



Resources Directorate Internal Audit Section



Internal Audit Progress Report (as at 20 July 2021)

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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 March – 30 June 2021, and follows the updates provided in the last Committee meeting held on 23 March 2021. This report is structured to provide a summary account of audit activities and outcomes in March 2021 to conclude reporting on 2020/21, followed by an outline of the audit activities and progress made against the Audit Plan 2021/22.

The Audit Plan 2020/21 was accepted by the Audit Committee (subsequently renamed a Governance and Audit Committee) through a period of consultation between 23 March – 3 April 2020, and received formal approval on 28 July 2020. The Audit Plan 2021/22 was approved on 23 March 2021. 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 2021/22. 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.

2. **SUMMARY OF WORK PERFORMED**

The following audit summary is separated into two sections. The first section covers the conclusion of the Audit Plan 2020/21, followed by a second section which covers the work programme for 2021/22, and the associated activities, resources, findings and measures of performance in quarter one 2021/22. It is positive to report that no 'unsatisfactory' audit opinions have been provided over the reporting period.

Conclusion of 2020/21

2.1 **Audit Plan 2020/21**

In March 2020/21, seventeen audit engagements were completed to at least draft report stage and a further six audits relating to the prior year were finalised, for which details are provided in the following table.

Figure 1. March 2021 audit outputs and opinions

No.	Assurance Audit Engagement	Audit Opinion
1.	Change and Patch Management Controls	Effective
2.	Risk Based Verification	
3.	Council Tax	Effective with opportunity for improvement
4.	Housing Benefit – Local Housing Allowance – Council Tax Reduction Scheme	
5.	Creditor Payments Testing (Mid-Year 2020-21)	
6.	Creditor Payments Testing (Year-End 2019-20)	
7.	Wellbeing of Future Generations	
8.	Norwegian Church Preservation Trust	Insufficient with major improvement needed
9.	Payment Card Industry (chip and pin devices)	
10.	Recycling in HWRCs	
11.	Contract Monitoring and Management	
12.	Children's Placements (including out of county)	

13.	St. Cuthbert's	
14.	Dominions Way	
Audit Work with 'No Opinion'		
15.	National Fraud Initiative 2020-21	Verifications, consultancy & guidance
16.	Waste Management Consultancy	
17.	Dominions Way Stores - Stock Check Observation	
Concluded Reports from the prior year		
18.	Counter-fraud arrangements - Willows	Effective
19.	Counter-fraud arrangements - Kitchener	Effective with opportunity for improvement
20.	Ethics and Values - Disclosures of Business and Personal Interests	
21.	ICT governance in schools - Ysgol Plasmawr	
22.	Music Service - follow up	Insufficient with major improv't needed
23.	Fleet Management	

The final position in respect of the Audit Plan 2020/21 and wider information and measures of the performance of the audit team are included in detail within the Internal Audit Annual Report 2020/21.

The summarised position is shown in the table below, whereby 75 new audit engagements were completed to at least draft output stage against an original plan of 137 audits (55%), and a further 32 draft outputs from the prior year were finalised. The audit plan is responsive to risk and, accordingly, some audits were added, deferred and cancelled during the financial year, at which point details were reported to the Audit Committee. The audits completed in 2020/21 and the assurance levels given are shown in the table below:

Figure 2. Audit outputs and opinions (2020/21)

Status	Number of audit outputs	Opinion				
		Effective	Effective with opportunity for improvement	Insufficient with major improvement needed	Unsatisfactory	No opinion given
Draft	28	3	15	10	0	0
Final	79	12	37	14	1	15
TOTAL	107	15	52	24	1	15
	75	New Audit Engagements Completed				
	32	Finalised Audit Engagements from 2019/20				

Within the Internal Audit Annual Report 2020/21, an Audit Manager opinion of 'Effective with opportunity for improvement' has been provided on the Council's control environment. Recognising that the Internal Audit Annual Report 2020/21 provides the substantive and detailed position in respect of the activities, performance and opinions of Internal Audit for the last financial year, this section of the Progress Report is limited to providing details of the critical findings or emerging trends, and value for money findings for March 2021, which follows the last progress report update to Committee on 23 March 2021.

