

CEREDIGION COUNTY COUNCIL

Report to:	Governance and Audit Committee
Date of meeting:	6 June 2022
Title:	Internal Audit Progress Report 1/1/22 – 31/3/22
Purpose of the report:	To provide Members with an update on the work undertaken by internal audit during the above period
Cabinet Portfolio and Cabinet Member:	Councillor Matthew Vaux, Cabinet Member for Legal and Governance, Housing, People and Organisation and Public Protection

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 2021/22 interim operational 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.

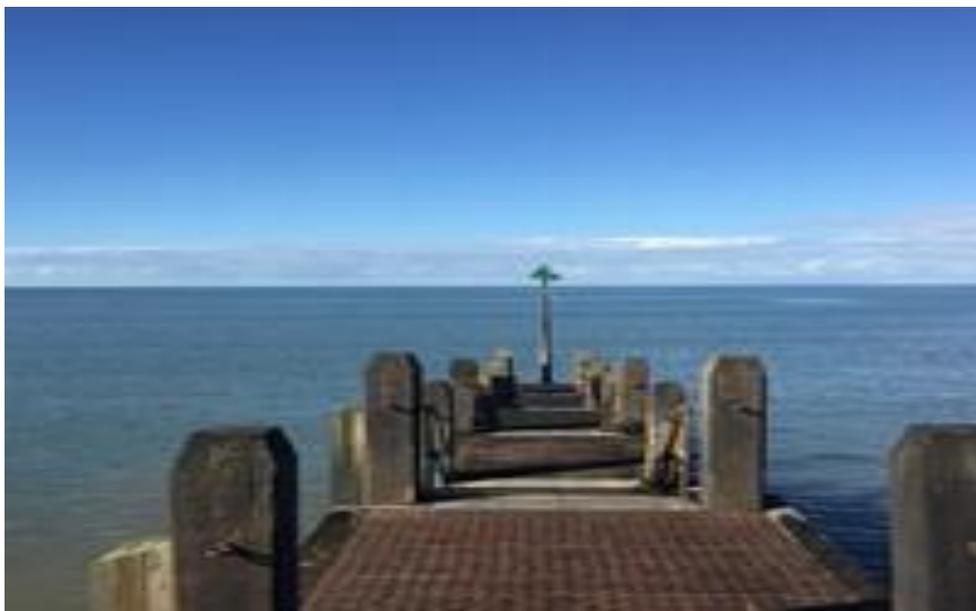
This progress report notes the steps made to date toward delivery of the audit strategy, by providing a summary of the work undertaken. It also documents the current resource position, and the Section's improvement plan.

Recommendation(s):	To consider the work undertaken and current position of the Internal Audit Section
Reasons for decision:	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.
Appendices:	Internal Audit Progress Report 1/1/22-31/3/22
Corporate Lead Officer:	Elin Prysor CLO-Legal and Governance / Monitoring Officer
Reporting Officer:	Alex Jenkins Corporate Manager – Internal Audit
Date:	7 May 2022

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 January 2022 – 31 March 2022



