2											
Children's Services	High	Assurance		70	40	Pre-Contract Assurance (cf. 2021/22)	0	Relevant compliance and due diligence checks are undertaken		Final Issued	Effective	
	Medium					Performance Management	15	Performance management arrangements are effective, and operated consistently.		Final Issued	Effective	
						Children's Placements (cf. 2021/22)	0	Delivery of service objectives with effective compliance and control		Final Issued	Insufficient with major improvement needed	
						Youth Offending Service	15	Delivery of service objectives with effective compliance and control				
						Crosslands Children's Home	10			Final Issued	Insufficient with major improvement needed	
Economic Development	High	Medium		100	95	Performance Management (inc Waste Management)	15	Performance management arrangements are effective, and operated consistently.				
	Medium					Harbour Authority	15	Delivery of service objectives with effective compliance and control				
						International White Water	15					
						St David's Hall	15					
						Cardiff Caravan Park	10				Final Issued	Effective with Opportunity for Improvement
						Cardiff Riding School	10				Final Issued	Effective with Opportunity for Improvement
						Disposal of Land and Buildings	15					
						Leisure Contract Governance	5				Final Issued	Effective with Opportunity for Improvement
Economic Development (Waste Management)	Medium	Assurance		60	60	Commercial Waste	15	Delivery of service objectives with effective compliance and control				
						Cardiff Organic Waste Treatment Contract	15				Final Issued	Effective with Opportunity for Improvement
						Skip Hire	15					
						Street Cleansing	15					
						Waste Management Enforcement	5					
						Shared Regulatory Services in Cardiff	2				Draft Issued	Effective with Opportunity for Improvement
Education and Lifelong Learning	High	Assurance		190	180	School Health and Safety - Thematic (cf. 2021/22)	0	Schools health and safety compliance and risk management.	yes	Final Reports Issued	Effective with Opportunity for Improvement	
						School Asset Management - Thematic (cf. 2021/22)	0	Schools asset management compliance and control.		3 Final & 2 Drafts Issued	2 x Effective, 2x Effective with Opportunity for Improvement, 1 x Insufficient	
	School Asset Management - Albany Primary School						Schools asset management compliance and control.	Draft Issued		Effective		
	Performance Management					15	Performance management arrangements are effective, and operated consistently.					
	Health and Safety					15	Directorate health and safety compliance and risk management.					
	Ysgol Bro Edern (cf. 2021/22)					0	Audit of systems of governance and internal control within individual school	Draft Issued		Effective		
	School Admissions					15	Effective and well governed arrangements for school admissions					
	Secondary school audits *5					40	Audits of systems of governance and internal control within individual schools					
	Primary school audits*4					25						
	Glyncoed Primary School									Draft Issued	Effective with Opportunity for Improvement	
	FOLLOW UP - Cardiff West Community High School					10						
	Cantonian					2				Final Issued	Effective with Opportunity for Improvement	

Audit Category	Risk	Engagement Type	CIPFA Classification	Audit Plan, 2021/22	Original Audit Plan 2022/23	Assignment	Days	Audit Scope	National Issue	Audit Output Status 31.12.22	Audit Opinion
						Schools VAT Assurance	15	Effective compliance and control			
						Cashless catering in secondary schools	10				
						Catering in Opted out schools	15				
						Schools Information Management	20				
						Schools with Surplus Balances - Thematic	0				
Planning, Transportation and Environment	High	Assurance		55	55	Pre-Contract Assurance (cf. 2021/22)	0	Relevant compliance and due diligence checks are undertaken		Draft Issued	Effective with Opportunity for Improvement
						Performance Management	15	Performance management arrangements are effective, and operated consistently.		Draft Issued	Effective with Opportunity for Improvement
	Medium					S106 Agreements	0	Effective systems, compliance and control		Final Issued	Insufficient with major improvement needed
						Cardiff Dogs Home	10	Delivery of service objectives with effective compliance and control		Draft Issued	Effective with Opportunity for Improvement
						Highways Maintenance	15				
						Planning	15				
Total				820	765		783				
External				Original audit plan, 2021/22	Original audit plan 2022/23	Assignment	Days				
External clients	High	Assurance	Chargeable	35	25	City Deal 2021/22	10	Scope as per rolling SLA	y		
	Low	Certification				Cardiff Further Education Trust Fund 2021/22 - tbc	2	Grant certification / statement of accounts work			
						Norwegian Church Preservation Trust 2021/22 - tbc	2				
						Joint Committees	6				
						Education Improvement Grant 2021/22	5				
Total				35	25		25				
Contingencies				Original audit plan, 2021/22	Original audit plan 2022/23	Assignment	Days				
General Audit	TBC	TBC	Chargeable	10	25	General Audit (provision for carried forward audits / other work)	10	TBC			
Total				10	25		10				
Management				Original audit plan, 2021/22	Original audit plan 2022/23	Assignment	Days				
Corporate work – Audit Committee, Audit Wales etc.	Medium	Management	Chargeable	50	50	Corporate work – Audit Committee, Audit Wales etc.	50	Internal Audit management, planning, guidance and support activities.			
Assurance mapping		Management	Chargeable	10	15	Assurance mapping	15				
CRSA development		Management	Chargeable	0	10	CRSA development	10				
Process development		Management	Chargeable	15	15	Process development	15				
Work for Audit Manager		Management	Chargeable	30	30	Work for Audit Manager	15				
Planning, monitoring & reporting		Management	Chargeable	30	30	Planning, monitoring & reporting	30				
Review of financial rules etc.		Management	Chargeable	15	40	Review of financial rules etc.	40				
General advice and guidance		Management	Chargeable	10	10	General advice and guidance	10				
Total				160	200		185				

