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**Bridgend County Borough Council**  
Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



Civic Offices, Angel Street, Bridgend, CF31 4WB / Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB

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Our ref / Ein cyf:  
Your ref / Eich cyf:

**Date / Dyddiad:** Dydd Gwener, 14 Tachwedd 2014

Dear Councillor,

**AUDIT COMMITTEE**

A meeting of the Audit Committee will be held in Committee Rooms 2/3, Civic Offices, Angel Street, Bridgend on **Dydd Iau, 20 Tachwedd 2014 at 2.00 pm.**

**AGENDA**

1. Ymddiheuriadau am absenoldeb  
To receive apologies for absence (to include reasons where appropriate) from Members/Officers
2. Datganiadau o fuddiant  
To receive declarations of personal and prejudicial interest (if any) from Members/Officers in accordance with the provisions of the Members' Code of Conduct adopted by Council from 1 September 2008
3. Cymeradwyaeth Cofnodion 3 - 10  
To receive for approval the minutes of a meeting of the Audit Committee dated 25 September 2014
4. Audit Committee - Annual Audit Letter 2013-14 11 - 16
5. WAO Performance Work 2014-15 17 - 22
6. WAO Local Authority arrangements to support Safeguarding of Children 23 - 42
7. Information and Action Requests 43 - 44
8. Review Annual Governance Statement 2013-14 45 - 70
9. The Corporate Risk Assessment 2014-15 71 - 90
10. Housing and Council Tax Benefit Fraud Investigation Outturn 2013-14, etc 91 - 96

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11.	<u>Internal Audit - Outturn report April - October 2014</u>	97 - 114
12.	<u>Completed Audits</u>	115 - 124
13.	<u>Blaenraglen Waith</u>	125 - 128
14.	<u>Materion Brys</u> To consider any other item(s) of business in respect of which notice has been given in accordance with Rule 4 of the Council Procedure Rules and which the person presiding at the meeting is of the opinion should by reason of special circumstances be transacted at the meeting as a matter of urgency	
15.	<u>Exclusion of the Public</u> The report relating to the following item is not for publication as it contains exempt information as defined in Paragraph 14 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007	
16.	<u>Porthcawl Harbour Review</u>	129 - 144

Yours faithfully

**P A Jolley**

Assistant Chief Executive Legal and Regulatory Services

**Distribution:**

Councillors:

E Dodd  
G Davies  
GW Davies MBE  
DK Edwards

Councillors

CA Green  
RC Jones  
JE Lewis  
JR McCarthy

Councillors

M Reeves  
C Westwood  
HM Williams  
RE Young

# Agenda Item 3

AUDIT COMMITTEE - 25 SEPTEMBER 2014

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOM 2/3,  
CIVIC OFFICES, ANGEL STREET, BRIDGEND ON THURSDAY, 25 SEPTEMBER 2014 AT  
2.00PM

Present:

Councillors

G Davies  
G W Davies MBE  
E M Dodd

Councillors

C A Green  
R C Jones  
J E Lewis

Councillors

J R McCarthy  
M Reeves  
C Westwood

Councillors

H M Williams  
R E Young

Co-opted Member: Mrs J Williams

Officers:

N Young - Corporate Director – Resources and Section 151 Officer  
G Lewis - Deputy Section 151 Officer  
H Smith - Chief Internal Auditor  
E Samways - Group Auditor  
M Williams - Chief Accountant  
K Price - Finance Manager – Financial Control  
M Arthur - Manager - KPMG  
D Gilbert - Director - KPMG  
S Barratt - Appointed Auditor - Wales Audit Office  
J Monks - Democratic Services Officer - Committees

## 132 ELECTION OF CHAIRPERSON

RESOLVED: That Councillor E M Dodd was elected Chairperson of the Audit Committee.

Councillor Dodd then took the Chair.

## 133 ELECTION OF VICE-CHAIRPERSON

RESOLVED: That the Committee agreed to appoint Councillor G Davies as Vice-Chairperson of the Audit Committee.

## 134 APOLOGIES FOR ABSENCE

Apologies were received from Councillor D K Edwards who was on holiday.

## 135 DECLARATIONS OF INTEREST

None.

## 136 MINUTES OF PREVIOUS MEETINGS

RESOLVED: That the minutes of a meeting of the Audit Committee held on the 18<sup>th</sup> June 2014 were approved as a true and accurate record.

## 137 WALES AUDIT OFFICE PERFORMANCE WORK 2014/15

The Corporate Director - Resources presented a report to submit the Appointed Auditor's Annual Letter in respect of the audit performance work and associated fees for 2014/15, attached at Appendix A to the report, and also an update on the current status of the planned

work, attached at Appendix B. The Appointed Auditor - WAO informed the Committee that his office was responsible for the Performance Audit Programme at Bridgend, which is undertaken jointly with KPMG, which was a Standard Regulatory Programme.

In response to a question, the WAO Auditor informed the Committee that there had been a reduction in the fee since last year as a result of the Audit General undergoing a restructure. It was found that of the three Bands, Bridgend was currently in the minimum performance Band owing to the nature of the risk facing the Council going out to consultation for fees for next year. He advised that the Audit General was mindful of the financial situation all local authorities were facing.

RESOLVED: That the Committee gave due consideration to the attached documents to the report to ensure that all aspects of their core functions were being adequately reported.

138 AUDITED STATEMENT OF ACCOUNTS 2013-14

The Section 151 Officer submitted a report to present the final Statement of Accounts for 2013-14 attached at appendix A to the report, which were due to be signed off by the external auditors, and associated Letter of Representation of the Council.

The Audit Manager - KPMG took Members through the Audit of Financial Statements report, which sets out the issues that the external auditors are required to report on, and summarises the outcomes of work and areas which require attention by the Authority.

He explained that the audit had gone smoothly, with good support from Officers in the Finance Department who produced a good, accurate set of accounts. He explained that it was not KPMG's role to sign off the Financial Statement, but to recommend to the WAO, and they had recommended an unqualified positive outcome. He advised that a couple of issues were highlighted, requiring some adjustments that had now been incorporated into the audited statement. They had also made two recommendations, which had been positively responded to by BCBC officers. He informed the Committee that the report had not included financial statements for County Borough Supplies and Coychurch Crematorium which were audited separately.

The Committee congratulated the finance team on their unqualified reports and the Deputy Section 151 Officer formally thanked KPMG for their professionalism and hard work in completing the Statement of Accounts on behalf of the Authority.

The Finance Manager explained that his Team was responsible for producing a Statement of Accounts on behalf of the Authority to comply with both Statutory Regulations and proper Accounting practice, in order to present a true and fair view of both income and expenditure for the financial year ending 31 March 2014, and the balances and reserves of the Council as at 31 March 2014. The Council Fund balance itself had risen from £7.320m on the 31<sup>st</sup> March 2013 to £7.395 as at 31<sup>st</sup> March 2014.

He explained that it was a requirement to also recognise the impact that transactions had on the Authority's general fund and Council Fund, which required the production of supporting information to illustrate how the published Accounts reconciled to the Council's outturn position.

One Member asked for an explanation as to why in 2013 there was a deficit as opposed to a surplus of over £91m in this financial year

This was explained to be largely due to a gain on the Authority's pension fund for 2013-14, calculated by an independent Actuary.

A Member asked for details of the Escrow account.

The Chief Accountant explained that the Escrow account related to the Asda development in Bridgend town centre where Bridgend Town Football Club was required to move out of their Coychurch Road site. A planning condition attached to this move was that a sum of money be held by the Authority in an Escrow account on behalf of the club for a period of five years, to enable the Club to secure a replacement site and facilities within the Borough. Recent activity has occurred where Bryntirion Football Clubs had merged with Bridgend FC and work had now commenced on two new pitches in Bryntirion and the Pencoed Campus in Bridgend College.

Another Member requested detailed information on the dispute between the Authority and the Contractor over the final costs of the Bridgend Resource Centre's capital contract.

The Finance Manager confirmed that the dispute was ongoing. The Deputy Section 151 Officer confirmed that she would report back to the Committee on the findings of the case.

RESOLVED: That the Committee:

- Approved the audited Statement of Accounts 2013-14;
- Noted and agreed the Final Letter of Representation to the Wales Audit Office;
- Noted the Appointed Auditor's Audit of Financial Statements Report.

#### 139 TREASURY MANAGEMENT REPORT

The Chief Accountant presented a report to update the Committee on the outturn position for Treasury Management activities, Treasury Management and prudential Indicators for 2013-14 and to highlight compliance with the Council's policies and practices prior to them being reported to Cabinet and Council.

She advised that the Council had complied with its legislative and regulatory requirements with full Council approval for the financial year 2013/14 as part of the Medium Term Financial Strategy (MTFS). Council also approved the Half Year report in November 2013, and Quarterly Monitoring reports had also been approved by Cabinet. She informed Members that the Authority hadn't undertaken long or short term borrowings during this period, due to the Councils' reserves and balances, nor had there been any debt rescheduling. There were favourable cash flows during the year, which meant that on the balance sheet dated 31<sup>st</sup> March 2014 investments totalled £10.5m with an average interest rate of 0.59%, which was an improvement on 0.51% at the beginning of the year. The bank base rate currently stood at 0.5%, which indicates that returns generated were in excess of this..

She continued by informing the Committee that the Council was in the process of retendering for its banking services following the Co-operative Bank's withdrawal from the Local Government market, and the new banking contract would be in place from the 1<sup>st</sup> January 2015.

Finally, she advised the Committee that the Treasury Management function for 2013-14 had been reviewed by both Internal and External Audit; and Internal Audit had issued an audit opinion of 'substantial assurance' with no control weaknesses identified, or recommendations made.

One Member asked whether it was unusual not to have short term borrowing.

The Chief Accountant explained that it was not unusual given the way the Authority manages its finances, and given the fact that it was 'cash rich' during this period. The Authority, had in effect, borrowed from its own internal reserves. However, she stressed that it would likely reach the stage where the Authority would eventually be required to borrow as usable reserves diminish, which was a familiar position with local authorities throughout Wales.

A Member drew attention to the table shown at Appendix A, on page 170 of the report, and requested an explanation to the net debt which had increased by £0.48m, against the investment which had decreased by £5.2m.

The Finance Manager explained that the gross debt position as at the 31<sup>st</sup> March 2014 was £118m, which had only marginally changed from last year. The Chief Accountant explained that the reason for the increase in long term liabilities was the result of work on the HALO contract which was part way through the financial year 2013/14, and completion of the capital works on the Bridgend Recreation Centre. The Finance Manager added that the main reason for the Net Debt variance was a reduction in variable rate investments. This would simply have reflected the cash the Authority had at 31 March 2014, which had reduced by £5.2m from 31 March 2013.

RESOLVED: That the Committee noted the Annual Treasury Management activities for 2013-14.

#### 140 INFORMATION AND ACTION REQUESTS

The Chief Internal Auditor welcomed the Corporate Director – Resources to the meeting, on her phased return to work.

The Chief Internal Auditor presented a report, the purpose of which was to summarise for Members the actions and information requests made by the Audit Committee. A summary of actions and information provided was contained in the table shown at paragraph 4.1 of the report and she confirmed that there were no outstanding requests.

The Deputy Section 151 Officer explained that she had been employed in her role since July this year, following a quick response to the Audit Committee's concern over the statutory obligations of the Section 151 Officer being fulfilled, in the absence of the Corporate Director – Resources, whose role also covered that of the Section 151 Officer. She commented that she had agreed with the Committee's decision to send a letter to the Chief Executive expressing its concerns, as it was a proper governance issue. She informed Members that there had been discussions with the Legal Department regarding the Section 151 Officer title role, which was appointed by Council, and the Corporate Director - Resources still held the title, albeit that she could not currently fully undertake those functions. She advised that even though she was appointed Deputy Section 151 Officer, she was still legally able to undertake the functions of the Section 151 Officer and was committed to continue carrying out those responsibilities until such time as the Section 151 Officer fully resumed her duties.

RESOLVED: That the Committee noted the report.

#### 141 COMPLETED AUDITS

The Chief Internal Auditor introduced a report, the purpose of which was to summarise for Members the findings of the audits completed by the Internal Audit Shared Service. Appendix B summarised those finalised audits carried forward from 2013/14.

The Chief Internal Auditor reported that a recent procurement audit was carried out by Newport City Council on behalf of the Authority and other member Authorities, in accordance with the

Welsh Purchasing Consortium arrangement for the provision of agency staff. A reasonable audit opinion was given and a recommendation made in relation to ensuring that appropriate checks are carried out on agency staff.

An audit was carried out on the Carbon Reduction Committee (CRC) Energy Management Return, which was given a substantial audit opinion. It was recommended that Management should ensure that there is adequate segregation of duties for staff in the Energy Management Section.

The Building Maintenance Service was issued with a reasonable audit opinion; however the process for out-of-hours calls was over-complicated due to the unnecessary involvement of the Highways Section which resulted in duplication and differing recorded details.

An audit on taxi licensing was given a substantial audit opinion, and it was noted that a number of strengths and areas of good practice were identified within the Licensing Department. She reported that there was good and open communication between Officers of the team and queries raised during the audit testing were seen to be actioned immediately.

In relation to the audit carried out on Park Income, the Chief Internal Auditor explained that the main issue was that a review should be carried out on all leases to ensure they were still relevant; also leases should be introduced where none currently existed.

Home to School Transport was one area highlighted for potential savings in the MTFs. It was given a substantial audit opinion, with a number of recommendations. She explained that following a review of bus contracts for 2014/15 and the indicated potential savings, instances where operators are tendering for more routes than they had the capacity to fulfil should be identified. The main recommendation was to ensure that operators who worked across local authorities were not at risk of trying to cover schools in both areas at the same time. She advised that there needed to be closer liaison with neighbouring authorities to ascertain what contractors they were using.

She reported that a reasonable audit opinion had been given to the audit carried out on the SEWTA Grant Verification and despite varying information being received from SEWTA, no recommendations were required.

The Learner Transport Project was given a reasonable audit opinion. She advised that this was an on-going review and would be revised after consultation due to go out this month, was completed.

The Chief Auditor informed Members that the Corporate Director -Resources had requested Internal Audit to review the Porthcawl Harbour Project. The project forms part of a wider plan to regenerate Porthcawl as part of the Swansea Bay Water Sports Centre of Excellence Programme. It was not appropriate to give an audit opinion as the review was undertaken to identify what lessons could be learnt going forward; a number of recommendations were made relating to future project management. She explained that information from the lead council, Swansea, was not forthcoming, which resulted in assumptions being made. However, she reported that the situation had now changed.

A Member asked whether the Committee would have sight of the full report and the Chief Internal Auditor advised that Members of the Committee were at liberty to request any Internal Audit report. The Member therefore requested that the Internal Audit Report on Porthcawl Harbour be brought to the next Audit Committee meeting.

A Member asked whether an audit would be given a substantial audit opinion if there were no recommended actions from the work carried out in a review, e.g. Learner Transport.

The Chief Auditor explained that it was not an exact science and a review such as the Learner Transport it could be given reasonable assurance, yet contain a large selection of recommendations and only the significant points were reported. It has to have an element of judgement as to how it is working.

RESOLVED: That the Committee gave due consideration to the implementation of recommendation report to ensure that this aspect of their core functions is being adequately reported.

142 INTERNAL AUDIT-OUTTURN REPORT - APRIL TO AUGUST 2014

The Chief Internal Auditor presented a report, the purpose of which was to inform the Committee of the actual Internal Audit performance against the five months of the audit plan year April 2014 to August 2014. The Plan had provided for a total of 1,130 productive days to cover the period April 2014 to March 2015, and a summary of commenced and ongoing audits during the period April to August 2014 were detailed under Appendix A.

She referred Members to Section 3 of the Head of Audit's ongoing opinion report attached at Appendix B and advised that a risk based approach to the planning had taken into consideration resources available at the time. She reported that so far this year, one Officer had returned to work after long term sickness absence; although on returning that Officer had requested a move to part time work which was expiated. Another member of staff had left to take up another post in London, and she had just been informed that one of the Group Auditors was due to go into hospital in October, and would be on sick leave for a minimum of eight weeks. She advised that this would impact on service delivery whereby the internal work plan would need to be revisited and a risk assessment carried out, with the revised audit plan being brought to the Committee in due course to take account of the impact of staffing issues. She informed the Committee that it would effectively equate to a loss of 1.5 full time equivalent staff on the number of productive days.

The Chief Internal Auditor advised that since last November Internal Audit had undertaken Post Audit Assessments for each report completed. A total of 115 assessments had been evaluated and she was pleased to report that 6% of the assessments scored '5' as Auditors had identified areas of improvement in terms of efficiency and effectiveness, resulting in measurable savings and 75% have identified that staff are producing work of a high standard whereby:- the scope and objectives of the review have been met; working papers and evidence are of a good standard and relevant; testing supports the findings and conclusion drawn; the report produced is of a good standard, timely and accurate and finally the appropriate assurance level had been applied. The performance figures also showed that 551 actual productivity days were achieved amounting to 101% overall which meant the Section had exceeded expectations.

She informed the Committee that the overall response rate to the Client Satisfaction Surveys totalled 74%, which was higher than the response rate from the Vale of Glamorgan Council, and significantly higher than the 54% average for Wales.

RESOLVED: That the Committee gave due consideration to the Internal Audit Outturn Report covering the period April 2014 to August 2014 to ensure that all aspects of their core functions are being adequately reported.

143 IMPLEMENTATION OF RECOMMENDATIONS



The Chief Internal Auditor presented a report on the recommendations made since the 1<sup>st</sup> April 2014, in accordance with the Audit Committee's Forward Work Programme.

She suggested to Members that the implementation of recommendations reported could be incorporated into the Outturn as they are very much interlinked, and therefore would enable the Committee to give consideration to all aspects of the Internal Audit processes and procedures. It was agreed that this would be actioned from the next outturn report.

The Chief Internal Auditor reported that the intention was to streamline the process and procedures for efficiency and lean auditing. She informed Members that they constantly received comments about "merits attention" and explained that the reason was to convey that although there was control, there was margin for a more desirable and/or added value. The current system is time consuming, as the Auditors are required to manage the responses in order to keep the management system up to date and managers have to take the time to respond to such recommendations which can be over-burdensome. By implementing the new system, although the Auditors would continue to make the "merits attention" proposals, there would no longer be a need to report them, and by not demanding a response would assist the process.

A Member asked why Table 1 of the report did not include a description for "Value for Money".

The Chief Internal Auditor explained that the 16 recommendations were divided into different categories and the information extracted from the management system between April and August 2014 had no categories which necessitated recommendations for "Value for Money". She added that it did not rule the possibility that there would be recommendations to that effect in the future.

RESOLVED: That the Committee gave due consideration to the report on completed audits to ensure that all aspects of their core functions are being adequately reported.

144 FORWARD WORK PROGRAMME - 2014/15

The Chief Internal Auditor presented a report to update Members on the 2014 - 2015 Forward Work Programme (FWP) for the Audit Committee, attached at Appendix A to the report.

RESOLVED: That the Committee gave due consideration to the updated 2014-2015 Forward Work Programme to ensure that all aspects of their core functions were being adequately reported.

The meeting closed at 4.03pm.

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

### REPORT OF THE CORPORATE DIRECTOR RESOURCES

#### AUDIT COMMITTEE – ANNUAL AUDIT LETTER 2013-14

#### 1. Purpose of Report .

- 1.1 The purpose of this report is to submit the Appointed Auditor's Annual Audit Letter for noting attached as **Appendix A**.

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

- 2.1 Internal and External Audit's work impacts on the Corporate Improvement Objectives and other corporate priorities

#### 3. Background.

- 3.1 The Appointed Auditor has a statutory responsibility under the Public Audit (Wales) Act 2004 to:
- Provide an audit opinion on the accounting statements,
  - Review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
  - Issue a certificate confirming that the Appointed Auditor has completed the audit of the accounts.

#### 4. Current situation / proposal.

- 4.1 Attached to this report is the Annual Audit Letter which confirms that the Appointed Auditor issued an unqualified audit opinion on the accounting statements; confirming that they present a true and fair view of the Council's financial position and transactions.
- 4.2 The letter also confirms that the Appointed Auditor is satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.
- 4.3 The Appointed Auditor in accordance with the Public Audit (Wales) Act 2004 issued a certificate confirming that the audit of the accounts has been completed.

#### 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 the content of the Appointed Auditor's Annual Letter.

**Ness Young  
Corporate Director - Resources**

**06 November 2014**

**Contact Officer** Mary Williams

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**Background documents:**

None.



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Councillor M E J Nott  
The Leader  
Bridgend County Borough Council  
Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

Reference KPMG/BCBC/14/1  
Date 10 November 2014  
Pages 1 of 3

Dear Councillor Nott

### **Annual Audit Letter – Bridgend County Borough Council 2013-14**

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

#### **The Council complied with its responsibilities relating to financial reporting and use of resources**

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards.

On 29 September 2014, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on 25 September 2014.

This report stated that:

- we had no concerns about the qualitative aspects of your accounting practices and financial reporting, although we identified the need to review the approach to the valuation of the Council's property portfolio to be able to ensure and demonstrate that the carrying value of assets is not materially different to fair value at each year-end;
- we did not encounter any significant difficulties during the audit; and
- there were no significant matters discussed and corresponded upon with management which we needed to report.