Cyngor Sir
CEREDIGION
County Council

Report Prepared by: Alex Jenkins,
Corporate Manager – Internal Audit

Date of Issue: 7 May 2022

Presented to Governance & Audit
Committee: 6 June 2022

ADRODDIAD CYNNYDD ARCHWILIO MEWNOL

INTERNAL AUDIT PROGRESS REPORT

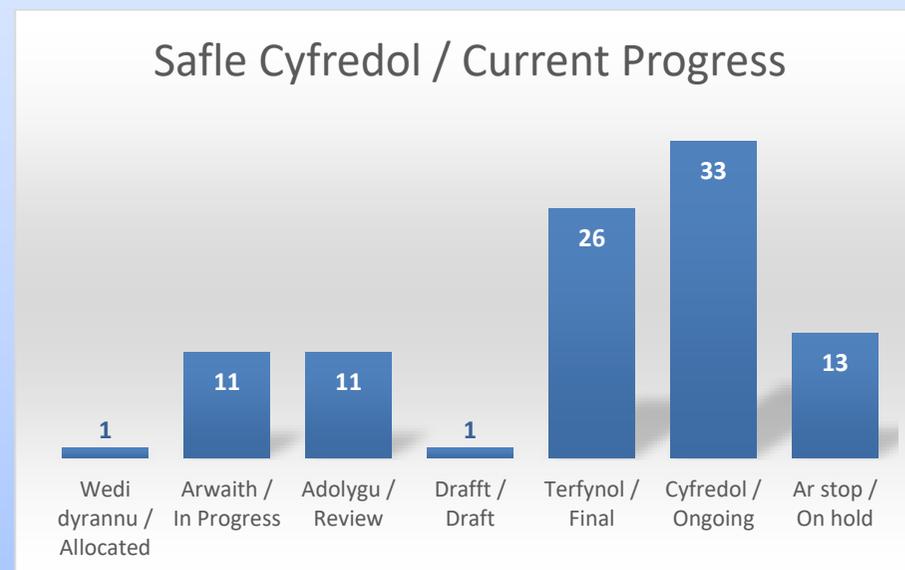
01/01/2022 – 31/03/2022

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 fourth quarter of the 2021/22 financial year, and to highlight any areas of concern that may have arisen whilst completing the audits. A copy of the Interim Audit Plan as at 31/03/22 is attached in Appendix 1.

2 AUDIT WORK UNDERTAKEN

2.1 Audit Plan Progress:



2.2 As at 31/03/2022 a total of 102 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 32 items have been added during the year, ie unplanned. (The unplanned items are highlighted in Appendix I).

2.3 Six 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>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.</p>	Governance	High
<p>GDPR in Schools Scope: All schools processing personal data must pay a fee to the Information Commissioner's Office. The review consists of a periodic registration check, to ensure all CSC schools hold a valid and up to date registration with the ICO. The review does NOT include a review of the data provided to the ICO.</p>	GDPR/DP	Substantial
<p>Coroners – Comparisons of fees to other Local Government Authorities Scope: Comparison as requested by GAC.</p>	Follow-on	N/A
<p>Income Banking Procedures Scope: Providing advice on new banking procedures for income collected at CCC locations.</p>	Advisory	N/A
<p>Procurement – purchasing procedures Scope: Advice given regarding procedures on receipting deliveries made to staff members' homes eg stationery etc.</p>	Advisory	N/A
<p>Plascrug Leisure Centre – Stock Scope: Advice provided regarding removing vending machines from LC and putting procedures and controls in place for selling stock over the counter.</p>	Advisory	N/A

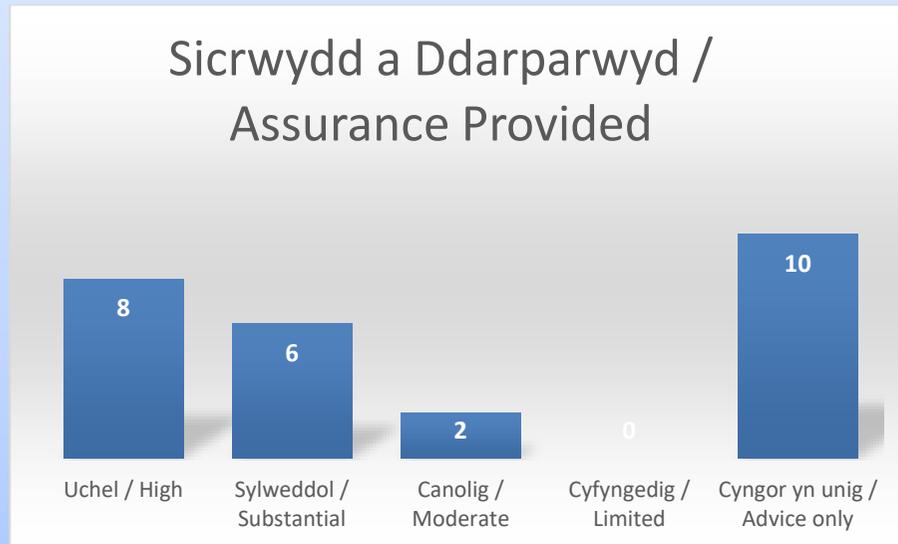
2.4 Examples of good practice noted from this quarter's finalised audits have been listed below, which also form part of the annual assurance process:

- **AGS Framework Review 2021/22**
 - Effective workshop to discuss measures taken
 - Effective collaboration throughout relevant services
- **GDPR in Schools**
 - Improved governance due to centralisation of schools' fees paid to ICO
- **Income Banking Procedures**
 - Consideration of governance, risk & controls when planning the banking procedures due to the reintroduction of cash acceptance
- **Plascrug Leisure Centre Stock**
 - consideration of governance, risk & controls whilst preparing new procedures for the sales of stock

2.5 A total of 33 items are on-going pieces of work (as noted in Appendix I), from which IA have extracted examples of good practice achieved during the fourth quarter, which again will be considered in forming the IA annual opinion:

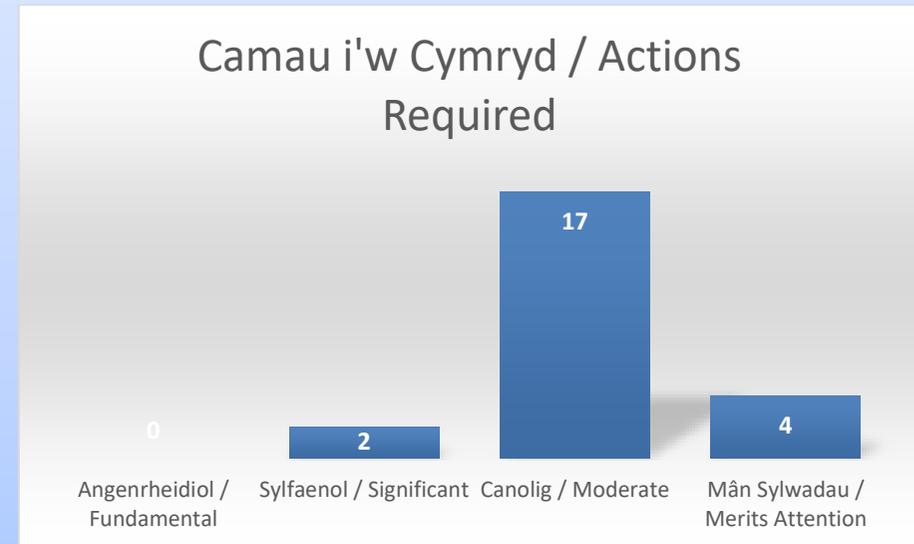
- **Tenancy Hardship Grants** – internal audit input provided (due to benefit of Business Rates Grants assistance) to check claims prior to payment in order to reduce the risk of need to recover incorrect / fraudulent payments; use of 'ActiveData' data analytics system will also enabled payments to be checked against intel received from National Anti-Fraud Network and other sources.
- **SC Economic Adjustment** – acknowledged by attendees as being a good collective forum re regeneration and revitalisation of town centres.
- **Annual Governance Statement** – arrangements in place to commence the governance framework review and subsequent improvement plan.
- **Emergency Planning & Business Continuity (EPBC)** – updated template provided to enable all services to bring business continuity plans up to date; Council major incident plan in review; representative attended local resilience forum to ensure consistency between organisations and that any good practice is shared.
- **Risk Management** – overview of risk register also on EPBC agenda; mitigating actions put in place to address new identified risks 19 (climate change and coastal erosion / flooding) and 20 (ash dieback).
- **Code of Conduct** – internal audit and governance officer input provided to assist Learning & Development in the production of a training e-module on Code, Ethics & Fraud.
- **LG & Elections (Wales) Act 2021** – arrangements in hand to ensure correct split of Elected Members / Lay Members on GAC from May, as required by Act.
- **Brexit** – representative attended WLGA transition coordinators meeting to collect & disseminate appropriate information.
- **Corporate Project Management Panel** – new project proposals put forward & actions requested by panel where appropriate.
- **Corporate Management Workshop** – updates to managers re ways of working, carers policy, wellness strategy and wellbeing objectives for information and role development.
- **Cyber Resilience & Information Governance Group** – the Group will provide operational support, preparedness and direction to address and reduce cyber risks and improve the Council's cyber security, information security and governance. It shall act as a source of knowledge and expertise and will oversee and monitor the Information Governance and Cyber Security Risks and Action Plans.
- **NMWAG - North & Mid Wales Auditor Group - Fraud**: aims to share knowledge & skills re countering fraud to build resilience throughout LAs. Fraud responses to Audit Wales shared to determine future direction of group.
- **Data Audit** – arrangements in place to improve data management and ensure compliance with Information Commissioner.
- **Clic** – training offered to services by Customer Services Manager to raise awareness of system facilities.

