

## CEREDIGION COUNTY COUNCIL

<b>Report to:</b>	<b>Governance and Audit Committee</b>
<b>Date of meeting:</b>	<b>9 September 2021</b>
<b>Title:</b>	<b>Internal Audit Progress Report 1/4/21 – 30/6/21</b>
<b>Purpose of the report:</b>	<b>To provide Members with an update on the work undertaken by internal audit during the above period</b>
<b>Cabinet Portfolio and Cabinet Member:</b>	<b>Cllr Ray Quant MBE, Deputy Leader of the Council and Cabinet Member for Legal and Governance, People and Organisation, and Democratic Services</b>

The Committee considered the annual Internal Audit Strategy 2021/22 at its meeting in February 2021 which also identified the main areas of work for the 2020/21 interim audit plan. The Plan included reviews carried forward from the previous year's audit plan, routine audits eg grant certifications and work prioritised dependant on risk, on which the Internal Audit Section can form its assurance opinion.

For 2021/22, the usual risk assessment was not undertaken as the pandemic has introduced new risks to the Council, which are constantly changing. IA will therefore assess its work on an on-going basis, considering the Council's changing needs and priorities regularly.

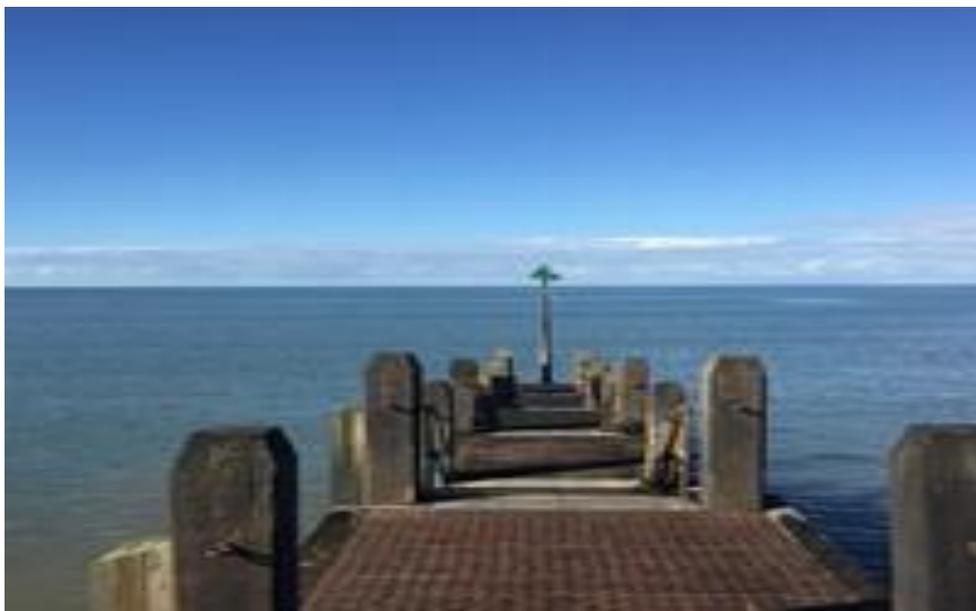
This progress report notes the steps made to date toward delivery of the audit strategy, by providing a summary of the work undertaken. It also documents the current resource position, and the Section's improvement plan.

<b>Recommendation(s):</b>	<b>To consider the work undertaken and current position of the Internal Audit Section</b>
<b>Reasons for decision:</b>	<b>That the Committee is satisfied that the Internal Audit Section is undertaking sufficient and appropriate work in order to provide a realistic assurance at year-end, whilst adding value and assisting the Council in achieving its objectives.</b>
<b>Appendices:</b>	Internal Audit Progress Report 1/4/21-30/6/21
<b>Corporate Lead Officer:</b>	Elin Prysor CLO-Legal and Governance / Monitoring Officer
<b>Reporting Officer:</b>	Amanda Roberts Corporate Manager – Internal Audit
<b>Date:</b>	26 July 2021

Mae'r adroddiad yma ar gael yn Gymraeg.  
This report is available in Welsh.

## Gwasanaethau Cyfreithiol a Llywodraethu Legal and Governance Services

Gwasanaeth Archwilio Mewnol  
Internal Audit Service



Adroddiad Cynnydd Archwilio Mewnol  
Internal Audit Progress Report  
1 April 2021 – 30 June 2021