2.2 Critical Findings or Emerging Trends (March 2021)

In March 2021, six audit outputs were issued with draft audit opinions of 'insufficient with major improvement' audit assurance. Four of the audit outputs referred to below are at a draft status, for which the findings will be discussed with management, and once the audits are finalised, the final opinions and recommendations will be reported to Governance and Audit Committee. An audit of the processes and procedures in place relating to the 'PCI-DSS - Payment Card Industry Standard for Chip and Pin Devices' provided an audit opinion of insufficient with major improvement needed. At the time of the audit, management were working through a project group using a prioritised approach to address gaps in PCI compliance, which has been collated through an independent externally commissioned assessment. There was a clear road map to incrementally strengthen the technical and procedural controls to achieve full compliance within a defined project-plan. The internal auditor considered that the approach and progress to date in addressing the areas for improvement were reasonable, but suggested that a front line user guidance document was advisable in advance of the Policy and training being rolled out. An advisory document example was prepared by audit, which the PCI Board have agreed to be circulated to front line users whilst other resources were being prepared. The existing level of assurance was well understood by management, and the assurance opinion was not a reflection of any particular gaps in an ongoing concerted and organised project-based effort to bring the Council into effective compliance with the PCI-DSS -Payment Card Industry Standard.

An audit of recycling systems provided an assurance opinion of insufficient with major improvement needed. The audit recognised assurance from other parties, namely an independent (WRAP) review of processes at Household Waste Recycling Centres (HWRCs), and the reviews of Natural Resources Wales in respect of waste management datasets submitted, through which no specific concerns had been raised. However, risks were noted associated with

a reliance on the role of one officer and a support officer to collate and report recycling and wider waste data. The data officer was responsible for reporting using a combination of system-based data i.e. from weighbridges, and receiving and relying on data for recycling received / collected by other methods (e.g. wider commercial waste data reporting). The audit recommended mechanisms to provide contingency staffing arrangements and training to address business continuity risks, to agree a format for supporting papers with arrangements for review and oversight of waste reporting submissions, and to seek to standardise the measurement and recording of all waste received, as far as is feasible. The report has been finalised and all recommendations have been addressed through a recycling strategy, management monitoring arrangements and provisions for resilience in the event of staff absence.

An audit of contract monitoring and management provided an audit opinion of insufficient with major improvement needed. The audit approach was, following discussions with officers from Commissioning & Procurement, to select a sample of contracts from seven different directorates and of varying size and complexity for review against the defined objectives of the audit. Documentation was reviewed and meetings were then held with relevant contract lead officers within the Directorates. The audit considered that the practices and evidence in place, in consideration of contract monitoring and management showed effective controls in some areas but a lack of consideration and performance in respect of others. It was considered that risk management needed to be better demonstrated in all contracts sampled, as none of the contracts sampled has a dedicated risk register, or plan setting out from the worst case scenario for contingency arrangements should the contract fail through the spectrum to the interventions necessary incrementally during operation of the contract. Further areas for improvement included cases where reporting and oversight at relevant management teams / boards was limited to an exception basis, the specification in some lesser value contracts reviewed for monitoring and management had scope to be more comprehensive. Separate action plans have been prepared for directorates, and the Commissioning and Procurement Team are working with audit colleagues to address the findings of this report in an enhanced risk-based approach to contract monitoring and management, across the Council.

An audit of Children's Residential Placements provided an audit opinion of insufficient with major improvement needed. The audit identified inconsistencies with documented processes for a sample prior to the pandemic mainly related to the residential placement finding, tender

and contract procedures. For a sample of cases reviewed in normal operating circumstances, prior to the pandemic, there were inconsistencies with documented processes in authorisations for direct purchasing of placements, contract authorisations, and authorisations for tender offer, referral and matching forms. During the pandemic, and in order to respond to the changing circumstances, weekly Admissions Panel meetings were replaced by daily Children's Management Team (CMT) meetings where placements were discussed. Placement decisions were emailed to the Senior Finance Officer in the Children's Placement Team on a daily basis; the officer recorded the information on the Placements Financial Projections spreadsheet. A primary recommendation was that, whilst it was appreciated that enhanced decision-making arrangements were invoked during the pandemic, general process monitoring and oversight arrangements need to be installed / strengthened.

An audit of St Cuthbert's R.C. Primary School provided an audit opinion of insufficient with major improvement needed. A number of key documents and processes required a level of review, update or development to support effective financial management and sufficient division of duties. Some declarations of interest had not been returned and there was a reliance on LFM Officers in Finance to support the school in ordering and payment processes on the SIMS system due to a training requirement, which had resulted in delays in processing official orders, and the evidence of their authorisation in advance. Income and contract records required enhancement and the school's Private Fund account audit was overdue.

