

**INTERNAL AUDIT HALF YEAR PROGRESS REPORT
REPORT OF THE CORPORATE DIRECTOR RESOURCES**

Appendices B & E in Annex 1 of this report are not for publication

Reason for this Report

1. To provide the Audit Committee Members with an update on the work of Internal Audit up to September 2014.

Background

2. An Annual Audit Strategy/Plan is prepared each year which acts as a yardstick by which the work of Internal Audit can be measured. It is important that this allows for flexibility so that professional judgement can be applied to enable work to be prioritised over the life of the Plan in order to maximise the use of audit resources and add most value to the organisation in targeting changing risks.
3. The Audit & Risk Manager prepares quarterly briefings and a half yearly progress report outlining the work undertaken by the audit teams and key performance information.
4. Progress reports are discussed with the Corporate Director Resources, to provide her with a meaningful update of the work of the team and to give her the opportunity to discuss changing priorities. This is then presented to Audit Committee.

Issues

5. The half year progress report is attached at Annex 1 for information.

Legal Implications

6. There are no legal implications arising from this report.

Financial Implications

7. There are no financial implications arising from this report.

RECOMMENDATIONS

8. That the Committee note the report.

**CHRISTINE SALTER
CORPORATE DIRECTOR RESOURCES**

The following is attached:

Annex 1: Internal Audit Update

CORPORATE SERVICES INTERNAL AUDIT SECTION

Half Year Progress Report as at 30th September 2014

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INTERNAL AUDIT PROGRESS REPORT AS AT END OF SEPTEMBER 2014

Audit

The general approach to audit work has continued to be based on system based auditing and priority continues to be placed on high risk audits, assigned from the Audit Plan. The half year has seen a pressure on resources with a Senior Auditor seconded to assist with a Service Review, sickness higher than anticipated (one long term sickness) and some delay in finalising a restructure and appointing staff. The outcome is a reduction of days available to be assigned to audits of around 250 days (26%) which has highlighted the importance of continually assessing priorities. The Audit Plan for audit services is based on 11.6 FTE and with this number reducing every year, audit coverage is increasingly stretched and any absence, even by just one individual, can have a significant impact on what can be achieved.

Reports issued over the past 3 months have been added to [Appendix A](#) which now shows the position at the end of the 6 months. For the first time, an audit opinion has been included for draft reports, although these are yet to be discussed and signed off with directorate representatives and so the assessment may change.

This highlights 8 audits with Limited Assurance audit opinions where a final report has been issued and for 7 of these an Executive Summary has already been prepared and reported to Audit Committee. The Executive Summary for Rumney High School is attached at [Appendix B](#). There are a further 3 draft reports issued, where it is likely there will be Limited Assurance given.

Again extensive work has been undertaken in areas where an audit report is not being prepared and a list of this work is shown at [Appendix C](#).

[Appendix D](#) provides an update on follow up audits undertaken and planned where a Limited or No Assurance audit opinion was reported, to provide assurance all are being actively pursued. The Appendix does show a number of audits closed following another visit, where improvements had been noted and a satisfactory opinion given.

There are currently 40 "open" audits on the Corporate database (CIS) of which 32 (80%) relate to the current year and last year and 8 (20%) prior to that. These are being regularly monitored. It is sometimes the case that all but one or two of the recommendations have been actioned but the audit remains open until every action is closed and some can take time for an event to happen e.g. a new IT solution is being developed.

With regards the main areas of concern arising from audits over the past 6 months, schools audits continue to be highlighted with 4 of the 8 (50%) finalised reports having Limited Assurance. These have been discussed with the Director of Education & Lifelong Learning, who attended Committee in June to discuss audit findings and provide his views on how governance can be improved.

Contract audits remain a priority due to concerns over compliance in some areas in the past and some follow ups in this area are ongoing.

Also of concern is that, despite a commitment to enhance controls and implement audit recommendations, some follow up audits in Children's Services are still assessed as Limited Assurance. This is largely due to pressure on resources to bring about the changes required and the Director is fully aware of the risks.

The audits at Rumney High School and Highways Operations have also highlighted some fundamental weaknesses and, whilst still in draft, are likely to be Limited Assurance reports when issued as finals.

