
Internal Audit Progress Report (as at 30 September 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 (Q2 2022/23)	8
Value for Money Findings (Q2 2022/23)	10
Audit Performance and Added Value	10
Added Value	11
Performance	11
Audit Plan Delivery	12
Recommendations	13
Conclusion	14
Appendix A	Report Status as at 30 September 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

Prepared by: Chris Pyke, Audit Manager

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 March – 30 September 2022, and follows the updates provided in the last Committee meeting held on 17 July 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, initial information has been provided to the Chief Auditor in Monmouthshire who has been allocated to undertake the peer assessment of Cardiff Council's Internal Audit service.

Subject to the review being completed in sufficient time, it is intended for the assessment to be presented to the Governance and Audit Committee in its January 2023 meeting.

2 Summary of Work Performed

2.1 Current Activities

During quarter two 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 30 September 2022, whereby 25 new audit engagements were completed to at least draft output stage and 15 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 30 September 2022)

Status	Number of completed audits	Opinion				
		Effective	Effective with opportunity for improvement	Insufficient with major improvement needed	Unsatisfactory	No opinion given
Draft	15	2	13	0	0	0
Final	25	5	11	2	0	7
TOTAL	40	7	24	2	0	7
	25	New Audit Engagements completed				
	15	Finalised Audit Engagements from 2021/22				

Figure 2. 2022/23 Audit outputs and opinions (at 30 September 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.	Income and Debtors	Effective with opportunity for improvement
6.	Health and safety	
7.	Leisure Contract Governance	
8.	Shared Regulatory Services in Cardiff	
9.	Cantonian	
10.	Schools with Surplus Balances - Thematic	
11.	Agency Staff Payments	
12.	Risk Management Arrangements	
13.	Procurement	
14.	Brindley Road Stores	
15.	Safeguarding	
16.	Cardiff Caravan Park	
17.	Cardiff Riding School	
18.	Cardiff Organic Waste Treatment Contract	

No.	Assurance Audit Engagement	Audit Opinion
Audit Work with 'No Opinion'		
19.	CRSA - Purchases and Payments	Consultancy, and certification, advice guidance
20.	CRSA - Payroll and HR	
21.	Joint Committees - Prosiect Gwyrdd	
22.	Joint Committees - Port Health Authority	
23.	Joint Committees - Glamorgan Archives	
24.	Service / Process Consultancy	
25.	Education Improvement Grant 2021/22	
Concluded Audits from the Prior Year		
26.	Purchasing and Payments - in year testing	Effective
27.	Commissioning and Procurement - People and Communities	
28.	Main Accounting	
29.	Cradle to grave audit	Effective with opportunity for improvement
30.	Telecare	
31.	Information Governance	
32.	Business Continuity and Incident Management	
33.	Performance management	
34.	Purchasing cards	
35.	Directorate Recovery Planning	
36.	Resources - Pre-Contract Assurance	
37.	Income and debtors - Social Services	
38.	School Health and Safety – Thematic	
39.	Children's Placements	
40.	Section 106 agreements	

*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 30 September 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 review has taken place of the resource requirements for the team linked with budget planning for the financial year ahead. This follows a second unsuccessful recruitment exercise for the vacant senior auditor post during October 2022, and no suitable candidates when the post was then subsequently advertised on a temporary basis.

- The decision has been taken to invest in an additional principal auditor post to enhance a solid core of senior officers within the team who would represent an additional member of the Audit Management Team, subject to a successful recruitment campaign.
- It is intended to seek to appoint at the principal auditor level (grade 9) and to not fill the senior auditor (grade 7) and other vacant posts (0.4fte at senior auditor and 0.19fte at auditor grades) which would enable a saving of £15k for the financial year 2022/23.
- The work of the in-house team will continue to be supplemented by the commissioning of specialist auditors to work under the direction of the audit manager where required, as this approach has proved valuable over the last two financial years.

The vacant senior auditor post has had an impact on the available staff resource and the progression of the audit plan in the year to date, as has a further post that was vacant during quarter one. 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.

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 588 chargeable days up to the end of quarter two, against a pro-rata plan of 719 days. The team has been operating at a chargeable capacity of 82% of planned, 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 2022/23 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 2022/23 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 2022/23.

Delivery of the Audit Plan 2022/23 is proportionately lower than targeted in quarter two, for which the reasons primarily relate to resources as outlined in section 2.2. 'Resources' for which the position is shown is section 3.2 'performance'. It is also not uncommon for performance to be lower at this stage in the year, which follows the summer holidays.

Audits continue to be allocated on a basis that provides the greatest assurance and value, and mitigates any impairment to the annual opinion of the Audit Manager on the Council's control environment for 2022/23.

