

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT TO AUDIT COMMITTEE  
26<sup>th</sup> August 2009**

**REPORT OF THE CORPORATE DIRECTOR - RESOURCES**

**COMPLETED AUDITS**

**1. Purpose of Report.**

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

**2. Connection to Corporate Improvement Plan / Other Corporate Priority.**

2.1. Internal Audit's work impacts on all of the Corporate Improvement Plan/other corporate priorities.

**3. Background**

3.1. Internal Audit conducts reviews according to an annual audit plan and reports findings to Audit Committee.

**4. Current situation / proposal.**

4.1. Recently completed audits are summarised in the following table:

Report	System Overview	Report Issued	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Bridgend Recreation Centre	This was a primarily financial audit of the centre following on from previous concerns over bars and catering operations previously reported to Committee.	May 2009	30 days	<p>It is pleasing to note that cash handling has significantly improved and the financial performance of the bar operation has also improved. The Waterfront Café has been closed saving in the region of £30,000 p.a.</p> <p>Our overall opinion is that the controls in place are operating effectively. Management are working on a business plan specific to the centre to further improve the control environment.</p> <p>We intend to revisit the bar operation to ensure improvements are sustained.</p>	Adequate Assurance	June 2009
Maesteg Pool (Follow Up review)	The previous audits of this centre identified significant weaknesses in control resulting in limited assurance that key risks are controlled.	June 2009	6 days	<p>An interim manager has been in post since November 2008. Since this date notable improvements have been made and at the time of the audit there were plans to review and improve other areas of the centre's processes. We have highlighted the need to make changes to the system of ordering and paying for goods and services.</p> <p>It is hoped that the good work of the interim manager is built upon.</p>	Adequate Assurance	October 2009

Penceoed Pool (Follow Up review)	The previous audit in 2007/08 identified significant weaknesses in control resulting in limited assurance that key risks are controlled.	June 2009	5 days	There have been improvements in control since the time of the original audit. We have made recommendations relating to the ordering and payment system, timesheets and GP referral processes.	Adequate Assurance	September 2009
Sports & Leisure Procedures	Sports & Leisure Centres are guided by a large set of written procedures. It has become apparent that many of these needed to be revised.	N/A	15 days	On the request of Sports & Leisure Management, Internal Audit has reviewed the procedures and made recommendations for changes. In addition, Internal Audit has identified minimum controls which should be in place at all centres to guard against key risks. These 'Golden Rules' have been issued to Sports & Leisure Managers for comment and will be finalised in due course.	N/A	N/A
TLMs (Leisure Management System)	The Leisure Management System (TLMs) is utilised at every reception desk and also in the back office areas of the Authority Leisure Centres. It is used as a till system and holds the details of all Bridge Card holders in the Borough.	July 2009	5 days	The TLMs system is performing the functions expected of it at all Leisure Centres. The computer hardware running the system is old and below standard in the majority of cases. A method of photographing customers applying for a leisure card, in order to identify them at point of sale, has yet to be implemented. The Systems Administrator is based at IT and some form of technical expertise is needed outside of IT working hours.	Adequate Assurance	October 2009 & 1 <sup>st</sup> quarter 2010 December 2009 October 2009

ICT Centralisation	<p>Prior to April 2007, ICT in Bridgend County Borough Council comprised a core ICT department and several departmental ICT units which were formed initially by the user departments to meet their specific needs. However divergent infrastructures, escalating support cost, incompatibility of 'user' software with core applications and new legislation meant that a rethink of the model was required.</p> <p>Consequently a decision was taken to centralise ICT: in respect of budgets and staff.</p>	July 2009	18 days	<p>Although most of the staff have undertaken security training, the importance of security should be reiterated given the sensitive nature of the data held e.g. bank account details.</p> <p>The centralisation process is fully compatible with defined business objectives.</p> <p>There has been a significant saving in ICT expenditure, £720k, along with a 50% decrease in orders placed and invoices paid in 08/09 compared to 06/07 (which represents an efficiency saving in terms of resource time for the Authority).</p> <p>A key part of centralisation, the 3 year rolling program (replacing PCs and laptops), has allowed the Authority to prioritise resources when required e.g. upgrades to equipment in the Children's Directorate were supplied ahead of schedule.</p> <p>Central control has meant that policies &amp; procedures concerning ICT practices and required by legislation, can be implemented throughout the Authority.</p> <p>Better use has been made of staff skills, which can now be deployed on a more corporate level.</p> <p>There have been unplanned ICT purchases made by Directorates</p>	Adequate Assurance	<p>April 2010</p> <p>March 2011</p> <p>September 2009</p>
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Education Grants work.		August 2009	1.5 days each	<p>outside the centralised budget, which may not have been assessed for support costs and sustainability.</p> <p>There is question of ownership (of data, business change and system contact) which requires clarification, especially with hosted or partnership based applications.</p> <p>Indications are that further centralisation would prove beneficial to the Authority.</p> <p>The documentation relating to the expenditure incurred was reviewed to ensure it complied with the Terms of Conditions of the grant. For the grants reviewed no issues were identified and the necessary assurance could be provided to WAG.</p>	N/A	N/A
					N/A	N/A

4.3 Members are invited to raise any issues on these audits or to request the production of a fuller report at the next meeting.

**5. Effect upon Policy Framework& Procedure Rules.**

5.1. None

**6. Legal Implications.**

6.1. There are no legal implications.

**7. Financial Implications.**

7.1. None

**8. Recommendation.**

8.1. That Members note the report

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**26<sup>th</sup> August 2009**

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**Background documents**

Internal Audit reports relating to the above audits held within the Internal Audit Division