Investigations

The structure of the Investigation team drastically changed at the end of June with 5 staff (4.5 FTE) transferring to work for the DWP under the new Single Fraud Investigation arrangements. With effect from 1st July 2014 the City of Cardiff Council no longer conducts benefit fraud investigations and all benefit fraud referrals are sent directly to the DWP. Prior to the transfer the team continued to be busy handling benefit fraud referrals and issuing sanctions and raised £4,086 income from Administrative Penalties.

The team now consists of 4 staff (3.5 FTE) concentrating on a wide range of non benefit fraud work.

Over the past 6 months there have been 142 non-benefit referrals received by the team. These relate to Council Tax Reduction Scheme, Council Tax Liability, Housing, non-received cheques and Council Employees.

The 24 Council Employee referrals require urgent attention as there is often suspected fraud or financial impropriety ongoing, and they have a significant impact on planned work.

The Group Auditor (Investigations) leads a number of these investigations and he and his team supported others where an Investigation Officer was appointed from within a Directorate. There have been 32 employee investigations concluded over the past 6 months and an overview of the cases that resulted in an outcome, are shown at [Appendix E](#).

Whilst some of investigations resulted in no further action, all cases involve gathering evidence, advising on procedure and many will require attendance at Police Panels and disciplinary interviews, all of which is time consuming.

For all cases where suspected fraud has identified a potential system or control weakness the team have worked alongside colleagues within Audit to review the circumstances around the suspected fraud and Action Plans produced where appropriate, listing a number of recommendations suggesting improvements to control. These are monitored in the same way as audit reports to ensure the improved actions are implemented.

Following concerns expressed around inconsistent sanctions arising from employee investigations an Action Plan has been agreed and is being progressed. As part of this, opportunities are being looked at for providing eLearning on fraud, bribery & corruption which can be targeted to new starters and managers who may become involved in the investigation process. The team are also inputting to a review of the Council's Disciplinary Policy to ensure the newly drafted Fraud, Bribery & Corruption Policy has the necessary links. This latter policy has been circulated widely and a final draft will be available soon.

A new Fraud Plan has been developed for the next 6 months targeting fraud, primarily relating to the National Fraud Initiative, Tenancy Fraud and Employee Fraud. Discussions are underway regarding a member of the team leaving in a month or so as part of budget savings, which will impact on the coverage of work the team are able to deliver.

National Fraud Initiative (NFI)

Work on the Audit Commission's current data matching exercise – NFI 2014/15 is well under way. The key contact has been assigned, data has been extracted / uploaded and the reports of potential frauds are due to be issued in January.

Risk Management & Governance

Governance

Quarter 1 noted the completion of the Annual Governance Statement (AGS). Many sources were relied upon to inform the completion of the AGS, including the Audit Committee, who had greater involvement in the challenge of the AGS 2013/14 than in previous years, to provide greater scrutiny. The timetable for completing the AGS facilitated a period during April where the Audit & Risk Manager met with each Director in order to challenge their responses provided within their Senior Management Assurance Statement.

The Wales Audit Office's All Wales Governance Study was reported on in 2013/14 which placed three recommendations on the Council, all of which were resolved following completion of the AGS 2013/14.

Looking ahead, the Organisational Development Programme incorporates a Governance Programme which has set about improving the governance arrangements within the Council. As part of the programme the CIPFA / SOLACE Delivering Good Governance in Local Government Framework and the Council's Governance Framework will be considered. The Frameworks are fundamental to the completion of the Annual Governance Statement. The Principal Auditor (Governance & Risk) will attend the Governance Programme Board meetings.

Risk Management

A review of the Risk Management Policy, Strategy and Methodology concluded in March 2014 when Cabinet approved the revised document. The document was shared with staff via the intranet and uploaded to the Council's website in quarter 1.

The Corporate Risk Register (CRR) 2013/14 year end position was reported to Senior Management Team, thereafter June Audit Committee and July Cabinet. The CRR is currently out for review to reflect the 2014/15 mid year position which will be reported to Senior Management Team, Audit Committee and Cabinet later in the year.

