The Vale of Glamorgan Council

Audit Committee: 19th November 2018

Report from the Operational Manager - Audit as the Head of Audit

Progress against the Audit Risk Based Plan 2018-19

Purpose of the Report

1. To provide Members with a position statement on progress being made against the audit work that was included and approved within the 2018-19 Internal Audit Annual Risk Based Plan.

Recommendation

1. THAT Members note the content of the report and the progress made

Reason for the Recommendation

1. To keep the Audit Committee informed.

Background

2. In accordance with the Public Sector Internal Audit Standards, the Head of Audit is responsible for developing a risk-based annual audit plan which takes into account the Council's risk management framework. Within the Standards there is also a requirement for the Head of Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, controls and resources. The Head of Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.

3. The 2018/19 Internal Audit Plan was submitted to the Audit Committee for consideration and approval on the 1st May 2018. The Plan outlined the assignments to be carried out and their respective priorities.

Relevant Issues and Options

4. The Plan provided for a total of 1,350 audit days to cover the period April 2018 to March 2019. These days were split into those reviews considered to be Priority One and those considered to be Priority Two with the aim of completing the whole plan by the end of the financial year.

5.   Actual progress against the 2018/19 Risk Based Plan is attached at Appendix A and further information is attached at Appendix B which details those reviews which have not yet been allocated in the respective quarter and those reviews which have been brought forward from future quarters.

6.   In order to assist with the effective monitoring of the annual risk based plan, further information is attached at Appendix C which details all those reviews which have been completed during the period and performance.

7.   At present the overall structure of the Section continues to be based on 14 Full Time Equivalent (FTE) employees. As previously reported, the Section continues to carry vacant posts, however the Section has managed to fill all but half a vacant post within the Auditors grade and recruited another Senior Auditor. The Section has once again commissioned the services of the South West Audit Partnership in order to address in part some of the shortfall in days necessary to complete the plan; this is likely to continue during for the remainder of this Financial Year.

Resource Implications (Financial and Employment)

8.   None directly from this report.

Sustainability and Climate Change Implications

9.   None directly from this report.

Legal Implications (to Include Human Rights Implications)

10.   None directly from this report.

Crime and Disorder Implications

11.   Pursuing initiatives to prevent, detect and deter crime is encompassed within the terms of reference under which the audit function operates.

Equal Opportunities Implications (to include Welsh Language issues)

12.   None directly from this report.

Corporate/Service Objectives

13.   The work of audit is intended to assist in the achievement of all corporate and service objectives.

Policy Framework and Budget

14.   The proposals in this report are in accordance with the policy framework and budget.

Consultation (including Ward Member Consultation)

15.   No further consultation is proposed

Relevant Scrutiny Committee

16.   Corporate Performance and Resources

Background Papers

None

Contact Officer

Helen Smith - Operational Manager - Audit

Officers Consulted

None

Responsible Officer:

Carys Lord - Head of Finance / Section 151 Officer

Area	Directorate	Type	Audit Scope	Qtr. 1 April to June 18	Qtr. 2 July to Sept. 18	Update for Audit Committee November 2018
Carry Forward from 2017/18	Cross Cutting	Assurance	Provision for those assignments which are still ongoing at the end of 2017/18.	*20*		***Plan item Completed***
2017/18 closure of reports	Cross Cutting	Assurance	To finalise all draft reports outstanding at the end of 2017/18.	*10*		***Plan item Completed***
Annual Governance Statement 2017-18	Cross Cutting	Governance	The completion of the Council's Annual Governance Statement, submission to the Insight Board and Audit Committee and included with the Draft Statement of Accounts 2017/18 (including the Governance Assurance Statements from Corporate Officers and Senior Management. Deadline date June 2018.	*15*		***Plan item Completed***
Annual Governance Statement 2018/19			To make preparations for the production of the AGS for 2018/19			
Follow up of Recommendations for 2017/18.	Cross Cutting	Assurance	To ensure that all recommendations made in 2017/18 have been actioned.	*15*		***Plan item Completed***
Recommendation Monitoring			Monitoring the implementation of Internal Audit recommendations in consultation with the service areas which have received these recommendations. During the year, Internal Audit will review the process to ensure recommendations are followed up and reported upon to Audit Committee in a timely, efficient and effective manner.		*10*	***Recommendations made during 2018/19 will be monitored on a monthly basis*** ***Plan item for the period completed.***
Annual Opinion Report 2017-18	Cross Cutting	Governance	To prepare and issue the Head of Audit's Annual Opinion Report 2017/18. Deadline 1st May 2018.	*10*		***Plan item Completed***
Annual Opinion Report 2018-19			Preparation for the production of the 2018-19 Annual Opinion Report			