2.4 Critical findings or emerging trends (Q2 2022/23)

During quarter two, it is positive to report that all audit opinions provided were either 'effective' or 'effective with opportunity for improvement'. There are not considered to be any material control issues identified over the reporting period, and so the focus of the following paragraphs is instead to provide details of the fundamental and corporate governance audits that have been completed, given the importance of a sound internal control environment in these areas.

Two Control Risk Self-Assessment (CRSA) exercises have been completed during quarter two. The first related to core controls in respect of the payroll and HR functions, and the second related to controls operated within purchasing and payment systems. In each case, with the engagement of key officers, the internal control environment was discussed and the CRSA template was updated to reflect any new risks, responsibilities, or systems. The CRSA template was then completed by the audit client and accompanied by relevant evidence. At this stage the returns have been reviewed and vouched as complete updated assessments. The next stage will be for in-year testing to be undertaken within each of these systems, which is anticipated to commence during quarter three.

The further fundamental system reviewed during quarter two related to the use of agency staff for which an opinion of effective with opportunity for improvement has been provided. A Managed Service Provider (Matrix) is used to manage the "supply chain" and assist in sourcing agency staff required, and there were appropriate controls in place for approval and payment processes. The audit recognised the importance of having a provision of agency staff available in order to meet workforce requirements, whilst recognising the need to manage any overreliance on agency staff. Aligned to this, the Council has pledged to reduce the number of agency workers on long-term assignments, and a new policy provides an offer of a temporary contract for agency workers with two years' continuous service and a permanent contract for those with four years' service. The audit noted a small proportion of agency workers had been engaged for over four years (52 out of the 1,156) whilst a greater proportion (168 out of 1,156) had been engaged for over two years. Whilst regular reports were being sent to Directors which included spend and the number of active agency placements, it was agreed through the audit for these reports to

also include details of agency workers who were in placement for more than twelve months going forward for management to give targeted attention to such cases.

In respect of corporate governance work, the larger areas audited over the reporting period were procurement, risk management and safeguarding, for which draft reports have been issued to management for consideration, and further details are set out below.

The audit of procurement recognised the general maturity of corporate arrangements for commissioning and procurement and was allocated a draft opinion of 'effective with opportunity for improvement'. The benefits of management information recently made available through a suite of Power BI reports for compliance, spend and wider contract management information was noted. However, at a time when these reports had recently been developed, the need for accuracy and directorate engagement was considered as critical for the full positive intentions to be realised. Some associated recommendations were raised to enhance the quality of data in some areas, and to ensure all directorates are making best use of the information available. Some directorates had gaps in contract registers and forward plans for which it is proposed that there is further targeted support from the corporate commissioning and procurement team. It has also been recommended that contract classifications are reviewed for assurance on consistent application, and that further guidance is provided to support the consistent recording of contract risk assessments. Lastly, it was noted that there is an opportunity to digitalise core forms and processes, and this has been advocated through the audit review.

The audit of risk management involved a consideration of the maturity of arrangements in place at corporate and directorate levels, for which a draft audit opinion of 'effective' has been allocated. Risk management processes were well established and aligned to other key corporate processes including corporate planning, directorate delivery planning and performance reporting. A sample of corporate risks and directorate risk registers were reviewed, and meetings were held with four directorate risk champions to obtain understand the operation of risk management in practice at a directorate level. For the areas sampled, directorates were using risk management in a structured and proportionate manner for projects, to manage high risk operational areas and for day-to-day operations. To enhance existing arrangements and the quality of risk reporting, it has been proposed that the corporate team agree and communicate with directorates an approach to recording risk reduction target dates consistently (in particular

in directorate registers), whilst maintaining a focus on the need to capture a greater level of risk management data (notably key indicators and measures of risk).

The audit of safeguarding considered the effectiveness of governance arrangements, policies, procedures and training in meeting corporate responsibilities and commitments. A draft opinion of 'effective with opportunity for improvement' has been allocated and a small number of targeted recommendations have been made. It was noted that safeguarding is recognised on the Council's Corporate Risk Register (CRR) and the CRR includes actions and mitigations to address this risk. Safeguarding issues were receiving focus in areas of staff recruitment and procurement and there were arrangements for corporate assessment and review, with baseline Member and Officer training in place. There was a gap in the publication of the annual safeguarding report, whereby prior to the development of a recent report, the previous report was issued in January 2019. The latest report relates to the financial year 2021/22 and audit staff were advised that the gap in annual reporting took place whilst steps were being taken to strengthen processes, most notably the corporate returns used for assessing governance at the directorate level for corporate assurance. It has been recommended that the annual safeguarding report is prepared and published each year with steps taken to ensure timely engagement with officers Council-wide. Whilst there is corporate participation in National Safeguarding Week, it has been proposed that a safeguarding communications plan should be formally prepared. Additionally, whilst there has been engagement with Commissioning and Procurement on managing safeguarding risks in procurement activities, further engagement has been proposed to be satisfied that all safeguarding risks associated with contracts have been appropriately considered with necessary mitigations in place.