A meeting of the Risk Management Steering Group was held in May and September; Councillor Hinchey joined the Steering Group as Member Risk Champion. The group consider the strategic direction of the management of risk within the Council. The September meeting focused on a comparison exercise of Cardiff's corporate risks to that of the core cities group. The exercise has provided focus for the mid year review of the register.

An internal audit of the Council's risk management arrangements concluded in quarter 2; the audit provided satisfactory assurance.

Programme and Project Audit

In the first half of 2014/15 the Programme & Project Assurance function has focused primarily on establishing a governance framework for the Organisational Development Programme, which will deliver new models of working and manage the delivery of strategic change.

In September an additional post of Senior Programme & Projects Auditor was recruited into the team, which will free up capacity to undertake more audits and health checks of programmes and projects across the Council.

Corporate Governance – Programme & Project Management

Internal Audit manages the Corporate Framework for Programme & Project Assurance (PQA) on behalf of the Section 151 Officer. Key successes in 2014/15 have been revising and republishing the PQA Project Management Handbook and a review of key project forms such as the Project Brief and Project Closure Report.

The team have developed a Corporate guide for project risk management to help standardise the categorisation of risks and provide information to project managers on what to take into account when assessing project risks. The Project Risk Guidance aligns to work being developed to standardise how project lessons learned are recorded and shared across all programmes and projects. It is hoped that these two pieces of work will improve project risk management, give opportunities to share best practice and highlight areas for improvement across the delivery of all change initiatives.

The team developed Terms of Reference for the Organisational Development Board and Investment Review Board, and established the reporting and monitoring framework for the OD Programme.

Internal Audit continues to act as Database Administrator for the Portfolio, Programme & Project Management (PPM) Database, developed by the Council's ICT team. The PPM Database is a Corporate system used by all project and programme delivery teams to record key information and generate consistent reports. Internal Audit is responsible for the PPM Database development and design, ensuring the system provides management information which supports good governance practices. This system is integral to the work across projects and within Internal Audit, as it provides reports on risks, issues, milestones, resources and decisions, as well as automating programme and project Highlight Reports, which are reviewed at programme and project boards.

Audits, Health Checks & Assurance

A range of assurance interventions have been undertaken, which has informed the Organisational Development Governance Framework.

Governance has been established for all OD programmes - Assets & Infrastructure, Customers & Community Focus, Engagement & Improvement, Governance and Strategic Commissioning.

During 2014/15, key programme and project documentation has been subject to independent assurance from Internal Audit. However, having carried out extensive training and development, this function has been handed over to Programme Managers and the Chief Officer of Performance, Change & Improvement.

Work has commenced on the quarter 3 audit plan, with terms of reference signed off for an audit of the Independent Living Project.

Skills Development in Project and Programme Management

Since April 2014, 25 Council staff have attended Corporate PQA Project Management training, delivered by Internal Audit on behalf of the Cardiff Academy, with 100% satisfaction from attendees.

Bespoke training and development is provided to programme and project teams across the Council. During 2014/15 development work has focused on Housing Partnership, Health & Social Care and OD Programme.

Advice and Guidance

A key role in the past 6 months has been providing advice, guidance and mentoring across the Organisational Development Programme and associated projects.

Advice, guidance and assurance continue to be delivered to the Health & Social Care and Category Management Programmes. Also, the team are now working with the Housing Partnership Programme to ensure this 15 year programme is established with a sound governance framework, and have commenced work in Major Projects.

Extensive engagement has taken place between Internal Audit and Directors, focusing on learning lessons from previous programmes and projects, so they can be integrated into the governance framework and delivery plan for 'Organisational Development', therefore reducing the Council's overall risk profile.

Client interaction, Performance Management & Quality Assurance

Quarterly meetings with Directors continue to be successful, since being introduced in March this year. These meetings allow for a wide range of shared interests to be discussed and help to ensure audit remains effective and adds value to the challenges directorates face. The opportunity is taken at these meetings to discuss any audits undertaken and matters arising from these and planned work for the next 3 months ahead. This has served to provide Audit with a better understanding of the pressures on individual directors, their risks and priorities, which all helps focus attention in the right areas when scoping future audits (subject to basic fundamental controls being covered).

