# OUTSTANDING AUDIT ACTIONS

## AUDIT PLAN – FURTHER DETAILS

On 23rd March 2015, the Audit Committee was presented with the Audit Strategy for 2015/16, which included an overview of the planned coverage for the coming year.

At the time, meetings were on-going with Directors to consider their risks and challenges going forward and how Audit might add value to tackling these.

Members requested further detail of the planned coverage and reported figures.

Reported figures show that after allowing for annual leave, public holidays, sickness, training management time and admin, 2,050 days is available for the Audit team, 430 for Investigations, 190 for Risk & Governance and 390 for Project Assurance.

The 2,050 days for the Audit team can be analysed further as shown in the table below:

|  | Number of days |
|---|---|
| Fundamental audits | 205 |
| Corporate Governance assurance | 40 |
| Other assurance | 400 |
| Service specific | 910 |
| External clients and grant audits | 90 |
| General audit | 180 |
| Management | 225 |
|  | **2,050** |

Further details on contract and computer audits (within "other assurance" above) and main service specific audits, are attached.

|  | Number of days | Main audits to be undertaken |
|---|---|---|
| Contract | 130 | Building Services Framework (Audit Cttee) Hodges Square Investment at Millbank Primary School Contract monitoring Review of contract delegations Other current contract work e.g variations CSO&PR – engagement on review Contract guidance (schools) Follow up audits |
| Computer | 100 | Being discussed with Head of ICT .Some follow up work ongoing. |

**Service Specific**

| Directorate | Number of days | Main audits to be undertaken |
|---|---|---|
| City Operations | 150 | Some discussions with current Directors but new Director to be appointed who may influence priorities.<br>This will include some follow up audits, a review of Car parking processes and some audits in Waste management |
| Communities, Housing and Customer Services | 120 | Independent Living Project<br>CMS<br>Communities First<br>Temporary accommodation<br>Allocation, lettings and voids |
| Economic Development | 60 | Not yet fully allocated due to service changes.<br>This will include follow up audits and income review in Dr Who exhibition. |
| Education and Lifelong Learning | 280 | Cashless catering<br>CRSA<br>Thematic audits<br>British Council projects<br>ALN<br>Post-16 funding<br>Novus Project<br>School issues/ visits<br>Follow up audits |
| Social Services | 250 | Domiciliary Care assessments / charging<br>Domiciliary Care packages<br>Learning Disability Contracts<br>Children's Services grants<br>Payments to Care Leavers<br>Fostering Payments<br>Cross cutting imprest<br>Residence Order Allowances<br>Adoption payments<br>Supported accommodation<br>Home Care<br>Grants, SLAs, commissioned services<br>Closer to Home<br>Crosslands<br>Residential care<br>Mental Health contracts<br>Direct Payments<br>Follow up audits |

All the above figures will include:

- Advice & Guidance – specific or more general.
- Director days to build in flexibility, to target specific risks arising during the year.
- System development work – ensuring risk and controls are duly considered.

# DEVELOPMENT OF AN ASSURANCE MAPPING EXERCISE

1.  The report describes the process that the Internal Audit Section is adopting to map the Council's key risks, and the source and level of assurance that the Council receives on those risks. This approach will be used to support the development of the Audit Plan in the future.

2.  In drawing up an annual Audit Plan the Audit & Risk Manager will always look to other sources of assurance, in addition to the outcomes from the work of his own team, to shape priorities going forward, thus ensuring that resources are effectively targeting higher risks. This is vital as Audit resources reduce. This current mapping exercise is looking to formalise work done previously in this area and to build on this to ensure all sources are captured, properly assessed and considered as part of future plans.

**Background**

3.  Internal Audit has a responsibility under the Public Sector Internal Audit Standards (PSIAS) to provide assurance on the adequacy of governance, risk management and the related controls. Under the PSIAS (standard 2050), "the chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts."

4.  Assurance mapping is a process that provides confidence that risks are being effectively managed. The aim is to understand the sources of assurance and their scope / limitations so that resources can focus most effectively on the areas of higher risk. There are many sources of assurance across the Council that can be used to provide evidence on the effectiveness of the management of risk and internal control.

5.  The assurance framework model is based on the "three lines of assurance" model where Level 1 assurance is gained from work within directorates, level 2 assurance from internal scrutiny bodies / committees, and level 3 assurance comes from external sources (external audit and other external scrutiny bodies, such as Estyn).

6.  Internal Audit will use this approach to conclude on the strength of arrangements across each of the three levels of assurance to help shape future audit coverage. It is anticipated that this approach will reduce areas of duplication or "over assurance", to ensure that resources are focused on key priorities or risks.

7.  The assurance map takes as its starting point the risks identified in the Council's Corporate Risk Register, and then considers the operational / business risks and any process or procedure risks that are identified during other discussions or reviews.

**Issues**

8.  The annual Statement of Assurance completed by Directors provides useful information to feed into any assurance mapping exercise. Meetings around these statements help to understand what procedures and processes there are within directorates which can provide a degree of assurance e.g. any inspection regimes or quality assurance testing.

9. Directorates are expected to maintain directorate risk registers which should be continually refreshed and updated. These registers should record all directorate and operational risks and identify actions which may serve to support mitigations of the more strategic risks.

10. The Audit and Risk Manager has emailed all Directors regarding the assurance that can be gained from the work done within directorates. The Audit Relationship Managers have been tasked with progressing these discussions as part of the quarter 1 meetings with Directors.

11. Directors have been requested to identify any regulatory, audit or inspection regimes within their areas, which will be considered as part of the mapping exercise.

12. Internal Audit has undertaken an exercise to analyse the reports provided to Cabinet, Scrutiny Committees and Audit Committee over the past 12 months in order to identify the areas of work that have been reviewed by those committees. This information has helped map assurance for some of the corporate risks. Follow up work is also being undertaken on the risks identified in the Annual Governance Statement.

13. The Audit and Risk Manager is now being copied in to all reports issued by the Wales Audit Office. Internal Audit has had sight of the WAO work plan, and will be liaising with them regarding the terms of reference for each work area to avoid duplication in these areas.

14. A further report is to be prepared later in the year on progress made and how the mapping exercise may influence future audit coverage and provide greater assurance to Audit Committee members.