2.6 The levels of assurance provided for the total 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 23 'actions required' are recommended in the finalised reports issued of which none were deemed fundamental and two were significant:



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

2.10 There were no significant or fundamental actions issued in Quarter 4. The significant actions in 2021/22 previously reported required in was reported to GAC in the exempt report in Quarter 1 and the one issued in the second quarter was in respect of petty cash procedures, mainly surrounding the non-receipt of declarations from imprest holders. IA is currently working with Finance to address this issue.

3 RESOURCES

- 3.1 The IA Structure, as noted in Appendix IV, was fully resourced during the first three quarters of 2021/22. Due to the change in CMIA and SA posts the Apprentice Audit Assistant post has been vacant since 1st January 2022 whilst we await a response to our business case for a Governance and Audit Assistant (proposed new structure can be seen in Appendix V)
- 3.2 A new CMIA has been in place since 1 January 2022, who has considerable experience in IA, having had a 6-week window to 'shadow' the previous CMIA, and is supported by a knowledgeable & skilled Audit Manager.
- 3.3 A total of 865 days have been dedicated to audit work during the period 1 January 2022 to 31 March 2022, representing 102% of the assessed days estimated as required to complete the audit plan to year-end.
- 3.4 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'.
- 3.5 During the year, the NMWCAG introduced a Counter Fraud Sub-Group, which dedicates more time to specific subject. This Sub-Group is attended by the Audit Manager (via Teams).
- 3.6 All members of staff ensure they meet any continuous professional development conditions, and complete the Council's mandatory training requirements. During this year:
- All members of audit staff have undertaken the required Council's webinars and e-learning training modules, to include a Code, Ethics & Fraud webinar and two on Cyber Security;
 - The CMIA has 'attended' CIPFA's regular Audit updates; and continues to view ILM's 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.
- 3.7 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.
- 3.8 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. Comments received from managers following an audit noted where QCQs not required.	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 Q3. Arrangements commenced for full risk assessment of 2022/23 plan.	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, & updated accordingly.	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