Questionnaires

As a measure of client satisfaction, questionnaires are used with final audit reports / action plans. Improvements have been made as to how quality assurance is now obtained, using telephone conversations with the appropriate client Manager and completion of a questionnaire (over the phone), allowing much more interaction and discussion around the key elements of the audit.

The response has been good (87.5%) and the scores and comments continue to be encouraging with a very high satisfaction rating (100%).

Report Recommendations

Included in the reports issued over the past six months there have been 441 recommendations, of which 439 (99.5%) have been agreed. Of these there were 78 considered to be a Red risk and of these 77 were agreed. This % agreed reflects well on the quality of recommendations proposed for adding value to the control environment within directorates.

A further analysis of red risk recommendations has been undertaken to identify "common" themes to shape audit priorities going forward. It is still evident that previously agreed recommendations are not going on to be implemented and these are highlighted through follow up or subsequent audits.

Objectives

The Service Plan for 2014/15 for Internal Audit, based on a SWOT analysis and risk assessment, has been set in place and used as a basis for individual objectives to be set. Personal Development sessions were held for every member of the team (April / May), setting SMART objectives to meet targets in line with delivering an efficient and effective service. Targets for completion of half year reviews have been set and good progress made towards meeting these.

Benchmarking

During the half year we have received comparable data in respect of 2013/14 from the Welsh Chief Auditor Benchmarking Group (WCAG) and some key information is shown at [Appendix F](#). These are aimed at identifying meaningful comparisons around the performance, cost, quality and timeliness of audit functions.

Next year we intend to re-join the CIPFA Benchmarking exercise allowing comparison with other larger cities across the UK and where the Audit Manager can select 'like' authorities for comparison.

As with any benchmarking exercise, whilst we have worked hard to seek definitions to use for these exercises, we have no way of assuring the accuracy of other authority's figures and as such these should act as a guide only in terms of both providing assurance and identifying potential areas to seek improvement.

Also as part of the findings from the Service Review we have begun research into other "core" city audit functions and currently gathering information from them.

Service Review

Internal Audit has been part of the service review of Finance Services. This has been a detailed analysis of the different functions performed, including process mapping, key activities analysis and reviews of client engagement and benchmarking. This has required a vast amount of data gathering culminating in a report and Action Plan. Further details will become available once the final report has been produced.

Conclusions / Summary

A busy and challenging 6 months with a balance to be had between meeting expectations in delivering audit coverage, as set out in the Audit Plan, and requests for additional work, with pressures on resources and changing priorities.

Slippage on audit coverage and planned work is evident with priorities having to be regularly reviewed and a full assessment of the plan and priorities for the next 6 months is planned for October.

The outcomes from audits show that we continue to provide a satisfactory level of assurance in the majority of audits, although we do also identify potential improvements in internal control which have been incorporated into audit reports sent to Directors. Reports continue to be well received by management and it is encouraging that there has been a high level of agreement on the proposed enhancements to control for all of these. There are still a number of follow up audits required but recently we have recognised an improvement in this area and numbers of these are reducing. That said, we still identify some areas where reducing resources are having an impact which delays actioning improvements and with more savings to be made, this is something that requires careful monitoring.

Meetings with Directors have been encouraging as have been the satisfaction rating received from returned questionnaires – 100%.

A significant change within Investigations over the past 6 months, with benefit fraud and the associated staff moving to the DWP, giving us the opportunity to focus the remaining resource to target other types of fraud. We continue to target fraud in a committed and determined manner and utilise the latest data matching and intelligence gathering techniques to make best use of the resources available to us.

The assurance work around programmes and projects has now become more embedded within the Section and helps to supplement the work of the audit teams. Also important is that it is helping to shape and have a positive influence on governance arrangements in key areas.

Similarly the work on risk management and governance helps embed good practice across the Council and application of a consistent tried and tested methodology for assessing and recording risks and our engagement at a strategic level ensures a focused approach is taken in key areas i.e. Corporate risk monitoring.