Cyngor Sir  
**CEREDIGION**  
County Council

Report Prepared by: Amanda Roberts,  
Corporate Manager – Internal Audit

Date of Issue: 27 July 2021

Presented to Governance & Audit  
Committee: 9 September 2021

# ADRODDIAD CYNNYDD ARCHWILIO MEWNOL

## INTERNAL AUDIT PROGRESS REPORT

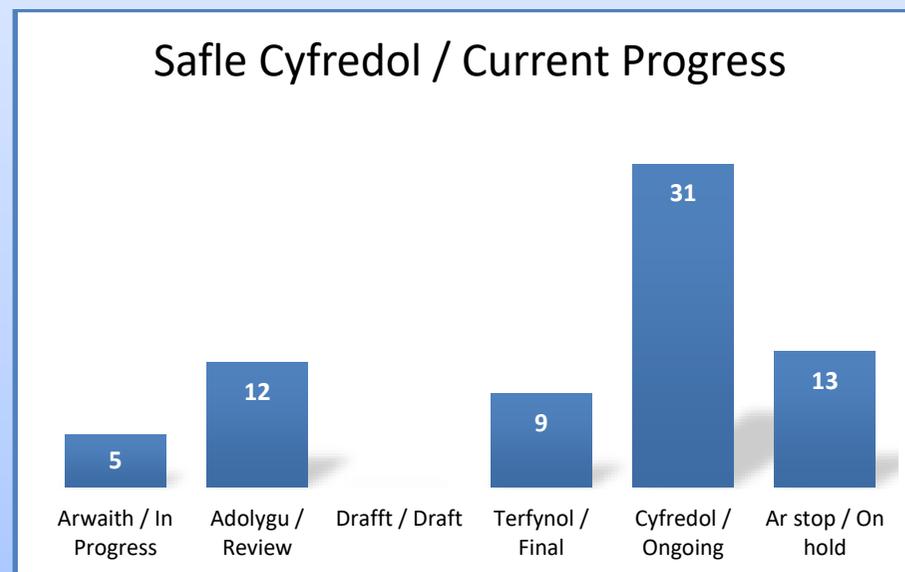
01/04/2021 – 30/06/2021

### 1 INTRODUCTION

- 1.1 The Internal Audit Strategy and Annual Plan for 2021/22 was approved by the Committee (GAC) on 24 February 2021.
- 1.2 The usual initial risk assessment was not undertaken by the Corporate Manager – Internal Audit (CMIA) to compile the operational plan for 2021/22, as the pandemic had introduced new risks to the Council, which were constantly changing. The CMIA has therefore assessed the work on an on-going basis, considering the Council's changing needs and priorities regularly.
- 1.3 The purpose of this report is to update the GAC on the work undertaken by the Internal Audit (IA) service during the first quarter of the 2021/22 financial year, and highlight any areas of concern that may have arisen during the completed audits. A copy of the Interim Audit Plan as at 30/6/21 is attached in Appendix 1.

### 2 AUDIT WORK UNDERTAKEN

- 2.1 Audit Plan Progress:



- 2.2 As at 30/6/2021 a total of 80 items appear in the operational Interim Audit Plan. These are made-up of 70 items that have mainly either been carried-forward from the previous year (eg audits that are already in progress) or are annual pieces of work (eg grants) which have been included as 'planned' items. The remaining 10 items have been added during the first quarter, ie unplanned. (The unplanned items are highlighted in Appendix I).
- 2.3 Nine pieces of work were finalised during the quarter, as per table below, which will be considered in determining the IA annual opinion:

Audit Area	Type of Audit	Assurance
<p><b>Harbours Account</b></p> <p>Scope: Account audit. The Council must prepare annual accounts following proper practices as set out in the One Voice Wales/Society of Local Council Clerks publication, Governance and Accountability for Local Councils in Wales – A Practitioners' Guide. The Guide states that bodies may prepare their accounts in the form of an annual return prepared by Audit Wales, which includes internal audit input regarding account preparation. The audit is in respect of the 2020/21 account.</p>	Account	High
<p><b>GDPR in Schools</b></p> <p>Scope: GDPR. All schools processing personal data must pay a fee to the Information Commissioner's Office. The review consists of a periodic check, to ensure all CSC schools have paid their annual fee to the ICO. The review does NOT include a review of the data provided to the ICO.</p>	Compliance	Substantial
<p><b>Harbours</b></p> <p>Scope: Testing undertaken to support Harbours account, as stipulated by AW form: appropriate books of account maintained, financial regulations met, risks assessed, adequate budgetary process, expected income fully received, salaries and deductions properly applied, asset and investment registers maintained, accounting statements properly prepared.</p>	System	Substantial

Audit Area	Type of Audit	Assurance
<p><b>Housing Benefits</b></p> <p>Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing housing benefit applications: business continuity arrangements, compliance with National Verification Framework, fraud awareness, speed of processing, system parameter files, system data, exception reporting, reconciliation to feeder systems, independent verification of sample calculations, security of ICT system.</p>	Key Controls	Substantial
<p><b>Coroners</b></p> <p>Scope: Summary of previous VFM audit reports.</p>	VFM	Moderate
<p><b>Lampeter Library / Cash Office</b></p> <p>Scope: Advice requested re security of cash issue.</p>	Advisory / Counter Fraud	N/A*
<p><b>Mandate Fraud Guidance</b></p> <p>Scope: Service operational guidance is currently being reviewed &amp; updated to ensure it remains up to date &amp; relevant. IA input requested.</p>	Advisory / Counter Fraud	N/A*
<p><b>Counter Fraud Strategy</b></p> <p>Scope: Three-yearly review due 2021. Updated Strategy co-ordinated by IA; endorsed by GAC 3/6/21 &amp; presented to Council 17/6/21 for final approval. Updated Strategy now on website.</p>	Advisory / Counter Fraud	N/A*
<p><b>Lampeter Wellbeing Centre</b></p> <p>Scope: New service provision at Lampeter Wellbeing Centre (previously Leisure Centre). Advice requested re controls &amp; security of cash taking procedures at reception area.</p>	Advisory / Counter Fraud	N/A*

\*Level of assurance cannot be provided as no audit testing undertaken, but assurance can be obtained from the fact that these processes have been addressed and systems put in place (see point 2.4 below).