Officers have agreed actions to address this property portfolio issue in future years.

**I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources**

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

**I issued a certificate confirming that the audit of the accounts has been completed on 29 September 2014.**

The financial audit fee for 2013-14 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Darren Gilbert".

**Darren Gilbert, KPMG LLP**  
**For and on behalf of the Appointed Auditor**

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

#### REPORT OF THE CORPORATE DIRECTOR - RESOURCES

##### WAO PERFORMANCE WORK 2014/15

#### 1. Purpose of Report

- 1.1 The purpose of this report is to submit an update on the Performance Audit Programme 2014-15 by the Wales Audit Office.

#### 2. Connection to Corporate Improvement Objectives / Other Corporate Priority

- 2.1 Internal and External Audit's work impacts on the Corporate Improvement Objectives and other Corporate Priorities.

#### 3. Background

- 3.1 The Local Government (Wales) Measure 2009 and the Local Government Act 1999 requires the Auditor General to carry out an annual Improvement Assessment to determine whether Bridgend County Borough Council is likely to comply with the requirements of Part 1 of the Measure. This involves:-

- A review of the Council's arrangements to secure continuous improvement;
- Improvement studies of areas which may hinder improvement or transformation or give rise to inefficiencies;
- Bespoke pieces of work related to the Council's improvement objectives and arrangements; and
- An audit of the Council's published improvement plans and its self-assessment of performance.

- 3.2 The Performance Audit Programme outlines work to be undertaken in the Council between April 2014 and March 2015 by and on behalf of the Auditor General under the Local Government (Wales) Measure 2009 and Parts 2 and 3A of the Public Audit (Wales) Act 2004.

#### 4. Current situation / proposal

- 4.1. A copy of the Performance Audit Programme update is attached at **Appendix A**.

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

- 5.1. None

#### 6. Equality Impact Assessment

- 6.1 There are no equality implications.

## **7. Financial Implications**

7.1 The fee for performance audit work for the 2014/15 will be £99,654.

## **8. Recommendation**

8.1 That Members note the update on the Performance Audit Programme for 2014-15.

**Ness Young**  
**Corporate Director - Resources**  
**20<sup>th</sup> November 2014**

**Contact Officer: Helen Smith**  
**Chief Internal Auditor**

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**E-mail: [internalaudit@bridgend.gov.uk](mailto:internalaudit@bridgend.gov.uk)**

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**BRIDGEND COUNTY BOROUGH COUNCIL**  
**Wales Audit Office performance work programme 2014-15**

Improvement Assessment 2014-15	Output	Status
<b>Local Study: Ensuring Performance Management drives further improvement (WAO)</b>	<b>Local Report</b>	<b>In progress with a focus on:</b> <ul style="list-style-type: none"> <li>• Adult Social Care</li> <li>• Children's social care (December 2014)</li> <li>• Resources directorate</li> </ul> Report February 2015
<b>Local Study: Effectiveness of current arrangements for identifying and making savings. Good governance in the consideration of alternative service delivery models</b>	<b>Local Report</b>	<b>In development</b>
<b>Audit of Annual Report</b>	<b>Certificate to confirm compliance with LG Measure</b>	<b>In progress:</b> Audit of Council's Annual Report. Certificate to be issued by WAO by 30 November 2014.
<b>Audit of Improvement Planning (setting improvement objectives for 2014-15)</b>	<b>Certificate to confirm compliance with LG Measure</b>	<b>Completed.</b> The Council has met its improvement planning duties.

Local Government All Wales /National Studies 2013-14	Output	Status
<b>Whistleblowing</b> Whistle blowing relating more to Governance framework and issues.	<b>National Report</b>	<b>Completed:</b> Findings are included in the local Safeguarding report
<b>Safeguarding</b>	<b>National Report and Local Summary</b>	<b>Completed.</b> (Included in 20 November 2014 Audit Committee Agenda)
<b>Impact of Welfare Reform on Social Housing</b>	<b>National Report and Shared Learning Event</b>	<b>Completed:</b> National report anticipated publication November /December 2014.
<b>Delivering with less – the impact on Environmental Health Services and citizens</b>	<b>National Report and Local Summary</b>	<b>Completed.</b> National report published 28 October 2014 <a href="http://www.wao.gov.uk/publication/delivering-less-%E2%80%93-impact-environmental-health-services-and-citizens">http://www.wao.gov.uk/publication/delivering-less-%E2%80%93-impact-environmental-health-services-and-citizens</a>

Local Government All Wales Studies 2014-15	Output	Status
<b>Financial Planning Assessment</b> To assess whether authorities have robust approaches in place to manage the budget reduction to secure a stable financial position, enabling them to continue to operate for the foreseeable future.	<b>National Report and Local Summary Report</b>	<b>In progress:</b> Draft report issued.
<b>Delivering with less – Leisure Services</b> A study involving all 22 local authorities to answer the headline question: <b>Are councils effectively delivering their leisure and recreation services with fewer resources?</b>	<b>National Report</b>	<b>In Progress</b>
<b>Independence of older people</b> A study involving all 22 local authorities to answer the headline question: <b>Are Councils working effectively to minimise demand for social care and health services for older people and supporting them to live independently at home?</b>	<b>National Report</b>	<b>In Progress</b>
<b>Regional Education Consortia (VFM Study)</b> To assess whether the Welsh Government's arrangements for regional consortia (are) likely to deliver the intended improvement in support to schools and local authorities.	<b>National Report</b>	<b>In Progress</b>
<b>Housing Benefit: Discretionary Housing Payments</b> Review will look at the management, customer focus, decision making and oversight of DHP monies	<b>Short National Summary and short local summary for inclusion in Annual Improvement Report</b>	<b>In Progress</b>

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

#### REPORT OF THE CORPORATE DIRECTOR - RESOURCES

#### WAO LOCAL AUTHORITY ARRANGEMENTS TO SUPPORT SAFEGUARDING OF CHILDREN

##### 1. Purpose of Report

- 1.1 The purpose of the report is to present to Members the findings of the Wales Audit Office review regarding Local Authority Arrangements to Support Safeguarding Children.

##### 2. Connection to Corporate Improvement Objectives / Other Corporate Priority

- 2.1 Internal and External Audit's work impacts on the Corporate Improvement Objectives and other Corporate Priorities.

##### 3. Background

- 3.1 During the period March to May 2014, the Wales Audit Office completed a review of the assurance and accountability arrangements of Bridgend County Borough Council (the Council) for ensuring that safeguarding policies and procedures are in place and are being adhered to.
- 3.2 The study examined what the Council itself has done to seek assurances that its arrangements to support safeguarding are effective by reviewing how the Council is discharging its safeguarding responsibilities at all levels.

##### 4. Current situation / proposal

- 4.1. The study focussed on answering the following question: **Do the Council's governance and management arrangements provide assurance that children are safeguarded?**
- 4.2. The main questions that the review sought to answer were:-
- Are there clear governance, accountability and management arrangements for overseeing whether the Council is meeting its safeguarding responsibilities to children?
  - Is the Council monitoring and evaluating appropriate information, which provides assurance that it is meeting its safeguarding responsibilities to children?
  - Are assurance systems operating effectively?
- 4.3 The report concludes that the arrangements for governance, accountability, management, monitoring, evaluating, identifying and acting on improvements is overall adequate but some improvements could be made. The WAO have also concluded that

overall whistleblowing arrangements are generally sound, but some weaknesses in training need to be addressed.

4.4A copy of the Wales Audit Office report on Local Authority Arrangements to Support Safeguarding of Children is attached at **Appendix A**.

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

5.1. None

## **6. Equality Impact Assessment**

6.1 There are no equality implications.

## **7. Financial Implications**

7.1 None.

## **8. Recommendation**

8.1 It is recommended that Members note the Wales Audit Office report attached as Appendix A.

**Ness Young**  
**Corporate Director - Resources**  
**20<sup>th</sup> November 2014**

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# Local Authority Arrangements to Support Safeguarding of Children

## **Bridgend County Borough Council**

**Audit year:** 2014-15

**Issued:** October 2014

**Document reference:** 329A2014

# Status of report

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This document has been prepared for the internal use of Bridgend County Borough Council as part of work performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

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The person who delivered the work was Melanie Watson of KPMG.

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# Summary report

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## Background

1. The safeguarding of children is everyone's responsibility. Local authorities have a statutory duty to have in place safeguarding arrangements which include strategic planning, support and guidance for all providers of relevant services in their area, and the direct provision of some services themselves. In particular, local authorities have a duty to work in partnership with others to secure the safeguarding and wellbeing of children in their area, including the Local Safeguarding Children Board (LSCB).
2. Employees and volunteers who work with children have specific safeguarding duties and responsibilities. Local authorities and schools must ensure through their Human Resources (HR) and personnel arrangements that adequate checks are in place to ensure that employees and volunteers are of good character and that their working practices are managed and monitored. Local authorities must also ensure that there are processes in place to investigate and record safeguarding allegations made against staff, teachers and support staff, and volunteers.
3. Members, Chief Executives and senior managers need to ensure that they have proper oversight of the safeguarding arrangements that are in place across the authority. They should actively seek and gain assurance that arrangements are operating effectively, as without this they will be unable to demonstrate that they have discharged their statutory obligation in respect of safeguarding.
4. During the period March to May 2014, the Wales Audit Office completed a review of the assurance and accountability arrangements of Bridgend County Borough Council (the Council) for ensuring that safeguarding policies and procedures are in place and are being adhered to. The study examined what the Council itself has done to seek assurance that its arrangements to support safeguarding are effective by reviewing how the Council is discharging its safeguarding responsibilities at all levels: Cabinet, senior management team, Scrutiny and individual officers.
5. The study focussed on answering the following question: **Do the Council's governance and management arrangements provide assurance that children are safeguarded?** The main questions that the review sought to answer were:
  - Are there clear governance, accountability and management arrangements for overseeing whether the Council is meeting its safeguarding responsibilities to children?
  - Is the Council monitoring and evaluating appropriate information, which provides assurance that it is meeting its safeguarding responsibilities to children?
  - Are assurance systems operating effectively?

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## Review findings and conclusions

6. We examined policies relevant to safeguarding; reports to Council, Cabinet and Scrutiny; and set out below our conclusions based on the extent to which the Council has put in place, and is operating, effective management and assurance processes and controls for safeguarding. As part of this study, we made available an online survey for elected members, senior managers, education, schools and leisure staff to test the Council's arrangements for safeguarding. Surveying is valuable because it provides an insight into the Council from the perspective of the people who make decisions and do the work. It also allows us to determine the relative strengths or weaknesses of local safeguarding arrangements and identify where councils can make improvements. The detailed survey findings for the Council are set out in [Appendix 1](#), although we include conclusions where relevant in each of the following sections.

### The governance, accountability and management arrangements for overseeing whether the Council is meeting its safeguarding responsibilities to children are adequate but some improvements could be made

7. The Council has agreed a protocol that clearly sets out the roles of officers and elected Members in relation to social services. This specifies that the person with ultimate responsibility for safeguarding is the Statutory Director of Social Services (Director of Well-being). The Council has a Corporate Parenting Cabinet Committee with wide membership across all Council directorates. The Children and Young People Overview and Scrutiny Committee reviews issues related to children's services including safeguarding.
8. The Council uses the All Wales Policies and Procedures to guide its work on safeguarding of children. The Council also has a suite of related policies and procedures in place. These include policies for grievance, disciplinary, adult education safeguarding, and taxi licensing. The Council has also informed us that they have policies in place to cover such issues as the health and safety of children on school trips and children's ICT usage. A Corporate Safeguarding Policy is currently being developed and the aim is to emphasise that safeguarding is 'everyone's business'.
9. The designated officer responsible for child protection is the Group Manager for Safeguarding and Quality Assurance who is based in children's social care and is line managed by the Head of Safeguarding and Family Support. This role covers the whole Council. Interviewees consistently commented that safeguarding 'was everyone's business'. Survey results indicate that in comparison with other councils in Wales, fewer staff in Bridgend knew who the designated officer was for child protection and fewer knew who the lead councillor was for child protection.

- 
10. The Council's corporate risk register clearly identifies safeguarding risks as part of wider risks to vulnerable people, identifies activities to reduce those risks and assigns responsibility to risk owners for each risk. Safeguarding risks are evident and explicit in social care business plans but less evident or explicit in non-social care business plans.

### The Council's arrangements for monitoring and evaluating its safeguarding responsibilities are adequate but some improvements could be made

11. A set of 25 Key Performance Indicators (KPIs) have been adopted to judge improvement in child protection and safeguarding. However, these mainly relate to Looked After Children (LAC) and are mostly statutory KPIs the Council is required to report its performance against. Monitoring takes place against previous years to identify declining or improving performance. Internal local PIs such as compliance with staff supervision are also monitored. An annual safeguarding report sets out wider information related to safeguarding activity, timeliness, and capacity. Data from schools is analysed to identify any need for safeguarding training or advice.
12. The Council has various systems in place to monitor, review and challenge performance. Whilst a lot of data is reviewed and monitored, officers recognise that the usefulness of this data varies. As a result the Council's Social Care Strategic Improvement Board is currently reviewing the performance information it uses to evaluate how well it is performing with the aim of identifying more meaningful measures to judge success.
13. Our survey found that fewer respondents in Bridgend believe that the Council deals effectively with specific incidents concerning safeguarding and protecting children and young people than other councils. Only 66 per cent of respondents to our survey strongly agreed or agreed with this statement compared with our survey average of 82 per cent. Likewise, the proportion that strongly agreed or agreed that the Council is good at safeguarding and protecting the children and young people that use its services and schools was much lower than the survey average, 64 per cent compared with the survey average of 85 per cent. A smaller proportion than the survey average also strongly agreed or agreed that the Council informs all parents how their children are safeguarded and protected when using Council services and schools, 39 per cent compared with the all-Wales survey average of 55 per cent.
14. Scrutiny arrangements for safeguarding are good and the Chair of Children and Young People Overview and Scrutiny Committee is very aware of the importance of safeguarding. There is evidence of this committee influencing policies and strategies agreed by the Portfolio Lead for Children. The senior leadership team has a good awareness of safeguarding and the issue is a standing item on each joint Corporate Management Board and Cabinet monthly meeting.

- 
15. The Council has sound systems in place, administered by the HR team, to ensure that all posts requiring Disclosure and Barring Service (DBS) checks are identified; that such post holders receive the checks when starting employment with the Council; and that these are refreshed every three years. Service specifications for relevant outsourced services identify the need for staff DBS checks and safeguarding training.
  16. Our survey found that 94 per cent of respondents in Bridgend are clear how their job contributes to safeguarding and protecting children and young people, close to the all-Wales survey average of 95 per cent. However, only 64 per cent stated that their responsibilities for safeguarding and protecting children and young people were explained to them when they started in their role in the Council/school, compared with the Wales survey average of 75 per cent.
  17. Systems are in place to ensure that social care, school, and youth service staff as well as elected Members, foster carers and governors receive training in safeguarding. Child safety is covered in the social care induction programme along with mandatory staff supervision that is monitored via established KPIs. Training is informed by findings from serious case reviews to ensure it is relevant and up to date. Staff have access to electronic guidance and policies. However, safeguarding does not feature in the corporate induction programme and the Council is below the survey average for the number of people who have received training on safeguarding in the last six months – 14 per cent compared with 32 per cent across Wales – and it has more people who say they have never received safeguarding training, 13 per cent of respondents compared with our survey average of 10 per cent.

### The Council's approach to identifying and acting on improvements in its safeguarding arrangements is adequate but some improvements could be made

18. Examples exist of internal audit activity related to safeguarding as part of an annual Council-wide programme rather than specific to Children's Services. Children's Services undertake a quality assurance programme of their own case-file audits. Safeguarding is high profile amongst Members.
19. There is some evidence that the Council is learning from its evaluations and making improvements accordingly. For example, results of serious-case reviews inform the content of training, and social-care teams were restructured as a result of feedback from service users about what worked well and what did not.
20. The Council takes account of changes in legislation or policy related to safeguarding and reports the implications to the relevant committees or Cabinet. The Council is taking appropriate action to improve its compliance with data-protection legislation.

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## Overall whistleblowing arrangements are generally sound, but some weaknesses in training need to be addressed

21. The Council adopted a new and updated Whistleblowing Policy in April 2014, following a review of the policy and whistleblowing arrangements by Internal Audit in 2013. The policy is clearly written, succinct and well-structured. It uses reassuring language to explain the importance of raising whistleblowing concerns. The Policy exists as a standalone document and is easily accessible on the Council's intranet. The Council is aware that a number of staff do not have computer access and has prepared an article for its staff newsletter about the policy to raise awareness. Clear guidelines for managers on application of the policy have also been published. The current whistleblowing policy has been subject to member challenge and scrutiny as part of the internal-audit review.
22. Caseload related to whistleblowing is very low. The Council has not done anything to check the level of awareness of the whistleblowing policy amongst its staff. The Council's HR advisors have completed disciplinary and grievance training which covers whistleblowing and managers are invited to contact the Monitoring Officers if they require training but opportunities exist to strengthen and expand training and staff awareness.

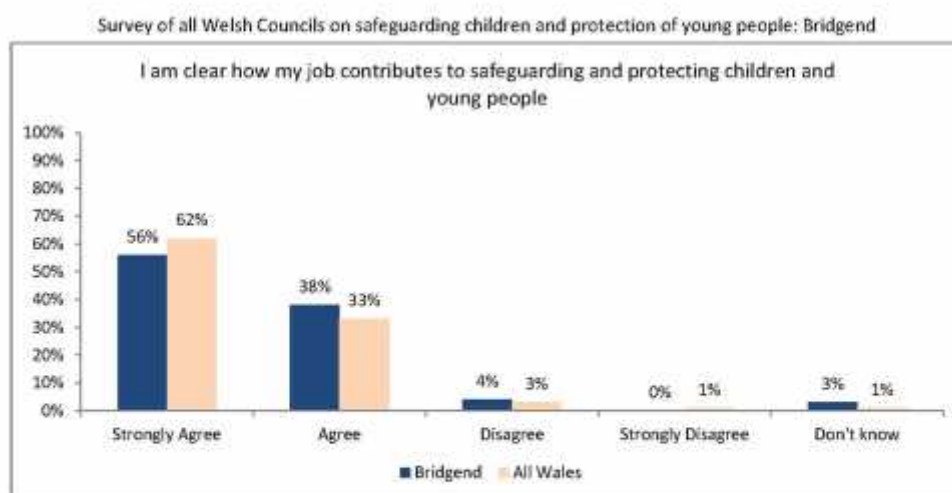
## Proposals for improvement

P1	Develop a Corporate Safeguarding Policy that clearly specifies roles, responsibilities and procedures for safeguarding.
P2	Complete the Social Care Strategic Improvement Board review of performance information and produce measures that provide adequate assurance that systems are working effectively.
P3	Ensure that the corporate induction programme for all new staff includes training on safeguarding and child protection issues and the Council's corporate policy on safeguarding.
P4	Identify and agree an appropriate internal audit programme of work for safeguarding.

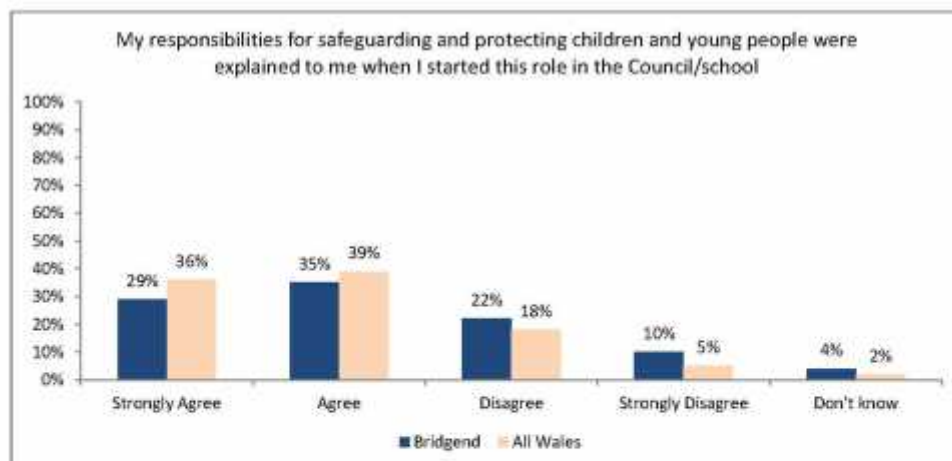


# Appendix 1

## Summary of survey findings



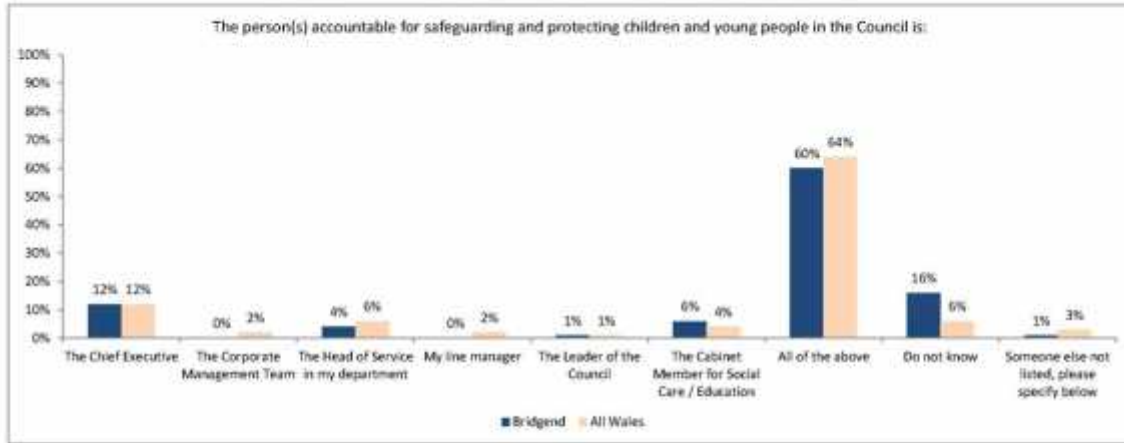
	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
Bridgend	79	-	-	44	30	3	-	2
Expressed opinion *				56%	38%	4%		3%
All Wales	1996	-	6	1235	664	53	12	26
Expressed opinion *				62%	33%	3%	1%	1%



	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
Bridgend	79	-	1	23	27	17	8	3
Expressed opinion *				29%	35%	22%	10%	4%
All Wales	1996	-	10	716	773	358	104	35
Expressed opinion *				36%	39%	18%	5%	2%

\* To make the report easier to read, percentages are shown to nearest whole percentage point. It is therefore possible for the individual figures not to total exactly to 100%.