Key priorities for the next 6 months are to continue to prioritise high risk audits and maximise the use of audit resources to provide a high standard of professional services. We need to maintain and build on our client relationship and undertake further work on benchmarking and comparisons with others to identify and introduce best practice where possible. We also intend, given the current financial position of the Council, to be more proactive with VFM studies and challenging more spend decisions within directorates.

Finally, we need to continue to raise awareness of the importance of sound risk management, good governance and financial control to protect the interests of the Council, at a time of significant change and financial pressures.

Audit Reports Issued

KEY:		Reports that have been considered by Audit Committee in Quarter 1		
Audit Area	Audit Opinion	High Risk Recommendations		Comments
		Proposed	Agreed	
Fundamental / High				
Additional Salary Payments	Satisfactory	0	0	E-mails sent to Directors to action
Harbour Authority Stores	Satisfactory	1	1	
Brindley Road Stores	Limited assurance	2	2	20 recommendations overall
Education Catering Stores	Good	0	0	
Allocations, lettings and voids	Satisfactory	1	1	
Supporting People	Limited assurance	2	2	12 recommendations overall
Audit of risk management processes	Satisfactory	0	0	
Firewall and corporate internet content filtering	Satisfactory	1	1	
Children with Disabilities	Limited assurance			Draft report issued
Medium				
Ysgol Pen y Pil	Limited assurance	12	12	38 recommendations overall
Hubs – income review	Limited assurance	8	8	11 recommendations overall
Llanedeyrn High School	Satisfactory	0	0	
Ysgol Bro Eirwg	Limited Assurance	18	18	70 recommendations overall
Llanedeyrn Primary School	Satisfactory	1	1	
Cardiff White Water Rafting Centre – income review	Satisfactory	0	0	
Hubs (Libraries) – income review	Satisfactory	3	3	
KD146 Staffed Accommodation (T)	Satisfactory	0	0	
KD172 Staffed Accommodation (D)	Satisfactory	0	0	
Cardiff Bay Visitors Centre - income	Satisfactory	0	0	
Coed Glas Primary School	Satisfactory	2	2	
St. Cuthbert's R.C. Primary School	Satisfactory	0	0	
KD143 Staffed Accommodation (C)	Satisfactory	0	0	
KD174 Staffed Accommodation (M)	Satisfactory	0	0	
Glyn Derw / Michaelston Federation	Limited Assurance	2	2	24 recommendations overall
Herbert Thompson Primary School	Satisfactory	0	0	
Llanishen Leisure Centre – café	Satisfactory	1	1	
St. David's Hall Box Office	Satisfactory	2	2	
Storey Arms	Satisfactory	2	1	

Audit Area	Audit Opinion	High Risk Recommendations		Comments
		Proposed	Agreed	
Eastern Leisure Centre - income	<i>Satisfactory</i>			Draft report issued
Llanishen Leisure Centre - income	<i>Satisfactory</i>			Draft report issued
Western Leisure Centre - income	<i>Satisfactory</i>			Draft report issued
Caretaking and Cleaning	<i>Satisfactory</i>			Draft report issued
Student Awards	<i>Satisfactory</i>			Draft report issued
Grants / Accounts / External Bodies				
Cymorth	Limited assurance			
Cardiff Tenants and Residents Federation	<i>Satisfactory</i>	0	0	
IMLU	<i>Satisfactory</i>	0	0	
Glamorgan Archives	<i>Satisfactory</i>	4	4	
Follow-ups				
Domiciliary Care framework	<i>Satisfactory progress</i>	1	1	
Ysgol Glan Morfa	<i>Satisfactory progress</i>	1	1	
Pre-contract: Tenders and Quotes	<i>Satisfactory progress</i>	0	0	
St. Teilo's	<i>Satisfactory progress</i>	0	0	
Oakfield Primary School – 5 th follow up	<i>Satisfactory progress</i>	0	0	
Moorland Primary School	<i>Satisfactory progress</i>	1	1	
Corporate Appointeeships	<i>Satisfactory progress</i>	0	0	
Pentyrch Primary School – 2 nd follow up	<i>Satisfactory progress</i>	0	0	
IT Asset Management	<i>Satisfactory progress</i>	0	0	
East Moors Youth Centre	<i>Satisfactory progress</i>	0	0	
Rumney High School	Limited assurance	9	9	21 recommendations overall
Hubs – income review	<i>Satisfactory progress</i>	0	0	
Safeguarding & Review – Core Group process (2 nd follow up)	<i>Limited assurance</i>			Draft report issued
Direct Payments (CH&CS)	<i>Satisfactory progress</i>			Draft report issued
Highways Street Operations Payroll	<i>Limited assurance</i>			Draft report issued
St. Alban's RC Primary School	<i>Satisfactory progress</i>			Draft report issued
Commercial Catering	<i>Satisfactory progress</i>			Draft report issued
Housing Benefit – Self employed persons	<i>Satisfactory progress</i>			Draft report issued