2.4 Examples of good practice noted from the finalised audits have been listed below, which also form part of the annual assurance process:

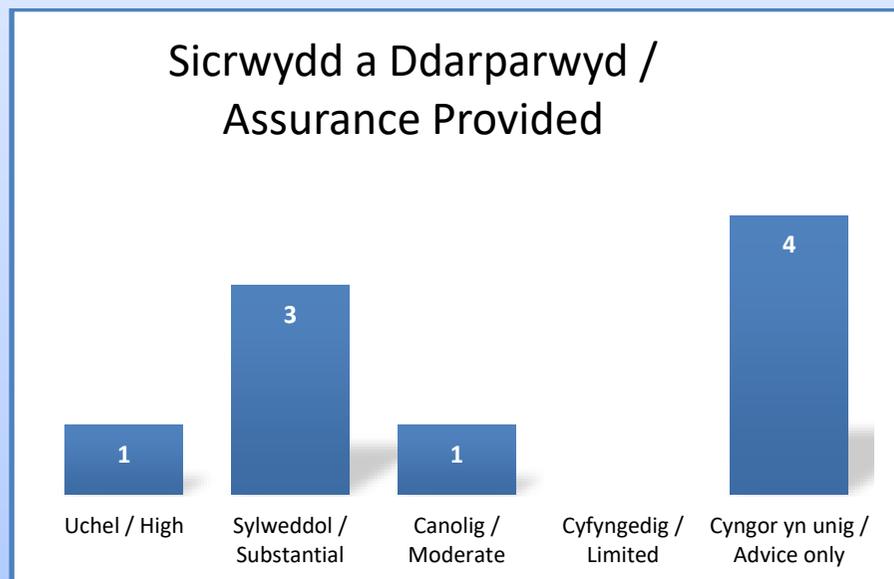
- **Harbour account** – detailed working papers available which reconcile to ledger to support the account
- **GDPR in schools** – improved governance due to centralisation of schools' fees paid to ICO
- **Housing Benefits Governance** – guidance, policies and regulations available to staff to ensure business continuity in any incident affecting staff / service; guidance is explicit re viewing friend / family records
- **Housing Benefits System** – parameters require regular change of password; one staff permissions updated during audit – all now deemed appropriate; parameter values consistent with updated rates; exception reports run & checked regularly; sample quality control check of claims confirmed as correct
- **Coroner** – increased control over accuracy and appropriateness of payments made re Coroners' service due to introduction of new 'purchase order' system
- **Lampeter Library / Cash Office** – consideration of 'cash' security whilst open to the public and social distancing in force
- **Mandate Fraud** – two 'Phishing' attempts identified due to Payments' staff vigilance, of fraudulent requests to change a creditor's bank account details (duly reported to National Cyber Crime Centre\*); staff service guidance updated & circulated due to increase in suspected fraudulent attempts
- **Counter Fraud Strategy** – to ensure Council has fit for purpose guidance re actions required to deal with incidents, and clarification of officers / Members' roles
- **Lampeter Wellbeing Centre** – consideration of 'cash' governance, risk & controls whilst preparing new layout of centre (service also receptive to internal audit staff receiving training on new booking / cash receipting system for future assistance)

\*As of 31/5/2021 the National Cyber Crime Centre has received more than 6,100,000 such reports, allowing them to remove more than 45,000 scams and take down 90,000 malicious URLs.

2.5 A total of 31 items are on-going pieces of work (as noted in Appendix I), from which IA have extracted examples of good practice achieved during the quarter, which again will be considered in forming the IA annual opinion:

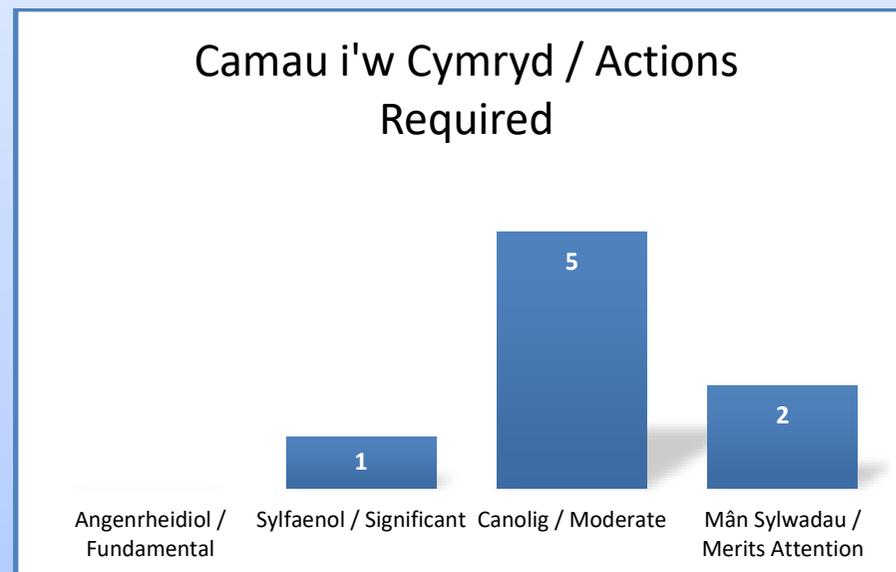
- **Grants (paid due to pandemic)** – good collaboration between CMs, officers & services has supported effectiveness of systems; officers' awareness of error / fraud as well as need for promptness has helped ensure correct payments made in timely manner; auditing claims prior to payment has reduced risk of need to recover incorrect / fraudulent payments; use of 'ActiveData' data analytics system has enabled payments to be checked against intel received from National Anti-Fraud Network and other sources
- **SC Economic Adjustment** – group's outcomes, supporting rationale & final approval process clearly documented (concise minutes); timely decisions made to ensure effectiveness (any urgent SC decisions requiring Leadership Group (LG) authorisation can be obtained same day); channels in place to action public engagement and communication in order to welcome community involvement
- **Annual Governance Statement** – framework in place; annual improvement plan standard item on GAC agenda for progress monitoring
- **Risk Management** – framework in place; register regularly reviewed by LG to ensure it is up to date and relevant; standard item on GAC agenda
- **Emergency Planning & Business Continuity** – Emergency Rest Centre Procedures Pack produced for staff; volunteers recruited and trained to run the centres, to ensure proper procedures in place in the event of an incident
- **Constitution, Code of Conduct, LG & Elections (Wales) Act 2021** – reviews undertaken to ensure Council has fit for purpose procedures / policies / strategies, etc in place to support accountable decision-making, and clarification of officers and Members' roles
- **Brexit** – dedicated officer attends external events & co-ordinates distribution of information; corporate Brexit impact assessment compiled which is regularly discussed at joint-service forum and updated quarterly to ensure plans in place for all foreseeable eventualities
- **Corporate Project Management Panel** – officers from all relevant services review new project proposals from every perspective, to identify weaknesses / improvements & offer advice / guidance where applicable & help ensure projects are appropriate, affordable & deliverable
- **Corporate Management Workshop** – well-focused quarterly forum to raise all CMs' awareness of new issues / initiatives; to help support embedding of corporate objectives and purpose, and encouraging staff cohesiveness, etc
- **National Fraud Initiative** – data matching exercise undertaken by Council annually to detect fraud / anomalies
- **AW Protocol & Management Response Forms** – system in place to help ensure all AW reports / proposals / recommendations are addressed, monitored and reported

2.6 The levels of assurance provided for the audits completed are as follows:



2.7 A guide to the criteria used to determine the overall assurance is shown in Appendix II.

2.8 A total of eight 'actions required' are recommended in the finalised reports issued of which none were deemed fundamental and one was significant (reported separately):



2.9 The criteria used to determine the 'actions required' is outlined in Appendix III.

### 3 RESOURCES

- 3.1 The IA Structure, as noted in Appendix IV, has been fully resourced during the first quarter of 2021/22.
- 3.2 A total of 240 days have been dedicated to audit work during the period 1 April 2021 to 30 June 2021, representing 28% of the assessed days estimated as required to complete the audit plan to year-end (or 113% of days required to complete the audit plan for the first quarter).
- 3.3 The CMIA continues to support the Welsh Chief Auditors Group (WCAG) which ensures best practice and consistency between all authorities; and the North & Mid Wales Chief Auditors Group (NMWCAG) to compare practices and share generic documentation. These meetings are now held using 'Teams'.
- 3.4 During the year, the NMWCAG introduced a Counter Fraud Sub-Group, which dedicates more time to specific subjects. This Sub-Group is attended by the Audit Manager (via Teams).
- 3.5 All members of staff ensure they meet any continuous professional development conditions, and complete the Council's mandatory training requirements. During this period:
  - All members of audit staff have undertaken the required Council's webinars and e-learning training modules, to include the recent Code, Ethics & Fraud webinar and two on Cyber Security;
  - The CMIA has 'attended' CIPFA's recent Summer Audit update; and continues to view ILM's regular webinars on the identified components of leadership; and
  - Two members of staff are continuing their Institute of Internal Auditors' qualification, although problems have arisen during the year due to the pandemic.
- 3.6 Arrangements are also in place to continuously develop IA staff's audit / digital / ICT and counter fraud skills via training and subscribing to information sources such as CIPFA's Better Governance Forum.
- 3.7 All IA staff are currently working from home.