Audit Planning – 2018 -19	Cross Cutting	Assurance / Governance / Risk	To prepare and present the annual risk based audit plan for 2018/19. Deadline 1st May 2018	*20*		*Plan item Completed*
Audit Planning 2019 - 20			To prepare and present the annual risk based audit plan for 2019/20.			
Exemptions to Contract / Finance Procedure Rules	Cross Cutting	Assurance / Governance / Risk	To challenge the use of exemptions to both Contract and Finance Procedure Rules via the waiver procedure. Challenge provided throughout the year.	*5*	*5*	*This work is ongoing throughout the year. During the period 21 exemptions / waivers have been challenged and actioned.* *Plan item complete for the period*
Adoption Service	Social Services	Assurance / Governance / Risk	To provide assurance to the governance board on the adequacy and effectiveness of the overall control environment including Governance, Risk Management and Internal Control for 2017/18 with testing focusing on Permanency and Placement. Preparation work for the production of the assurance report for 2018/19	*10*		*Plan item Completed*
SRS Joint Service	Environment & Housing		Assurance Testing – To provide assurance to the Shared Regulatory Service Board on the systems and processes in place in respect of the overall control environment including governance, risk management and internal control for the 2017-18 Financial Year. Preparatory work for the production of the assurance work for 2018/19	*10*		*Plan item Completed*
Compliance – expenses / mileage claims	Cross Cutting		Review of expenses / mileage claims submitted which are over three months old. Ongoing throughout the year.	*5*	*5*	*Ongoing all expenses submitted in excess of three months old are reviewed and approved by Internal Audit since the 1st April there have been 104*

						in total *Plan item completed for* *the period.*
Compliance with PSIAS	Cross Cutting	Assurance / Governance / Risk	Review compliance with the Public Sector Internal Audit Standards.	*5*		*Plan item Completed*
Safeguarding	Cross Cutting	Assurance / Governance / Risk	Case management of safeguarding incidents are dealt with in accordance with the Council's safeguarding policies and procedures. This review will also include an annual assessment of the Council's overall operating model for safeguarding; including reviewing the adequacy of assurances obtained by the Council in respect of safeguarding arrangements in place for vulnerable adults and children for 2017/18. Preparatory work for the 2018/19 review	*10*		*Plan item Completed*
CRSA	Learning & Skills	Assurance	To undertake the annual controlled risk self – assessment for schools. The aim of the process is to enable Head Teachers to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure Rules. The objectives of the Control Risk Self-Assessment (CRSA) Questionnaire are to provide a tool for the Internal Audit Section to evaluate the financial and other related controls in operation, help to provide a basis upon which the scope and frequency of audits can be determined and allow Head Teachers to self-assess themselves against potential risks. CRSA is a widely used technique in the both the public and private sectors.	*10*		*All Preparatory work has now been completed in readiness for the submission of the CRSAs to schools for completion.*
Audit Committee / Member and CMT Reporting	Cross Cutting	Governance / Assurance / Risk	This allocation covers Member reporting procedures, mainly to the Audit Committee, plan formulation and monitoring, and regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Team and the Internal Audit Shared Service Board.	*15*	*10*	*Plan item Completed – Forward Work Programme completed and Presented for April; July and September's Committees*