Work Areas where a Standard Audit Report is not prepared

To appreciate other aspects of audit work undertaken, where a formal report is not considered appropriate, the following list is provided.

Work Area	Brief Details of Audit Involvement
Efficiency / Change and other projects	Work continues being a “critical friend” and providing advice and guidance to a number of programmes and projects. Audit Management, Group, Principal and Senior Auditors attend meetings and working groups to input to risk assessments and system developments, especially where financial processes are involved.
Alleged Fraud Investigations	The Investigation team are involved wherever there is any suspicion of fraud, corruption or malpractice of a financial nature. Where the task involves reviewing a financial system, an Auditor would also be assigned to provide assurance around controls to minimise any repeat. These are generally unplanned and can be time consuming. Given the nature of the referral and potential risks associated with any fraud continuing they require prioritisation, often to the detriment of other “planned” work.
Grants	There continues to be demand for Audit of grant claims, albeit this is decreasing as specific grants are subsumed into RSG. This provided an income stream but less so now. We also audit a number of European Grants which require 100% testing which is extremely time consuming and does not fit with our risk assessed approach.
Ad hoc Requests	Enquiries and assignments. Some VFM studies have been initiated following probity work in some areas.
Schools General	Advice and guidance, attending meetings (including governing body meetings) and providing training. Specific problems in schools have required audit attention.
Rules and Regulations	Advice and guidance and sharing of best practice in many areas. General work around governance.
External Clients	<p>Audit of clients’ risks, systems and procedures (as per Terms of Reference) (Income stream) Audit of Accounts e.g. Tenants Federation, Glamorgan Archives.</p> <p>Audit is often used for advice due to knowledge on risk management and controls.</p>
Imprest (Petty Cash) Accounts	Advice and guidance and helping reconciliation.
Audit Committee	Advice, reporting and support – including induction training, work planning.
Financial Stationery	Ordering, control and distribution.

Audit Report – Follow up Actions on Unsatisfactory Reports

All audits where Limited opinions are assessed are monitored closely and follow up prioritised. Every effort is made to revisit these after 6 months but it is important to recognise some recommendations may take time to implement so the review needs some flexibility. We have identified the following audits with unsatisfactory scores and all are at different stages of follow up. Those satisfactorily actioned are removed from the list. Some of the high risk and high profile audits are detailed below.

Audit	Audit Plan Risk Rating	Reported as Final	Comments
Not Yet Due			
Safeguarding & Review – Core Group process	High	15.11.10	Limited assurance
		21.10.13	Follow up undertaken but only limited assurance can be given.
		29.09.14	Follow up undertaken but only limited assurance can still be given.
Rumney High School	Medium	15.01.13	Discussions held with incoming Finance Manager (from September 2014). RR and SAP to meet with him 10.06.14 and visit to school booked for 25.06.14.
		26.08.14	The follow up audit showed that only 2 of the original 21 recommendations had been implemented. Limited assurance given and the Group Auditor attended a meeting of the temporary governing body on 24.09.14. A further follow up audit will be undertaken in Q4.
Glyn Derw Michaelston Federation	Medium	19.06.14	Executive summary presented to Audit Committee (September 2014).
Supporting People	High	11.06.14	Executive summary presented to Audit Committee (September 2014).
Ysgol Bro Eirwg	Medium	06.05.14	Executive summary presented to Audit Committee (June 2014 – deferred to Sept).
Brindley Road Stores	High	14.04.14	Executive summary presented to Audit Committee (June 2014 – deferred to Sept).
Ysgol Pen y Pil	Medium	08.04.14	Executive summary presented to Audit Committee (June 2014 – deferred to Sept).
St. Joseph's Primary School	Medium	11.05.12	Group Auditor met Chair of Governors and Acting Headteacher on 17.10.12. Visit to school postponed due to illness of Acting Headteacher and rearranged for May 2013. Meeting held with the Executive Headteacher and audit undertaken in October 2013. Draft report issued December 2013. Some improvements noted but further follow up required.
		06.02.14	Some improvements noted, but further follow up is required and is ongoing and will be finalise in Q3, 2014/15. See Executive Report (March 2014).
Housing Benefit – Self employed persons	Fundamental	06.01.14	Draft report issued October 2014. Satisfactory assurance proposed.