#### 4 IMPROVEMENT PLAN 2021/22

Ref	Conformance with Standard	Action Required	Target Date
Std 1311	5.4.5 Does ongoing performance monitoring include obtaining stakeholder feedback? No QCQs issued during pandemic.	Once Audit Plan in place, QCQs to be issued to auditees. Batch of QCQs to be circulated in Sept 2021.	During 2021/22
Std 2010	6.1.1 Has the CAE determined the priorities of the internal audit activity in a risk-based plan? Currently audits / reviews undertaken on an on-going risk assessed basis. No set operational Audit Plan in place.	Produce risk-based audit plan in accordance with services' road plans. Interim audit plan in place, as per Progress Report Q1.	During 2021/22
Std 2050	6.1.15 Using other sources of assurance. Assurance mapping system in place – needs updating on a regular basis.	Assurance mapping system to be updated and monitored at weekly Team meetings. Assurance map is now a standard agenda item in team meetings.	Throughout 2021/22
Std 2500	6.6.1 Where issues have arisen during the follow-up process has the CAE considered revising the internal audit opinion? Due to the pandemic, no follow-ups were conducted in 2020/21.	The follow-up audits due will be carried forward to 2021/22. 'Follow-ups' are included in the interim audit plan in place.	31 March 2022
Annual Report	Pentana (MKI) system not found as useful when working reactively. Pentana (MKI) will be used where possible, but reactive work will continue to be conducted & recorded using shared electronic folders.	The system will be evaluated once IA resumes usual duties. N/A in current circs.	31 March 2022

**Interim Audit Plan 2021/22**

Audit Area	Scope / Notes	Status
<b>Changes due to Pandemic</b>		
Risk assessed reactive work due to pandemic	IA will undertake reviews of systems and procedures and any other work where it is identified that the Service can add value to the Council's operations during the pandemic.	
- Business Rates Grants, etc bfwd	Scope: Business Rates Grants – checking a sample applications prior to payment; validating information and documentation; other testing as appropriate; sitting on queries / appeals panel. <a href="#">The majority of this work completed 2020/21, but a few applications with queries still awaiting decisions.</a>	On-going
- 'Freelancer' / Disc Grants - May 2021	Scope: 2021 Grants – checking a sample applications prior to payment; validating information and documentation; other testing as appropriate; sitting on queries / appeals panel.	Unplanned On-going
- Tenancy Hardship Grant - Aug 2021	<a href="#">Scope currently being agreed; expect it to be similar to 2021 Grants</a> ie checking a sample applications prior to payment; validating information and documentation; other testing as appropriate; sitting on queries / appeals panel.	Unplanned On-going
- Registration Service - income collection	Scope: Registration Service – independent verification of payments received and banked during office closure. <a href="#">To be undertaken once staff return to offices.</a>	On Hold
- Free School Meals	Scope: Free School Meals – check sample of allowances paid (voucher & cash); plus claim made to WG. <a href="#">Initial testing completed - awaiting further review by CMIA.</a>	In Review
Economic Adjustment - Silver Command	Scope: A member of IA staff attends the group tasked with ensuring arrangements are in place within CSC, to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. <a href="#">Group continues to meet fortnightly.</a>	On-going
<b>Key Control Audits:</b>		
Main Accounting System	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for: monitoring, reconciliation, compliance with policy, authorisation, separation of duties and contingency plans for the Council's main accounting system. It does NOT include the ICT system. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review

Council Tax	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing council tax payments: separation between creating and collecting a debit; methods of payment; reconciliation of debit to valuation list; promptness of processing amendments; daily postings to accounts; unidentified items posted to suspense; missed payments; monitoring of collection rates; payments reconciled to ledger; security of ICT system. <a href="#">Audit in progress.</a>	In Progress
Treasury Management	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for both investments and loans: monitoring registers, reconciliation with MAS, compliance with policy, authorisation, separation of duties and contingency plans. It does NOT include the ICT system. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
Housing Benefits	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing housing benefit applications: business continuity arrangements, compliance with National Verification Framework, fraud awareness, speed of processing, system parameter files, system data, exception reporting, reconciliation to feeder systems, independent verification of sample calculations, security of ICT system.	Completed Quarter 1
National Non-Domestic Rates	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing NNDR payments: separation between creating and collecting a debit; methods of payment; reconciliation of debit to valuation list; promptness of processing amendments; daily postings to accounts; unidentified items posted to suspense; missed payments; monitoring of collection rates; payments reconciled to ledger; security of ICT system. <a href="#">Audit in progress.</a>	In Progress
Follow-up of Recommended Actions 2018/19 onwards	Scope: Assurance that previous recommended actions made have been implemented where appropriate. <a href="#">Spreadsheet produced of all actions to be re-addressed which is updated regularly. To be addressed once staff return to offices.</a>	On Hold
<b>Corporate Governance</b>		
Annual Governance Statement	Scope: Governance Framework runs on a rolling review basis. Contribute to finalising 2020/21 AGS & 2021/22 procedures, as necessary, throughout the year.	On-going
AGS Framework Review 2021/22	Scope: Governance review which considers the effectiveness of the Governance Framework, especially in the areas specifically addressed in the AGS action plan. <a href="#">Planned for Q4.</a>	