Advice & Guidance Provision of Internal Control / General Advice	Cross Cutting	Assurance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority, including maintained school based staff.	*5*	*5*	*Ongoing – Advice and guidance is provided on a range of matters.* *Plan item completed for the period.*
Grant Certification Work	Cross Cutting	Assurance	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.	*10*	*10*	*Plan item Completed*
Financial Systems	MD & Resources	Assurance	To provide assurances that the financial systems in operation are efficient and effective and that the internal control environment is robust.		*25*	*Two reviews have been allocated. One review has been completed and the draft report prepared for review prior to issue. The other is underway with the field work having commenced.*
Management of Trees	Environment & Housing	Assurance	To follow up on the recommendations made during 2017/18 to ensure that the management have addressed the weaknesses identified in the overall control environment.			
Landlord Compliance	Environment & Housing	Assurance	To follow up on the recommendations made during 2017/18 to ensure that the management have addressed the weaknesses identified in the overall control environment.		*15*	*Plan item Completed*
Additional Learning Needs Bill	Learning & Skills	Assurance	Deferred from 2017/18 – To review the adequacy and effectiveness of early interventions in line with the proposed Additional Learning Needs Bill and to examine the effectiveness of collaboration.		*10*	*Allocated to SWAP – Work is nearing completion and Draft Report is expected shortly.*
Registration Services	MD & Resources	Assurance	Deferred from 2017/18 - To provide the necessary assurance that the procedure and processes are efficient and effective.			*Plan item Completed*
Contract & Commissioning – Brokerage etc.	Social Services	Governance / Assurance / Risk	To provide assurance that the contract and commissioning processes and procedures in place within the services areas as listed below are operating effectively. Adult Commissioning Care Team; ACCT/UAP;		*10*	*Brought Forward – allocated to SWAP – Work completed on ACCT – draft report issued awaiting management response.*

			Residency orders.			
Procurement	MD & Resources	Assurance	This audit will review the procurement framework and a sample of individual procurement activities across the Council in order to evaluate the level of compliance with legislation and the Council's Constitution.	*15*		*Part allocated – follow up of e-procurement and an audit of Purchasing Cards. Balance will be included in future quarter.*
Housing	Environment & Housing	Governance	Deferred from 2017/18 – This review will examine a number of collaboration and partnership arrangements within Housing to ensure that a robust governance framework is clearly evident.		*10*	*Allocated – Brief prepared and issued; work is ongoing.*
Building Services	Environment & Housing	Assurance	Deferred from 2017/18 – This review will examine the procedures and processes in place for mobile working to ensure compliance.		*15*	*Allocated – Brief prepared and issued, introductory meeting held and work has commenced.*
Housing Renovation Grants	MD & Resources	Assurance	To review the effectiveness of the procedures and processes in place for Renovation Grants to ensure compliance with legislation and guidance.			
Direct Payments	Social Services	Governance / Assurance / Risk	Review the effectiveness of the procedures and processes in place for Direct Payment to ensure compliance particularly in light of the increase in numbers as a result of the SS& WB Act.		*15*	*Draft Report issue; awaiting management response.*
Reshaping Services	Cross Cutting	Assurance / Governance	To gain assurance that high risk projects are being managed under the Reshaping Services Agenda are delivering the savings required.	**15**	**15**	**Allocated; brief prepared and preparatory work is underway for quarter two. Further discussions will take place with Corporate Officers.**
Emerging Risks / unplanned	Cross Cutting	Contingency	To enable Audit Services to flexibly respond to provide assurance activity as required.	**10**	**10**	**5 unplanned jobs have been raised during the period two of which have been completed and three are ongoing.**
External Audit Liaison	Cross Cutting	Governance	To ensure that a "managed audit" approach is followed in relation to the provision of internal and external audit services.	**5**	**5**	**Completed.**

Fraud / Error / Irregularity	Cross Cutting	Contingency	**Irregularity Investigations** - Reactive work where suspected irregularity has been detected.	15	10	**Two investigations have been concluded.**
		Fraud & Error	**Anti-Fraud & Corruption** – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud. Also to develop awareness sessions; e-learning; policies and procedures. **National Fraud Initiative** - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers. Review of the Council's Anti-Fraud & Bribery Policy			**Some initial preparatory work has been undertaken in readiness for the 2018/19 download.**
			Sub Totals Priority One	235	185	
HIGH RISK – PRIORITY TWO						
Vale Art Strategy	Learning & Skills	Governance	Deferred from 2017/18 – Review the effectiveness of the Vale Art Strategy including overarching governance arrangements for any regional working.			
Risk Management	Cross Cutting	Risk	Review of evidence to ensure that the council has a fully embedded risk management system in place that identifies and treats risks to key strategic and operational objectives.			
Performance Management Framework	MD & Resources	Risk	To review the performance management arrangements paying particular attention to the accuracy of the performance information collected and reported.			**Brought forward from quarter 3 and work is nearing completion**
Highways - Potholes	Environment & Housing	Assurance	To review the procedures and processes in operation within the Councils Highways Routine Maintenance – specifically potholes to determine if the previously identified areas of weakness have been fully rectified and that the control	10		**Allocated in quarter 2. Audit Brief issued and work is underway.**