Survey of all Welsh Councils on safeguarding children and protection of young people: Bridgend

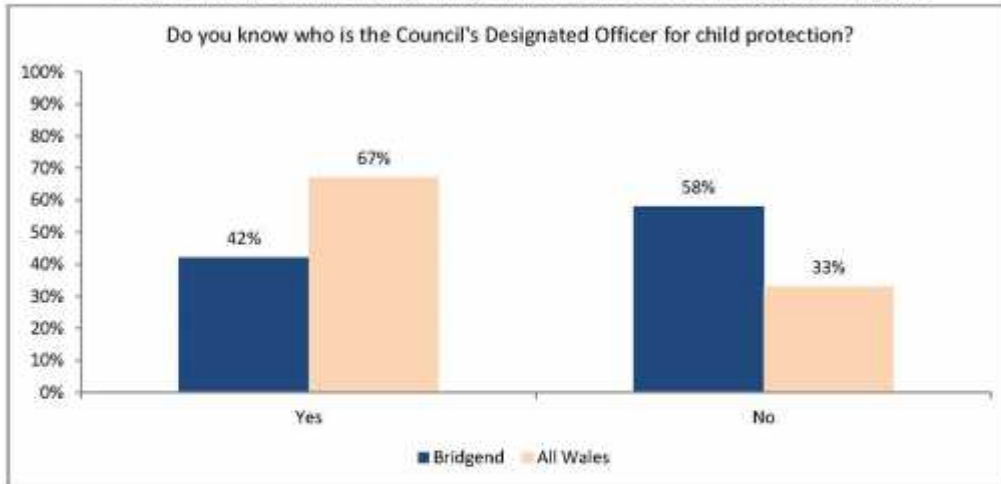


Total    Not asked    No reply    The Chief Executive    The Corporate Management Team    The Head of Service in my department    My line manager    The Leader of the Council    The Cabinet Member for Social Care / Education    All of the above    Do not know    Someone else not listed, please specify below

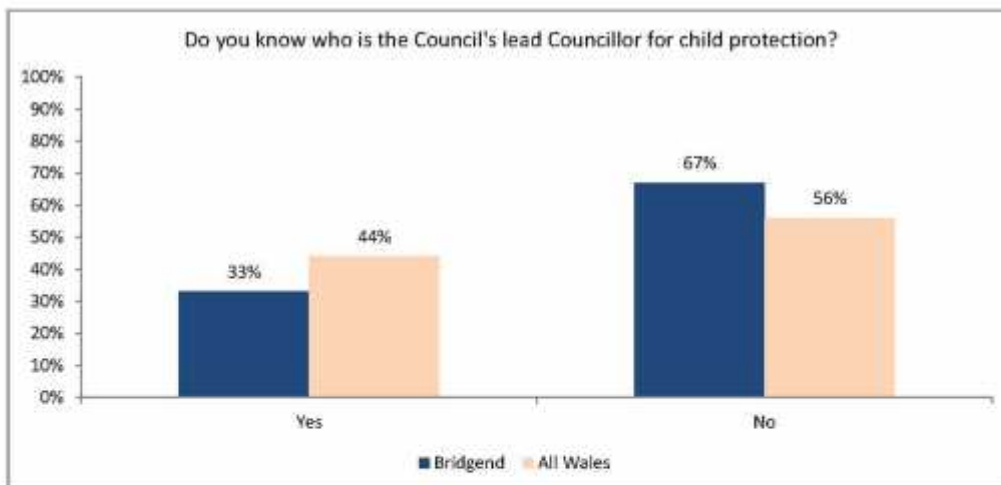
Bridgend	79	-	2	9	-	3	-	1	5	46	12	1
Expressed opinion *				12%		4%		1%	6%	60%	16%	1%
All Wales	1996	-	68	223	34	124	67	19	69	1231	115	66
Expressed opinion *				12%	2%	6%	2%	1%	4%	64%	6%	3%

\* To make the report easier to read, percentages are shown to nearest whole percentage point. It is therefore possible for the individual figures not to total exactly to 100%.

Survey of all Welsh Councils on safeguarding children and protection of young people: Bridgend



	Total	Not asked	No reply	Yes	No
Bridgend	79	-	1	33	45
Expressed opinion *				42%	58%
All Wales	1996	-	13	1337	646
Expressed opinion *				67%	33%



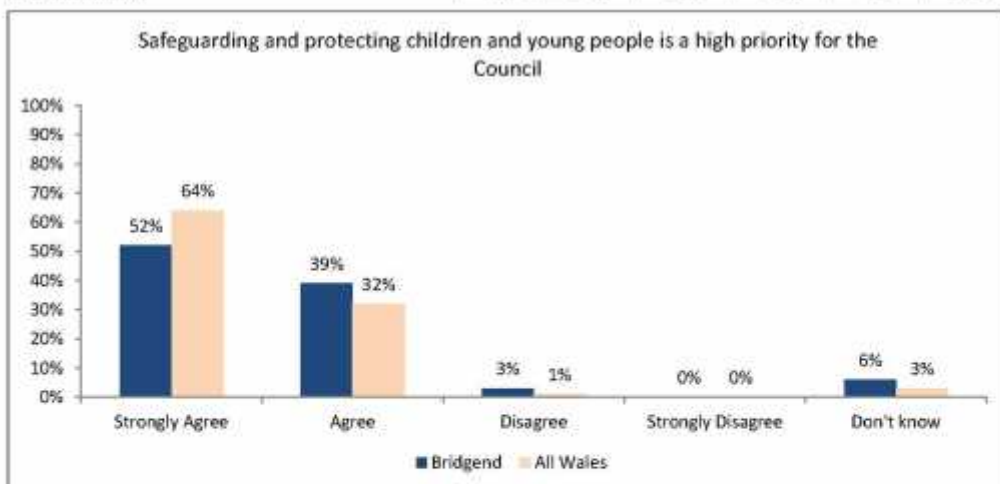
	Total	Not asked	No reply	Yes	No
Bridgend	79	-	-	26	53
Expressed opinion *				33%	67%
All Wales	1996	-	13	881	1102
Expressed opinion *				44%	56%

\* To make the report easier to read, percentages are shown to nearest whole percentage point. It is therefore possible for the individual figures not to total exactly to 100%.

Survey of all Welsh Councils on safeguarding children and protection of young people: Bridgend



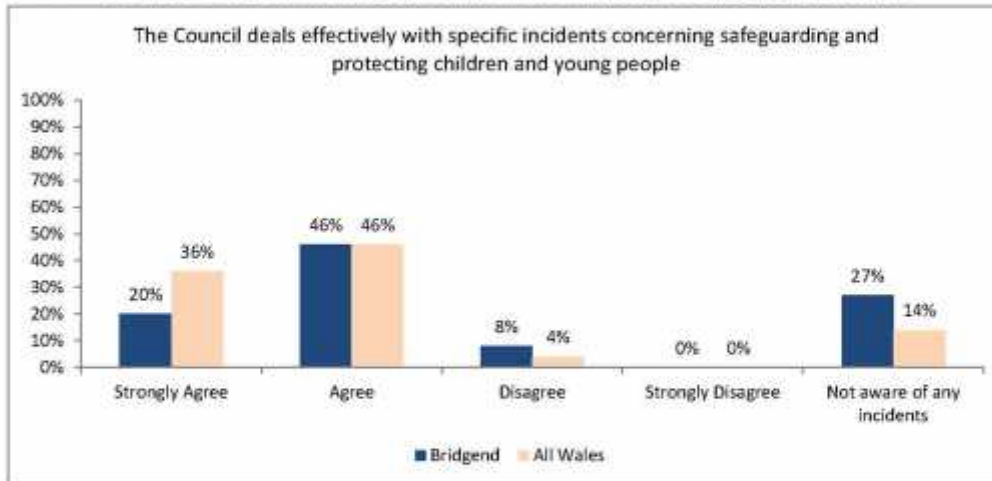
	Total	Not asked	No reply	0-6 months ago	7-12 months ago	1-2 years ago	More than 2 years ago	I cannot remember	I have never received training
Bridgend Expressed opinion *	79	-	-	11	18	14	17	9	10
All Wales Expressed opinion *	1996	-	4	644	462	374	199	121	192



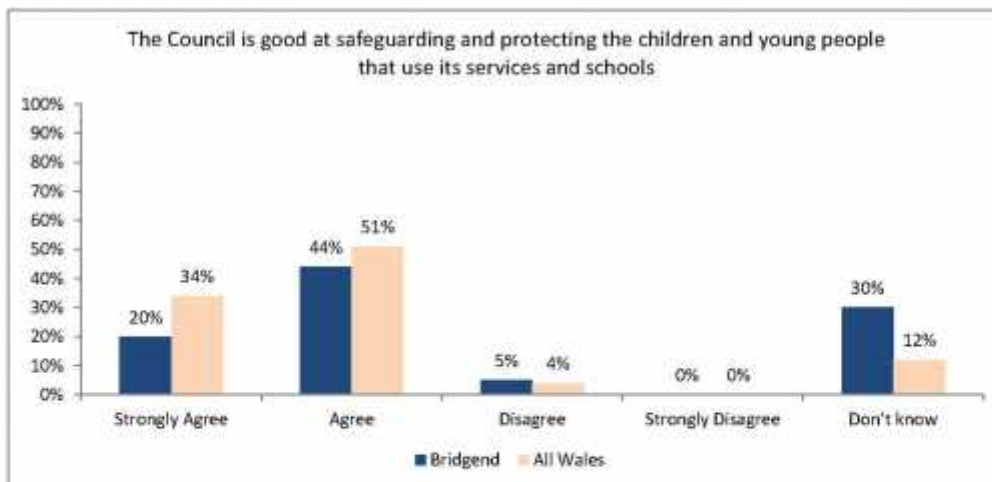
	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
Bridgend Expressed opinion *	79	-	-	41	31	2	-	5
All Wales Expressed opinion *	1996	-	10	1266	628	27	4	61

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Survey of all Welsh Councils on safeguarding children and protection of young people: Bridgend



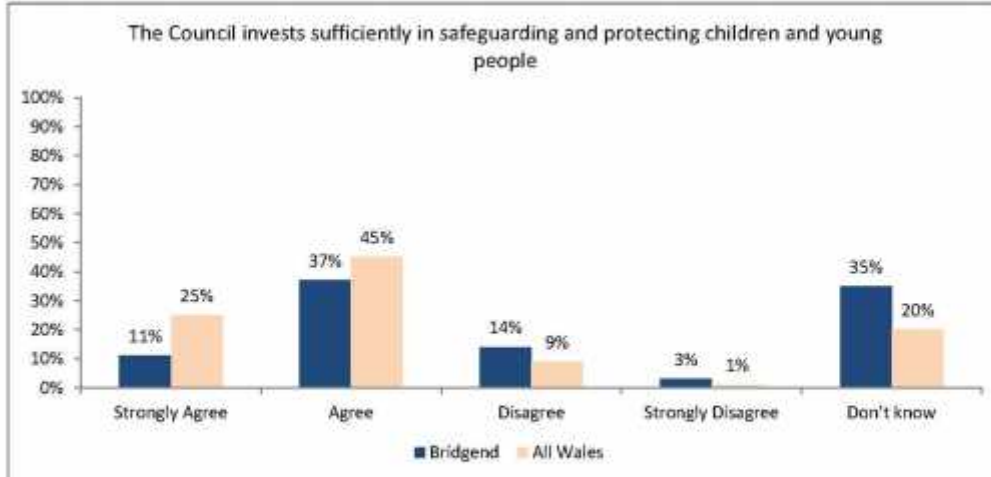
	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Not aware of any incidents
Bridgend Expressed opinion *	79	-	-	16 20%	35 46%	6 8%	-	21 27%
All Wales Expressed opinion *	1996	-	11	722 36%	911 46%	76 4%	5 0%	271 14%



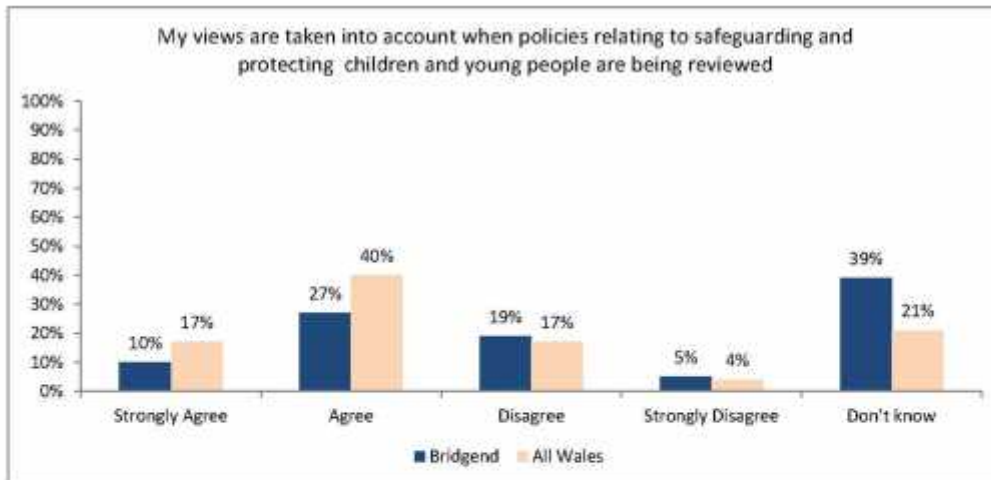
	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
Bridgend Expressed opinion *	79	-	-	16 20%	35 44%	4 5%	-	24 30%
All Wales Expressed opinion *	1996	-	20	665 34%	1000 51%	74 4%	3 0%	234 12%

\* To make the report easier to read, percentages are shown to nearest whole percentage point. It is therefore possible for the individual figures not to total exactly to 100%.

Survey of all Welsh Councils on safeguarding children and protection of young people: Bridgend



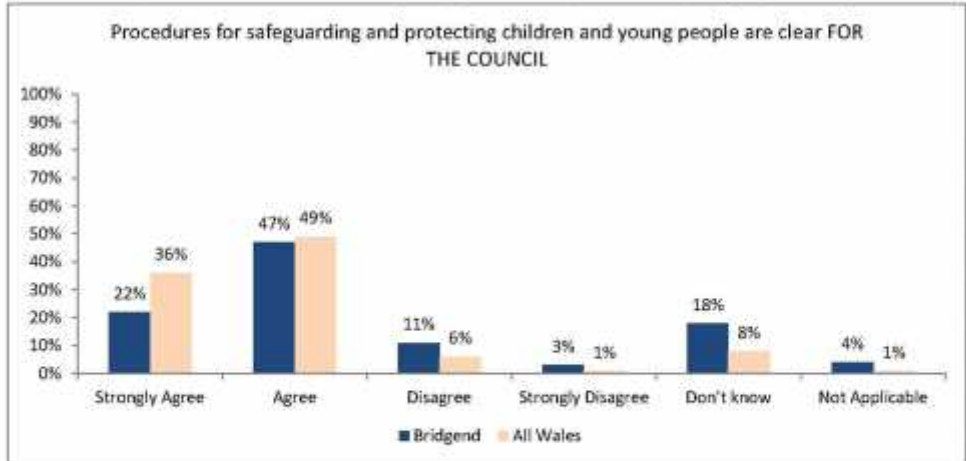
	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
Bridgend Expressed opinion *	79	-	-	9	29	11	2	28
				11%	37%	14%	3%	35%
All Wales Expressed opinion *	1996	-	17	491	895	182	19	392
				25%	45%	9%	1%	20%



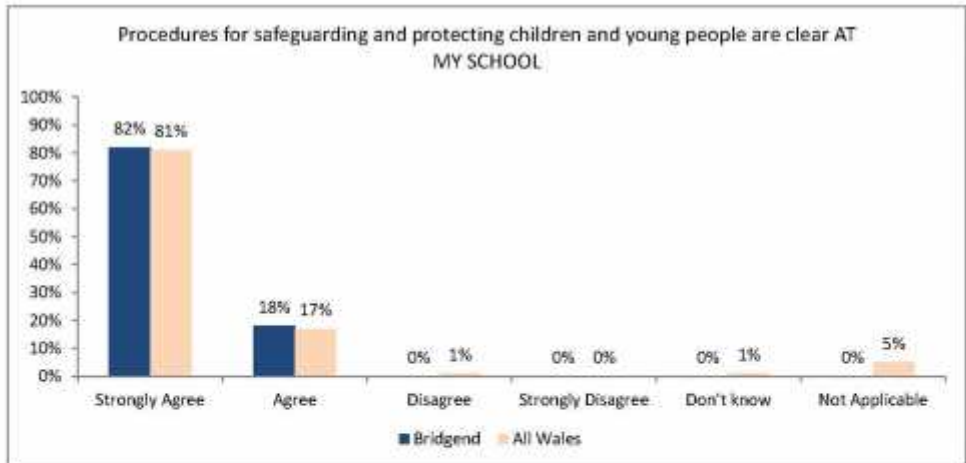
	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
Bridgend Expressed opinion *	79	-	-	8	21	15	4	31
				10%	27%	19%	5%	39%
All Wales Expressed opinion *	1996	-	20	344	794	339	79	420
				17%	40%	17%	4%	21%

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Survey of all Welsh Councils on safeguarding children and protection of young people: Bridgend



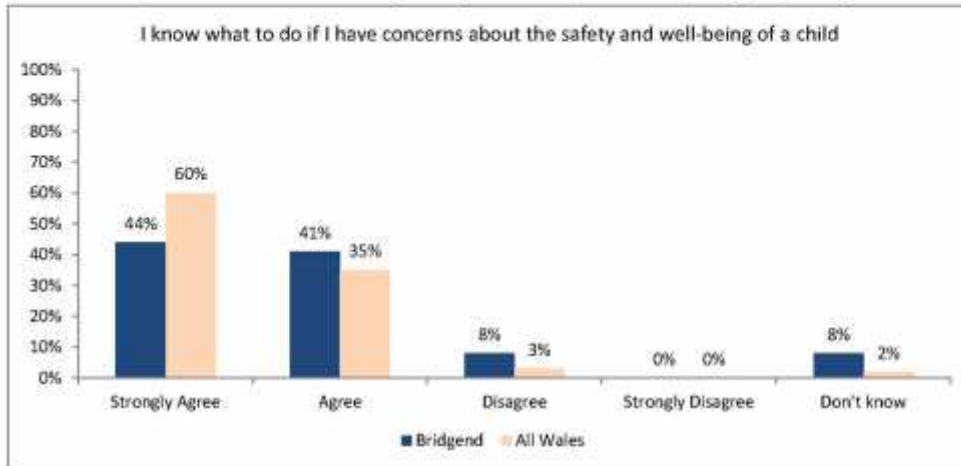
	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know	Not Applicable
Bridgend	79	-	2	16	35	8	2	13	3
Expressed opinion *				22%	47%	11%	3%	18%	4%
All Wales	1996	-	39	701	942	114	14	160	26
Expressed opinion *				36%	49%	6%	1%	8%	1%



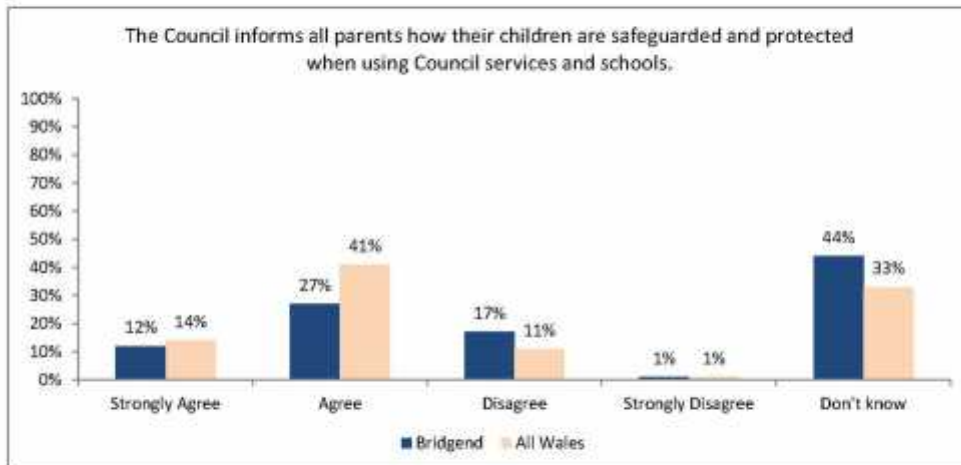
	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know	Not Applicable
Bridgend	79	62	-	14	3	-	-	-	-
Expressed opinion *				82%	18%				
All Wales	1996	1399	34	435	92	3	-	5	28
Expressed opinion *				81%	17%	1%		1%	5%

\* To make the report easier to read, percentages are shown to nearest whole percentage point. It is therefore possible for the individual figures not to total exactly to 100%.

