

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT TO AUDIT COMMITTEE**

**6<sup>th</sup> January 2010**

**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 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	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Centralisation of Human Resources Project	Internal Audit was asked to carry out a review of this project to identify lessons learned that can be applied to future projects within the Authority.	December 2009	33	<p>Significant financial savings were made as a result of the centralisation which itself was completed in a relatively short timescale. In addition the implementation of the project resulted in a major cultural shift for BCBC. There were difficulties in resourcing the project and some objectives were not met. It is submitted that the original targets were overly ambitious. However, the Project Management Toolkit now in place should address the key risks identified in this project. The full report is attached as Appendix A for Members' information.</p> <p>The Assistant Chief Executive, Corporate Development &amp; Partnerships, will be present at the meeting to answer any queries the Members may have.</p>	Not Applicable	Implemented
Creditor Payments	The Authority pays over £150m per year to suppliers. The audit reviewed central controls and transactions in the Communities Directorate.	November 2009	41	<p>Central controls over activities such as creation of supplier accounts and timely payments were seen to be working well. Recommendations have been made to Communities Directorate in relation to ordering goods and services and retaining an adequate audit trail for all</p>	Adequate Assurance	January 2010

Establishments (Children & Adults')	There are over 30 establishments managed by the Authority including residential and respite care, day centres and mental health support units.	December 2009	16	<p>transactions. The introduction of e-procurement will address many of the issues raised.</p> <p>The review focussed on the inspection regime in place by other agencies/ parties to prevent duplication of work by Internal Audit and to aid the formation of the Chief Auditor's annual opinion. The audit opinion was that substantial assurance can be taken from this work and management has agreed to ensure Internal Audit receives all reports (internal and external) and schedules of inspections. We have highlighted that attendance of Members on Rota Visits could be improved and have suggested these visits be reported to the relevant Overview and Scrutiny Committee.</p>	Substantial Assurance	December 2009
Risk Management	The current risk management policy defines risk as 'any potential development of occurrence which would jeopardise the Authority's ability to achieve its strategic aims or provide services as planned'. There are a number of controls in place to manage this including the Joint Risk Assessment, Programme Management Board and Quarterly Business Reviews.	December 2009	22	<p>There are a number of strengths and good practice including identification of key risks aligned with business objectives, a well embedded QBR process and risk register regularly reviewed.. Children's Services business plan has shown how it plans to mitigate risks which have been identified. The audit recommendations included completing the review of the Risk Management Policy and the role and make up of the Risk Management Group.</p>	Adequate Assurance	March 2010

<p>Redevelopment of Civic Offices</p>	<p>This was a review of the contract to make the physical changes to the reception area as part of the Customer Care Programme. Final design was agreed in October 2007 and the work was completed in July 2008.</p>	<p>November 2009</p>	<p>15</p>	<p>The work had to be undertaken whilst services were still provided to the public. The result was a welcoming and modern service area meeting the objectives of a light, bright and informal customer service centre. A post project review was undertaken by the project team facilitated by the Centre of Excellence. No significant recommendations were made in the audit report.</p>	<p>Adequate Assurance</p>	<p>n/a</p>
<p>Insurance Services (Follow Up)</p>	<p>The service manages the insurable risks on behalf of the Authority. It gives advice on what perils should be insured and seeks best value when obtaining cover.</p>	<p>December 2009</p>	<p>Part of general follow ups budget.</p>	<p>It is pleasing to note that almost all the recommendations were implemented. Since the audit we have been assured that a reconciliation between insurable buildings and the asset register has been completed. We have made suggestions in respect of inspections of plant and equipment.</p>	<p>Adequate Assurance</p>	<p>December 2009</p>

4.2 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

**Gareth Moss**  
**Director of Resources**  
**18<sup>th</sup> November 2009**

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**Background documents**

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