			environment is robust.			
PCI – DSS (Payment Card Industries – Data Security Standards)	MD & Resources	Assurance / Risk	To review the procedures and processes in operation relating to PCI - DSS to determine if the previously identified areas of weakness have been fully rectified and that the control environment is robust.			
Schools	Learning & Skills	Assurance	To undertake a number of school based reviews in accordance with Internal Audit's risk based schools assessment.	10	10	**One review completed. Preparatory work has been undertaken for two primary school visits.**
			To undertake cross-cutting projects to ensure compliance across all schools.	10	10	**No cross cutting reviews have been allocated yet, but will be completed by Quarter 4.**
Safer Recruitment	MD & Resources	Assurance	To provide assurances that safer recruitment is operating effectively across the Council.	10		**Work completed, draft report under review prior to issuing to Management.**
Equalities	MD & Resources	Assurance	To review the Council's Strategic Equality Plan to provide assurance that it is fulfilling its duties in respect of the Equality Act 2010 (as amended from time to time) and specific duties in Wales.			
Intake & Family support	Social Services	Assurance / governance	Compliance with legislation regarding Child Protection measures; Integrated - Family Support to prevent care intervention; Review referral, assessment and wellbeing outcome processes.		10	**Allocated to SWAP – Initial meeting has been arranged with management to discuss the terms of reference for the review.**
Business Continuity Planning	MD & Resources	Assurance / Risk	To evaluate the Council's Business Continuity Plan to provide assurances that it sets out how the Council will operate following an incident and how it expects to return to 'business as usual' in the quickest possible time afterwards, that roles and responsibilities are clearly defined and understood and that all relevant stakeholders are fully aware of the Plan and its content.	10		**Work complete, draft report issued for management to complete the management implementation plan.**
Use of Mobile Communications	Cross Cutting	Risk	The Council has recognised the growth of mobile communications which can be			

			demonstrated a number of ways including: the introduction of a smartphone app to improve access to services together with the creation of integrated self-service opportunities via the Council website focussed on services which have high volume, low complexity transaction. The review will evaluate the effectiveness of the Council's use of Mobile Communications for its community having regards to any appropriate legislation, guidance and internal policies.			
SRS Work	Environment & Housing	Assurance	To review the procedures and processes in operation relating to the Shared Regulatory Service determine if the control environment is robust.		**10**	**Plan item Complete**
Telecare	Social Services	Assurance	To review the procedures and processes in operation relating to Telecare to determine if the previously identified areas of weakness have been fully rectified and that the control environment is robust.			
Waste Management	Environment & Housing	Governance / Assurance / Risk	To review collection performance, arrangements in place for increasing levels of recycling, how customer complaints are dealt with, as well as monitoring costs and collecting income (trade waste).		**10**	**Not allocated due to the lack of resources available within the Section. Due to the increase in resources during August, it is envisaged that this will now be allocated in quarter four.**
Garage Services	Environment & Housing	Risk / Assurance	To review the processes and procedures in place relating to garage services to provide assurances that the internal control environment is robust. The review will focus the MOT system and controls within the TRANMAN system.			**Allocated, Audit Brief issued and agreed. Work is underway.**
Highways	Environment & Housing	Risk / Assurance.	To review progress against the three year highway resurfacing plan focusing on the use of contractors and compliance with Council's policies and procedures.