2.5 Value for Money findings (Q2 2022/23)

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 2021/22. Further meetings were then held in quarters one and two 2022/23, 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, 83% of whom advised that their audit 'added value'

In the audit outputs issued to date (as at 30 September 2022), there have been 130 recommendations made, of which 60 have been agreed and 70 are presently being considered by audit clients through draft audit outputs. These are summarised below:

Figure 4. Recommendations raised and agreed

Rating	Recommendations made	Recommendations agreed	Recommendations being considered
Red	0	0	0
Red / amber	52	25	27
Amber / green	74	34	40
Green	4	1	3
TOTAL	130	60	70

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 vacant senior auditor post.

A number of audits have been finalised from last financial year, as is shown in figure 1, 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 during quarter two was 84%, representing a recovering position 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. There has been 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.

Figure 5. Performance against targets for 2022/23 (to date)

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

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 twenty-five new audit engagements completed in the financial year 2022/23 to date. The current position for the full Audit Plan 2022/23 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 30.09.22). 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 6. Revised recommendation implementation dates and status

Directorate / Audit Category	Number of recommendations with revised dates	Actions now implemented	Actions still open
Fundamental	22	16	6
Corporate	44	36	8
External and grants	13	8	5
Adults, Housing and Communities	42	25	17
Children’ Services	28	23	5
Economic Development	32	32	0
Education and Lifelong Learning	86	59	27
Planning Transport and Environment	43	26	17
People and Communities	1	1	0
Resources	38	26	12
Governance and Legal Services	9	9	0
Waste Management	75	72	3
	433	333	100
Schools	162	125	37
TOTAL	595	458	137

NB - It should be noted that the table above represents the position as at 30 September 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 two 2022/23, 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.

It is positive to report that during quarter two, all audit opinions provided were either 'effective' or 'effective with opportunity for improvement'. Alongside the assurance work, 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.

A review has taken place of the resource requirements for the team linked with budget planning for the financial year ahead. This follows a second unsuccessful recruitment exercise for the vacant senior auditor post during October 2022, and no suitable candidates when the post was then subsequently advertised on a temporary basis. The decision has been taken to invest in an additional principal auditor post to enhance a solid core of senior officers within the team who would represent an additional member of the Audit Management Team, subject to a successful recruitment campaign and to not fill vacant posts, which would enable a saving of £15k for the financial year 2022/23. The work of the in-house team will continue to be supplemented by the commissioning of specialist auditors to work under the direction of the audit manager where required.

The vacant senior auditor post has had an impact on the available staff resource and the progression of the audit plan in the year to date, as has a further post that was vacant during quarter one. 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.

Delivery of the Audit Plan 2022/23 is proportionately lower than targeted in quarter two, for which the reasons primarily relate to resources as outlined in section 2.5. 'Resources' for which the position is shown is section 3.2 'performance'. It is also not uncommon for performance to be lower at this stage in the year, which follows the summer holidays. There will be a focus on increasing the coverage through the remainder of the financial year. Audits continue to be allocated on a basis that provides the greatest assurance and value, and mitigates any impairment to the annual opinion of the Audit Manager on the Council's control environment for 2022/23.

Report Status (as at 30 September 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)			
	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)			
	Directorate Recovery Planning (cf. 2021/22)			
	Value for money in Digital Initiatives (cf. 2021/22)			
	Income and Debtors			
	Health and safety			
	Procurement			
	Risk Management Arrangements			
	Agency Staff Payments			
	Brindley Road Stores			
	Safeguarding			
	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)				

Audit Opinion	Audit Area	High Risk Recommendations		Status (If not Final)
		Proposed	Agreed	
	Resources - Pre-Contract Assurance (cf. 2021/22)			
	St Mellons - School Health and Safety (cf. 2021/22)			
	Severn - School Health and Safety (cf. 2021/22)			
	Greenhill - School Health and Safety (cf. 2021/22)			
	Llanishen - School Health and Safety (cf. 2021/22)			
	Social Services – Income and Debtors (cf. 2021/22)			
Insufficient with major improvement needed	Mileage and Subsistence (cf. 2021/22)	1		Drafts
	PTE – Pre-Contract Assurance (cf. 2021/22)	1		Issued
	St Patricks – School Asset Management (cf. 2021/22)	1		
	Cloud Computing (cf. 2021/22)	1		
	Children's Services - Pre-Contract Assurance(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
	Cardiff Caravan Park			
	Cardiff Riding School			
	Leisure Contract Governance			
	Cardiff Organic Waste Treatment Contract			
	Business Continuity and Incident Management (cf. 2021/22)			
	Telecare (cf. 2021/22)			
	Cantonian			
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		
	Joint Committees - Port Health Authority	Accounts Reviews /		
	Joint Committees - Glamorgan Archives	Certification /		
	Service / Process Consultancy	Support		