Audit	Audit Plan Risk Rating	Reported as Final	Comments
On-going			
Direct Payments	High	20.12.12	The original report was satisfactory. However, the final report for follow up issued in Q3 which indicated that improvement is needed on new issues.
		16.12.13	Follow up undertaken, but only limited assurance can be given. Executive summary presented to Audit Committee (January 2014). Scheduled for November 2014.
Payroll Overpayments	High	20.12.12	A further follow-up has been undertaken and there are still improvements needed. See Executive Report (March 2014). Fieldwork on-going at end of Q2.
		02.01.14	
Investigation into procurement and contract administration practices	High	20.05.13	Assigned for Q1, 2014/15. Meeting held with the Operational Manager for Facilities Management and all recommendations relating to that area have been either implemented or superseded by the introduction of the Category Management arrangements. Need consider position in Education and progress.
Variation Orders	High	31.03.12	Discussions ongoing. Delayed due to need to tie in with review of Rules. Follow up commenced.
Framework Agreements	High	19.03.12	Discussions ongoing. Delayed due to need to tie in with review of Rules. Follow up commenced.
Receipt, custody & opening of tenders	High	2.09.13	Delayed due to need to tie in with review of Rules. Fieldwork almost completed.
St. Alban's Primary School	Medium	20.12.11	Follow up audit undertaken and draft report issued in Q3.- likely to be satisfactory.
Community Maintenance Services	High	18.11.11	Further testing was postponed due to service delivery changes. Follow up ongoing.
Highways Street Operations Payroll	High	26.10.11	Follow up audit undertaken and draft report issued Q3 - likely to be Limited Assurance
On hold / under discussion (due to process / system changes)			
IT Business Continuity Planning	High	18.06.12	Discussions ongoing with ICT. Head of ICT attended Audit Committee in January 2014 and provided assurances, and audit is scheduled for later in the year (Q3).

To be closed following satisfactory audit opinion

Domiciliary Care Framework	Ysgol Glan Morfa	Pre-contract: tenders and quotations
St. Teilo's Church in Wales High School	Oakfield Primary School	Moorland Primary School
Corporate Appointeeships	East Moors Youth Centre	Pentyrch Primary School
IT Asset Management	Hubs – income review	Adult Services Direct Payments

Benchmarking – Key Indicators
WCAG Benchmarking Club – 2013/14

Indicator		Group Average	Cardiff	Comments
1.	% of planned audits completed	80	52	Well down in comparison but important that there is flexibility to adapt to a changing risk profile and assess priorities as the year progresses. Key all high risk areas are targeted. Sharper focus in 2014-15.
2.	% of clients responses at least "satisfied"	96	99	Very positive client feedback
3.	% of recommendations accepted versus made	99	100	Demonstrates audit recommendations are relevant and adding value.
4.	% of directly chargeable time versus total available	66	79	A good comparison outcome
5.	Average total cost per directly chargeable audit day	£230	£277	Includes central support costs e.g. accommodation. Staffing cost per chargeable day is £205.
6.	% no. of staff leaving during the financial year	22	18.75	Around average. Pressure shared with all audit teams.
7.	Staff costs per 1,000 population. Population ('000s)	£2,446 144	£1,390.91 349	Suggests a cost effective service

Note: Standard definitions have been designed to help comparisons but there is no means of confirming the accuracy of data provided from other authorities.