<u>Interim Audit Plan 2021/22</u>		
Audit Area	Scope / Notes	Status
Changes due to Pandemic		
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 bfw	Scope: Business Rates Grants – checking a sample applications prior to payment; validating information and documentation; other testing as appropriate; sitting on queries / appeals panel. The majority of this work completed 2020/21, but a few applications with queries still awaiting decisions.	On-going
- Covid Grants - 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
- Business Grants 2022	Scope; 2022 Grants – checking a sample applications prior to payment; validating information and documentation; other testing as appropriate; sitting on queries / appeals panel.	Unplanned On-going
- Discretionary Grants 2022	Scope; 2022 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	Scope: Similar to 2021 Grants 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. To be undertaken once staff return to offices.	On Hold
- Free School Meals	Scope: Free School Meals – check sample of allowances paid (voucher & cash); plus claim made to WG. Initial testing completed - awaiting further review by AM/CMIA.	In Review
- Personal Protection Equipment (PPE)	Scope: Independent check of stock levels transferred during transition from stock-taking spreadsheets to computerised system.	Unplanned
Housing Support Grant - Steering Group	Scope: A member of IA staff attends the group tasked with ensuring satisfactory arrangements are in place for Governance with regards to the Housing Support Grant 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.	6-On-going

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. Group continues to meet fortnightly.	On-going
Key Control Audits:		
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.	In Progress
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 system. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
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. Draft report issued to service.	In Draft
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 IT system.	Completed Quarter 1
Housing Benefit - Quality Review 2021-22	Scope: Quality assurance. Completed annually (normally as part of key control audit). Complete run-through of sample of HBen claims to ensure completeness & accuracy, as required by Ombudsman report following a client complaint in 2014/15.	Unplanned In Progress
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 system. It does NOT include the ICT system. Audit testing complete, draft report produced and currently being reviewed.	In Review

Creditors	Scope: Key financial risk area. Normally completed every 3-years. The review considers the arrangements for: authorising and paying costs incurred by the Council and the controls over the payment process. The scope does NOT include consideration of the nature of the expenditure or whether VFM was achieved. Added to this year to ensure key controls still in place whilst working from home. Audit testing complete, draft report produced and currently being reviewed.	Unplanned In Review
Sundry Debtors	Scope: Key financial risk area. Normally completed every 3-years. The review considers the arrangements for raising invoices to recover debt owed to the Council: accuracy of value and coding; promptness of raising bills; monitoring of collection rates; debt independently reconciled to ledger; arrears recovery in progress; invoices accountable; security of system. Added to this year to ensure key controls still in place whilst working from home. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	Unplanned In Review
Payroll	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing payroll: separation between creating and amending job roles and staff details and processing payroll; security of system. It does NOT include the ICT system.	Unplanned In Progress
Follow-up of Recommended Actions 2018/19 onwards	Scope: Assurance that previous recommended actions made have been implemented where appropriate. Spreadsheet produced of all actions to be re-addressed which is updated regularly. To be addressed once staff return to offices.	On hold
Corporate Governance		
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.	Completed Quarter 4
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. Meets quarterly.	On-going
Emergency Rest Room Boxes	Scope: IA input into service audit of emergency rest room boxes, to ensure security of boxes placed in specified locations.	Unplanned Completed Quarter 2
Business Continuity	Scope: Risk review which considers the arrangements in place re Business Continuity. Assurance assessed re procedures in place in Corporate and Service Business Continuity Plans.	In Progress

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
Risk management & Corporate Risk Register:		
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. Meets quarterly.	On-going
Brexit	Scope: Risk review which considers the arrangements in place re monitoring arrangements due to Brexit. Audit in progress.	Unplanned In Progress
Well-Being of Future Generations / Equalities		
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 satisfactory procedures are in place to ensure WFGA requirements are considered in decision-making.	Completed Quarter 2
IIA Review & Assessment	Scope: WFGA review which considers the arrangements in place for preparing and submitting IIAs, and the consistency in approach and compilation.	
New Socio-Econ requirements	Scope: WFGA review which considers the arrangements in place for preparing to comply with the new socio-econ requirements. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Welsh Standards	Scope: WFGA review which considers the arrangements in place for compliance with the Welsh Standards requirements.	Unplanned In Review
General Data Protection Regulation / DP		

