

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

29 NOVEMBER 2012

REPORT OF THE ASSISTANT CHIEF EXECUTIVE - PERFORMANCE

INFORMATION AND ACTION REQUESTS BY COMMITTEE

1. Purpose of Report .

1.1 To summarise for Members the actions and information requests made by the Audit Committee.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities.

2.1 Internal Audit's work impacts on the Corporate Improvement Objectives 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 A summary of actions and information provided is contained in the following table:

Audit Committee Date	Action /Request	Officer Responsible	Comment	Current Status
25 th April 2012	The Insurance and Risk Officer said that he would look into the subject of insurance and planning further and report back to the Committee.	Insurance and Risk Officer	Members received a verbal response at the Committee meeting held on 4 th October 2012	Complete
26 th September 2012	A Member of the Committee asked for an update on whether the SIMS dinner money module had been implemented and how many Schools had signed up to using the system.	Chief Internal Auditor	Members received a verbal response at the Committee held on 4 th October 2012	Complete
4 th October 2012	A Member of the Committee queried the wording in the Internal Audit Terms of Reference (TOR) relating to the Rotation of Staff and asked that the TOR be amended to reflect the outcome of the discussion.	Chief Internal Auditor	The existing wording reads “ <i>In order to ensure objectivity the work assignments of internal auditors should be rotated from time to time where this is possible.</i> ” This has now been amended to “ <i>In order to ensure objectivity the work assignments of internal auditors will be rotated from time to time and where this is not possible; this will be reported to the Audit Committee.</i> ”	Complete
4 th October 2012	In terms of the Internal Audit Strategy; in particular 16.1, a Member considered that the wording of these should be revised so as to reflect that the Internal Audit Section are adopting a more robust approach to any suspected internal financial irregularities	Chief Internal Auditor	Currently 16.1 of the Strategy reads :- <i>Internal Audit will apply a risk-based systematic audit approach based on independent acquisition and examination of relevant evidence. Through its work Internal Audit will:</i>	Complete

			<p><i>Alert managers to significant risks and control weaknesses</i> <i>Assist management with its responsibilities for establishing and maintaining systems of internal control.</i> <i>Provide managers with assurance on the adequacy of their systems of internal control.</i> <i>Advise managers, and provide assistance where necessary, on the investigation of suspected internal financial irregularities.</i> <i>Maintain a record of suspected internal financial irregularities and report significant issues to the Audit Committee.</i></p> <p>The proposal is to add the following wording to this part of the Strategy:-</p> <p>Internal auditors will be alert to the possibility of intentional wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest. They will ensure that any suspicions of fraud, Corruption or improper conduct is promptly reported to the Chief</p>	
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			<p>Internal Auditor in accordance with the Council's laid down procedures and fully investigated.</p> <p>Where Fraud and / or irregularity investigations occur; specialist skills and knowledge will be provided by Internal Audit to assist in an investigation, or lead an investigation where appropriate; and</p> <p>Internal Audit will assess fraud prevention controls and detection processes to ascertain their effectiveness and report their findings and recommendations to Senior Management.</p>	
4 th October 2012	Report back to Members upon the issue regarding a number of Invoices previously raised with RCT in dispute and not as yet having been paid.	Chief Internal Auditor	Awaiting further information	Outstanding

5. Effect upon Policy Framework& Procedure Rules.

5.1 None

6. Equality Impact Assessment.

6.1 There are no equality issues.

7. Financial Implications.

7.1 There are no financial implications regarding this report.

8. Recommendation.

8.1 That the Committee notes this report.

**Ness Young
Assistant Chief Executive - Performance**

19th November 2012

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