Survey of all Welsh Councils on safeguarding children and protection of young people: Bridgend



	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
Bridgend	79	-	1	34	32	6	-	6
Expressed opinion *				44%	41%	8%		8%
All Wales	1996	-	29	1174	683	64	8	38
Expressed opinion *				60%	35%	3%	0%	2%



	Total	Not asked	No reply	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
Bridgend	79	-	1	9	21	13	1	34
Expressed opinion *				12%	27%	17%	1%	44%
All Wales	1996	-	27	269	816	213	29	642
Expressed opinion *				14%	41%	11%	1%	33%

\* To make the report easier to read, percentages are shown to nearest whole percentage point. It is therefore possible for the individual figures not to total exactly to 100%.





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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

#### REPORT OF THE CORPORATE DIRECTOR – RESOURCES

#### INFORMATION AND ACTION REQUESTS

**1. Purpose of Report**

1.1 To summarise for Members the actions and information requests made by the Audit Committee at its last meeting on 25<sup>th</sup> September 2014.

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

2.1 Internal Audit's work impacts on all of 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 <sup>th</sup> September	The Member requested that the Internal Audit Report on Porthcawl Harbour be brought to the next Audit Committee meeting.	CIA	Scheduled on the Agenda for 20 <sup>th</sup> November 2014	Complete

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

5.1 None

**6. Equality Impact Assessment.**

6.1 There are no equality implications.

**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**  
**Corporate Director - Resources**  
**20<sup>th</sup> November 2014**

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

### REPORT OF THE CORPORATE DIRECTOR RESOURCES

#### REVIEW ANNUAL GOVERNANCE STATEMENT 2013-14

##### 1. Purpose of Report.

- 1.1 The purpose of this report is to review the Action Plan that accompanied the Annual Governance Statement (AGS) 2013-14.

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

- 2.1 Achievement of the aims and objectives in the Corporate Plan is underpinned by ensuring that effective governance arrangements are in place.

##### 3. Background

- 3.1 Regulation 4 of the Accounts and Audit (Wales) Regulation 2005 introduced a requirement for the Authority to be explicitly responsible, as part of its arrangements for corporate governance, for annually reviewing and reporting on internal control.
- 3.2 The Annual Governance Statement 2013-14 was presented to Audit Committee on 18 June 2014 and was subsequently included within the Final Statement of Accounts 2013-14 that was approved by Audit committee on 25 September 2014.

##### 4. Current Situation / Proposal

###### **CIPFA/SOLACE Governance Framework Core Principles**

- 4.1 Good corporate governance requires the active participation of Members and officers across the Council. These arrangements are reviewed on an annual basis and the findings used to update the Annual Governance Statement. This helps to ensure the continuous improvement of the Council's corporate governance culture.
- 4.2 AGS provides an overall assessment of the Council's corporate governance arrangements and an appraisal of the controls in place to manage the Council's key risks and identifies where improvements need to be made. The AGS 2013-14 has been amended to correct an error regarding the allocation of Members' Portfolios. The revised AGS 2013-14 is attached at **Appendix A** with the amendment at paragraph 5.1.
- 4.3 In order to begin the process for producing the Annual Governance Statement 2014-15, it is necessary to review the Action Plan that was linked to the AGS 2013-14. **Appendix B** shows the Plan which has been updated with progress on each significant governance issue.

**5. Effect upon policy framework and procedural rules**

None

**6. Equality Impact Assessment**

None

**7. Financial implications**

None

**8. Recommendations**

8.1 It is recommended that Audit Committee:

- Note the amended Annual Governance Statement 2013-14 (Appendix A)
- Consider the Annual Governance Statement 2013-14 Action Plan (Appendix B)

**Ness Young CPFA  
Corporate Director Resources  
20 October 2014**

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**Background Papers:** Accounts and Audit (Wales) Regulations 2005 CIPFA/SOLACE:  
Delivering Good Governance in Local Government - Framework  
CIPFA/SOLACE: Application Note to Delivering Good Governance  
in Local Government: A Framework

## **Annual Governance Statement 2013-14**

### **1. Scope of Responsibility**

- 1.1 Bridgend County Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.2 The Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the exercise of its functions in terms of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation. This builds upon the principles set out by the Welsh Government (WG) under the Wales Programme for Improvement (WPI) and the vision for public service delivery as set out in the 'Programme for Government'.
- 1.3 In discharging its overall responsibilities, the Council is also responsible for ensuring that it has proper arrangements for the governance of its affairs and a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.
- 1.4 The Council has approved and adopted a Code of Corporate Governance which is consistent with the framework developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

### **2. The Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems, processes, and values by which the Council is directed and controlled and the means by which it accounts to, engages with and leads the local community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to avoid inappropriate use or loss of public funds. It also assists with managing the risk of failure to achieve policies, aims and objectives. It does not eliminate all risk; the system of internal control is designed to identify and prioritise risks, evaluate the likelihood of those risks materialising and to manage their impact.
- 2.3 The following paragraphs summarise the governance framework and the system of internal control, which has been in place within the Council for the year ended 31 March 2014. The description of the arrangements in place is built around the core principles set out in the Council's Code of Corporate Governance.

### **3. The Governance Framework**

- 3.1 The six principles of corporate governance that underpin the effective governance of all local authority bodies as defined by CIPFA and SOLACE, incorporating the WG governance principles (shown in *italics*) are as follows:

- Focusing on the Council's purpose and on outcomes for the community and creating and implementing a vision for the local area; (*Putting the Citizen First*); (*Achieving Value for Money*).
- Members and officers working together to achieve a common purpose with clearly defined functions and roles; (*Knowing Who Does What and Why*);
- Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour; (*Living Public Service Values*);
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk; (*Fostering Innovation Delivery*);
- Developing the capacity and capability of Members and officers to be effective; (*Being a Learning Organisation*);
- Engaging with local people and other stakeholders to ensure robust public accountability; (*Engaging with Others*).

3.2 The Council has followed these principles and has identified the following points whilst gathering evidence to gain assurance that governance within the Council is robust.

**4. Principle 1 - Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area (*Putting the Citizen First; Achieving Value for Money*).**

4.1 The Council's published Corporate Plan 2013-2017 included Improvement Priorities which are aligned with the key outcomes of the Local Service Board's 'Bridgend County Together' Single Integrated Partnership Plan. This ensures that the Council is able to deliver on the commitments made with partner organisations. The Plan also takes into account a number of factors including service demands, legislative requirements, community wishes, the priorities of partner organisations, together with the expectations of the Welsh Government and regulatory bodies.

4.2 The Plan includes the following six improvement priorities:

- Working together to develop the local economy;
- Working together to raise ambitions and drive up educational improvement;
- Working with children and families to tackle problems early;
- Working together to help vulnerable people to stay independent;
- Working together to tackle health issues and encourage healthy lifestyles;
- Working together to make the best use of our resources.

4.3 These improvement priorities must be reviewed on an annual basis and this work gives direction for Directorate Business Plans. Arrangements are in place for progress against the improvement priorities to be reviewed on a quarterly basis. The Corporate Plan has identified a number of outcome-focused 'success indicators', some of which are benchmarking measures. All of the indicators included in the Plan are aimed at measuring the success of our joined up working with citizens and partners.

4.4 The Council approved a Medium Term Financial Strategy (MTFS) for the period 2014-15 to 2017-18. This provides an integrated planning and financial framework for the next four years and includes the detailed budget strategy for the next financial year. The annual revenue budget and forward financial planning together with the capital programme enables the Council to align its financial resources with its priorities.



Quarterly budget monitoring reports are submitted to Cabinet and to Scrutiny Committees, with the Corporate Resources and Improvement Scrutiny Committee nominated as the lead Scrutiny Committee.

4.5 There are a range of projects, linked to programmes, in progress to ensure that the improvement priorities are achieved. The corporate Programme Management Board (PMB) is overseeing a number of major initiatives under its Change Management Programme including:

- School modernisation programme;
- Integrating Health and Social Care;
- Town centre regeneration projects;
- Accommodation Strategy;
- Implementing the Inclusion Strategy;
- Residential Care remodelling;
- Domiciliary Care services remodelling;
- Schools ICT strategy;
- Strategic Collaboration projects;
- Key budget reduction proposals linked to strategic change.

4.6 The Auditor General's Annual Improvement Report 2013-14 on the Council has been received in draft pending further discussion. The draft report recognises that the Council has made good progress in delivering improvement in most of its priority areas and recognises the need to accelerate improvements in education and complaints handling. Also, the Council has established a culture of self-evaluation which has resulted in a fair and balanced account of its performance although there were some areas for improvement. Finally, despite significant financial challenges, the letter recognises that the Council has sound plans for improvement. The Auditor General arrived at his views by:-

- reviewing the Annual Performance Report 2012-13 and the Council's own self-assessment; and
- assessing contributions from Welsh inspectorates, Estyn (for education), the Care and Social Services Inspectorate for Wales (the CSSIW) and the Welsh Language Commissioner.

4.7 Activity that demonstrates commitment to Principle 1 - **"Putting the Citizen First"**, included:

- Ongoing use made of the Citizens' Panel and extensive public engagement activity undertaken within areas such as Regeneration, and linked with Local Service Board priorities;
- Delivery of the Local Service Board's Citizen Engagement Strategy;
- Customer contact centre as focal point for customer engagement;
- Consultation activity with customers – e.g. consultation on corporate improvement priorities, development of "Ask Bridgend".

**5. Principle 2 - Members and Officers working together to achieve a common purpose with clearly defined functions and roles (*Knowing Who does What and Why*).**

5.1 The Council aims to ensure that the roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions taken are clear. It operates a Leader and Cabinet system within which:-

- The Council sets the overall budget and appoints the Leader of Council;
- **The Council appoints the Cabinet Members and the Leader allocates their portfolios;**
- Scrutiny Committees advise on policy formulation and hold the Cabinet to account in relation to specific matters. They may also review areas of activity which are not the responsibility of the Cabinet or matters of wider local concern;
- Regulatory Committees (e.g. Licencing, Development Control) are in place to determine matters as defined within the Council's Constitution;
- The Cabinet makes decisions within this framework but some decisions are delegated to individuals in the Cabinet, committees of the Cabinet or officers;
- Clear arrangements are in place to record decisions made by Cabinet Members and officers under delegated powers.

5.2 There is a Standards Committee to promote and maintain high standards of conduct by Town and Community Councillors and County Borough Councillors, co-opted members and Church and Parent Governor Representatives.

5.3 The Constitution is at the heart of the Council's business and assigns responsibility within the Council. It also provides a framework that regulates the behaviour of individuals and groups through codes of conduct, protocols and standing orders.

5.4 The Constitution is a comprehensive document that is kept under continual review by the Monitoring Officer. It provides a point of reference for individuals and organisations both inside and outside the Council. Its Rules of Procedure govern the overall framework within which the Council operates. Procedural rules and codes of conduct outline how the Constitution will be put into effect. Whilst the Constitution is required by statute its content is not fully prescribed. The Council is satisfied that it is consistent with statute, regulations and guidance. To ensure continued compliance, the Assistant Chief Executive – Legal and Regulatory Services is the Monitoring Officer appointed under Section 5 of the Local Government and Housing Act 1989.

5.5 All Committees have clear terms of reference that set out their roles and responsibilities and work programmes. The Audit Committee provides assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

5.6 The Council's Chief Executive (as Head of Paid Service) leads the Council's officers and chairs the Corporate Management Board.

5.7 All staff, including senior management, have clear terms and conditions of employment and job descriptions which set out their roles and responsibilities. Terms and conditions of employment are monitored by the Human Resources Department.

- 5.8 The Corporate Director - Resources is the Section 151 Officer appointed under the 1972 Local Government Act and carries overall responsibility for ensuring that the Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The corporate finance function provides a range of support to departments and determines the budget preparation and financial monitoring process.
- 5.9 The Monitoring Officer carries overall responsibility for ensuring compliance with the law and his staff work closely with departments to advise on legal matters.
- 5.10 As the social care functions for children and adults are located within different directorates of Bridgend County Borough Council, a protocol is in place which clarifies the statutory roles of the Director of Social Services and the Lead Director for Children and Young People within the Council. This protocol also sets out the expectations between the Statutory Director of Social Services and the Head of Safeguarding and Family Support.
- 5.11 The revised Performance Management Framework was published in December 2013. This documents Council processes and procedures and the roles and responsibilities of managers within the process. It includes expectations around the style and behaviour of managers to support the further evolution of a strong culture of self-assessment.

**6. Principle 3 - Promoting Values for the Council and Demonstrating the Values of Good Governance through upholding High Standards of Conduct and Behaviour (*Living Public Service Values*).**

- 6.1 The Council's core values encapsulated in the acronym FACE demonstrate the Council's commitment to the Public Service values. It stands for Fair (taking into account everyone's needs and situation), Ambitious (always trying to improve what we do and aiming for excellence), Citizen focused (remembering that we are here to serve our local communities) and Efficient (delivering services that are value for money).
- 6.2 The behaviour of elected members and officers is governed by codes of conduct, which include a requirement for declarations of interest to be made. There is also a gifts and hospitality register.
- 6.3 The Council takes fraud, corruption and maladministration very seriously and has the following policies, which aim to prevent or deal with such occurrences;
- Anti-Fraud and Bribery Policy
  - Whistleblowing Policy
  - HR policies regarding the disciplining of staff involved in such incidents
  - Corporate Complaints Policy

Both the Anti-Fraud and Bribery Policy (May 2014) and the Whistleblowing Policy (April 2014) have been reviewed, updated and approved by Cabinet.

- 6.4 Conduct of Members is monitored by the Public Services Ombudsman for Wales. The Council's Standards Committee also considers any reports submitted by the Ombudsman and the Monitoring Officer and any representations received relating to alleged breaches of the Code of Conduct.

- 6.5 A corporate complaints policy is in place for the Council to receive and investigate complaints made against it and this is overseen by the Monitoring Officer.
- 6.6 The Audit Committee helps raise the profile of internal control and risk management within the Council. This enhances public trust and confidence in the financial governance of the Council.
- 6.7 During 2013-14, the Council has developed a 'Bridgend County Borough Council, social media and you' protocol which is available on the website. The aim of this is to be clear about how the Council will engage with users and manage expectations.
- 7. Principle 4 - Taking Informed and Transparent Decisions which are subject to effective scrutiny and Managing Risk (*Fostering Innovative Delivery*).**
- 7.1 The Council's Constitution sets out how the Council operates and the process for policy and decision-making. Within this framework, key decisions are made by the Cabinet. All Cabinet meetings are open to the public (except on the limited occasions where items are exempt or confidential).
- 7.2 All decisions made by the Cabinet are taken on the basis of written reports, including assessments of the legal, financial, and equalities implications. Consultation (including with ward members when appropriate) is a routine part of the process.
- 7.3 The decision-making process is monitored by five Overview and Scrutiny Committees, which support the work of the Council as a whole. The Council's Constitution provides for the Chairs of these committees to be appointed based on the political balance of the elected members that form the Council. The members of a Scrutiny Committee can "call in" a decision that has been made by the Cabinet but not yet implemented. They may recommend that the Cabinet reconsider the decision. They may also be consulted by the Cabinet or the Council on forthcoming decisions and on the development of policy.
- 7.4 Other decisions are made by Cabinet Members individually or by officers under delegated powers. The authority to make day-to-day operational decisions is detailed within the Schemes of Delegation.
- 7.5 Policies and procedures that assist the governance of Council's operations include Financial Procedure Rules (FPRs); Contract Procedure Rules (CPRs) and the Risk Management Policy. All managers have responsibility to ensure compliance with these policies.
- 7.6 The Council's Performance Management Framework describes the 'Golden Thread' for planning which links the Council's vision of "Working together to improve lives" through services delivered at the frontline of the Council and how external factors influence the vision. The external factors include national priorities from both Welsh and UK Government and local priorities from Citizens, Partners, Elected Members and the Local Service Board via the Single Integrated Partnership Plan (SIPP) entitled 'Bridgend County Together'. The Council's Corporate Plan is aligned to the key outcomes of the SIPP. The vision and priorities that are set out in the Corporate Plan have a direct relationship with directorate business plans, service delivery plans, group delivery plans and the individuals' objectives within staff appraisals.
- 7.7 Corporate Performance Assessment (CPA) is undertaken on a quarterly basis and is attended by Cabinet Members, Corporate Management Board, and Heads of Service

and is supported by the Corporate Improvement and Finance teams. The purpose of the CPA is as follows:

- Obtain a holistic view of the Council's performance;
- Identify and explore cross-cutting issues;
- Critically challenge areas of poor performance; and
- Identify service improvement opportunities, risks to delivery and resource implications.

7.8 Specifically, the CPA monitors:

- The overall financial position;
- The Council's improvement priorities as defined by the Corporate Plan;
- Agreed key indicators/measures and service actions that are linked to directorate priorities as defined by the Corporate Plan;
- The budget allocated to delivering improvement priorities; and
- Corporate risks.

When necessary, the CPA may also, by way of exception, monitor progress against relevant Outcome Agreements and other national and collaborative initiatives.

7.9 The Council has developed a robust approach to the management of risk and the risk management policy is aligned with Directorate Business Plans and the Council's performance management framework. All risks identified are assessed against the corporate criteria.

7.10 Risks are viewed from both a Service and Council-wide perspective which allows the key risks to be distilled in the Corporate Risk Register. Most major risks are managed within one of the key strategic programmes. CMB regularly reviews the risk register and actions being taken to mitigate the risks. The Corporate Risk Register is also presented to Audit Committee for review.

The main risks facing the Council that were identified during 2013-14 included:

<b>Risk Description</b>	<b>Potential Impact</b>
Welfare Reform Bill	Changes being made by the UK Government to benefit entitlements mean that demands on some services are likely to increase as the Council's resource base reduces.
Impact of the recession and using resources effectively	Pressure will be placed on council services which support local businesses and employment. Any shortfall in identified savings may result in the need to make unplanned cuts to services which puts vulnerable people at risk. Individuals, particularly young people, may be unable to secure employment because they lack the basic skills and confidence necessary.
Supporting vulnerable people, children and young people	Failure to remodel services to reflect demographic changes will restrict the council's ability to respond to assessed needs and may result in inefficient services. The wellbeing and safety of children might be compromised.
School Modernisation	Insufficient progress may have a negative impact on pupils' learning and wellbeing.
Improving educational attainment	Potentially fewer quality learning opportunities for students resulting in poorer educational attainment.
Disposing of Waste	Failure to achieve recycling/composting targets could result in inefficient use of resources with waste going to landfill sites and penalties against the Council.
Collaboration with Partners	If the council does not undertake collaboration projects where they offer enhanced service quality, increased resilience or significant cost savings, it will not maximise cost effective, tangible, improvements to services.
Implementing a new pay and grading system	There is a risk that the recurrent costs of successful job evaluation appeals cannot be met and that staff morale and therefore service performance may be affected for staff receiving a reduction in pay.
Maintaining the infrastructure	A poor highways network leads to increased third party liability claims, a loss of reputation, a possible adverse impact on the economy and reduced quality of life for citizens.

- 7.11 The Council's approach to Risk Management ensures that key risks are considered when determining Council priorities, targets and objectives. These are incorporated in Directorates' Business Plans.
- 7.12 The financial management of the Council is conducted in accordance with all relevant legislation and the Constitution. In particular, the Financial Procedure Rules and Contract Procedure Rules and the scheme of delegation provide the framework for financial control. The Corporate Director - Resources has responsibility for establishing a clear framework for the management of the Council's financial affairs and for ensuring that arrangements are made for their proper administration. As part of its performance management framework, the Council links the strategic planning

process with the budget process and ensures alignment between them, facilitating the allocation of resources to corporate priorities. Chief Officers are responsible for financial management within their respective services. Monthly financial monitoring is undertaken by CMB and quarterly reports are produced for Cabinet and Scrutiny Committees. This work informs the production of the statutory annual Statement of Accounts.

7.13 The Council is committed to demonstrating due regard to the Equality Act 2010. It published its Strategic Equality Plan 2012-16 in April 2012. This is not just a council plan and has been developed with partners. It seeks to ensure that Bridgend County Borough is a fair and welcoming place to be. The plan has been written based on what is known about our services and on the views and needs of Bridgend citizens and the people who use services. All committee reports include an equality impact assessment.