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. Further Audit testing being undertaken.	In Progress
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 registration check, to ensure all CSC schools hold a valid and up to date registration with the ICO. The review does NOT include a review of the data provided to the ICO.	Completed Quarter 1
GDPR in schools - follow-up	Scope: GDPR. Follow-up to above.	Completed Quarter 4
Information Governance Team	Scope: GDPR. The Information Governance Team meets monthly. A member of IA does not attend the meetings, but has a catch-up with the DPO periodically for assurance purposes.	On-going
Projects		
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. Meets fortnightly.	On-going
Development Group	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. Meets quarterly.	On-going
Corporate Management		
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. Meets quarterly.	On-going
Grants		
Post-16 Funding - 2020/21	Scope: Grant audit. Covering correspondence and evidence is collected and forwarded to WG to support the declarations made.	

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. Planned for Q3.	Completed Quarter 3
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. Planned for Q3.	Completed Quarter 3
Other Services & Systems		
CLIC	Scope: An evaluation of the service provided - scope to be agreed. To be undertaken once staff return to offices.	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. 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.	On hold
Change Floats & Petty Cash imprests	Scope: A review of the year-end procedures re the reconciliation of actual imprests issued to services, against the record held on the Council's financial ledger; to include a scrutiny of the declarations provided by services re 2019/20 and 2020/21.	Completed Quarter 2
Change Floats & Petty Cash imprests	Scope: Follow-on to above. Assist in set-up of new system as per IA actions required.	Unplanned In Progress
Harbours account 2020/21	Scope: Account audit. The Council must prepare annual accounts following proper practices as set out in the One Voice Wales/SLCC publication Governance and accountability for local councils in Wales – A Practitioners' Guide (the Practitioners' Guide). The Practitioners' 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. This was in respect of the 2020/21 account.	Completed Quarter 1

Harbours review (Finance)	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
Harbours review (ES)	Scope: Testing undertaken to support Harbours account, as stipulated by Audit Wales form. Initially provided to Finance & Procurement in Quarter 1 to support Harbour Account work. Draft also prepared for Environmental Health who administer Harbours on a day to day basis, in order to address actions required stemming from the account sampling.	Unplanned Completed Quarter 2
VAT	Scope: Testing undertaken on calculation and coding of VAT payments to include creditor & debtor invoices and property transactions. To consider whether VAT guidance is in line with HMRC requirements. Check that VAT is calculated at correct rate and issued within basic tax point and VAT return is completed correctly and submitted promptly.	Unplanned In Progress
Lampeter Wellbeing Centre - Reception	Scope: New service provision at Lampeter Wellness 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: Honorary audit. Historically, IA prepares and audits the body's annual accounts in time for its AGM.	
HR - JustGiving Collection	Scope: Request from HR to oversee & audit the collection procedures re donation to be paid to foodbanks by staff.	Completed Quarter 2
Waste	Scope: An evaluation of the procedures introduced for waste collection, as discussed with WAO. 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? SLR Group Limited (SLR) has been appointed by Ceredigion County Council (CCC) 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.	On hold
Sustainable Drainage Systems (SUDS)	Scope: Check arrangements Council currently has in place, to comply with requirements. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review