An audit review of the system of stock management at the temporary store in Dominions Way provided an audit opinion of insufficient with major improvement needed. The establishment of the temporary stores facility required significant combined efforts across a range of Council functions in order to ensure vital PPE provisions were sourced and issued to where they were required. However, it was considered that aspects of the stock management system and record keeping required attention to provide a clear management trail of all relevant control activities, and to sufficiently address risks. Particular areas for attention related to the separation of Council-purchased and Welsh Government issued stock, the need to maintain clear records of stock checks completed which should be signed by the officers involved, the need to ensure the master stock record is consistently updated in lieu of stock checks, and the need to formalise processes to investigate discrepancies and make any required stock adjustments. It was arranged for internal audit to observe the year-end stock count process, and provide relevant advice guidance and support. Internal Audit was satisfied with the process observed in which

an overall variance of expected stock to actual stock of 7.95% was identified for which management review has been recommended.

2.3 Value for Money Findings (March 2021)

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.

Work Programme – 2021/22

2.4 Current Activities

During quarter one 2021/22, 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 commence the delivery of assurance engagements from the Audit Plan.

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

In the financial year to date audit and counter-fraud consultancy has been provided in respect of the following Welsh Government grant schemes:

- Financial Recognition for Social Workers Scheme
- Economic Resilience Fund
- Wales Culture Recovery Fund (round 2) – Freelancer Support

After concluding the Audit Plan for 2020/21, a number of assurance audit engagements have also commenced, and this work continues to be undertaken predominantly on a desktop basis.

The table below shows a list of audits and their reporting status in the current year until 30 June 2021, whereby 15 new audit engagements were completed to at least draft output stage and 9 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 4. Audit outputs and opinions (at 30 June 2021)

Status	Number of completed audits	Opinion				
		Effective	Effective with opportunity for improvement	Insufficient with major improvement needed	Unsatisfactory	No opinion given
Draft	10	2	6	2	0	0
Final	14	2	4	4	0	4
TOTAL	24	4	10	6	0	4
	15	<i>New Audit Engagements completed</i>				
	9	<i>Finalised Audit Engagements from 2020/21</i>				

Since the last reporting period, two draft audit outputs have been issued with opinions of insufficient with major improvement needed. Information on the findings of these audits is provided within Section 2.7 – Critical Findings or Emerging Trends.

Figure 5. 2021/22 Audit outputs and opinions (at 30 June 2021)

No.	Assurance Audit Engagement	Audit Opinion
1.	Fraud, Bribery and Corruption	Effective
2.	Housing Rents	
3.	Homelessness - Temporary Accommodation	
4.	Education - SOP - Review of Band B	Effective with opportunity for improvement
5.	PTE – Income and Debtors	
6.	Resources – Income and Debtors	
7.	Members' Remuneration and Allowances	
8.	Marlborough Primary School	
9.	Mary Immaculate High School	
10.	Establishment Reviews	Insufficient with major improvement needed
11.	Joint Equipment Service	
Audit Work with ‘No Opinion’		
12.	Joint Committees - Prosiect Gwyrdd	Consultancy, certification, advice
13.	Joint Committees - Port Health Authority	

14.	Joint Committees - Glamorgan Archives	and guidance
15.	Service and Process Consultancy – Welsh Government Grants	
Concluded Audits from the Prior Year		
16.	Risk Based Verification	Effective
17.	Wellbeing of Future Generations	Effective with opportunity for improvement
18.	Audit of scrutiny functions	
19.	Follow-up audit - contracts in Waste Management	
20.	Norwegian Church Preservation Trust 2019/20	
21.	Gatehouse	Insufficient with major improvement needed
22.	Follow-up audit - fly tipping	
23.	Recycling in HWRCs	
24.	St. Cuthbert's RC Primary School	

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

Figure 6. Completed audits without an assurance opinion (at 30 June 2021)

Audit	Comments
Joint Committees - Prosiect Gwyrdd	Work to support completion of Statement of Accounts, 2019/20
Joint Committees - Port Health Authority	
Joint Committees - Glamorgan Archives	
Service and Process Consultancy – Welsh Government COVID-19 Grants	Compliance, control and counter-fraud guidance

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

2.5 Resources

There has been a reduced capacity in the team during quarter one. One long-term sick case which began towards the end of quarter four 2020/21 has remained ongoing, and a Principal Auditor post was vacant for the majority of the quarter, until the new appointee started on 21 June 2021. The impact on the delivery of the Audit Plan has been broadly commensurate with above issues which reduced the staff resources available during the quarter.