**8. Principle 5 - Developing the Capacity and Capability of Members and Officers to be Effective (*Being a Learning Organisation*).**

8.1 The Council aims to ensure that members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities. New members and staff are provided with an induction to familiarise them with protocols, procedures, values and aims of the Council

8.2 There is an Elected Member Learning & Development Strategy 2012-17, which provides a framework for supporting elected members in the roles that they are required to undertake both within, and outside, the Council. The Strategy assists members to develop and strengthen their ability to be confident and effective political and community leaders.

8.3 The Council's Staff Appraisal System enables individuals to understand how they contribute to achieving the aims of the Council. The process recognises that most actions are delivered by individuals working in teams to achieve set priorities. All staff appraisals are completed during the first quarter of the financial year to ensure that targets can be linked to service priorities reflected in annual business plans. There is also a Six Month Review form which identifies progress on targets or any additional targets that need to be included. The Appraisal system is an important part of the Council's Performance Management Framework. The percentages of completed appraisals are reported quarterly to the Corporate Performance Assessment (CPA) forum.

8.4 The Member Development Programme is regularly reviewed by the Democratic Services Committee to ensure that any training activities are appropriate, relevant and timely.

8.5 During the period from November 2012 to April 2013, a team of elected members from the Council participated in a scrutiny learning exchange programme facilitated by the Wales Audit Office. The work has provided an opportunity for the Council to reflect upon how it conducts and evaluates its scrutiny process.

8.6 The Council maintains a set of management standards that seek to promote High Performing Behaviours. These are built around the 'FACE' core values and underpin the Leadership and Management Development training that is provided.

**9. Principle 6 - Engaging with local people and other stakeholders to ensure robust public accountability (*Engaging with Others*);**

- 9.1 The Council is committed to understanding and learning from the views of the public. Consultation processes enable views of stakeholders to inform policies and service delivery. The Council's planning and decision-making processes are designed to include consultation with stakeholders. The Council's Citizen Engagement Strategy will provide a framework for engagement activities, which are undertaken by the Council and will support work being done in this area by the Local Service Board.
- 9.2 Arrangements for consultation and for gauging local views are extensive; significant activity is undertaken by the Local Services Board. Elected members offer surgeries, or equivalent means of providing assistance, for their constituents.
- 9.3 The Council has a Citizens' Panel made up of people aged 16 and upwards from across the county borough. Its panel members agree to take part in three or four surveys a year about a range of issues relating to council services and policies. Previously, members of the Citizens' Panel have given their views on a range of topics including street cleanliness, customer service and the local housing strategy. This has helped the Council to understand residents' opinions about the services the Council provides and to help improve things in the future.
- 9.4 During 2013-14, the Council consulted on a wide range of issues including the following (this list is not exhaustive):
- The Council's Financial Situation;
  - Council Tax Reduction Scheme;
  - Corporate Plan 2013-17;
  - Proposals to amalgamate schools.

The Council is also using social media to promote various aspects of the Council and its services and enables feedback from the public.

- 9.5 The Council operates a corporate complaints procedure and uses this to identify areas where service quality is not satisfactory, and to take action to improve. Complaints can be made electronically or in writing and the Council has set target times for responding to all complaints received to ensure accountability.
- 9.6 All Council meetings are open to the public except where personal or confidential matters are discussed. All public agendas, reports and minutes are available on the Council's website.
- 9.7 The Local Service Board (LSB) brings together representatives from organisations across a range of service areas in Bridgend to work together to improve the quality of life for people living and working in Bridgend. Current members of the LSB are:
- Abertawe Bro Morgannwg University Health Board
  - Bridgend Association of Voluntary Organisations
  - Bridgend Business Forum
  - Bridgend College
  - Bridgend County Borough Council
  - Natural Resources Wales
  - South Wales Fire and Rescue Service
  - South Wales Police
  - Valleys to Coast



- Wales Probation
- Welsh Government

In Bridgend the LSB Model is made up of two main elements:

- The LSB sets and directs the overarching strategy for the county as well as sponsoring innovative new projects to improve the way organisations deliver public services;
- The People and Communities Partnership Boards are responsible for the performance management of Bridgend's Single Integrated Partnership Plan 'Bridgend County Together' and ensuring accountability for implementation of LSB programmes.

9.8 In the development of the Medium Term Financial Strategy 2014-15 to 2017-18, Council agreed that future collaborative efforts should focus on projects which have the potential to generate the greatest benefit, make a clear contribution to the Council's corporate priorities and result in a clear service benefit.

## **10. Review of Effectiveness**

10.1 The Council has responsibility for annually reviewing the effectiveness of its governance framework, including the system of internal control and the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). This is informed by the work of Internal Audit and chief officers within the Council who have responsibility for the development and maintenance of the internal control environment. The Council also draws assurance on its governance arrangements from independent sources and in particular Internal Audit, External Audit and other external regulators.

10.2 The following elements are key to the Council in monitoring and reviewing its governance:

- The Constitution, which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. It also includes the Codes of Conduct for both members and employees.
- The Cabinet (as Executive) who are responsible for considering overall financial and performance management and receive comprehensive reports on a regular basis. The Cabinet is also responsible for key decisions and for initiating corrective action in relation to risk and internal control issues.
- The Scrutiny function which holds the Cabinet to account. The Corporate Resources and Improvement Scrutiny Committee is responsible for maintaining an overview of financial performance including value for money. The Community Safety and Governance Scrutiny Committee maintain an overview of cross-cutting matters. In the Committee's Terms of Reference it has a responsibility "to consider the Council's policies and strategies in relation to collaborative and partnership working arrangements". The Committee will liaise with other Scrutiny Committees who will be responsible for scrutinising collaboration projects within their remit to ensure work programmes are co-ordinated.

- The Audit Committee which provides the focus for reviewing the effectiveness of the system of internal control. This is primarily based upon reviewing the work of Internal Audit and receiving reports from the Council's external auditors. The Committee met regularly throughout the year and provided independent assurance to the Council in relation to the effectiveness of the risk management framework, internal control environment and governance matters.
- 10.3 Additional requirements of the Local Government (Wales) Measure 2011 have included:
- the election of the Chairperson of the Audit Committee by the Audit Committee itself rather than by an appointment by Council;
  - the requirement that Audit Committee must have at least one lay-member, a professional representative with no connections to the Authority that is able to assist in the role of the Audit Committee. The number of lay-members required to support the committee is being kept under review;
  - the appointment of a Head of Democratic Services.
- 10.4 Training has been provided to ensure that all members (including the Lay-Member) have the opportunity to gain a comprehensive understanding of their role. In March 2013, the Audit Committee received training on the Annual Planning Process for Internal Audit.
- 10.5 This is being further enhanced with the proposed introduction and adoption of role descriptions for an Audit Committee Member and Chairperson. These are based on the WLGA model role descriptions and have been adapted to reflect the specific roles undertaken in the Council. The role descriptions will also form part of Personal Development Review Process that will enable members to better understand their role, reflect on how they have undertaken their duties in the previous year and identify any further support or training that they require to effectively carry out their duties. This will increase the ability of Audit Committee members to analyse, monitor and challenge the effective performance of the Council.
- 10.6 The Cabinet and Scrutiny Committee functions provide a further mechanism for review and challenge of any issues that may impact upon the system of internal control. Scrutiny Committees establish Research and Evaluation panels (such as that set up to review budget options); they undertake reviews of specific areas of Council operations and make recommendations to Cabinet for improvement.
- 10.7 Internal Audit undertakes a continuous audit of Council services, which are assessed and prioritised according to relative risk. This risk assessment draws upon the corporate and service risks identified as part of the Service planning process. During 2013-14, in carrying out its duties, Internal Audit has been working to the Public Sector Internal Audit Standards (PSIAS). The PSIAS is applicable to all areas of the United Kingdom public sector and is based on the Chartered Institute of Internal Auditor's (CIIA's) International Professional Practices Framework. The Head of Audit undertook a self-assessment to demonstrate the extent to which the Internal Audit Shared Service complied with the PSIAS and to identify areas where further work was required to demonstrate compliance. This was reported to Audit Committee in April 2014. The review showed that the Internal Audit Shared Service is fully compliant with eight of the standards and partially compliant with the remaining three. An Action Plan

has been formulated by the Head of Audit to assist the Service in complying with the requirements of the PSIAS.

- 10.8 Internal Audit also provides independent and objective assurance. A programme of reviews is completed in accordance with the Annual Audit Plan which enables the Chief Internal Auditor to provide an opinion on the internal control, risk management and governance arrangements. In addition, Internal Audit undertakes fraud investigation and is proactive in fraud detection work. This includes reviewing the control environment in areas where fraud or irregularity has occurred. Significant weaknesses in the control environment identified by Internal Audit are reported to senior management, the Audit Committee and Cabinet as appropriate.
- 10.9 As part of the normal audit reporting process, recommendations are made and agreed with the relevant chief officers to address any issues that could impact upon the system of internal control. Furthermore, the s151 Officer provides regular updates and an annual report to the Audit Committee summarising any significant internal control issues.
- 10.10 In 2013-14 the Council's financial management arrangements were found to be conforming with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 10.11 The Council is subject to an annual programme of independent external audits and statutory inspections which report on the Council's governance, performance and accounting arrangements. The Wales Audit Office's Annual Audit Letter summarises the key issues arising from the work that the Council's external auditors, KPMG, carried out. The Annual Audit Letter for 2012-13 confirmed that the appointed auditor issued an unqualified audit opinion on the accounting statements for 2012-13 and was satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Letter confirmed that the auditor was pleased with the substantial progress on job evaluation during the audit year and the implementation during 2013-14.
- 10.12 The Wales Audit Office issued two reports to Audit Committee, one on the Audit of the Financial Statements Report 2012-13 in September 2013 and one on the Certification of Grants and Returns 2012-13 in April 2014. The first report did not identify any material weaknesses in the Council's internal controls. The second report concluded that the Council had good arrangements in place for the production and submission of its 2012-13 grant claims but did highlight some areas for improvement which are being followed up by management.
- 10.13 The Auditor General's letters on the Improvement Assessment of the Council have stated that the Council has discharged its improvement reporting duties under the Local Government (Wales) Measure 2009 and has acted in accordance with Welsh Government guidance. The Council is likely to comply with the requirement to make arrangements to secure continuous improvement during the financial year. The draft Annual Improvement Report 2013-14 states that the Council has made good progress in delivering improvements in most of its priority areas and recognises the need to accelerate improvements in education and complaints handling.
- 10.14 The Public Services Ombudsman for Wales reports on each council in Wales the number of complaints received and investigated. In July 2013, the Council received its Annual Letter for 2012-13. The letter noted a decrease in the number of complaints received, 24 in 2012-13 compared to 30 in 2011-12. The comparative figure for the local authority average was 36 for 2012-13 (37 for 2011-12). Only 1

complaint was investigated by the Ombudsman compared to 2 for the previous year. The Ombudsman partly upheld one complaint against the Council during 2012-13.

- 10.15 The Care and Social Services Inspectorate Wales (CSSIW) Annual Review for Bridgend 2012-13 concluded that the Council has continued to make reasonable progress despite significant and ongoing management changes. The review identified that strong commissioning and contracting arrangements are in place combined with a robust approach to safeguarding adults. It recognised that the Council continues to be a key driver in the Western Bay regional collaboration. The work being completed by the remodeling of the adult social care programme board has enabled the identification of areas for development, the assigning of tasks and the monitoring of progress against a wide range of service developments. This has ensured service improvement across adult services. Within Children, the review recognises that the service has responded positively to the inspection of its arrangements for looked after children and young people and has clear action plans in place.
- 10.16 In October 2012, Estyn Inspection carried out a major inspection of the quality of education services for children and young people in Bridgend. The Report was published in February 2013 and even though it identified that the Council had more strengths than areas for improvement, it still concluded that the Council fell into the category of follow-up activity and will require an Estyn monitoring visit. A Post Inspection Action Plan (PIAP) was developed following discussions with officers, elected members and the Central South Consortium and this was signed off by Estyn in July 2013. During March 2014, Estyn Inspectors carried out a monitoring visit which included interviewing a number of officers within the local authority and the consortia. The key message from the feedback was that progress in responding to the inspection was initially slow and overall judgment is that the current position is behind expectation. However, it was felt that recent changes appear to be accelerating actions. A further monitoring visit will take place in Autumn 2014.

## **11. Significant Governance Issues**

- 11.1 During 2013-14, Internal Audit carried out an audit review of the Code of Corporate Governance. The objective of the audit was to ensure compliance with the Code across the Council. The audit findings were that substantial assurance could be given. However, there were recommendations that need to be implemented during 2014-15. These were to ensure that the Code is regularly reviewed and updated and that it is updated to include reference to the Anti-Fraud and Bribery Policy of the Council.
- 11.2 The Annual Internal Audit Opinion was reported to the Audit Committee in June 2014, for the period April 2013 to March 2014. It stated that based on the work undertaken "a satisfactory assurance level can be applied to standards of internal control at Bridgend CBC for the period stated." However, the Opinion raised a concern over the retirement of the deputy Section 151 Officer at the end of July 2014 and that the Section 151 Officer was unavailable to perform her duties as a significant governance issue. This issue has now been addressed with interim arrangements put in place by the Chief Executive to cover this statutory role in the short term and the Council has now been successful in attracting an external candidate to undertake the combined role of Head of Finance and ICT. The successful candidate will take up his post at the end of September 2014. The Corporate Director - Resources has also recently returned to resume her duties.

- 11.3 As mentioned above, one of the significant governance issues in 2012-13 related to the Estyn Report on the quality of local authority education services for children and young people. The PIAP addresses the 5 recommendations from the inspection report. The School Improvement Monitoring group comprising of the Cabinet Members for Children and Young People and Resources, Chairperson of Children and Young People's Overview and Scrutiny, Chief Executive, Corporate Directorate – Children, Head of Service and the Council Leader will oversee progress on both the PIAP and the wider school improvement agenda. The monitoring group meets monthly and receives a report from the Director on progress at each meeting. The role of this group monitoring the action plan will be crucial to improve education services within the Council.
- 11.4 The Annual Governance Statement 2012-13 highlighted the significant financial challenge facing the Council in terms of delivering a savings target of the £24m savings identified in the Medium Term Financial Plan 2013-14 to 2015-16. In February 2014, the Medium Term Financial Strategy (MTFS) 2014-15 to 2017-18 was reported to Council. It identified the pressures that the Council faces in the context of the anticipated resource allocation. This indicated that the Council had to identify estimated budget reductions of £36m over the period 2014-15 to 2017-18. In July 2014, the MTFS was updated following further analysis of assumptions to increase the estimated budget reductions to £50m over the period to 2018-19.
- 11.5 The implementation of the MTFS 2013-14 to 2016-17 has been led by Cabinet and the Corporate Management Board. This has now been rolled forward a year to cover the period 2014-15 to 2017-18 taking account of auditors' views and any issues which need to be addressed from 2013-14, together with a continued desire to embed a culture of medium term financial planning closely aligned with corporate planning. Implementation of the strategy will be led by Cabinet and Corporate Management Board underpinned by financial and performance data. The Council will seek to ensure that it is widely understood by internal stakeholders (Members, employees and Unions) and external stakeholders (citizens, businesses and partners). There will also be a role for the Budget Research and Evaluation Panel (BREP) which will work on an on-going basis, in an advisory capacity, with Cabinet and officers.
- 11.6 Another significant governance issue will be to ensure the effective delivery of improvements as identified through the Council's own reviews and those of external regulators. The WAO review of Council's arrangements for ensuring value for money from its working with the Third Sector (June 2013) identified a set of proposals for improvement including the need to develop a clear strategy of how it will work with the third sector to deliver its priorities. The Third Sector Review Project Board has a specific workstream on 'Value for Money and Alignment to Council priorities' which will progress improvements in accordance with the WAO's recommendations.
- 11.7 An Action Plan has been devised for all these issues together with a timescale for completion and a responsible officer. The issues identified in the Action Plan will be monitored during the year.

## **12. Certification of Annual Governance Statement**

Steps to address and mitigate the matters referred to in section 11 above will be taken to further enhance our governance arrangements.

**Signed:**

**Section 151 Officer.....Date.....**

**Chief Executive Officer.....Date.....**

**Leader of the Council.....Date.....**

## Annual Governance Statement – Action Plan

Review Significant Governance Issues 2013-14

	ISSUE	ACTION	TIMESCALE FOR COMPLETION	LATEST POSITION	RESPONSIBLE OFFICER
1.	The Council's Code of Corporate Governance needs to be reviewed and updated. It also needs to reflect the existence and commitment to the revised Anti-Fraud and Bribery Strategy.	<p>Cabinet approved the Anti-Fraud and Bribery Strategy in May 2014.</p> <p>The Code will be revised to incorporate this Policy.</p>	June 2014	<p>The revised Code of Corporate Governance will be presented to Audit Committee in June along with the Annual Governance Statement.</p> <p><b><u>October 2014</u></b></p> <p>The Council's Code of Corporate Governance was reviewed and updated. This version was approved by Audit Committee 18 June 2014.</p> <p>Cabinet has approved the revised Anti-Money Laundering Policy on 16 July 2014.</p>	Corporate Director Resources

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	ISSUE	ACTION	TIMESCALE FOR COMPLETION	LATEST POSITION	RESPONSIBLE OFFICER
2.	Estyn Report on the quality of local authority education services for children and young people.	The Post Inspection Action Plan is being examined on a monthly basis by the School Improvement Monitoring Group.	Autumn 2014  (next Estyn Monitoring Visit)	<p>The Action Plan will continue to be monitored and progressed in preparation for the next monitoring meeting.</p> <p><b><u>October 2014</u></b></p> <p>Estyn will be conducting a full inspection of Children’s Services on 2,3 and 4 December 2014.</p> <p>The Council cannot remain in Estyn monitoring and there are two possible outcomes of inspection. One is that the Council is judged as good or excellent with capacity to improve as good or excellent and in that case we will move out of Estyn monitoring. Otherwise, with outcomes of inadequate or adequate, we will be placed in the category of requiring significant improvement and the Council’s Intervention Team may take over the running of Children’s services.</p> <p>In order to prepare thoroughly for Estyn, the senior leadership team need to spend the next few weeks preparing detailed reports, filing evidence into the ‘virtual inspection</p>	Corporate Director Children



**APPENDIX B**

				room', preparing case studies and preparing Head Teachers, Members and staff for interviews, to ensure that we are able to share the tremendous progress that has been made to date, and so that they can clearly articulate the journey that children's services are on and our vision for the future.	
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**APPENDIX B**

	ISSUE	ACTION	TIMESCALE FOR COMPLETION	LATEST POSITION	RESPONSIBLE OFFICER
3.	<p>Delivering the £36m savings identified in the Medium Term Financial Strategy 2014/15 to 2017/18</p> <p>(the figure has increased since latest position October 2014)</p>	<p>The key assumptions and funding available was reviewed during 2013/14. A Medium Term Financial Strategy (MTFS) 2014-15 to 2017-18 was approved by Council on 19 February 2014 which identified £36m savings needed over the period.</p>	<p>Budget Timescale and Local Government Settlement Timescale</p> <p>Updates to Corporate Management Board</p>	<p>Savings have been identified into :-</p> <ul style="list-style-type: none"> <li>➤ Making Best Use of Resources</li> <li>➤ Managed Service Reductions</li> <li>➤ Collaboration &amp; Service Transformation</li> <li>➤ Policy Change</li> </ul> <p>The risk status of the savings proposals were identified within the MTFS with 9.9% of the Savings Proposals classified as being Red with proposals still being developed and 19.6% as Amber with Implementation Plans in development.</p> <p>The Budget Research and Evaluation Panel will work on an on-going basis with Cabinet members and officers to develop the savings proposals.</p> <p><b><u>October 2014</u></b></p> <p>Following advice received from the then Minister for Local Government and Government Business, a report was submitted to Council in July 2014 identifying an updated savings requirement of £50 million for the 4 year period 2015-16 to 2018-19, based on a savings of - 4.5% per annum. This was reiterated in a further report to</p>	<p>Corporate Director - All</p>

				<p>Cabinet in September 2014.</p> <p>The provisional settlement was received from the Welsh Government on 8 October, which showed a reduction for Bridgend of -3.4%. However, after taking account of additional funding transferred into the settlement for adult social care, the real reduction was -3.6%. Officers are currently working with Cabinet to firm up proposals for savings and budget pressures prior to publication of the draft MTFS report to Cabinet on 9 December 2014.</p>	
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	ISSUE	ACTION	TIMESCALE FOR COMPLETION	LATEST POSITION	RESPONSIBLE OFFICER
4.	Council's arrangements for ensuring value for money from its working with the Third Sector (WAO Study June 2013)	The Third Sector Review Project Board has been established with a workstream dedicated to 'Value for Money and Alignment to Council priorities'.	Updates to Project Board Cabinet Report October 2013	Action Plan includes:- <ul style="list-style-type: none"> <li>➤ Development of a Third Sector Strategy to build understanding about what the Council wants and needs and the potential future opportunities to help develop the market and build sustainability.</li> <li>➤ That the Council should review each Service Level Agreement with Third Sector organisations, in discussion with the organisation, to ensure that performance management and reporting arrangements are proportionate to the funding provided.</li> <li>➤ Where the Council provides significant funding to a particular organisation, it should identify a lead officer to manage the relationship with that organisation, with an overview of all the funding it receives, and to act as a contact where there are issues with provider performance.</li> <li>➤ The Council should identify areas of its dealings with the Third Sector that could be more consistent such as commissioning and performance management, and seek to learn from colleagues, other councils, and the sector itself, about which approaches work well. The best approaches should then be applied across the Council.</li> </ul>	Corporate Director Resources

	ISSUE	ACTION	TIMESCALE FOR COMPLETION	LATEST POSITION	RESPONSIBLE OFFICER
	<p>Council's arrangements for ensuring value for money from its working with the Third Sector (WAO Study June 2013)</p>	<p>The Third Sector Review Project Board has been established with a workstream dedicated to 'Value for Money and Alignment to Council priorities'.</p>	<p>Updates to Project Board Cabinet Report October 2013</p>	<p><b><u>October 2014</u></b></p> <p>Directorates have undertaken a series of reviews of third sector organisations over the summer, to determine the extent to which the services they provide meet corporate priorities and are providing value for money. A meeting took place in September to provide an overview of the outcome of those reviews to the Third Sector Project Board. Budget savings of £150k for 2015-16 and 2016-17 are built into the MTFS. Following the Board meeting, an internal meeting will take place to review the detail of the reviews and make proposals on those areas where savings could be made. Following this a report will be presented to CMB for decision, probably in November.</p> <p>Risks / Issues</p> <p>There is the risk that following the reviews of third sector organisations, the proposed MTFS savings may not be achievable. A number of payments to the Third</p>	

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				<p>Sector are for services provided on behalf of the Council, rather than general grant funding. If the Council were to cease this payment, depending on the statutory nature of the provision, the Council may have to provide this service itself, and this could be at a higher cost.</p>	
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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

#### REPORT OF THE CORPORATE DIRECTOR - RESOURCES

##### THE CORPORATE RISK ASSESSMENT 2014 - 15

#### 1. Purpose of Report.

- 1.1 The Audit Committee oversees risk management within the Council. The purpose of this report is to inform the Audit Committee of the amendments made to the 2014-15 Corporate Risk Assessment as a result of the quarterly reviews undertaken by Corporate Management Board.