Highways Construction Team (HCT) – to | | | |

			evaluate a number of capital funded schemes managed by the HCT to ensure compliance with contract / financial procedure rules.			
Occupational Health	MD & Resources	Risk	To review the processes and procedures in place for Occupational Health and to provide the necessary assurances on the effectiveness of the control environment.			
Facilities Management	MD & Resources	Assurance	The audit will critically review the management and control of the Council's Office Accommodation Budget, (Facilities Management Budget).			
Parent Pay	Learning & Skills	Assurance	To review the processes and procedures in place for the administration of Parent Pay and provide assurances on the overall robustness of the control environment.		10	**Not allocated due to the lack of resources available within the Section. Due to the increase in resources during August, it is envisaged that this has now been allocated in quarter three.**
Access to records – GDPR	Cross Cutting	Governance / Assurance / Risk	To ensure that the GDPR are being implemented and embedded throughout the Council		10	**Work complete; draft report issued awaiting management response.**
Catering	Learning & Skills	Governance / Assurance / Risk	To provide assurances as to the robustness of the overall governance structure within the Catering Service.		15	**Not allocated due to the lack of resources available within the Section. However, due to the increase in resources during August, it is envisaged that this will now be allocated in quarter four. However, this may slip to 2019/20.**
Stores	Environment & Resources	Assurance	To review the procedures and process in place for the administration of the stores department within the Directorate of Environment & Housing and provide assurance as to their effectiveness.			
Supplier	Cross Cutting	Assurance	To undertake a trend analysis identifying the			

Management			spend profile of the Council to ensure that policies and procedures are being adhered to.			
Asset Management	Cross Cutting	Risk / Assurance	To ensure that the disposal of assets is in accordance with Council policy, rules and regulations.			
Organisational Development Policy Compliance	MD & Resources	Assurance / Governance	To ensure that policies and procedures are being administered consistently across the organisation.			
Project Management	Cross Cutting	Governance / Assurance / Risk	To undertake a review of the procedures and processes associated with a number of Projects / Programme. Particular emphasis will be placed on compliance to the Council's Rules and Regulations and Project Management Methodology.	**10**	**10**	**Allocated – brief agreed and work is ongoing**
ICT Audit	Cross Cutting	Governance / Assurance / Risk	ICT systems reviews will be undertaken across Directorates ICT systems to ensure robust controls are evident and operating effectively.		**20**	**Not allocated – carried forward to future quarters. It is intended that this will be a joint review with SWAP.**
ICT – Social Services	Social Services	Governance / Assurance / Risk	Provide Assurances on the implementation of WCCIS / Dewis and ongoing update of systems.			**Brought Forward to Quarter 2 – Allocated to SWAP; Terms of Reference agreed and work ongoing and nearing completion.**
Complaints / Representations & Advocacy – Social Services	Social Services	Governance / Assurance / Risk	Review complaints process within Social Service to provide assurance as to its effectiveness and compliance with set targets.

To provide assurances that the Council's policies and procedures are aligned to the National Approach to Statutory Advocacy for Children and Young People being introduced.

Provide assurance that procedures and processes are in accordance with the Golden Thread Advocacy Programme for Adults. | **10** | **10** | **Allocated and brought forward work allocated to SWAP – Terms of Reference agreed two separate pieces of work: Advocacy; Complaints and Representations.**

Work completed on Complaints and Representations and draft report is being prepared. |

						Work is ongoing for Advocacy.
Youth Offending Service (YOS)	Social Services	Governance / Assurance / Risk	This is a statutory Service and this has not been audited for some time. Review to provide assurances on the early intervention and prevention schemes and young people transferred to secure estate.			**Allocated to SWAP – initial meeting has been arrangement with the relevant management team to approve the terms of reference.**
Looked After Accommodated Children	Social Services	Governance / Assurance / Risk	As a result of the SS & WB Act, new regional strategy and guidance has been developed for care leavers. The review will provide assurance that regional care and support plans for looked after children have been developed in accordance with the requirements of the Act.		15	**Allocated to SWAP – initial meeting has been arrangement with the relevant management team to approve the terms of reference**
CIV Processes	Social Services	Assurance	To review and provide assurances as to effectiveness of CIV in accommodating and dealing with data collection, dealing with referrals and signposting as a result of the changes brought about by the implementation of the SS & WB Act.		10	**Not yet allocated – Carried forward to future quarter. Due to the ongoing work already being undertaken by SWAP it is envisaged that this review will be picked up in Quarter 3.**
Sub Total Priority Two				70	150	
				305	335	

Table 1: Unallocated Work in Quarter 1 and 2 – Half Year Position Statement.