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 310 chargeable days in quarter one, against a pro-rata plan of 409 days. The plan was based on chargeable capacity at 72%, showing that the team has been operating at a chargeable capacity of circa 76% of planned. The primary reasons for the difference have been a vacant Principal Auditor post, a long-term sickness case, participation in additional year-end work for accountancy by a CIPFA trainee as part of their development, and further time coded in respect of development activities and general meetings than anticipated across the team, some of which related to participation in wellbeing initiatives.

One member of the team continues to be supported through a CIA qualification with the IIA and is working towards their third and final exam. One Auditor has received funding to study the Certified Information Systems Auditor (CISA) Qualification with ISACA. The audit team also contains a CIPFA trainee placement who has recently sat their final exams and, at the time of writing, is awaiting their final results.

2.6 Annual plan

The Committee approved the Audit Plan 2021/22 in its meeting in March 2021. At this time, it was advised of the position against the Audit Plan 2020/21 including the audit targets for the remainder of the quarter. Details were also provided on how assurance would be achieved for planned audit engagements that would not be completed from the Audit Plan 2020/21.

Two audits which were targeted for delivery at the end of 2020/21 were carried forward and are highlighted in green in Appendix B. These audits have been allocated time from a small provision included in the plan for carried forward / other work. Of these audits, the School Organisation Programme – Review of Band B has now been completed, but not all records have been received at this stage to complete the audit of Cardiff West Community High School.

The Audit Plan 2021/22 contains three Audit engagements which are linked to the counter-fraud work for which the Audit Manager and Investigation Team staff have responsibilities and involvement, namely audits of the 'Disciplinary Policy', 'Fraud, Bribery and Corruption' and 'Whistleblowing Processes'. In order to mitigate any risks to independence and objective assurance for these audits, the Audit Manager has arranged for an these audits to be overseen by a separate Operational Manager in Accountancy (OM - Budget Strategy & Financial Planning). Arrangements have been made for the audits to be reviewed by the Group Auditor who has no responsibilities for the audited areas.

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.

Delivery of the Audit Plan 2021/22 is proportionately lower than targeted in quarter one, 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 in quarter one, as a new portfolio of audit engagements are worked on, some of which are well progressed but have not been concluded at the quarter end.

At the end of the reporting period, the Principal Auditor post which has been vacant for much of quarter one is now filled and, whilst one long-term sickness case is ongoing, having a new postholder provides additional staff resources to target improved progress against the Plan in quarter two.

Audits will 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 2021/22.

2.7 Critical findings or emerging trends (Q1 2021/22)

During quarter one, two audit reports were issued with adverse audit opinions for which further details are provided in the paragraph below. The audits referred to below are at draft status, for which the findings will be discussed with management, and once the audits are finalised, the final opinion and recommendations will be reported to the Governance and Audit Committee.

An audit of Establishment Reviews provided a draft audit opinion of insufficient with major improvement needed. A DigiGOV module, which has been rolled out on a managed basis, requires line managers to complete a systematic verification of posts coded to and receiving salary and other employment payments and allowances under their span of control. Whilst the system provides an effective mechanism to support organisation-wide assurance on the above, the necessary assurance cannot be provided, as the level of line-management completion of this core verification exercise (at 56% in the May 2021 exercise) has been insufficient. The process is considered as essential to ensure establishment coding, post details and associated payroll and

allowances are bona fide. Whilst effective workflow arrangements were in place for DigiGOV through which establishment verifications were being processed in SAP, with exception reports and remedial actions in place in the event of anomalies, management are recommended to consider the completion of a periodic reconciliation between the two standalone systems.

An audit of the Joint Equipment Service (JES), which is a joint service between Cardiff Council, Vale of Glamorgan Council and Cardiff and Vale University Health Board (UHB), provided a draft audit opinion of insufficient with major improvement needed. The service is designed to support hospital discharges, avoid hospital admissions and breakdowns of care. JES operates under a Section 33 (S33) agreement, which specifies the contribution level and the roles and responsibilities assigned to each group member. Since a previous audit in the financial year 2019/20, a draft S33 had been created. It contains the budget contributions that have been in place for each member since April 2020. However, the S33 was unsigned and therefore should be addressed with relevant legal advice / input to mitigate any associated risk. The contract for outsourced cleaning and maintenance services had expired, and management considered that a signed S33 agreement was required for retendering purposes. It was also noted that there was no reconciliation process in place between Pro-Cloud (stock management) and the financial ledger (SAP) for assurance on the accuracy and completeness of transactions, and to ensure anomalies are promptly identified and addressed.

