

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

10 SEPTEMBER 2020

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

ANNUAL INTERNAL AUDIT PLAN 2020-21

1. Purpose of report

- 1.1 The purpose of this report is to provide members of the Audit Committee with the Annual Internal Audit Risk Based Plan for 2020-21.

2. Connection to corporate improvement objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective priority under the Well-being of Future Generations (Wales) Act 2015:-

- Smarter use of resources – ensure that all its resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's well-being objectives.

3. Background

- 3.1 The United Kingdom Public Sector Internal Audit Standards (Performance Standard - 2010 Planning) provides the framework within which an internal audit plan should be compiled.

- 3.2 In line with the Public Sector Internal Audit Standards the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

- 3.3 To develop the risk-based plan, the Head of Internal Audit consults with senior management and the board and obtains an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The Head of Internal Audit must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems and controls.

- 3.4 In order to produce the Internal Audit plan the following information is taken into account:

- Corporate Risk Register;
- Corporate Plan;
- Key Financial Systems;
-
- Grant Claims that require Internal Audit certification;

- Follow-up reviews;
- Audit reviews that are carried forward from the previous audit plan;
- Results of discussions with the Senior Leadership Team, including the Chief Executive, Section 151 officer and other senior officers.

3.5 The Public Sector Internal Audit Standards require a risk-based audit plan to be produced to cover the Council's overall control environment including risk, governance and internal controls as far as practicable.

3.6 By taking into account the sources of information noted above, this supports Internal Audit to achieve the following:

- Comply with the Public Sector Internal Audit Standards in compiling the draft annual Audit Plan;
- Enable Audit Committee to monitor the adequacy of the risk management framework and the associated control environment of the Council for 2020/21 based on the audit reviews set out in the draft Annual Audit Plan; and
- Enables the Head of Internal Audit to form an opinion on the risk, governance and internal controls of the organisation.

3.7 The draft audit plan for 2020/21 was due to be presented to Audit Committee in April 2020 however the COVID19 outbreak delayed the planning process as significant new risks and ways of working had to be considered to inform the Plan.

4. Current situation/proposal

4.1 Urgent decisions were made in March 2020 in relation to how council services would need to operate in light of the pandemic and emergency arrangements were put in place around decision making and governance in case they were needed and normal Council and Committee meetings were suspended.

4.2 In order to maintain continuity of service wherever possible, the Council moved extremely quickly to equip as many of its office-based staff with mobile technology to enable home-working within a very short timescale. Where roles for staff diminished as a result of reduced volumes of work or services not being delivered, opportunities for temporary redeployment were actively sought and implemented.

4.3 The Council has had to consider which of its front-line services it could continue to deliver, taking into account the number of staff self-isolating and actually sick. Whilst it has maintained a significant number of essential services running, particularly the provision of social care services for vulnerable adults and children and waste collection services, following a Welsh Government announcement the majority of schools closed for pupils on 20 March 2020.

4.4 As a result of the significant changes to the way the Council was and is operating it has been necessary to re-evaluate the original draft plan to develop a revised Risk Based Plan for 2020-21.

4.5 The items identified in the original plan following the various consultation meetings held in January to March 2020 (prior to COVID 19) were included as a basis for this

revised plan alongside an assessment of risk at that time. An updated assessment of risk as a result of COVID 19 has also been undertaken

- 4.6 It is recognised that there will be a different emphasis due to the impact of COVID; particular risks arising from COVID, availability of audit and service staff and challenges arising from the remote ways of working. The revised plan is also more flexible than usual to be able to respond to changing circumstances and events that may occur such as a second wave/outbreaks, ability to access staff and evidence or requests to respond to new issues that may emerge.
- 4.8 Internal Audit work will be undertaken remotely using video conferencing (e.g. Microsoft Teams/Skype) and digital solutions as a basis for meetings and sharing documents and data. There is a need to learn what works and what does not work as an approach in an iterative and proportionate way to take account of pressures on particular services and individuals whilst conducting our work.
- 4.9 The proposed plan at **Appendix A** will offer sufficient coverage to be able to provide an opinion at the end of 2020/21 having regard to the unprecedented impact caused by the COVID pandemic.
- 4.10 The Audit Committee will receive updates on how the plan is being delivered and any changes that may be required in light of the experience of working in completely different circumstances and environment.

5. Effect upon policy framework and procedure rules

- 5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Impact Assessment

- 6.1 There are no equality implications arising from this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

- 8.1 There are no financial implications as a result of the recommendations set out in the report.

9. Recommendation

- 9.1 That the Committee is recommended to consider and approve the proposed Internal Audit Annual Risk Based Plan for 2020/21 in line with its Terms of Reference.

Mark Thomas
Head of Internal Audit
24 August 2020

Contact Officer: Mark Thomas – Head of Regional Internal Audit Service.

Telephone: (01446) 709572

E-mail: cmthomas@valeofglamorgan.gov.uk

Postal Address

Bridgend County Borough Council
Internal Audit
Ravens Court
Brewery Lane
Bridgend
CF31 4AP

Background Documents

None