

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 May 2010

REPORT OF THE HEAD OF PROPERTY & FINANCE

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 and 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 |
|---------------------|--|-----------------------|-------------------|---|-----------------------|------------------------------|
| Purchasing Cards | The use of purchasing cards is an initiative to save resources previously used in processing orders and related invoice payments. | February 2010 | 7 | See attached report (Appendix A) | Limited Assurance | March 2010 |
| Main Accounting | The main accounting system records the Authority's financial status enabling setting and monitoring of budgets and producing the statutory financial accounts. | March 2010 | 11 | The system is well controlled. Areas of strength include detailed documented procedures, strong support to service managers for budget monitoring and regular review and clearance of suspense accounts. | Substantial Assurance | N/A |
| Treasury Management | This system manages the Authority's cash balances, invests cash when surplus to immediate need and undertakes prudential borrowing. | April 2010 | 9 | There have been a number of recent regulatory changes which the team has managed well. There is a strong process of reporting to officers and Members. The Authority has been prudent in its investment activities. | Substantial Assurance | N/A |
| Council Tax & NNDR | There are approximately 59,000 council tax and 4,000 business properties subject to tax. Bridgend collects | April 2010 | 20 | Collection rates were close to target. Strengths were noted in reconciliations with the Valuation Office and extra work over and above | Adequate Assurance | July 2010 |

| | | | | | | |
|---------------------------------|---|------------|----|--|----------|------------|
| | approximately £38m in Council Tax and £47m in business rates. Bridgend is a net payer into the NNDR pool of £2.5m | | | this information. We have made suggestions regarding part of the reconciliation process and old suspense items. | | |
| Adult Community Learning | The service provides approximately 250 courses to circa 2000 students. Funding comes from the Welsh Assembly Government and Bridgend College. The service has suffered a severe reduction in funding and has adapted well. It has received new European funding for projects aimed at helping people into work. | April 2010 | 21 | Good processes of self assessment, monitoring of quality of provision and budgets were evident. Recommendations included improved business planning, including risk assessment and financial reconciliations. We have suggested that CRB checks of all staff are not necessary, however management disagree. | Adequate | July 2010 |
| Ynysawdre Swimming Pool Project | Cabinet approved the redevelopment of the pool in 2003 and the new pool opened in 2008. The original estimate for the project was £3.3m. The final cost was £7m. | April 2010 | 14 | We found some aspects of the project were well controlled with significant decisions made by Members. A significant unexpected risk related to the ground conditions. The Authority used external experts in pool design and build, however, we have made suggestions for improved management of consultants in future projects. | Adequate | April 2010 |

4.2 Members will note the opinion of limited assurance in respect of Purchasing Cards. An extract of the report is attached as Appendix A and management attendance at the committee has been requested.

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 There are no financial implications regarding this report.

8. Recommendation.

8.1 That the Committee note the report.

Allan Phillips
Head of Property & Finance
31 March 2010

Contact Officer: Helen Smith
Chief Internal Auditor

Telephone: (01656) 754901

Email: internalaudit@bridgend.gov.uk

Postal address: Bridgend County Borough Council
Internal Audit
Brackla House
Brackla Street
Bridgend
CF31 1BZ

Background documents:

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