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

- 2.1 Effective risk management is an essential part of the framework for ensuring good corporate governance and supports delivery of the Council's improvement objectives.

#### 3. Background.

- 3.1 Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.
- 3.2 The Council adopted its Risk Management Policy in 1998, and it has since been reviewed and revised in 2004, 2006, and 2012.
- 3.3 The Audit Committee's Terms of Reference requires the Committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements.
- 3.4 Audit Committee considered the 2014-15 Corporate Risk Assessment at its meeting in January 2014. It was subsequently included in the Council's Medium Term Finance Strategy that was approved by Council on 19<sup>th</sup> February 2014.
- 3.5 In accordance with the Council's Corporate Risk Management Policy, it is a requirement that the Corporate Risk Assessment is considered and reviewed by Corporate Management Board, Cabinet and Audit Committee, and is one of the components reviewed as part of the Council's quarterly Corporate Performance Assessment framework.

#### 4. Current situation / proposal.

- 4.1 The Corporate Risk Assessment has been reviewed and updated by Corporate Management Board at their meetings on 24 March 2014, 30 June 2014 and 27

October 2014. The up to date document is attached as **Appendix 1**. It identifies the main risks facing the Council, the likely impact of these on Council services and the wider County Borough, what is being done to manage the risks and allocates responsibility for the Council's response.

4.2 The principal changes throughout 2014 have been as follows:

- The "Using Resource Effectively" risk has been updated to reflect the development of the Medium Term Financial Strategy for 2015-16 to 2018-19;
- The "Supporting Vulnerable People" risk has been updated to reflect the current position of the modernisation and transformation agenda and in particular the outcome of the Homecare tender;
- Due to the improving economic outlook, the likelihood score for the "Impact of Persistent Economic Downturn" risk has been reduced from 5 to 4. This results in a reduction in the residual risk score from 20 to 16. It has also been updated to include the current position of regeneration projects;
- The emphasis of the "Supporting Vulnerable Children, Young People and Their Families" risk has been changed from an inability to recruit and retain competent Social Workers to the number of Looked After Children, the complexity of cases and the length of stay in care;
- The risk mitigation measures for "Disposing of Waste" have been amended to include the current position with the preferred bidder for the anaerobic digestion plant;
- The "Healthy Lifestyle" risk mitigation measures reflect the Corporate Plan;
- The "Impact of Homelessness" risk reflects the uncertainty about the effect of the Housing Act which will be enacted in April 2015;
- Responsibility for the "Collaboration with Partners" risk has been moved from the Corporate Director - Resources to the Assistant Chief Executive Legal and Regulatory Services;
- The "Educational Attainment" risk reflects the post Estyn inspection plan which provides a greater focus on standards in schools. This has led to a reduction in the likelihood risk from 4 to 3. The residual risk score moved from 16 to 12;
- The likelihood score for the "Implementing a New Pay and Grading System" risk has been reduced. This means that the risk score has reduced to a level where the risk no longer appears in the Corporate Risk Assessment;
- The Welfare Reform, School Modernisation, Maintaining Infrastructure and Equal Pay risks have been reviewed quarterly but essentially remain the same;

4.3 The outcome of the 2015-16 Corporate Risk Assessment and review of the Risk Management Policy will be reported to Audit Committee on 15 January 2015. Corporate Management Board have identified that the 2015-16 Corporate Risk Assessment will include a risk around Local Government Reorganisation.



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

5.1 None.

**6. Equality Impact Assessment.**

6.1 Equality issues permeate many of the risks identified and where appropriate equality impact assessments are undertaken within the process of approving the mitigating actions.

**7. Financial Implications.**

7.1 There are no financial implications directly associated with the risk assessment. Actions planned to mitigate each risk are required to be progressed within approved budgets.

**8. Recommendation.**

8.1 It is recommended that Members:

- Note the changes to the Corporate Risk Assessment attached as Appendix 1;
- Receive a further report in January 2015 concerning the 2015-16 Corporate Risk Assessment and review of the Risk Management Policy.

**Ness Young**  
**Corporate Director - Resources**  
**27 October 2014**

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Risk Management & Insurance Officer

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**Background documents**

None

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Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
Links to all key outcomes	Links to all Corporate Improvement Priorities	<p><b>Welfare reform:</b></p> <p>The UK Government is introducing a number of significant welfare reforms over the next four years. There is still great uncertainty about the implications of the changes on citizens and staff as well as concern that the changes will put extra demands on council services and budgets that support vulnerable people.</p>	<p>Changes being made by the UK Government to benefit entitlements mean that demands on some services are likely to increase at the same time as the council's resource base reduces.</p> <p>Since 15 July 2013 there has been a limit on the total benefit a working age person can receive. BCBC will impose the cap through Housing Benefit deductions as and when notified by the Department for Works and Pensions (DWP). This currently affects around 50 households in Bridgend.</p> <p>From April 2013, maximum rent has been reduced in the social sector depending on the number of bedrooms required. About 1,400 households are affected.</p> <p>The Council will need to manage the Council Tax Reduction (CTR) scheme within its budget. Welsh Government (WG) has renewed the Regulations and the scheme will be based on 100% liability. Provision has been made in the Council's annual revenue budget 2014-15 to fund the projected additional budget requirement of £1m.</p> <p>Universal Credit commenced in October 2013 with full implementation by 2017. The benefit will be primarily administered by DWP although the Council may have a role in face to face support for claimants.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Welfare Reform Task and Finish Group have developed an issues log with mitigating actions to minimise the impact of the reforms. This will be updated as new risks are identified.</p> <p>The Local Service Board (LSB) has developed a proposal to deal with Welfare Reform as a partnership arrangement. The Skills and Economy Programme Board reporting to the Communities Board is leading on the Co-ordination of activities. A key stakeholder steering group has been established and has:</p> <ul style="list-style-type: none"> <li>• Arranged a series of awareness raising workshops aimed at frontline staff and volunteers</li> <li>• Developed an on-line resource (the moodle) which provides links to a wide range of support, including job search sessions, financial inclusion advice, credit unions, fuel poverty advice, foodbanks and DWP information sheets.</li> <li>• Secured funding to provide support in libraries and community venues with digital applications, eg Universal Jobmatch and Universal Credit (when introduced)</li> <li>• Developed a draft directory of training, employment and other support</li> </ul> <p>The Council will monitor the impact of welfare reforms on citizens in terms of their needs across the range of council services including housing and will develop proposals for dealing with changes in demand. The Benefits Service will continue to work closely with families who are hardest hit to ensure they are adequately equipped to deal with the reduction in their income.</p> <p>Officers will be fully apprised of UK Government and WG plans to ensure that the council understands and can deal with the staff implications of moving from Housing Benefit (etc) to Universal Credit.</p> <p>As part of the Medium Term Financial Strategy (MTFS), the Council has an earmarked reserve specifically for welfare reform.</p> <p>The Council's Housing Section has agreed a protocol with registered social landlords for dealing with existing tenants who fall in arrears specifically due to the application of the bedroom cap.</p>	Corporate Director Resources	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
					Bridgend Housing Partnership meets quarterly and discusses the impact as an Agenda Item.		
Links to all key outcomes	Working together to make the best use of resources	<p><b>Using resource effectively:</b></p> <p>In the final Local Government Settlement 2014-15, local government funding declined with a further likely decrease on an all-Wales average of -1.57% forecasted for 2015-16. The MTFS approved by Council in February 2014 was however based on an assumption of a -3% reduction as the figures were still indicative. No indicative figures were provided for 2016-17 or 2017-18.</p> <p>In July 2014 WG indicated that authorities should plan for a cut in funding of -4.5% for each of the years 2015-16 to 2018-19. This equates to a savings target of £50m over the 4 year period.</p> <p>The revised savings targets are:</p> <p>2015-16: £12.417m 2016-17: £13.460m 2017-18: £12.175m 2018-19: £11.798m</p> <p>Not all the planned savings for 2014-15 will be achieved and this will increase the savings requirement for future years.</p>	<p>The Council has to consider its resources very carefully and make difficult spending decisions. This will carry on over the next few years as the public finance outlook continues to be bleak. If there is a shortfall in savings the Council might fail to achieve its MTFS. This could necessitate the unplanned use of reserves to bridge the funding gap or unplanned cuts to services which would put vulnerable people at risk.</p> <p>In addition other specific revenue grants are likely to be reduced, but these have not yet all been quantified. One example where this has arisen in 2014-15 is the Adult Community Learning grant which will reduce by 37.5% by 2015-16. In the draft WG budget there is also an indication that the Supporting People grant will reduce by 7.5% and education grants will reduce overall.</p> <p>Further town centre regeneration, office accommodation rationalisation projects and the schools modernisation programme are at risk if there is any reduction in the capital programme. WG has indicated that the capital allocation to local authorities is likely to be flat lined for the next few years.</p> <p>Savings proposals will have implications for the workforce given that 68% of the net revenue budget is staff costs. Failure to meet the savings plans would also damage the reputation of the Council with citizens, particularly if the level or quality of services was affected as a result.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council reviews its Corporate Plan each year to ensure that it continues to reflect its priorities and key risks. The links between the Corporate Plan and the MTFS have been strengthened so that the relationship between resources and service priorities are more clearly understood. To achieve this, an integrated business and budget planning process has been introduced.</p> <p>The MTFS for the period 2015-16 to 2018-19 has been developed and target savings of £50m have been set. The MTFS takes into account projected future demand for services in areas such as Looked After Children, Special Education Needs and Adult Social Care. Cabinet and CMB have agreed that for 2015-16 every Directorate must bring forward savings proposals of about 9% of their 2014-15 controllable budgets.</p> <p>The Council has established a Strategic Change Management Programme, known as the Bridgend Change Programme, supported by strong political leadership, which will be incorporated into the Corporate Performance Assessment and Overview and Scrutiny processes. The Council's pump priming budget of £200,000 has been used to establish the core staff capability to deliver the programme. In addition an earmarked reserve of £1m will be maintained over the life of the MTFS to support its delivery.</p> <p>Potential areas for savings have been identified and include:</p> <ul style="list-style-type: none"> <li>• Maximising the use of space and technology</li> <li>• Improving procurement and commissioning</li> <li>• Streamlining systems processes</li> <li>• Modernising the school estate</li> <li>• Integrating health and social care</li> <li>• Integrating council transport services</li> <li>• Further collaboration in education</li> <li>• Maximising partnership working and reviewing funding models and delivery of services with the Third Sector.</li> </ul> <p>The Council has a capital funding strategy in which prudential borrowing will only be used where it is affordable. Also decisions on the treatment of surplus</p>	Corporate Director Resources	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		Directorates are developing alternative achievable savings proposals.			assets will be based on an assessment of their potential contribution.  Reductions in staff will be managed where possible by using different employment models, and the application of voluntary early retirement. Some compulsory redundancies might be necessary.		
<p>People in Bridgend County Borough are healthier.</p> <p>People and their families are empowered and informed to live healthy and independent lives and our communities are stronger, cohesive and sustainable, with appropriate access to services for all.</p>	Working together to help vulnerable people stay independent.	<p><b>Supporting vulnerable people:</b></p> <p>If the Council in partnership with the NHS, Western Bay and other partners do not change how services are delivered, they will not be able to meet the challenges brought about by high public expectations, a significantly worsening budget and a population that is both older and has more complex health needs.</p> <p>There is currently a shortfall in the savings identified and it is imperative that the council identifies further savings to meet the MTFS.</p> <p>Transformation is significant and is within the context of managing demand as well as making savings. The market is changing and as a result the Council may not be able to transfer services as originally planned. The Council will have to demonstrate both flexibility and</p>	<p>The number of people over the age of 75 will have grown 13% by 2015 and by 77% in 2030 when compared to 2010. At the same time there are more young people with complex health needs living into adulthood. Whilst this is good, it means that more citizens are living with long term health problems that lead to an increasing need for support. This increasing demand will lead to an extra cost of between £700,000 and £1m per annum to the Council over the next 10 years.</p> <p>Failure to remodel services will:</p> <ul style="list-style-type: none"> <li>Restrict the Council's ability to safeguard people and respond to assessed needs as set out in the Social Services Act.</li> <li>Result in longer lengths of stay in acute hospital services.</li> <li>Result in a greater need for expensive hospital treatment.</li> <li>Mean that vulnerable people lead less fulfilled lives.</li> <li>Mean that the Council and the NHS do not meet the public's expectations and consequently the reputation of the organisations will suffer.</li> </ul>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>Demographic and financial pressures require alternative models of service delivery.</p> <p>Modernisation is being driven forward as the Council works with a range of partners to deliver a broad range of support and services, across adult social care.</p> <p>The Remodelling Adult Social Care (RASC) Programme Board continues to oversee the transformation of services. The MTFS is linked to the RASC programme so that the savings are in line with service developments. Projects are progressing but the market is changing and the Council was unable to attract a partner agency in response to the Homecare tender.</p> <p>There has also been 'soft market testing' in relation to learning disability supported living services and the council has been unable to attract interest from new providers. Alternative plans have now been brought forward in a phased approach until such time as the market changes again. This phased approach will involve the Council remodelling existing in house services until such time as the market is ready to respond.</p> <p>The service will continue to learn from past exercises as well as from other Local Authority areas including lessons from England.</p> <p>Partnership agreements will have robust outcome specifications and arrangements for monitoring of contract delivery to ensure the safeguarding of vulnerable people.</p> <p>Services will support independence and promote positive risk taking. They include:</p> <ul style="list-style-type: none"> <li>The development of a new assessment framework which concentrates on a strength</li> </ul>	Corporate Director Wellbeing	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		<p>innovation in order to drive through proposals for change.</p> <p>It is important that in a period of change, the emphasis remains on safeguarding vulnerable people.</p> <p>A competent and skilled workforce is required in order to deliver on the significant change agenda. The Council must ensure that there is effective support and training for staff and on-going robust management of sickness absence.</p>			<p>based approach in line with the Social Services Act</p> <ul style="list-style-type: none"> <li>• Enablement focused homecare</li> <li>• The continued successful promotion of telecare</li> <li>• The continued development of the Community Resource Team to enable greater choice of health and social care within a community setting</li> <li>• The implementation of a falls prevention service with Public Health Wales</li> <li>• Further integration and service remodelling where access is via an integrated referral centre</li> <li>• Further development of short term residential reablement placements</li> <li>• The development of two Extracare housing facilities</li> </ul> <p>Further work is now taking place to move on to the next stage of integration.</p> <ul style="list-style-type: none"> <li>• A Service Level Agreement (SLA) has been established with Age Concern to support people being discharged earlier from hospital.</li> <li>• A Regional Community Services Project Board has been set up.</li> <li>• The promotion of preventative services that help keep people healthy. This will reduce the need for current and future care and mean people lead more fulfilled lives.</li> <li>• Assist the third sector in developing and expanding their services.</li> <li>• Continue to provide support to Carers.</li> </ul> <p>Learning Disability Services are following a pathway progression model, to identify how to support people in the most appropriate way in order for them to develop their skills to achieve maximum independence.</p> <p>Preventative and wellbeing approaches are being developed across the Directorate, in partnership with the NHS and Third Sector partners, as part of the change agenda to support sustainable services in the future.</p> <p>The directorate senior management team and managers across the service will continue to pro-actively manage absence levels and monitor the</p>		

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
					sickness absence process.		
<p>People in Bridgend County Borough are engaged and empowered to achieve their own potential.</p> <p>People are active citizens in society, equipped with the skills, qualifications and confidence needed to live and work, and that there are equal opportunities so people are supported and equally valued.</p>	Working together to raise ambitions and drive up educational attainment.	<p><b>School modernisation:</b></p> <p>Budget pressures may reduce or delay the 21<sup>st</sup> Century school programme.</p> <p>The programme has been moved forward to 2019. Core funding may not be available within this shorter timeframe because it depends on the ability of the Council to release sufficient land to support the programme. This would delay school building improvements, repairs and new builds and also prejudice the Council's ability to provide for sufficient school places.</p> <p>Demand for disabled adaptations and repairs and maintenance are outstripping the budget. Failure to provide for disabled learners may result in litigation or tribunals.</p>	<ul style="list-style-type: none"> <li>Insufficient progress may have a negative impact on pupils' learning and wellbeing.</li> <li>There is a link between attendance, attainment and the school environment.</li> <li>It may affect the range of educational opportunity for pupils.</li> <li>There may be inefficient use of resources, due to a mismatch in the supply and demand for places in different schools.</li> <li>Deterioration in the state of school buildings will result in increased running costs and the need for emergency repairs. This could result in potential health and safety issues. Resources that could be better spent on direct support to children (BCBC schools are relatively poorly funded) will be diverted to less productive use.</li> <li>An inability to maximise opportunities to move services closer to communities via multi agency hubs located in community focused schools.</li> <li>Inadequacies in buildings maintenance have been identified, including fire safety within schools.</li> </ul>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>Continue to implement a phased schools modernisation programme but within a revised timetable.</p> <p>School modernisation is part of the Council's capital programme. The Council will submit detailed business cases for each project. Match funding will be met from core funding allocations of £5m with an extra £2m coming from general capital receipts, anticipated Section 106 funding of £4m and projected sale of school sites of £11.135m. The funding from these sales is ring fenced.</p> <p>Maintain strong programme and project management arrangements. There is a track record of delivering projects to time, cost and quality.</p> <p>Procurement through the South East Wales Schools &amp; Capital Programme Contractor Framework.</p> <p>Maintain good links with Welsh Local Government Association and WG.</p> <p>Review catchment area boundaries to ensure supply meets demand.</p> <p>Provide temporary accommodation.</p> <p>Regular health and safety audits will enable the council to prioritise improvement works and respond to emerging issues.</p> <p>Property services are currently managing a project to look at the risks around fire safety within Bridgend Schools.</p>	Corporate Director Children	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>
<p>People in Bridgend County Borough benefit from a stronger and more prosperous economy.</p> <p>People are increasingly active in the local</p>	Working together to develop the local economy	<p><b>The impact of persistent economic downturn:</b></p> <p>If the economy continues to perform badly the quality of life for residents will suffer. There will be no positive long lasting economic,</p>	<p>There will be cuts in the public sector and these will disproportionately affect regeneration activities as spending on other services are protected.</p> <p>Reductions in regeneration funding have a disproportionate affect because each £1 of Council funding leverages between £8 and</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Three Communities First teams are in place. The new programme is focused on fighting poverty and seeks to achieve three main outcomes. These being healthy, learning and prosperous communities. Applications have been submitted to WG to continue the programme in the 3 Cluster areas for 2015-16 and a decision is expected December 2014.</p> <p>The Local Investment Fund offers financial assistance to small and medium sized businesses. It will operate until June 2015. Up to the end of May 2014, the</p>	Corporate Director Communities	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>economy and support local businesses, and our communities are sustainable with the appropriate infrastructure to support business growth and thriving town centres.</p>		<p>environmental and social change as our towns, local businesses and deprived areas suffer decline.</p> <p>Individuals, particularly young people, may be unable to secure employment because they lack the basic skills and confidence necessary and suitable jobs are not available in the economy.</p> <p>Severe cuts in Welsh Local Government spending will happen over the MTFs period 2014-15 to 2017-18. These cuts will impact on the local economy disproportionately because the Council is one of the key local employers.</p>	<p>£13 from other sources.</p> <p>There could be further job losses and business failures in the local economy if the UK and European economies continue to perform weakly. The quality of life within the County Borough may decline.</p> <p>Pressure will be placed on diminishing Council services which support local businesses and employment.</p> <p>Town centres continue to suffer, predominantly the retail sector. Without regeneration they will not be attractive places to visit or able to compete with retail developments in neighbouring centres such as Talbot Green and Neath. Even with regeneration, competition and resilience will be difficult, as the nature of town centres is changing.</p> <p>The proposed regeneration programme assumes £2.6m of capital receipts. This includes an anticipated receipt from Porthcawl Regeneration Phase 1.</p> <p>Existing capital schemes will be affected if there are cost over-runs on regeneration projects. There is no provision to fund unforeseen works.</p> <p>At a time when regeneration is being asked for more solutions and more input, budgets are being cut.</p>		<p>scheme has created 356 jobs and supported 146 existing businesses and 42 individuals who are starting a new business.</p> <p>The Council supports the business community via the Business Forum, Bridgend Tourism Association, the Destination Management Partnership, Coastal Partnership, and town centres, through the Town Centre Manager, BID Partnership (Bridgend) and THI Programmes.</p> <p>The Council has an apprenticeship programme in operation.</p> <p>ESF funded projects (Workways, COASTAL, PreVENT 14 – 19, SEN Transition Into Employment) help individuals, including young people, move into employment, education or training. The ESF projects are due to come to an end in 2015-16. Projects are applying for new funding to continue.</p> <p>Increasing footfall in town centres through strategic, high quality events, supported by proactive marketing. The target is to increase footfall by 15% over the usual during event days. The quarter 2 figure indicates a 25.71% increase for the Mash up and the Festival.</p> <p>Implementation of the current rural development programme and development of the successor programme. The successor programme is being submitted to the Welsh Government (Sept 2014). The current rural development programme is scheduled to end December 2014, with the next scheduled to start in January 2015.</p> <p>Implement the Youth Engagement And Progression Framework.</p> <p>Capital schemes, aimed at regenerating our towns and funded through the Convergence Programme, continue in Bridgend and Maesteg/Lynfi Valley.</p> <p><b>Bridgend</b> All four construction lots which make up this works programme continue to be on track for completion in 2014 as planned. Financially the programme is working to budget. A formal project launch to celebrate completion of main project phases was held</p>		