Emergency Planning & Business Continuity Management Group	Scope: A member of IA staff attends the group tasked with ensuring arrangements are in place within CSC, to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. <a href="#">Group superseded by GC/SC during pandemic, but meetings resumed in April - meets quarterly.</a>	On-going
Constitution review	Scope: Constitution is continuously reviewed & updated by Monitoring Officer & Governance Officer to ensure it is kept up to date & relevant. IA input provided when required. Assurance assessed re procedures in place.	On-going
<b>Risk management &amp; Corporate Risk Register:</b>		
Risk Management	Scope: Risk Framework arrangements are monitored & reported periodically to GAC. IA contribute to RM & procedure, as necessary.	
Risk Register: Check mitigating controls in place for risks	Scope: Risk management review which assesses the effectiveness of controls in place for ALL risks identified in the corporate risk register. Elements will be selected and the effectiveness of the stipulated mitigating controls will be reviewed. The scope is limited to the arrangements noted in the report.	On-going
Brexit Group	Scope: A member of IA staff attends the group tasked to ensure awareness of any major changes in systems within CSC, to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. <a href="#">Meets quarterly.</a>	On-going
Brexit	Scope: Risk review which considers the arrangements in place re monitoring changes due to Brexit. <a href="#">Audit in progress.</a>	Unplanned In Progress
<b>Well-Being of Future Generations / Equalities</b>		
Embedding of WFGA within Services	Scope: WFGA review which considers the arrangements in place for ensuring services have regard for corporate objectives in their plans, and that WFGA requirements have been considered. The initial WFGA programme of actions required will be reviewed & a sample of the evidence checked. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
IIA Review & Assessment	Scope: WFGA review which considers the arrangements in place for preparing and submitting IIAs, and the consistency in approach and compilation.	

The Socio-Economic Duty	Scope: To considers the arrangements in place in preparation to comply with the new Duty's requirements. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
<b>General Data Protection Regulation / DP</b>		
GDPR / DP Compliance (ICO Guidance)	Scope: GDPR. The Regulation became effective in May 2018 and has a significant effect on how data is held and protected. There are reputational implications as well as financial penalties for non-compliance. The review will assess the Council's arrangements for compliance with various elements of the Regulation such as privacy notices, and data audits. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
GDPR in schools	Scope: GDPR. All schools processing personal data must pay a fee to the Information Commissioner's Office. The review consists of a periodic check, to ensure all CSC schools have paid their annual fee to the ICO. The review does NOT include a review of the data provided to the ICO.	Completed Quarter 1
Information Governance Team	Scope: GDPR. The Information Governance Team meets monthly. A member of IA does not attend the meetings, but the CMIA has a catch-up with the Data Protection Officer periodically for assurance purposes.	On-going
<b>Projects</b>		
Corporate Project Management Panel	Scope: New projects. A member of IA staff attends the panel to ensure awareness of any major changes in systems, and to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Panel is adequately supported and achieves its objectives. <a href="#">Meets fortnightly.</a>	On-going
Development Group	Scope: A member of IA staff attends the meetings to ensure awareness of any major changes in systems, and to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. <a href="#">Meets quarterly.</a>	On-going
<b>Corporate Management</b>		
Corporate Management Workshop	Scope: The CMIA attends the meetings to ensure awareness of any major changes in systems, and to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. <a href="#">Meets quarterly.</a>	On-going

<b>Grants</b>		
Post-16 Funding - 2020/21	Scope: Grant audit. Covering correspondence and evidence is collected and forwarded to WG to support the declarations made. <a href="#">Planned for Q4.</a>	
Education Improvement Grant - 2020/21 final End of Year audit	Scope: Grant audit. Completing an End of Year Audit Checklist and Testing Schedule to provide assurance that the grant is spent and administered in accordance with WG's guidelines. Also, to certify the Year-end Claim Form to confirm the funding provided by the grantor in 2020/21 has been duly allocated to the purposes of the grant, in line with the grant terms and conditions of funding and in line with the Council's compliance and audit requirements. <a href="#">Planned for Q3.</a>	
Pupil Development Grant - 2020/21 final End of Year audit	Scope: Grant audit. Completing an End of Year Audit Checklist and Testing Schedule to provide assurance that the grant is spent and administered in accordance with WG's guidelines. Also, to certify the Year-end Claim Form to confirm the funding provided by the grantor in 2020/21 has been duly allocated to the purposes of the grant, in line with the grant terms and conditions of funding and in line with the Council's compliance and audit requirements. <a href="#">Planned for Q3.</a>	
<b>Other Services &amp; Systems</b>		
CLIC	Scope: An evaluation of the service provided - scope to be agreed. <a href="#">To be undertaken once staff return to offices.</a>	On Hold
Credit Cards	Scope: System audit. To concentrate on new system / cards issued. Documentation of systems; ascertain risks in system; and evaluate governance & controls required; test. <a href="#">Queries arose following quality review that need to be addresses once staff return to offices. Report issued 25/3/21 due to actions required. Assurance not provided until additional audit work undertaken.</a>	On Hold
Change Floats & Petty Cash imprests	Scope: Checking the end of year procedures re reconciliation of imprests to ledger, supported by service returns. <a href="#">Audit testing complete, draft report produced and awaiting quality review by CMIA.</a>	In Review
Harbours account 2020/21	Scope: Account audit. The Council must prepare annual accounts following proper practices as set out in the One Voice Wales/Society of Local Council Clerks publication, Governance and Accountability for Local Councils in Wales – A Practitioners' Guide. The Guide states that bodies may prepare their accounts in the form of an annual return prepared by Audit Wales, which includes internal audit input regarding account preparation. The audit is in respect of the 2020/21 account.	Completed Quarter 1

