

Bridgend County Borough Council
Audit Committee
24 August 2006
Report of the Chief Internal Auditor

Completed Audits

PURPOSE OF REPORT

1. To summarise for members the findings of the audits recently completed by the Internal Audit Division.

COMPLETED AUDITS

2. These are summarised in the following table.

Report	Draft Report Issued	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
School Uniform Grants	July 2006	2	<ul style="list-style-type: none"> • New grant scheme financed by WAG (£28k) • Audit was conducted to allow the authority to meet WAG's grant conditions. • LEA should consider administering the eligibility assessment for the grant on behalf of <u>all</u> schools to ensure consistency in assessment. 	Satisfactorily Controlled	N/A

Report	Draft Report Issued	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Community Focused Schools Grants	July 2006	2	<ul style="list-style-type: none"> • New grant scheme financed by WAG (£118k) • Audit was conducted to allow the authority to meet WAG's grant conditions. • Due to the timescales involved, no strategy was in place for Year one of funding. • Applications should provide a more detailed breakdown of the expected costs, rather than an amount for 'materials', 'transport' etc. • Evidence should be retained with the applications of advice sought from other departments / sections in the Authority, such as IT and R&D. 	Satisfactorily Controlled	Aug 2006
Grants to Vol.Bodies (Corporate Services)		12	<ul style="list-style-type: none"> • Effectively only 4 bodies are funded by Corporate Services • Control of these funding arrangements are in the process of being transferred to more appropriate directorates. 	Satisfactorily Controlled	Dec 2006

Report	Draft Report Issued	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Gifts & Hospitality	July 2006	14	<ul style="list-style-type: none"> • The element of the code of conduct relating to the acceptance of gifts is currently not being interpreted correctly by employees and those responsible for maintaining the registers. • A corporate wide protocol for hospitality acceptance should be developed to ensure transparency of the process. • Where hospitality is accepted, a reason should be included in the register justifying its acceptance. • Guidelines should be enhanced to include reference to hospitality events that are currently popular with private companies. • Annual reminders should be sent to employees and members to remind them of their responsibilities • The £10 upper limit for 'insignificant gifts' has not been revised for several years 	Satisfactorily Controlled	<p>Late 2006/07</p> <p>(Post redrafting of Constitution)</p>

Report	Draft Report Issued	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Main Accounting System	July 2006	32	<ul style="list-style-type: none"> • This is clearly one of our core systems. • While I consider that the system is overall satisfactorily controlled, a significant number of the recommendations agreed in 2004/05 to improve the system have not been implemented. • I accept that in many cases this arises from the change of change of Chief Accountant and her understandable desire to place here own stamp on the solutions to the issues raised. • While the previous recommendations were those favoured by the previous post holder I recognise that they are not the only ones that can address the issues and risks identified. • during the course of the current audit indicated that most of the issues previously raised had been considered and attempts made to address them. • However, the areas still requiring management attention include:- <ul style="list-style-type: none"> ○ financial management of capital contracts ○ quarterly commitment accounting ○ comprehensive budget profiling. 	Satisfactorily Controlled	Dec 2006

3. I will be happy to deal with any points members wish to raise on these audits or if they wish produce fuller reports on selected reports to the next meeting.
4. While comparatively minor in themselves, I would like to draw members attention to the first two audits in this table. They are somewhat unusual in that rather than arising from our own assessments of the control risks facing the council we have been forced to do them by the grant conditions imposed by WAG. One or two further similar requirements are likely to be imposed on us this year.
5. In addition, we have had to modify our audit approach to schools in the light of new requirements in respect of post 16 funding as a result of new conditions imposed by the former ELWA.
6. Currently these requirements are manageable but if the trend continues it could give rise to resource implications at some future date.
7. A further audit, on Social Services Transport Contracts, has also been completed which gives rise to procurement issues that I would wish to present to the committee in full. However it will not be possible to have the Head of Procurement attend this meeting so I propose to defer that report to the next meeting.

RECOMMENDATION

8. That members note completion and key messages arising from the above audits.

Nyall Meredith

Chief Internal Auditor

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Background documents:

Audit Reports within the internal audit division.