Total chargeable days	1,635	1,555	1,555
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Recommendation Summary - ('Red' and 'Red / Amber' open recommendations)

Directorate / Area	No. of Audits	No. of Red Recs	No. of Red/ Amber Recs	'open recommendations' - by audit assurance rating					'open recommendation' by status			
				No. of Recs Effective	No. of Recs Effective with Opportunity for Improvement	No. of Recs Insufficient with major improvement needed	No. of Recs Unsatisfactory	No. of Recs N/A	No. of Recs with Amended Action Date	No. of Recs where action date has passed	Current target date not yet due	
Economic Development	6	2	15		14	3			11	0	17	
Education & Lifelong Learning - Schools	18	2	49		46	3	2		40	27	24	3 - overdue actions for which evidence has been requested, in order to close actions. 11 - overdue actions where Internal Audit are liaising with Education. 3 - overdue actions for which an update has been requested. 10 - overdue actions for which an update has not been received.
Education & Lifelong Learning	8	4	12		4	8		4	16	5	11	4 - overdue actions for which a revised action date has been requested. 1 - overdue action relates to an area currently being audited. The action will be updated/closed when the final report is issued. 4 - N/A actions related to instance where Directorate was sampled as part of a wider corporate report, and an opinion was not provided at a directorate level.
Corporate Governance (Resources)	3		3		2	1			0	0	3	
External and Grants (Resources)	1		3		3				1	3	0	3 - overdue actions relate to an area currently being audited. The actions will be updated/closed when the final report is issued.
Fundamental (Resources)			1		1				1	0	1	
Other Assurance (Resources)	1	1	2			3			2	3	0	3 - overdue actions for which an update has been requested.
Resources	3	1	5		1	5			2	3	3	2 - overdue actions relate to an area currently being audited. The actions will be updated/closed when the final report is issued. 1 - overdue action for which an update has been requested.
Governance & Legal Services	1		2					2	0	2	0	2 - N/A actions related to instance where Directorate was sampled as part of a wider corporate report, and an opinion was not provided at a directorate level. 2 - overdue actions for which an update has been requested.
Planning, Transport & Environment	7		12		7	3		2	8	3	9	2 - N/A actions related to instance where Directorate was sampled as part of a wider corporate report, and an opinion was not provided at a directorate level. 1 - overdue actions for which an update has been requested 2 - overdue actions for which a revised action date has been requested
People and Communities	1		1		1				0	0	1	
Children's Services	4	2	5			5		2	4	3	4	2 - N/A actions related to instance where Directorate was sampled as part of a wider corporate report, and an opinion was not provided at a directorate level. 3 - overdue actions for which an update has been requested.
Adults Social Services, Communities & Housing	5	1	7		2	6			7	1	7	1 - overdue action for which an update has been requested
Social Services - General	2	1	3		2	2			2	0	4	
TOTALS	60	14	120	0	83	39	2	10	94	50	84	

Audit Recommendations Tracker

By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A
of the Local Government Act 1972

Document is Restricted