Harbours review	Scope: Testing undertaken to support Harbours account, as stipulated by AW form: appropriate books of account maintained, financial regulations met, risks assessed, adequate budgetary process, expected income fully received, salaries and deductions properly applied, asset and investment registers maintained, accounting statements properly prepared.	Unplanned Completed Quarter 1
Lampeter Wellbeing Centre - Reception	Scope: New service provision at Lampeter Wellbeing Centre (previously Leisure Centre). Advice requested re controls & security of cash taking procedures at reception area.	Unplanned Completed Quarter 1
Lampeter Wellbeing Centre	Scope: New service provision at Lampeter Wellness Centre (previously Leisure Centre). Further to request received re cash taking procedures at reception area (see above), service will involve IA re new systems to incl replacement for current booking system.	Unplanned
Ceredigion Sports Council	Scope: Account audit. Historically, IA prepares and audits the body's annual accounts in time for its AGM. <a href="#">Planned for Q3.</a>	
HR - JustGiving Collection	Scope: IA requested to provide an independent audit of income collected and donated re charity collection for foodbanks and children in care. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
Waste	Scope: An evaluation of the procedures introduced for waste collection, as discussed with AW. Consider governance of current system - especially situ re new Strategy. How have problems been dealt with eg seagulls - were they successful - if not, why? What is planned? Public engagement? <a href="#">SLR Group Limited (SLR) has been appointed by the Council to explore meaningful options for the future management of waste within Ceredigion. The need for the completed strategy to form the baseline for a Best Value Review of Waste Management also forms part of the Brief.</a>	On Hold
Sustainable Drainage Systems (SUDS)	Scope: Check arrangements Council currently has in place, to comply with requirements. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
Environmental Audit	Scope: Check arrangements Council currently has in place, to comply with requirements. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
Estates - Communication breakdown with AW	Scope: Request made by GAC to investigate reason for breakdown in communication between Estates & AW during external audit of accounts. See GAC minutes (June).	Unplanned

Museum	Scope: System audit. To concentrate on new 'cash' & 'stock' services introduced to Museum ie café, shop & bar. (Document systems. Ascertain risks in system; and governance & controls required. Test) <a href="#">Queries arose following quality review which will be addressed once staff return to offices.</a>	On Hold
Houses to Homes - general	Scope: Empty property initiative. Request to review procedures. Scope to be agreed. <a href="#">To be undertaken once staff return to offices.</a>	On Hold
Coroners - Summary Report	Scope: Summary of previous VFM audit reports.	Unplanned Completed Quarter 1
Coroners - New system	Scope: Introduction of new system to bring service in line with Council's Purchase Order / Payment system.	On-going
<b>Safeguarding</b>		
Section Safeguarding procedures	Scope: Assurance that all services have introduced an internal safeguarding policy for staff, which is periodically reviewed. <a href="#">To be undertaken once staff return to offices.</a>	On Hold
Corporate Safeguarding procedures	Scope: system audit, based on CIPFA's TISonline guidance. Some testing not undertaken due to pandemic. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
Direct Payments	Scope: Ensure controls in new payments system from April 2021.	In Progress
<b>Counter Fraud (incl NFI)</b>		
National Fraud Initiative	Scope: The review provides assurance against reputational damage and financial losses due to fraudulent activity by partaking in the National Fraud Initiative, which is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.	On-going
Counter Fraud Strategy	Scope: Three-yearly review due 2021. Updated Strategy co-ordinated by IA; endorsed by GAC 3/6/21 & presented to Council 17/6/21 for final approval. Updated Strategy now on website.	Completed Quarter 1
Code, Ethics & Fraud Training e-Module	Scope: Following successful presentation by Zurich to Managers Workshop 28/5/21 arrangements currently in progress with Learning & Development to incorporate this info into an e-learning module for all staff and Members.	In Progress

