

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

29 NOVEMBER 2012

REPORT OF THE ASSISTANT CHIEF EXECUTIVE - PERFORMANCE

AUDIT COMMITTEE – RECOMMENDATIONS MADE

1. Purpose of Report.

1. To present to Members the report on the recommendations made since 1st April 2012, in accordance with the Audit Committee's Forward Work Programme.

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

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

3. Background

- 3.1. The primary purpose of Internal Audit reporting is to communicate to management within the organisation information that provides an independent and objective opinion on the control environment and risk exposure and to prompt management to implement agreed recommendations for improvement.

4. Current situation / proposal

- 4.1. In order to assist the Audit Committee in ensuring that due consideration has been given by the Committee to all aspects of their core functions a summary of the recommendations made by Internal Audit since 1st April 2012 prioritised according to risk is detailed in table 1 below.

Table 1

| Description | No of Recommendations Made | No of Management Responses Received | No of Recommendations Awaiting Response |
|---|-----------------------------------|--|--|
| Fundamental – action imperative to ensure that the Authority is not exposed to high risks; | 1 | 1 | |
| Significant – action necessary to avoid exposure to significant risks; | 59 | 35 | 24 |
| Merits Attention – action that is desirable and should result in enhanced control or better value for money (VFM); | 150 | 85 | 65 |
| Total | 210 | 121 | 89 |

4.2 The recommendations made are graded according to their importance (Fundamental, Significant and Merits Attention). In addition, each recommendation will be grouped by risk. The risk categories are as follows:

- A – Accomplishment of Objectives;
- C – Compliance;
- E – Value for Money;
- R – Reliability and Integrity of Information;
- S – Safeguarding Assets;
- X – Governance.

4.3 Table 2 below details the number of recommendations made grouped by risk.

Table 2

| Risk Category Description | No of Fundamental Recommendations | No of Significant Recommendations | No of Merits Attention Recommendations |
|--|--------------------------------------|--------------------------------------|--|
| A – Accomplishment Of Objectives | 0 | 5 | 12 |
| C – Compliance | 1 | 25 | 69 |
| E – Value for Money | 0 | 0 | 4 |
| R – Reliability and Integrity of Information | 0 | 15 | 26 |
| S – Safeguarding Assets | 0 | 11 | 23 |
| X – Governance | 0 | 2 | 10 |
| Y – Corporate Impact | 0 | 0 | 3 |
| Z – Self Assessment | 0 | 1 | 3 |
| Total | 1 | 59 | 150 |
| Extracted from APACE as at 6 th November 2012 | | | |

4.3 Table 3 below provides further analysis of the 59 significant recommendations. It provides details of the number of recommendations closed; the number of recommendations not yet implemented and the number of recommendations awaiting a response as at the time the data was extracted from the APACE system on 6th November 2012. Members are advised that the one Fundamental Recommendation shown in Tables 1 and 2 has been implemented.

Table 3

| Risk | Awaiting Response | No Closed | No not yet Implemented | Target Dates for Implementation |
|------|-------------------|-----------|------------------------|---|
| A | | 1 | 4 | 3 overdue; 1 x March 2013 |
| C | 5 | 12 | 8 | 5 overdue; 2 x Nov 2012 and 1 x Dec 2012. |
| E | | | | |
| R | 4 | 8 | 3 | 2 overdue; and 1 x April 2013. |
| S | 9 | | 2 | 2 x Dec 2012 |
| X | | 2 | | Implemented |
| Y | | | | |
| Z | | 1 | | Implemented |
| | 18 | 24 | 17 | |

4.4 The table shows that 17 recommendations have not yet been implemented; 12 of which are overdue the target date set. These are being followed up with the relevant managers in accordance with the agreed protocol.

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. None

8. Recommendation.

8.1. That Members give due consideration to the Implementation of Recommendations report to ensure that this aspect of their core functions is being adequately reported.

Ness Young
Assistant Chief Executive - Performance
29th November 2012

Contact Officer: Helen Smith – Chief Internal Auditor

Telephone: (01656) 754901

E-mail: internalaudit@bridgend.gov.uk

Postal Address

Bridgend County Borough Council
Internal Audit
Innovation Centre
Bridgend Science Park
Bridgend CF31 3NA

Background Documents

None