2.8 Value for Money findings (Q1 2021/22)

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 2020/21. Further Relationship Management meetings were then held in quarter one 2021/22, 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, all of whom advised that their audit 'added value'.

In the audit outputs issued to date (as at 30 June 2021), there have been 56 recommendations made, all of which are presently being considered by audit clients through draft audit outputs. These are summarised below:

Figure 7. Recommendations raised and agreed

Rating	Recommendations made	Recommendations agreed	Recommendations being considered
Red	2	0	2
Red / amber	30	0	30
Amber / green	17	0	17
Green	7	0	7
TOTAL	56	0	56

3.2 Performance

As outlined in section 2.4 ('Current Activities'), the priorities and approach of the audit team during quarter one were to deliver a combination of management support through consultation and engagement in high risk areas, and to commence the delivery of assurance engagements from the Audit Plan. This has been achieved through early audit and counter-fraud consultancy in respect of the following Welsh Government grant schemes, and the commencement of the Audit Plan 2021/22.

It is considered that the audit performance indicators utilised in 2020/21 continue to provide an effective measure of the core components of delivering an effective audit service. However, it is

proposed that one indicator is strengthened, to measure the percentage of draft reports delivered in four weeks (the previous measure was six weeks). Figure 8 contains the proposed performance indicators and targets for 2021/22, together with the outcomes for 2020/21 for consideration and comment by the Governance and Audit Committee.

The primary reasons why the audit service is operating at a lower capacity during the quarter are outlined in 2.5 ('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 reasons for slippage against this measure during quarter one were a vacant post and a long-term sickness case. The proposed targets of audit productive days and audits per FTE are in alignment with the proposed audit plan target percentage, for which performance is below target due primarily to the same factors.

A number of audits has been finalised from last financial year, as is shown in figure 5, but the majority of the audits completed during quarter one 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 will be given to engaging managers with a view to concluding draft audits during quarter two.

The percentage of draft reports completed in four weeks was 93%. The target has been strengthened from last year, recognising the importance of prompt audit reporting and the good levels of performance achieved in this regards during last year, and the new target was achieved during quarter one.

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. A target is proposed of 80% for 2021/22, which represents an ongoing expectation of the high delivery of agreed management actions, and an expected improvement of directorate performance from 2020/21. Quarter one performance, which allows for slippage of two working weeks from the target set for actions to be evidenced as complete, showed performance was comparable with 2020/21.

Figure 8. Performance against targets for 2021-2022 (to date)

Performance Indicator	2020/21 Outcome	2021/22 Target	Q1 Outcome
The percentage of the Audit Plan completed	55%	70%	13%
The average number of audit productive days per FTE	145	150	32.56
The average number of finalised audits per FTE	8.51	9	1.64
The percentage of draft audit outputs delivered within four weeks* <i>*indicator changed from within 'six weeks' from 2021/22</i>	97%	90%	93%
The percentage of audit recommendations implemented within the agreed timescale	69%	80%	69%

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 were fifteen audit engagements completed in quarter one 2021/22. The current position for the full Audit Plan 2020/21 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 raised.

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

30.06.21). 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 9. Revised recommendation implementation dates and status

Directorate / Audit Category	Number of recommendations with revised dates	Actions now implemented	Actions still open
Fundamental	12	8	4
Corporate	38	27	11
External and grants	8	4	4
Adults, Housing and Communities	17	2	15
Children' Services	2	0	2
Economic Development	26	24	2
Education and Lifelong Learning	45	28	17
Planning Transport and Environment	30	16	14
People and Communities	17	13	4
Resources	20	15	5
Governance and Legal Services	5	4	1
Waste Management	68	58	10
	288	199	89
Schools	193	147	46
TOTAL	481	346	135

NB - It should be noted that the table above represents the position as at 30 June 2021, 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 one 2021/22, 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 commence the delivery of assurance engagements from the Audit Plan.

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

There has been a reduced capacity in the team during quarter one. One long-term sick case which began towards the end of quarter four 2020/21 has remained ongoing, and a Principal Auditor post was vacant for the majority of the quarter, until the new appointee started on 21 June 2021. The impact on the delivery of the Audit Plan has been broadly commensurate with above issues which reduced the staff resources available during the quarter.

There will be a focus on increasing the coverage of the Audit Plan in quarter two. Audits will 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 2021/22.