Audit Area	Budget Days	Comments
Progress Against Plan – Priority One – Not Yet Allocated		
Total Priority One		
Progress Against Plan – Priority Two – Not Yet Allocated		
Schools – Cross Cutting	20	This will be included in Quarter 3 and 4 allocations.
Waste Management	10	This will be allocated in Quarter 3 - 4.
Parent Pay	10	Not allocated in Quarter 2, deferred to Quarter 3 - 4.
Catering	15	Not allocated in Quarter 2, deferred to Quarter 4.
ICT Audit	20	Not allocated in Quarter 2, will be undertaken as a joint review with SWAP in Quarter 3.
C1V Processes	10	Not allocated in Quarter 2, SWAP will pick this up in Quarter 3.
Total Priority Two	**85**	
Overall Total of un allocated days – Priority One & Two	**85**	

Table 2: Brought Forward Work from Future Quarters.

Progress Against Plan – Priority One – Brought Forward from Future Quarters

Audit Area	Budget Days	Comments
Registration Services	10	Brought Forward from Quarter 3 – Plan item complete.
Contract & Commissioning – e.g. Brokerage – allocated in quarter 3	30	Allocated to SWAP – Terms of Reference agreed and work is underway.
Total Priority One	**40**	

Progress Against Plan – Priority Two – Brought Forward from Future Quarters

Audit Area	Budget Days	Comments
Performance Mgt. Framework	10	Brought Forward from Quarter 3 – work nearing completion
Garage Services	10	Brought Forward from Quarter 3 – work is ongoing.
ICT – Social Services	15	Brought Forward from Quarter 3 – work ongoing.
Complaints / Representation and Advocacy – allocated in Quarters 1, 2 and 3	10	Allocated to SWAP – Terms of Reference agreed and work is underway.
Total Priority Two	**45**	
Overall Total of brought forward allocations Priority One & Two	**85**	

Bridgend and Vale Internal Audit Service:
Head of Internal Audit's Performance Report April 2018 to September 2018
Vale of Glamorgan Council.

Section 1 - Introduction

The 2018/19 Internal Audit Plan was submitted to the Audit Committee for consideration and approval on the 1st May 2018. The Plan outlined the assignments to be carried out and their respective priorities. The information summarised below provides an update on the work undertaken by Internal Audit for the period April to September 2018, together with an update on performance.

Section 2 – Core Financial Systems – C/F from 2017/18

The following reviews of core financial systems were carried forward from 2017/18 and concluded during the first quarter of the 2018/19 Financial Year. It should be noted that all testing undertaken was based on transactions in 2017/18.

Table 1.

Core Financial System Description	Assurance Opinion			Recommendations Raised	
	Substantial	**Reasonable**	**Limited**	**Fundamental High**	**Significant Medium**
Banking	√				
Accounts Payable / Creditors		√			1
Total Audits (2)	1	1	0		1

Recommendations have been agreed and Management Implementation Plans have been received.

Section 3 – Other Reviews

The following other reviews have been undertaken and completed during the period April to September 2018:-

Table 2.

Other Reviews	Assurance Opinion			Recommendations Raised	
	Substantial	**Reasonable**	**Limited**	**Fundamental High**	**Significant Medium**
C/F Energy Management Carbon Reduction Certificate	√				
Purchasing Cards		√			5
Mayor's Office Financial Management		√			
Illegal Money Lenders Grant	√				
Supporting People Programme Grant Verification		√			
SRS Financial Control & Governance	√				
Bus Services Support Grant		√			1
Cowbridge Comprehensive		√			
Education Improvement Grant Verification		√			
IA Benchmarking		√			
Adoption Collaboration Annual Certification	√				
Enable Grant 2016/17		√			
Registrars		√			5
Landlord Compliance		√			2
Total Audits (14)	4	10			13

The Management Implementation Plans have been completed and returned and Management have confirmed that all 13 recommendations have been implemented.

All 13 recommendations made to improve the overall control environment are followed up in accordance with the Internal Audit Shared Service Strategy.

Section 4 – Counter Fraud Work

The following counter fraud work including irregularity reviews have been carried out during the period.