Environmental Audit	Scope: Check arrangements Council currently has in place, to comply with requirements. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Estates - Communication breakdown with AW	Scope: An investigation to discover reason for breakdown in communication between the Estates service and Audit Wales during the external audit of the Council's accounts; as requested by GAC.	Unplanned Completed Quarter 2
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) Queries arose following quality review which will be addressed once staff return to offices.	On hold
Houses to Homes - general	Empty property initiative. Request to review procedures. Scope to be agreed. To be undertaken once staff return to offices.	On hold
Coroners - Summary Report	Scope: Summary of previous VFM audit reports.	Unplanned Completed Quarter 1
Coroners - Follow-on to above.	Scope: Follow-on to the report dated 23/6/21 which was presented as an exempt paper to GAC on 9/9/21. Additional information provided, as requested, for comparison purposes.	Unplanned Completed Quarter 2
Coroners - New system	Scope: Introduction of new system to bring service in line with Council's Purchase Order / Payment system.	On-going
Coroners - Comparisons of fees to other LGA's	Scope: Governance & Audit Committee requested a comparison of Ceredigion Funeral Director fees against Funeral Director fees of other Welsh Local Authorities.	Completed Quarter 4
Safeguarding		
Section Safeguarding procedures	Scope: Assurance that all services have introduced an internal safeguarding policy for staff, which is periodically reviewed. To be undertaken once staff return to offices.	On hold
Corporate Safeguarding procedures	Scope: system audit, based on CIPFA's TISonline guidance. Some testing not undertaken due to pandemic. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Direct Payments	Scope: Ensure controls in new payments system from April 2021.	In Progress
Counter Fraud (incl NFI)		

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 eModule	Scope: Following successful presentation by Zurich to Managers Workshop 28/5/21 arrangements currently in progress with L&D to incorporate this info into an e-learning module for all staff.	In Progress
Audit of Ethics	Scope: system audit, based on CIPFA's TISonline guidance. Some testing not undertaken due to pandemic. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	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, Hardship Grants, etc	Scope: Utilise ActiveData by checking Grant payment records against any identified suspicious records eg NAFN intel alerts.	On-going
Audit Scotland Paper	Scope: Questionnaire for managers regarding fraud, risk management etc. To be circulated once staff return to offices.	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. To be undertaken once staff return to offices.	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 Standard	Scope: Check compliance with the Standard's requirements. To be undertaken once staff return to offices.	On hold
Audit logs	Scope: Test audit logs produced from a sample of systems and evaluate how they are used by service. To be undertaken once staff return to offices.	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). To be undertaken once staff return to offices.	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. Meets monthly.	On-going
North & Mid Wales Auditors - Fraud Group	Scope: North & Mid Wales Auditors - Fraud Group: A member of IA staff will attend the group tasked with sharing knowledge & skills re countering fraud to build resilience throughout LAs. Meets monthly.	Unplanned On-going
LG & Elections (Wales) Act 2021		
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.	
Consultancy / Advisory (Other)		
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 Resonse Form - NFI 2018-21	Scope: Complete, monitor & update AW Management Response Form re NFI.	Completed Quarter 3
AW Management Response Form - Tackling Fraud	Scope: Complete, monitor & update AW Management Response Form re Fraud arrangements.	On-going
General Powers of Competence Regulations	Scope: IA input to consultation. Further review dependant on outcome of consultation.	Completed Quarter 3

Income Banking Procedures	Providing advice on new banking procedures for income collected at CCC locations.	Unplanned Completed Quarter 4
Additional Reviews / Queries / Contingency		
Lampeter Library/Cash Office	Scope: Advice requested re security of cash issue.	Unplanned Completed Quarter 1
Procurement - purchasing procedures	Query from Procurement section re procedures on receipting deliveries made to staff members' homes eg stationery etc.	Unplanned Completed Quarter 4
Plascrug Leisure Centre - vending	Query from Plascrug re removing vending machines from LC and selling stock over the counter	Unplanned Completed Quarter 4
Childcare Scheme	Initial enquiries & research undertaken - scope to be determined	Unplanned Allocated
Emergency Welcome Centre	Scope: provide advice for governance arrangements and controls on Emergency Welcome Centre	Unplanned On-going
Assurance		
Assurance Mapping	Assurance available from other sources	On-going

