



CORPORATE RESOURCES INTERNAL AUDIT SECTION

INTERNAL AUDIT PROGRESS REPORT AS AT 31 DECEMBER 2015

<p>Open</p> <p>We are open and honest about the difficult choices we face, and allow people to have their say on what's important to them and their communities.</p>	<p>Fair</p> <p>We champion fairness, recognising that with less resource we need to prioritise services for those who need them most.</p>	<p>Together</p> <p>We work with our communities and partners across the city to deliver the best outcomes for the people of Cardiff.</p>
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OVERVIEW

1. The past three months have been busy and challenging with an increasing pressure to target an ever changing risk profile, at a time where resources are stretched and priorities require constant monitoring.
2. We have continued to use the Audit Plan as a framework to target fundamental and high risk audits and are optimistic that most of these will be undertaken and reported upon, before the year end. We have recently appointed two new auditors who start with us on 4TH January.
3. We do have a few fundamental systems audits to complete during quarter 4 e.g. debtors and rent setting and need to ensure these are delivered. It is anticipated that there will be some slippage at year end as detailed below. We have planned work in quarter 4 for computer and contracts assignments and the other audits listed have been discussed with directors and the reason for delaying the audit is shown.

Audit	Comments
Computer audits	Some work has been scheduled for Q4 and we are currently liaising with other councils regards some joint audits over the next 3 months. There may however be some slippage in one or two areas. We have discussed these with the Head of ICT. We are also investing in training in this specialised area.
Contract audits (Procurement)	A number of contract audits are underway and some follow up work is ongoing but there may be some slippage on some planned work. We have a few key ongoing assignments which will help provide assurance.
Domiciliary Care	Audit deferred - CSSIW carried out an in-depth review of Dom Care and the new Proactis systems in September 2015. Currently awaiting outcome of this review to see what (if any) assurance can be taken from this work.
Home Care	Plan to carry out an audit once mobile scheduling has been introduced to assess controls in place, however, introduction of this technology has been repeatedly delayed and is now not expected until 2016/17.
Concessionary Travel	Assurance received from work of WAO. To be reviewed in 2016-17.
Education and Lifelong Learning – cross cutting audits	Not undertaken due to increased emphasis on CRSA.

4. Audit Reports issued over the past 3 months have been added to **Appendix A**, which provides an updated list of audits where reports have been issued since April 2015. It is important to note that much work is undertaken not formally reported e.g. contributing to meetings and workshops on system developments, general advice and guidance.
5. The Audit Opinion tracker is attached at **Appendix B**, providing an overview of all audits where the opinion has been “Limited” or “No” Assurance. This provides details of audits over the past three months with a Limited or No assurance opinion and provides an update on any follow up plans. Executive summaries have been prepared for all Limited

Assurance opinions to be discussed with the Corporate Director Resources and the Chief Executive. There has been two audit reports issued in recent weeks with a “no” assurance opinion and, in accordance with protocols, the Executive summary for these is attached with the Tracker at Appendix B. Some key follow up audits are ongoing at the moment and will be reported to the March Audit Committee.

6. Given some school audits still feature as Limited assurance, it is worth noting that we are ahead of schedule in extending our Control Risk Self-Assessment approach to all schools and they have all had an opportunity to attend a workshop and to become part of this new approach (plan was to do this by end of March). Feedback continues to be positive regards this approach and we are currently reviewing completed assessments and sharing our views, and any suggested improvements, with Head teachers and their teams.
7. Work has continued monitoring performance and contributing to our Quality Assurance Improvement programme and the report on the “Measurement of the Effectiveness of Internal Audit presented to Audit Committee in December captured a lot of updated information. **Appendix C** does provide some further statistics in some key performance areas and it can be seen all are encouraging. An exercise to capture the views of Directors was concluded in the autumn, which again showed a good understanding and appreciation of the support provided by Internal Audit. On the key question of whether Internal Audit adds value to their business, all responded positively.
8. **Appendix D** provides an overview of the work of the Investigation team over the past three months with some cumulative statistics for the year to date.
9. Work has continued on risk, governance and project assurance work with some key documents updated and information shared with Audit Committee. A new CRSA approach has been introduced and is being piloted within some key ODP projects. The aim will be to use this approach for all projects both within and outside of the ODP should the pilot be a success.

Priorities for Quarter 4

10. There are proposed changes to the management structure within Internal Audit with the Audit & Risk Manager role changing and the current post holder likely to be leaving at the end of March. The current Audit & Risk Manager has worked in Internal Audit for over 40 years and as Audit Manager for over 30 years and thus a vast amount of knowledge and experience will be lost. A key challenge will be to appoint a new Audit Manager and the transition, at what is always busy time of the year. Every effort will be made for a seamless transition, but clearly there will be pressure on key tasks year end and planning for 2016-17.
11. A priority will be to target the high risk audits planned to minimise the number not completed during the financial year, which will need to carry forward and impact on the coverage for 2016-17. There is already a pressure as a consequence of the high level of limited assurance reports, currently being issued, that will require a follow up in 6 months and will need a revisit.
12. New staff will need induction and training to get up to speed to contribute to delivering the Plan.

13. Quarter 4 is always a busy period for both audit and risk & governance with a number of year end matters to be dealt with. For Audit it is a time to gather thoughts for the Annual Audit report (and Opinion) and to review and update the Audit Strategy and all its elements, that sets out the plan and objectives for the coming financial year. For risk and governance, Audit lead on many key tasks as the year end approaches, including a review of the Corporate risks and preparation of the Annual Governance Statement. The Audit & Risk Manager also supports the Chair of Audit Committee in preparing the Audit Committee Annual Report at the year end.