Table 3

Counter Fraud & Corruption Work	Assurance Opinion			Recommendations Raised	
	Substantial	**Reasonable**	**Limited**	**Fundamental High**	**Significant Medium**
National Fraud Initiative	No opinion – user administration only – report to follow. New data sets are being collated in order to meet the deadline for submission for the new exercise in October 2018			n/a	n/a
Safeguarding of Assets	Limited Assurance – matter referred to the Police			n/a	n/a
Overtime Claim	Limited Assurance – Claim adjusted			n/a	n/a
Email Usage	Referred to Determining Officer			n/a	n/a
Total Audits (3)					

National Fraud Initiative is included in our audit plan, however, we only facilitate the upload of data and user account management. A separate report will be presented to the Audit Committee in accordance with their Forward Work Programme.

Section 5 – Work in Progress as at 30th September 2018

Table 4

Work In Progress	Update
E Procurement Follow Up	The objective of the audit is to ensure that adequate steps have been taken by the department to implement the agreed recommendations made in the Limited Assurance Audit Report. *Draft* report has been prepared and is under review.

Safer Recruitment	The audit will have regards to the overall control environment of safer recruitment and how it is functioning within the Vale of Glamorgan Council for the financial year 2018/19 with specific regards to policies and procedures in relation to safer recruitment; DBS checks, risk assessments, training and monitoring. The objectives of the audit were to provide assurances that safer recruitment is operating effectively across the council. *The audit field work is complete and a draft report has been prepared which is under review prior to issue.*
Council Tax	To provide assurance that the financial system in place is efficient and effective and that the internal control environment is robust. To review the processes in place for processing refunds including : • Receiving & verifying a refund request • Appropriate access rights to parts of the system to enforce division of duties • Regular reconciliations of refunds made • Verification of bank account details • Review action logs *The audit field work is complete and a draft report has been prepared which is under review prior to issue.*
Performance Management. Framework – PI's	The objective of this audit is to review the performance management arrangements paying particular attention to the accuracy of the performance information collected and reported for 2017/18. To verify the accuracy of the National, Core and Local Performance Indicators submitted for 2017/18 providing assurance on the overall reliance that can be place on the accuracy of the information by ensuring that all working papers and source data is correct. *The audit field work is nearing completion.*

Enable Grant Verification 2017-18	The objectives of the audit are to: Provide assurance that entries are fairly stated and that expenditure has been properly incurred in accordance with the offer of the grant *The audit work is nearing completion.*
Direct Payments	To extend the testing on the Direct Payments System following the work carried out by SWAP. Audit field work is underway – verification work ongoing.
C/F Leisure Contract	To review the overall effectiveness of the delivery of the Leisure Contract. Establish if the contract is achieving its stated aims and objectives. Establish the monitoring of the financial and performance arrangements.
Supporting People Grant 2017-18	To undertake an audit review of Supporting People Program Grant 2017/18 as required by the Welsh Government as part of the Terms & Conditions of the grant to enable certification of the Audit Certificate.
Building Services Responsive Repairs	This review will examine the procedures and processes in place for Building Services Responsive Repairs to ensure compliance to provide assurance that the control environment is robust. Undertake testing of data from April 2018 to September 2018 to ensure that satisfactory controls are in place in the following areas : • Mobile working • Call outs • Inspections • Ticketed work
Housing Partnerships / Collaboration	To identify any collaboration and / or partnership arrangements in place within Housing to ensure that robust governance frameworks are clearly evident.
GDPR - Declaration	To ensure that the requirements of GDPR are being implemented and embedded

	throughout the Council particularly in respect of fair processing notices / declarations made to the public in respect of their data being used for data matches such as National Fraud Initiative (NFI). To review declarations made to the public / employees from service areas whose data is submitted to the National Fraud Initiative for data matching. - Identify all areas that are required to supply data - Identify the key contact for that area - Review documentation to ensure that there is compliance to relevant legislation Identify as far as possible how departments verify data or ensures that the data held is regularly cleansed. *Audit work is complete and a draft report has been reviewed and issued. Awaiting Management Response.*
ICT Business Continuity Planning	To evaluate the Council's ICT Business Continuity Plan to determine how the Council will operate following an incident and how it expects to return to 'business as usual' in the quickest possible time afterwards. To provide assurance that roles and responsibilities are clearly defined and understood and that all relevant stakeholders are fully aware of the Plan and its content. This work has now been completed and a draft report prepared, reviewed and issued. Awaiting Management response.