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					<p>on the 19th September 2014. There are some minor work items currently outstanding. These will be completed by the programme deadline and financed from the project's remaining budget. A bid for Vibrant &amp; Viable Places has been approved to support projects in Bridgend town centre. The £5.978m grant was confirmed in June as part of a £11 million investment programme which includes bringing a residential core to the town and creating added footfall and vitality</p> <p><b>Maesteg/Lynfi Valley</b> Maesteg Phase 4, market renovation has been completed and events to promote the town are taking place. WG Funding for a new town centre partnership and action plan has also been approved.</p> <p>A development land programme for key sites in the Lynfi valley is also being discussed with WG. Funding for Lynfi Valley has been agreed by WG subject to finalisation of Heads of Terms.</p> <p><b>Porthcawl</b> The new marina was officially launched in April 2014. An operational and business review will be carried out at the end of first full year. The project remains on target. The Jennings building is being marketed. Completion of assessments of Jennings submissions will take place in October 2014, with a decision on developer selection in November 2014. The Porthcawl THI launch has been postponed to coincide with the Jennings announcement.</p> <p>Welsh Government Funding for a new town centre partnership and action plan has also been approved.</p> <p>Project management principles are in place to ensure the delivery of the funding remains effective.</p>		
People in Bridgend County Borough are engaged and empowered to	Working with children and families to tackle problems early.	<b>Supporting vulnerable children, young people and their families:</b>	Between 2007/08 and 2012/13 the number of Looked After Children increased by 40%, from 292 to 412.	Likelihood - 5 Impact - 4 Total - 20	Communicate the "Looked After Children Placement and Permanency Strategy" throughout the council, and to statutory partners and stakeholders.  Share responsibility with other agencies for the	Corporate Director Children	Likelihood - 4 Impact - 4 Total - 16

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>achieve their own potential.</p> <p>People are active citizens in society, equipped with the skills, qualifications and confidence needed to live and work and that there are equal opportunities so people are supported and equally valued.</p>		<p>If the number of Looked After Children, the complexity of cases and the length of stay in care continue to increase, then the demand on resources will outstrip the council's ability to meet needs.</p>	<p>The wellbeing and safety of children might be compromised. They may be unable to</p> <ul style="list-style-type: none"> <li>• Thrive and make the best use of their talents</li> <li>• Live healthy and safe lives</li> <li>• Be confident and caring throughout their lives</li> <li>• Know and receive their rights</li> </ul> <p>Patterns of behaviour, such as poor parenting, will be repeated in subsequent generations.</p> <p>A potential increase in the proportion of young people identified as not in education, employment or training (NEET).</p> <p>A less skilled and flexible workforce.</p> <p>Increased social and economic costs.</p> <p>A loss of reputation to the Council.</p> <p>An increase in the need to commission expensive placements with independent fostering and adoption providers</p> <p>Increased demands on social work teams, reviewing officers and support teams.</p>		<p>development of the strategy and its implementation.</p> <p>Promote targeted early intervention and prevention services via the Early Intervention Strategy published in the summer of 2014. This will lead to a reduction in the numbers of families developing more complex needs which require intensive costly interventions.</p> <p>Focus on supporting families with complex and acute needs through the Intensive Family Support Service and Connecting Families.</p> <p>Have a workforce which works proactively delivering interventions at an early stage. Where necessary this will involve transforming social work practice and using evidence and strength based practices and outcome focussed methodologies.</p> <p>Striving for stability and permanence for Looked After Children. This will include using increased numbers of adoptions, special guardianship orders, residence orders and other long term arrangements with Foster Carers or extended family.</p> <p>Robust self-evaluation to ensure that we know and understand the Looked After Children population.</p> <p>Take a multi-agency partnership approach to increase prevention and early intervention services that focus on particular vulnerable groups including teenage pregnancies, substance and alcohol misuse and domestic abuse.</p>		
<p>Bridgend County Borough is a great place to live, work and visit.</p> <p>People take pride in the county, their communities, the heritage and natural</p>	<p>Working together to make the best use of our resources.</p>	<p><b>Disposing of waste:</b></p> <p>The EU Waste Framework Directive promotes waste prevention and increased recycling.</p> <p>WG's waste strategy 'Towards Zero Waste' sets challenging targets. From 2012-13</p>	<p>Failure to achieve recycling/composting targets could result in:</p> <ul style="list-style-type: none"> <li>• Inefficient use of resources as waste goes to landfill sites</li> <li>• Penalties of £200 per tonne if we fail to achieve landfill allowance targets</li> </ul> <p>Increased recycling has a knock</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Kier MG contract is delivering increased recycling rates that will enable the Council to meet its recycling and landfill targets in the medium term. A long term strategy was presented to Cabinet in November 2011.</p> <p>Shanks, the preferred bidder for the anaerobic digestion plant, has notified the South West Wales Regional Hub that they have decided not to proceed with the procurement. The way to proceed is currently being discussed with WG and Hub members.</p>	<p>Corporate Director Communities</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
environment and our communities are clean and safe and have a good range of leisure, tourism and cultural activities.		there is an obligation to recycle / compost 52% of waste and this will rise to 70% by 2025. If new services do not deliver improved performance the environment will be affected and fines will be imposed on the Council.	on effect to the contract requirements of MREC.		Neath Port Talbot CBC has commenced a procurement process for the sale of Neath Port Talbot Recycling who operate the MREC, with a guaranteed contract for Neath Port Talbot and Bridgend councils to dispose of their residual waste. This will allow Neath Port Talbot and Bridgend councils to participate in the procurement of a regional residual waste facility by 2019-20, although some uncertainties remain.  In the short term, improved recycling rates will be achieved by education and communication to increase participation, but difficult decisions will have to be made about how improved services are funded.		
<p>People in Bridgend County Borough are healthier.</p> <p>People and their families are empowered and informed to live healthy and independent lives and our communities are stronger, cohesive and sustainable, with appropriate access to services for all.</p>	Working together to tackle health issues and encourage healthy lifestyles.	<p><b>Healthy Life Styles:</b></p> <p>There are significant health inequalities within the County Borough. Many people in Bridgend live unhealthy lifestyles and this might deteriorate as welfare reform continues. If the Council does not promote healthy living the emotional and physical wellbeing of citizens will suffer.</p>	<p>Unhealthy lifestyles have many affects. These include:</p> <ul style="list-style-type: none"> <li>• Shortened life expectancy. Life expectancy in the County Borough is below the Welsh average.</li> <li>• Shortened healthy life expectancy. Some areas of the County Borough have a healthy life expectancy which is 20 years longer than others.</li> <li>• Higher rates of obesity.</li> <li>• Worse emotional health.</li> <li>• Less fulfilled lives as people lose their independence due to ill health.</li> </ul> <p>These result in greater demand upon expensive medical and care services provided by ABMU and the Council.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Corporate Plan 2013 – 2017 identifies five key actions:</p> <ul style="list-style-type: none"> <li>• Improve healthy living programmes in leisure facilities, schools and communities to encourage participation in physical activity.</li> </ul> <p>The £4.2m investment in Bridgend Life centre was completed and facilities have been enhanced at Heronsbridge School and Garw Valley Life Centre.</p> <p>The number of visits to sport and leisure facilities is increasing. With the National School Sport Survey identifying good levels of participation as does the national free swimming initiative for those over 60.</p> <ul style="list-style-type: none"> <li>• Work with Public Health and other parties to further develop targeted projects to help tackle health issues and live healthy lifestyles including: weight management, harmful drinking and smoking</li> </ul> <p>New programmes have been rolled out to help reduce harmful drinking. This includes the development of a Substance Misuse Policy for Comprehensive Schools with consideration being given to a similar policy for primary schools.</p> <p>Information is provided to the parents of children and young people found drinking in the community.</p> <p>Healthy lifestyles are promoted via the Corporate Health Standard and Small Workplace health Award.</p> <ul style="list-style-type: none"> <li>• Enhance the role of libraries in helping</li> </ul>	Corporate Director Wellbeing	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
					<p>citizens to improve their emotional and physical wellbeing by providing more joined up services,</p> <p>The new Bridgend Library was opened and is the latest example of the co-location model implemented in the Ogmore and Garw Valleys</p> <ul style="list-style-type: none"> <li>• Reduce level of tobacco consumption</li> </ul> <p>The multi-agency Tobacco Control Steering group developed an action plan for partnership working across the County Borough.</p> <p>There are various awareness raising initiatives across the County Borough and Trading Standards inspects and enforces legislation concerning sales to those who are underage.</p> <ul style="list-style-type: none"> <li>• Reduce harmful drinking</li> </ul> <p>Inspections and enforcements against premises selling alcohol to those underage.</p> <p>Support for initiatives via Neighbourhood Networks and local partnership working.</p> <ul style="list-style-type: none"> <li>• Working together to reduce the number of teenage pregnancies</li> </ul> <p>The Youth Service worked with LSB partners to tackle the teenage conception issue via programmes such as the Llynfi Valley project, the Empower to Choose programme and the Healthy Schools Scheme. These have resulted in a fall in the rate of teenage conceptions.</p>		
<p>Bridgend County Borough is a great place to live, work and visit.</p> <p>People take pride in the county, their communities, the heritage and natural environment and</p>	<p>Working together to develop the local economy.</p>	<p><b>Maintaining infrastructure:</b></p> <p>If there is further harsh weather, there may be an increase in the number of roads in poor condition, more repairs being required in the future and the Council might fail to meet its statutory obligations.</p>	<p>Failure to maintain infrastructure will result in the Council not meeting its statutory obligations and the % of roads that are in overall poor condition increasing.</p> <p>A poor quality highway network leads to increased third party liability claims, a loss of reputation, a possible adverse impact on economic activity and reduced quality of life for citizens.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Additional maintenance has been undertaken in the past 5 years as a result of increased revenue budget and grants from WG. Funds have been targeted at Principal (A) roads. The Highways maintenance budget has increased by £800,000 since 2009 and further growth of £100,000 in 2013-14 resulted in investment in street furniture (lighting, traffic signals etc). However 2014-15 is the last scheduled year of WG LGBI funding.</p> <p>The LGBI will provide funding of around £6.8m over the period 2012-15 for highway infrastructure improvements. The principal to be adopted for the</p>	<p>Corporate Director Communities</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
our communities are clean and safe and have a good range of leisure, tourism and cultural activities.		If the Council fails to deliver the necessary improvements expected from the Local Government Borrowing Initiative (LGBI) the business case for year 3 will be in jeopardy.	Further budgetary pressures could occur due to unpredictable weather patterns and the worsening condition of the infrastructure. This will lead to an increased requirement for emergency repairs.  If works requiring capital funding, like the LGBI, are not carried out, the potential impact will be detrimental to the condition of the highways infrastructure for decades.		programme of works is to provide good quality resurfacing which will be sustainable in the long term rather than quick overlay which requires higher maintenance in future years.  The Council's Highways Asset Management Plan provides information to assist the Council in considering the highway asset risk and apportion funding from the Council's budget strategy and LGBI.		
Corporate Governance	Working together to make the best use of our resources.	<b>Equal Pay Claims:</b>  The result of the Abdulla Group case involving former employees of Birmingham City Council means that there is a risk of further equal pay claims against the Council.  The courts are reviewing rulings on Male Dominated Claims – which have been listed. To date the Council has refused to settle these as they are outside the scope of the Memorandum of Understanding. The court decision remains outstanding.	The ruling has created the possibility that employees who left the Council up to six years ago might claim under equal pay legislation. Previously, to make a claim, the person had to be either employed by the Council or have left its employment within the last six months.  Claims for compensation can now be made through the Civil Courts rather than via an Employment Tribunal. This will increase Legal Costs.  The estimated cost, if all male dominated listed claims were settled, is £1.5M.	Likelihood - 5 Impact - 4 Total - 20	The Council is aware of the issues and is monitoring developments.  Following the initial equal pay exercise, the Council is in a good position to be able to respond to any further claims in an appropriate manner.	Corporate Director Resources	Likelihood - 4 Impact - 4 Total - 16
People in Bridgend County Borough are healthier.  People and their families are empowered and	Working with children and families to tackle problems early.	<b>The impact of homelessness:</b>  Homelessness may increase because of persistent economic downturn, welfare reform and a stagnant	Homelessness is often a culmination of several problems, such as debt, relationship difficulties, mental health issues and substance misuse. For many, homelessness leads to increased stress, depression, and isolation. It can lead to a need for other	Likelihood - 5 Impact - 3 Total - 15	The Council is taking a proactive prevention approach to the issue of homelessness by helping residents find solutions to their housing needs and getting to the root cause of why people become homeless.  The Work Wise review has improved the response to homelessness presentations and increased the emphasis on prevention and support of service	Corporate Director Communities	Likelihood - 5 Impact - 3 Total - 15

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>informed to live healthy and independent lives and our communities are stronger, cohesive and sustainable, with appropriate access to services for all</p>		<p>local housing market. This may result in a greater dependence on the Council to provide temporary accommodation for residents. At the same time the Supporting People Programme is going through significant change as a result of the national review.</p> <p>The risk may be exacerbated when the Housing Act is enacted in April 2015, placing a duty on the Council to 'take all reasonable steps' for a period of 56 days to prevent homelessness. There will be uncertainty about what this means until WG Guidance is issued and cases come before the courts.</p> <p>In addition the duty to 'take all reasonable steps' for any former prisoner who is potentially homeless from Parc Prison, regardless of local connection, may increase the use of temporary accommodation until a solution is found or a homeless investigation is instigated.</p>	<p>costly service interventions.</p> <p>The impact is greater on some groups e.g. 16/17 year olds and people with a chaotic housing history.</p> <p>The use of bed and breakfast accommodation results in high costs both in terms of finance for the Council and the wellbeing of individuals.</p> <p>Properties are standing empty and deteriorating because they cannot be sold.</p> <p>Changes to Housing Benefits might result in increased rent arrears and evictions leading to an increase in the number of homelessness cases. This would impact on the welfare of citizens, the Council's Housing Options Team, the homelessness budget and other welfare services.</p> <p>Unless resources can be reallocated within the Supporting People programme there might be increased repeat homelessness. Fewer properties are being improved because the Housing Renewal Area programme is reducing. The WG grant has reduced from £1m to £600,000 per year.</p> <p>In 2010-11 there were 501 homelessness presentations. This reduced to 448 in 2011-12 and 346 in 2012-13. This slightly increased in 2013-14 to 369. This needs to be considered in conjunction with the number of prevention cases.</p>		<p>users. Efficiency savings have been made in the use of temporary accommodation and more are forecast.</p> <p>Ty Ogwr opened in July 2013. This provides 16 units of temporary accommodation for single people. A further increase in this type of accommodation is planned for 2015-16.</p> <p>The Council, in conjunction with Registered Social Landlords, have implemented a Common Housing Register and Social Housing Allocations Policy. This will help ensure the best use of available social rented property.</p> <p>A Supporting People review is currently underway and work has commenced on commissioning the provision of structured, professional floating support to vulnerable groups which will help support tenancies and prevent homelessness and repeat homelessness.</p> <p>The Just Ask + (16-25) service has been operational since April 2012 providing advice to homeless young people and their parents.</p> <p>Following the national review of the Supporting People Programme, Regional Collaborative Committees have been set up to support greater collaborative working.</p> <p>Raising awareness of Housing Benefit changes via landlord forums, information leaflets, and letters to customers and open days.</p> <p>Three Communities First teams are delivering advice on financial inclusion.</p> <p>Working with partners to improve private sector housing conditions and bring empty homes back into use. This will be done via the Houses into Homes Scheme, Empty Homes Grants and the implementation of Phase 7 of the Caerau Housing Renewal Area.</p> <p>The increased risk of homeless presentations and their associated costs, caused by the geographical location of Parc Prison will be raised with the WLGA, Assembly Members and WG.</p> <p>The Council have approved the redistribution of expenditure for Supporting People Grant from Learning Disabilities to under-represented groups.</p>		

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
Corporate Governance	Working together to make the best use of our resources.	<p><b>Collaboration with partners:</b></p> <p>If the Council does not undertake collaboration projects where they offer enhanced service quality, increased resilience or significant cost savings, it will not maximise cost effective, tangible, improvements to services.</p>	<p>In a period of stretched budgets, successful collaborative working is even more essential for the efficient and effective delivery of quality public services. If the Council fails to collaborate successfully some of the most vulnerable people in the community will not have their needs met. This would lead to a loss of reputation with the public and WG.</p> <p>As the Council moves towards multi- agency working, there is potential for service instability whilst transformation takes place.</p> <p>Budget reductions have the potential to affect collaboration where they result in restrictions of spend to single-agency priorities.</p> <p>Reduction in other public sector partners' budgets.</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council works in partnership with other councils, public sector and third sector bodies based upon different geographical and service footprints. There is evidence that partnership working and good collaborative arrangements permeate all the main risk areas. Corporate Directors understand the challenges of collaborative working and the importance of recognising different organisational cultures and approaches (e.g. towards data sharing).</p> <p>The Bridgend Local Service Board (LSB) is led by the Council and has a strong and positive record of facilitating collaborative working.</p> <p>The LSB "Bridgend County Together" partnership plan was published in April 2013 and sets out the priorities aimed at improving the lives of people in the county, focussing on issues such as health, education, employment, the local economy, tourism, crime and the environment.</p> <p>The LSB is also working to mitigate some of the negative effects of Welfare Reform with Valleys to Coast, registered social landlords and other partners.</p> <p>BCBC partners with ABMU, Swansea and Neath Port Talbot Councils to deliver a model of integrated care across a range of services including care for older people, adults with disabilities and mental health provision.</p> <p>The Memorandum of Understanding with Vale of Glamorgan council facilitates collaboration in many areas.</p> <p>The Central South Consortium will drive school improvement.</p> <p>The Data Centre collaboration project with Rhondda Cynon Taff council increases the resilience of service provision.</p> <p>Collaboration in the provision of Leisure Services reduces cost and will improve quality.</p> <p>The motor fleet depot project with South Wales Police will increase efficiency.</p>	Assistant Chief Executive, Legal & Regulatory Service	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>People in Bridgend County Borough are engaged and empowered to achieve their own potential.</p> <p>People are active citizens in society, equipped with the skills, qualifications and confidence needed to live and work, and that there are equal opportunities so people are supported and equally valued.</p>	Working together to raise ambitions and drive up educational attainment.	<p><b>Educational attainment:</b></p> <p>If school standards and pupil attainment do not continue to improve there are significant risks to the emotional wellbeing of young people and their future employment prospects, the local economy and a range of council services as young people leave education ill-equipped for employment.</p>	<p>A possible increase in the number of young people not in education, employment and training (NEET).</p> <p>Greater deprivation as young people are unable to sustain a livelihood in the future.</p> <p>More young people with worse emotional health.</p> <p>More schools identified as requiring monitoring and intervention through inspection, with concern and eventual special status.</p> <p>Potential for a decline in KS attainment results, PISA scores and other accreditation.</p> <p>Less capacity for provision for pupils with learning difficulties.</p> <p>Potential for parents to complain and/or take cases to SEN Tribunal.</p> <p>Possible intervention by WG.</p> <p>Continued Estyn monitoring.</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>	<p>The Central South Consortium is going through a review to implement the Hill report recommendations. The implementation of the School Effectiveness Framework and in particular the work of System Leader will ensure more rigorous monitoring and challenge.</p> <p>The post Estyn inspection action plan is being actively used to drive up standards in schools and across the council's services.</p> <p>The new School Improvement Strategy will define outcomes for learners.</p> <p>The implementation of the Youth Engagement and Progression Framework will help ensure that an increasing number of 16 year olds remain in education.</p> <p>Implement an improvement plan with Band 4 Comprehensive Schools and the development of a 'good to great' programme as an integral part of the CSC School Improvement Strategy.</p> <p>"Team Around The School" continues to support schools which are under performing.</p> <p>Raise standards of literacy and numeracy through a structured and strategic programme including</p> <ul style="list-style-type: none"> <li>• Identifying underperforming English and Maths Departments and support action to improve</li> <li>• Provide training for staff</li> <li>• Develop a whole school approach to basic skills</li> <li>• Use "BKSB" to raise basic and key skills</li> <li>• Utilise CSC pupil tracking model</li> <li>• CSC literacy and numeracy plans</li> </ul> <p>Carry out Additional Learning Needs analysis and ensure the training and development programme is delivered to schools.</p> <p>On-going review of school funding formula.</p> <p>A new Attendance Strategy is being drafted and will be implemented by the end of the Autumn term. Fixed penalty notices will be available for Headteachers to use as a sanction.</p>	Corporate Director Children	<p>Likelihood - 3</p> <p>Impact - 4</p> <p>Total - 12</p>



Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
					Federated schools guidance from WG is being considered.  Challenge Advisors now replace System Leaders with greater emphasis on challenge.  Federation of Primary Schools acts in a supporting role.		