Audit of Ethics	Scope: system audit, based on CIPFA's TISonline guidance. Some testing not undertaken due to pandemic. <a href="#">Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.</a>	In Review
Code of Conduct review	Scope: Code is currently being reviewed & updated by Monitoring Officer & Governance Officer to ensure it remains up to date & relevant. IA input provided when required. Assurance assessed re procedures in place.	On-going
Active Data	Data matching / analysing. The review provides assurance against reputational damage and financial losses due to fraudulent activity by using the 'Active Data' data analytics system.	
- Business Rates Grants etc	Scope: Utilise ActiveData by checking Grant payment records against any identified suspicious records eg NAFN (National Anti Fraud Network) intel alerts.	On-going
Audit Scotland Paper	Scope: Questionnaire for managers regarding arrangements re counter fraud, risk management, etc. <a href="#">To be circulated once staff return to offices.</a>	On Hold
Mandate fraud	Scope: Provide assistance re incidents; ie when someone impersonates a third party such as a supplier and demands urgent payment eg creditor change of bank details. Need to be reported to National Cyber Security Centre.	On-going
Mandate fraud - Guidance	Scope: Service operational guidance is currently being reviewed & updated to ensure it remains up to date & relevant. IA input requested.	Completed Quarter 1
Procurement	Scope: Check a sample of new creditors to ensure they are genuine businesses.	On-going
Recruitment	Scope: Check a sample of new appointments to ensure all details required have been provided. <a href="#">To be undertaken once staff return to offices.</a>	On Hold
Payroll	Scope: Check a sample of new appointments to ensure person in post.	On-going
Travelling	Scope: Check a sample of travelling claims to ensure appropriate & correct mileage undertaken	On-going
ICT Audit		
PCI (Payment Card Industry) Standard	Scope: Check compliance with the Standard's requirements. <a href="#">To be undertaken once staff return to offices.</a>	On Hold

Audit logs	Scope: Test audit logs produced from a sample of systems and evaluate how they are used by service. <a href="#">To be undertaken once staff return to offices.</a>	On Hold
Security - physical and environmental	Scope: Evaluate security within main buildings (to be rolled out to smaller offices and other establishments such as schools). <a href="#">To be undertaken once staff return to offices.</a>	On Hold
Cyber Resilience & Information Governance Group	Scope: A member of IA staff will attend the group tasked with ensuring arrangements are in place within CSC, to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. The Group will address and reduce cyber risk and improve the Council's cyber security, information security and governance. <a href="#">Meets monthly.</a>	On-going
North & Mid Wales Auditors - Fraud Group	Scope: NMWA - Fraud Group: A member of IA staff will attend the group tasked with sharing knowledge & skills re countering fraud to build resilience throughout the Councils. <a href="#">Meets monthly.</a>	Unplanned On-going
<b>LG &amp; Elections (Wales) Act 2021</b>		
LG & Elections (Wales) Act 2021	Scope: GAC Support. Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new requirements.	On-going
Introduction of Corporate Joint Committees	Scope: Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new requirements.	On-going
Self-assessment arrangements	Scope: GAC Support. Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new requirements.	
<b>Consultancy / Advisory (Other)</b>		
Governance & Audit Committee support	Scope: Support GAC as requested / required.	On-going
AW Protocol	Scope: GAC Support. Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new protocol.	On-going
AW Management Response Form - NFI 2018-21	Scope: Complete, monitor & update AW Management Response Form re NFI.	On-going
AW Management Response Form - Tackling Fraud	Scope: Complete, monitor & update AW Management Response Form re Fraud arrangements.	On-going
General Power of Competence Regulations	Scope: IA input to consultation. Further review dependant on outcome of consultation.	On-going

Additional Reviews / Queries / Contingency		
Lampeter Library/Cash Office	Scope: Advice requested re security of cash issue.	Unplanned Completed Quarter 1
Assurance		
Assurance Mapping	Scope: Consider assurance available from other sources	On-going

## Guide to the assurance criteria used:

<b>Level:</b>	<b>High</b>	<b>Substantial</b>	<b>Moderate</b>	<b>Limited</b>
<b>Adequacy of Controls:</b>	Controls in place to ensure achievement of service objectives and to protect Council against significant foreseeable risks. No fundamental weaknesses found.	Controls in place to ensure achievement of service objectives and to mitigate significant foreseeable risks. Some areas of improvement identified.	Controls in place to varying degrees. Gaps identified which leaves service exposed to certain risks. Improvement required.	Controls considered insufficient. Need to strengthen procedures significantly and ensure compliance.
<b>Risks:</b>	Minor risks only.	Opportunity exists to improve on risk exposure.	Need to introduce additional controls and/or improve compliance.	Failure to improve controls leaves Council exposed to significant risk (major financial loss, reputation, failure to achieve service's key objectives).
<b>Guide:</b>	No fundamental or significant actions required.	No fundamental actions required. Limited significant actions.	Number of significant actions.	Number of fundamental / significant actions.
<b>Follow-up required:</b>	Initial audit only.	Follow-up of any significant actions only / self-assessment with samples to evidence compliance.	IA follow-up with sample tests undertaken to ensure all actions implemented, and to re-assess assurance.	IA follow-up with full testing undertaken to ensure all actions implemented, and to re-assess assurance.

Guide to the classification of actions used:

Classification of Actions			
Fundamental	Significant	Moderate	Merit Attention
Weakness that is crucial to the management of risk within the service. Needs to be notified and requires the attention of the CLO.	Important findings that identify non-compliance with established procedures that could lead to a risk of financial / reputational loss to Service.	Findings that identify non-compliance with established procedures but do not represent any major risk of financial / reputational loss to Service.	Items requiring little or no action. Included as may be of interest to service or best practice advice.

**Internal Audit Structure wef 1 November 2020**