Section 6 – Key Performance Measures - Benchmarking

The Internal Audit Section participates annually in the Welsh Chief Auditors Group benchmarking exercise. The results for 2017/18 have recently been received and are as shown in Table 5 below:

Table 5

Performance Indicator 2017/2018	IASS Performance VOG 2017/18	WCAG Average Performance 2017/18	IASS Performance for VOG 2016/17	Overall WCAG Average Performance 2016/17
Percentage of Planned Audits Completed	95%	86%	95%	84%
Percentage of Audits Completed in Planned Time	63%	73%	81%	69%
No of audits completed	74	69		
Percentage of directly chargeable time, actual versus planned	63%	86%	71%	69%
Average no. of days from response to draft report to issue of final report	3 days	3 days		
Average number of days from audit closing meeting to issue of draft report.	9.5 days	6 days	9.5 days	8 days
No of Audit Staff	6.5	7		
% of staff leaving during the Financial Year	35%*	12%	30.6*	10%

*combined figure for the shared service

It should be noted that 15 of the 22 Councils returned their performance figures this year representing a return rate of 68%. It is clear from the figures provided that the Section's performance has dipped when compared with that of 2016/17 and therefore there is room for improvement particular in respect of audits completed within planned time.

Section 7 – Key Performance Measures – Client Satisfaction Questionnaires

At the completion of each audit, all recipients of reports are asked to comment on their satisfaction with the audit process, by way of a survey questionnaire ranging from a score of 1 for very satisfied to a score of 5 very unsatisfied. The results for the period April to September 2018 are summarised in Table 6 below.

Table 6

No.	Question	Average Score of Responses to September 2018	Average Score of Responses to March 2018
1	Where appropriate, briefing of client and usefulness of initial discussion.	1.250	1.080
2	Appropriateness of scope and objectives of the audit.	1.500	1.130
3	Timelines of audit.	1.250	1.200

4	Response of Officer to any requests for advice and assistance.	1.250	1.130
5	General helpfulness and conduct of Auditor (s)	1.250	1.130
6	Discussion of findings / recommendations during or at the conclusion of the audit.	2.000	1.000
7	Fairness and accuracy of report.	1.750	1.290
8	Practicality and usefulness of recommendations	1.500	1.140
9	Standard of report.	1.250	1.130
10	Client agreement with overall audit opinion.	1.250	1.200

In addition to the above, the client also has an opportunity to make their own comments on the Client Satisfaction Survey. Set out below are two examples we have received during the period.

It was very helpful to have a face to face onsite meeting with the Auditor

We are very grateful to N for his efficent and helpful approach throughout the audit process and this is reflected in our responses given.

Section 8 – Key Performance Measures – Staff Training

We continue to invest in the development of staff and recognise that, whilst the overall audit budget continues to reduce, the need for high quality assurance services does not. Indeed, with the increasing challenges and complexity facing local government and other public sector services, the need for well trained, motivated and versatile audit staff has never been higher.

In terms of professional training, we have 1 member of staff who is currently studying for the Chartered Institute of Public Finance and Accountancy qualification. The member of staff has successfully completed the Professional Certificate stage of the qualification and has now moved on to the Professional Diploma stage.

Staff are encouraged to attend courses and seminars that develop their skills, develop skills for the shared service and also further develop network opportunities. Listed below are a number of training courses that staff have either attended or are scheduled to attend during the coming months:-

- Financial Systems refresher training (ORACLE / COA);
- IT Governance Principles ;
- Best Practices in threat intelligence for threat containment ;
- Use of IDEA software;
- Safeguarding;
- General Data Protection Regulations training;
- Wales Audit Office – Finance for the future;
- Institute of Internal Auditors (IIA) Wales Conference;
- CIPFA Procurement and Contract Audit Summit; and
- Domestic Abuse and Sexual Violence

Section 9 – Matters of Note

There are no matters that need to be highlighted from the work undertaken by Internal Audit during the period.

For information:- South West Audit Partnership are continuing to help to support the completion of reviews as outlined in the 2018/19 Risk Based Audit Plan. Three new members of staff have joined the Internal Audit Shared Service on 13th August and have been provided with the necessary induction training together with their work allocation for the relevant quarter.