Audit Opinion	Audit Area	High Risk Recommendations		Status (If not Final)
		Proposed	Agreed	
	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 30.09.22	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			Draft 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				
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		Draft 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					
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.		Draft 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.			Draft 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		Participation		10	10	National Fraud Initiative	10	Data matching counter-fraud exercise				
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		Draft 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		Draft 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		Draft 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				

					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.				
	Medium				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
					Performance Management	15	Performance management arrangements are effective, and operated consistently.				
	Medium				Children's Placements (cf. 2021/22)	0	Delivery of service objectives with effective compliance and control				
					Youth Offending Service	15	Delivery of service objectives with effective compliance and control				
					Crosslands Children's Home	10					
Economic Development	High	Medium	100	95	Performance Management (inc Waste Management)	15	Performance management arrangements are effective, and operated consistently.				
					Medium	Harbour Authority	15				
	International White Water					15					
	St David's Hall					15					
	Cardiff Caravan Park					10					
	Cardiff Riding School					10					
	Disposal of Land and Buildings					15					
	Leisure Contract Governance				5						
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					
					Skip Hire	15					
					Street Cleansing	15					
					Waste Management Enforcement	5					
					Shared Regulatory Services in Cardiff	2					
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.			Final Reports Issued	Effective with Opportunity for Improvement
					School Asset Management - Thematic (cf. 2021/22)	0	Schools asset management compliance and control.				
					School Asset Management - Albany Primary School		Schools asset management compliance and control.				
					Performance Management	15	Performance management arrangements are effective, and operated consistently.				
					Health and Safety	15	Directorate health and safety compliance and risk management.				
					Medium	Ysgol Bro Ederm (cf. 2021/22)	0			Audit of systems of governance and internal control within individual school	
						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 * 5				25						

						FOLLOW UP - Cardiff West Community High School	10										
						Cantonian	2										
						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	Chargeable	55	55	Pre-Contract Assurance (cf. 2021/22)	0	Relevant compliance and due diligence checks are undertaken									
						Performance Management	15	Performance management arrangements are effective, and operated consistently.									
	Medium					S106 Agreements	0	Effective systems, compliance and control									
	Cardiff Dogs Home					10	Delivery of service objectives with effective compliance and control										
	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

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	4	2	5		4	3			6	0	7	
Education & Lifelong Learning - Schools	19	2	59		56	3	2		21	43	18	9 - evidence under review by Audit 16 - overdue actions reported as complete, for which evidence has been requested to verify completion prior to closure 8 - overdue actions for which an update and evidence is being collated by the school 5 - overdue actions for which an update has been requested. 2 - revised action date required 3 - overdue actions where Audit is liaising with service area
Education & Lifelong Learning	8	4	12		4	8		4	16	5	11	5 - overdue actions for which an update has been requested. 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	1	6		2	5			0	2	5	2 - overdue actions reported as complete, for which evidence has been requested to verify completion prior to closure.
External and Grants (Resources)	2	0	4		4				2	3	1	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	0	1		1				1	0	1	
Other Assurance (Resources)	1	1	2			3			2	2	1	2 - overdue actions for which an update has been requested.
Resources (CTS)	1	0	2			2			2	0	2	
Resources	3	1	5		3	3			2	0	6	
Governance & Legal Services	2	0	3		1			2	0	0	3	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.
Planning, Transport & Environment	6	0	9		4	3		2	7	3	6	2 - overdue actions for which an update has been requested 1 - overdue action where Audit is liaising with service area 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.
People and Communities	1	0	1		1				0	0	1	
Children's Services	4	3	5			6		2	4	0	8	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.
Adults Social Services, Communities & Housing	7	1	10		4	7			10	2	9	1 - overdue actions reported as complete, for which evidence has been requested to verify completion prior to closure 1 - Update received/revised action date requested
Social Services - General	2	1	4		3	2			2	1	4	1 - overdue actions reported as complete, for which evidence has been requested to verify completion prior to closure.
TOTALS	64	16	128	0	87	45	2	10	75	61	83	

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