Appendix II

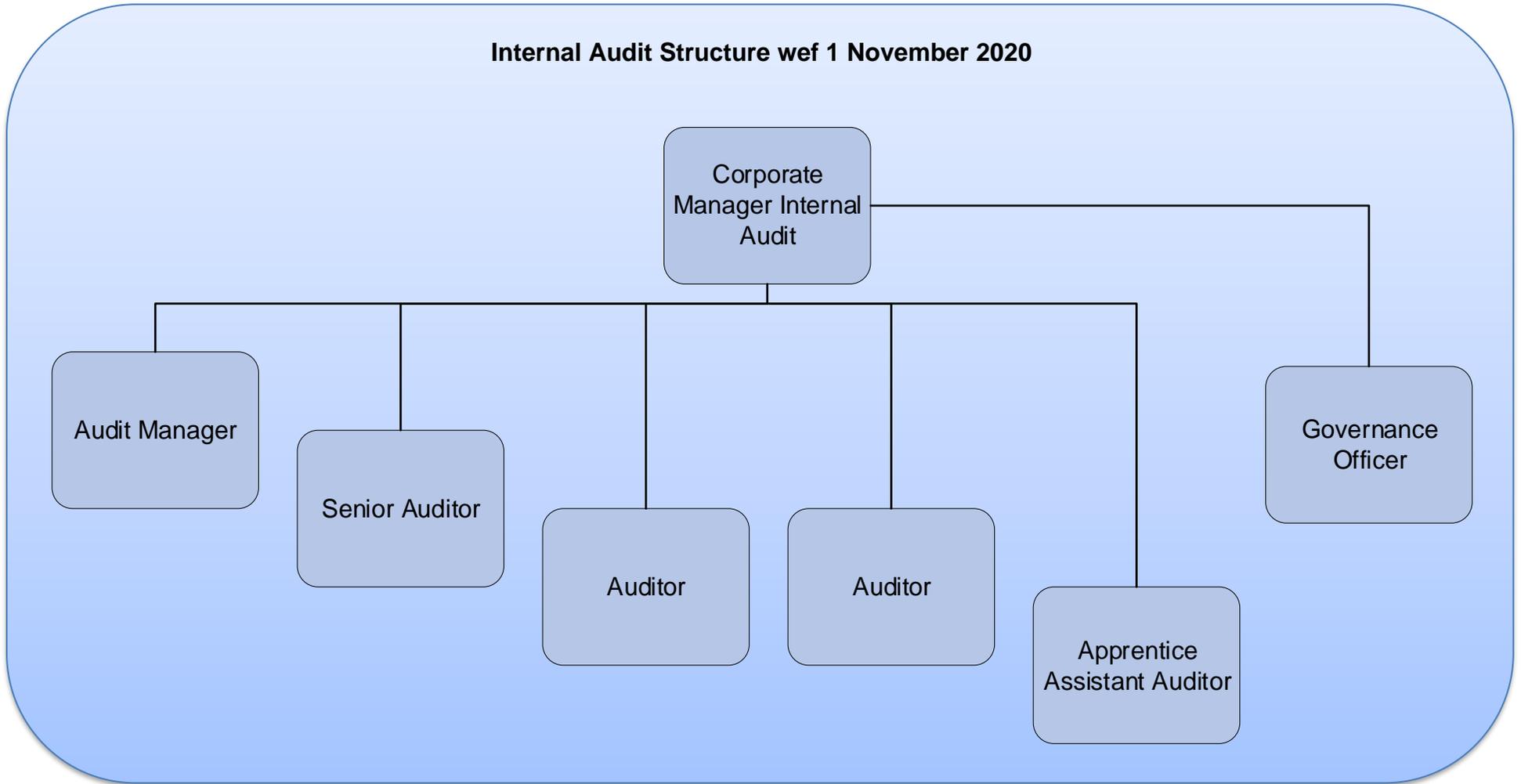
Guide to the assurance criteria used:

Level:	High	Substantial	Moderate	Limited
Adequacy of Controls:	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.
Risks:	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).
Guide:	No fundamental or significant actions required.	No fundamental actions required. Limited significant actions.	Number of significant actions.	Number of fundamental / significant actions.
Follow-up required:	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



Proposed Internal Audit Staffing Structure