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

#### REPORT OF THE CORPORATE DIRECTOR – RESOURCES

#### HOUSING AND COUNCIL TAX BENEFIT FRAUD INVESTIGATIONS OUTTURN 2013/14 AND A COMPARISON OF POSITION IN THE FIRST 6 MONTHS OF THIS YEAR

##### 1. Purpose of Report.

- 1.1 The purpose of the report is to inform the Committee of the activities that have been undertaken in the first six months of this financial year with regard to Housing and Council Tax Benefit fraud investigations, as compared with the position during the same period in 2013/14. In addition, the report also summarises the activities undertaken and the results achieved during 2013/14.

##### 2. Connection to Corporate Plan / Other Corporate Priorities.

- 2.1 The work of the Fraud Team impacts the resources available to the Council which support all of the Corporate Improvement Objectives/other corporate priorities.

##### 3. Background.

- 3.1 The Fraud Team of the Benefits Section is responsible for the investigation of allegations of Housing and Council Tax Benefit fraud. Fraud Investigators are required to conduct the whole investigation from the initial allegation being received, to closure of the case and preparation of a sanction if appropriate. The Fraud Team currently consists of a Fraud Manager, 3 FTE Fraud Investigators and is supported by a part time (3 days/week) collator/administrative officer.

##### 4. Current situation

- 4.1 Fraud referrals are summarised in Table 1 below. This shows that overall during the first half of 2014/15 there has been a slight decrease in the number of referrals received overall. There has been a significant decrease in the number of cases referred via benefit staff, this is primarily due to an inflated 2013/2014 figure as an intervention exercise, where unreported increases in wages were highlighted, resulted in an influx of referrals. There are no National Fraud Initiative (NFI) referrals for the first 6 months of 2014 as this exercise is only run on alternate years whilst the Housing Benefit Matching Service has returned to its normal level.

Fraud awareness training sessions are undertaken for Benefit, Homelessness, Council Tax and Customer Service staff and with outside agencies on a cyclical basis. Fraud awareness also forms part of the induction process for all new benefit staff.

Table 1 illustrates the source of fraud referrals.

Source of Referrals	2013/14	April – Sept 2013	April – Sept 2014
N.F.I.	64	25	Nil
External agencies	24	14	4
Benefit staff	98	55	26
HBMS* data match	5	3	22
Department of Work and Pensions (DWP)	43	21	25
Hotline	13	10	Nil
Anon phone call	110	62	70
Anon letter	54	29	24
<b>Total:</b>	<b>411</b>	<b>219</b>	<b>171</b>

\* DWP Housing Benefit Matching Service

- 4.2 Investigations are undertaken based upon information received as a data match or in the form of a specific allegation regarding either the claimant's circumstances or the claimant's landlord. As well as new cases there are also cases ongoing from previous years.

Table 2 illustrates a breakdown of the types of cases that have been investigated in specific periods.

Types of allegation	2013/14	April – Sept 2013	April – Sept 2014
Living together	155	87	56
Contrived tenancy	10	12	7
Non-dependant	38	23	14
Non-occupation	30	13	15
Undeclared income	98	40	27
Working and claiming	80	44	52
<b>Total:</b>	<b>411</b>	<b>219</b>	<b>171</b>

- 4.3 Investigations into alleged living together situations remain a major element of Benefit Fraud investigation within the county borough. This type of investigation is extremely difficult to prove as it requires a very strong standard of evidence. It cannot be decided on prescriptive criteria but relies solely on judgement made on a case by case basis related to the evidence available. Inevitably, due to the necessity of gathering sufficient evidence this type of investigation can be very time consuming.
- 4.4 During 2013/14, 368 cases were closed and the closure categories are detailed below in Table 3.

Reason for closure	2013/14	April – Sept 2013	April – Sept 2014
No fraud	136	59	62
Claimant error	0	0	0
Local Authority error	0	0	0

Nil to investigate	102	57	63
Fraud proven	130	75	33
Total:	368	191	158

4.5 The percentage of fraud proven cases for April to Sept 2014 has decreased from that of April to Sept 2013. This is partly due to a small decrease in the number of staff within the fraud team and also because the quality of information received in referrals from the public is typically not as reliable as those generated via housing benefit assessment staff or from external agencies.

4.6 Once a case has been closed as fraud proven and the overpayment calculated, the case is referred to the Benefits Sanctions Panel. The panel, consisting of three senior members of the Benefits Team, use the Benefits Prosecution Policy to decide what, if any, further action should be taken. The recommendation of the Sanctions Panel is considered by the Council's Legal Department and a final decision on the sanction made.

Table 4 illustrates the sanction action taken in the relevant periods.

Successful sanctions	2013/14	April – Sept 2013	April – Sept 2014
Caution:			
LA only	6	5	4
with DWP	0	0	0
Admin Penalty:			
LA only	26	15	6
with DWP	1	0	1
Prosecution:			
LA only	21	7	4
with DWP	31	18	10
Total:	85	45	25

4.7 The overall number of sanctions achieved during the first six months of 2013/2014 is down on that of the previous year, again this will in part be due to the overall decrease in staff within the section and also the lack of targeted referrals (for example, an earned income intervention campaign) which generally provide less complex investigations and 'quick hits' for sanctions.

4.8 Single Fraud Investigation Service

4.9 The Government's paper 'Tackling fraud and error in the benefits and tax credit systems' published in October 2010 announced that over the period 2013-15 the Government intended to create a single fraud investigation service (SFIS) with statutory powers to investigate and sanction all benefit and tax credit offences combining the resources across DWP, Her Majesty's Revenue & Customs (HMRC) and local authorities. This change is intended to improve efficiency, ensure all offences are taken into account and increase the number of investigations and sanctions.

4.10 Investigation staff from all local authorities will become civil servants within SFIS as part of a phased programme which will run until 2016. The first phase of local authority investigators being absorbed into the new service (SFIS) began in June of this year; in Wales investigation staff from Blaenau Gwent, Cardiff and the Vale of Glamorgan were included in this first phase. In scope investigation staff from Bridgend are scheduled to join SFIS in November 2015, when all Housing Benefit and Council Tax Benefit investigation work transfers to SFIS. Prosecutions will then be dealt with by the Crown Prosecution Service. The financial impact on the Council of this change is not yet known.

4.11 In the Spending Review 2010, the UK Government announced that it would localise support for council tax from 2013-14 and reduce expenditure by 10%. The Welfare Reform Act 2012 contained provisions to abolish council tax benefit from 31 March 2013. From this date the responsibility to provide support for council tax and the funding associated with it, was devolved to local authorities in England, to the Scottish Government and to the Welsh Government. Cases of fraud in the Council Tax Reduction Scheme will not form part of the SFIS remit.

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

5.1 None.

## **6. Equality Impact Assessment**

6.1 There are no equality implications.

## **7. Financial Implications.**

7.1 There are no financial implications in this report.

## **8. Recommendation.**

8.1 The Committee is recommended to to note the report.

**Ness Young**  
**Corporate Director – Resources**

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## **Background documents**

None

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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

#### REPORT OF THE CORPORATE DIRECTOR - RESOURCES

#### INTERNAL AUDIT – OUTTURN REPORT – APRIL TO OCTOBER 2014

##### 1. Purpose of Report.

1. The purpose of this report is to inform the Audit Committee of actual Internal Audit performance against the seven months of the audit plan year April to October 2014.

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

- 2.1. The work of audit is intended to assist in the achievement of all corporate and service objectives.

##### 3. Background

- 3.1. The 2014/15 Internal Audit Plan was submitted to the Audit Committee for consideration and approval on the 10<sup>th</sup> April 2014. The Plan outlined the assignments to be carried out and their respective priorities.

- 3.2. The Plan provided for a total of 1,310 productive days to cover the period April 2014 to March 2015.

##### 4. Current situation / proposal

- 4.1. A summary of audits commenced and completed during the period April to October 2014 are detailed in both Appendix A and B.

- 4.2. The following table shows an analysis of work done in relation to the plan (1,310 available days).

Directorate	2014-15 Full Year Plan Days	Proportion of Plan Days available for April to Oct. 2014	2014-15 April to Oct. Actual Days
Resources	365	213	286
Legal and Regulatory Services	85	50	49
Children's (Including Schools)	215	125	59
Communities	125	73	129
Wellbeing	125	73	40

Cross Cutting	255	149	154
External	20	11	15
Contingency - Unplanned	70	41	38
Contingency – Fraud and Error	50	29	22
<b>TOTAL PRODUCTIVE DAYS</b>	<b>1,310</b>	<b>764</b>	<b>792</b>

4.3. The figures show that 792 actual days have been achieved, which exceeds that expected by 28 productive days.

4.4. At the end of the period 29 reviews / jobs have been completed and closed, 27 of which have provided management with an overall audit opinion on the internal control environment for each of the systems examined. So far to date, significant weaknesses in the system of internal control have been identified in 5 reviews, 4 of which only limited assurance could be placed on the control environment and one where no assurance could be provided. The Internal Audit Section is in the process of scheduling follow ups on these reviews. Of the remaining 22 closed reviews; the effectiveness of the internal control environment in 14 was deemed good and therefore substantial assurance was provided in 8 reviews the control environment was deemed to be satisfactory and therefore the assurance provided was that of reasonable.

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

5.1. There is no effect upon the policy framework and procedure rules.

## **6. Equality Impact Assessment.**

6.1. There are no equality implications.

## **7. Financial Implications.**

7.1. Effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

## **8. Recommendation.**

8.1. That Members give due consideration to the Internal Audit Outturn Report and appendices covering the period April 2014 to October 2014 to ensure that all aspects of their core functions are being adequately reported.

**Ness Young**  
**Corporate Director - Resources**  
**20<sup>th</sup> November 2014**

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**Background Documents**

None

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**BRIDGEND COUNTY BOROUGH COUNCIL**

**THE CHIEF INTERNAL AUDITOR (AS THE HEAD OF INTERNAL AUDIT) – ONGOING  
OPINION REPORT FOR THE PERIOD APRIL TO OCTOBER 2014**

**1. Introduction**

- 1.1 This report details the work undertaken by the Internal Audit Shared Service for the period April to October 2014 in accordance with the Annual Risk-Based Plan presented to the Audit Committee on 10<sup>th</sup> April 2014. It summarises the work performed by internal audit for the period stated and highlights any issues identified if applicable.
- 1.2 It is the duty of the Head of Internal Audit to give an opinion, at least annually, on the adequacy and effectiveness of the system of internal control. This is based on the adequacy of control observed from completing a selection of audit reviews as documented in the annual Audit Plan and other advice work completed on control systems. The results of our investigation work and the work of other internal reviews with Bridgend County Borough Council also informs my opinion.
- 1.3 This report constitutes the first overall outturn for the year 2014/15 and will continue to be used and updated as the year progresses. An overall opinion on the adequacy and effectiveness of the system of internal control has been provided within the body of the report. The sections to be covered in this report where applicable are as follows:
- A summary of the role of the Internal Audit Shared Service;
  - An account of Internal Audit resourcing for 2014/15;
  - An update on the Partnership arrangement;
  - A summary of the effectiveness of the Internal Audit Shared Service – Quality assurance and Performance;
  - Statement on the continued conformance with the Public Sector Internal Audit Standards;
  - Confirm the organisational independence and objectivity of Internal Audit;
  - A summary of the performance / outturn during the year 2014/15;
  - An opinion on the adequacy of management responses to Internal Audit advice and recommendations made during the year;
  - A summary of the issues the Head of Audit judges particularly relevant to be included in the Annual Governance Statement;
  - An opinion on the overall adequacy and effectiveness of the Council's internal control environment (where appropriate).

**2. The Role of the Internal Audit Shared Service at the Council**

- 2.1 Internal Audit is an independent assurance function that provides objective opinion to the Council on the control environment comprising risk management, internal control and governance, by evaluating its effectiveness in achieving the organisation's objectives. It independently and objectively examines, evaluates and

reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

2.2 The control environment comprises the organisation's policies, procedures and operations in place to:

- Establish, and monitor the achievement of, the organisation's objectives.
- Identify, assess and manage the risks to achieving the organisation's objectives.
- Facilitate policy and decision making.
- Ensure the economical, effective and efficient use of resources.
- Ensure compliance with established policies, procedures, laws and regulations.
- Safeguard the organisation's assets and interests from losses of all kind, including those arising from fraud, irregularity or corruption.

2.3 One of the main aims of the Section is to provide assurance on the Council's overall system of internal control. This is achieved in part through the delivery of the Annual Audit Plan which is designed to address:-

- Requirements of the Audit Committee;
- Delivery of a scheduled programme of audits on a risk based needs assessment;
- Support the Chief Executive as Head of Paid Service and the Corporate Director of Resources as the Section 151 Officer in discharging their statutory duties.

2.4 Internal Audit Shared Service also investigates any potential or identified internal frauds and irregularities that may arise within the Shared Service.

2.5 The service is delivered by the Bridgend and Vale Internal Audit Shared Service (IASS) which is part of a joint collaboration between Bridgend County Borough Council (BCBC) and the Vale of Glamorgan Council (VOG) under a partnership agreement. The Vale of Glamorgan Council is the host authority which provides an internal audit service to Bridgend. This gives the service an opportunity to network, benchmark and discuss best practice to ensure the service can provide the Councils with the best advice.

### 3. An Account of Internal Audit Resourcing for 2014/15 and Going Forward

3.1 The Vale of Glamorgan Council leads the Bridgend and Vale Internal Audit Shared Service and provides all internal audit services to its partner Bridgend County Borough Council. As at the 1<sup>st</sup> April 2014 the staffing structure is listed in the table 1 below.

**Table 1**

<b>2014-15 Staffing Structure</b>	<b>FTE</b>
Chief Internal Auditor (Head of Audit)	1
Principal Auditor	2
Group Auditor	2
Group Auditor (Information Systems)	1
Auditor (One post is vacant at present)	10
Trainee Auditor	1

Trainee Auditor (Information Systems	1
Administrative Assistant	0.5
<b>Total</b>	<b>18.5</b>

- 3.2 The total resource of 18.5 Full Time Equivalent (FTE's) provides for a comprehensive Internal Audit Service. The Head of Audit aims to achieve best practice but continues to take account of the issues of affordability at a time when both Councils are looking to make substantial reductions in costs. The service has already been vastly streamlined and continues to apply lean auditing risk based methodologies to its plan of work.
- 3.3 During the latter part of 2013/14 and the early part of 2014/15; the team has been affected by long term sickness absence and maternity leave. In addition, one member of the team left on the 19<sup>th</sup> September to take up a position in London and his post has remained vacant. Added to this, another member of staff is on sick leave due to having to undergo surgery; it is not anticipated that they will return until late December or potentially early January. Despite the above, the Section has managed to sustain a high level of coverage of the Plan for the seven months of this Financial Year with 103% of the overall planned productive time available being achieved for BCBC.
- 3.4 Resources will be monitored during the year and reports provided to the Audit Committee, Corporate Management Board and the Section 151 Officer as required; ensuring that Internal Audit resources remain adequate and effective.

#### **4. Update on the Internal Audit Shared Service Arrangements**

- 4.1 2013-14 proved to be a successful year for both Internal Audit Partners. The Partnership has enabled each Council to call upon a far wider base of skills and knowledge and provides audit staff with a unique opportunity to use their particular expertise at both Councils and to assist their professional development and broaden their knowledge and skills base.
- 4.2 2013-14 proved to be another year of achievements, particularly in terms of the annual audit plans. Overall the Section met its expectation with 101% of the Vale's Plan being achieved and 99% of Bridgend's.
- 4.3 For 2014/15 both Risk Based Plans have been presented to and approved by the relevant Audit Committees with a commitment to deliver 1,478 productive days for the Vale and 1,310 for Bridgend.
- 4.4 In relation to the period covered by this report, the Section has achieved 104% of the Vale's expected plan days and 103% of Bridgend's. The Internal Audit Shared Service (IASS) formal Partnership Agreement has been in effect since February 2013 and therefore the Service has been fully operational for 22 months. The IASS Board oversee the governance arrangement of the Partnership and meet regularly to ensure an efficient and effective service delivery is being provided.

#### **5. The Effectiveness of Internal Audit Services (Quality Assurance and Improvement Programme).**

- 5.1 During 2013/14 both Audit Committees endorsed the adoption of the new Quality Assurance and Improvement Programme (QAIP); the aim of which is to:-
- Drive Improvements;
  - Ensure that the activities of Internal Audit are in accordance with Public Sector Internal Audit Standards (PSIAS);
  - Assess the efficiency and effectiveness of Internal Audit;
  - Provide for a mechanism by which the performance of staff can be measured;
  - Identification of Training needs.
- 5.2 The assessment process included within the QAIP has been in operation for nine months; the results of which are listed below in Table 2:

**Table 2**

<b>Definition</b>	<b>Score</b>	<b>No of Assessments Completed</b>
All key criteria met and exceeded expectation by identifying areas of improvement in terms of efficiency and effectiveness and has identified measurable savings for the client (VFM).	5	9
Achieved key criteria, budget achieved or reduced and report issued in a timely manner.	4	96
Achieved key criteria but budget exceeded for no valid reason and/or report untimely.	3	20
Elements of the key criteria have been met but significant number of review points.	2	1
None of the key criteria have been achieved. Scope and objectives either not understood by the Auditor or not met, Over budget, poor quality working papers, insignificant testing and poor feedback from client.	1	0
<b>TOTAL</b>		<b>126</b>

- 5.3 As can be seen from the table above, the majority of post audit assessments completed (representing 76%) have identified that staff are producing work of a high standard whereby:- the scope and objectives of the review have been met; working papers and evidence are of a good standard and relevant; testing supports the findings and conclusion drawn; the report produced is of a good standard, timely and accurate and finally the appropriate assurance level has been applied.
- 5.4 It is also pleasing to note that 9 assessments (7%) have scored 5 whereby the Auditor(s) have, as a result of their work, also identified areas of improvement in terms of efficiency and effectiveness resulting in measurable savings for the client.
6. **Organisational Independence and Objectivity of the Internal Audit Shared Service.**



- 6.1 In accordance with the Public Sector Internal Audit Standards (PSIAS) the internal audit activity must be independent and internal auditors must be objective in performing their work. An interpretation of independence can be described as the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Head of Audit has direct and unrestricted access to senior management and the Audit Committee.
- 6.2 The Council's Constitution, Financial Procedure Rules, Audit Charter and the positioning of the Internal Audit Shared Service within the Council demonstrates the independence of the Service along with the practical application of its independence within the organisation.

## 7. A Summary of the Performance / Out-turn 2014/15

- 7.1 The 2014/15 Internal Audit Strategy and Annual Risk Based Plan was submitted to the Audit Committee and approved on 10th April 2014. The Plan outlined the assignments to be carried out, their respective priorities, an estimate of resources needed and differentiated between assurance work and other work.
- 7.2 The plan is monitored on an on-going basis and all changes to work included in the plan are based on an assessment of risk at the time. Inevitably, changes have occurred since preparing the original plan, these changes focus around the increase in unplanned work.
- 7.3 The actual position for the seven months compared against the Plan is detailed in table 3 below:

**Table 3**

Directorates	2014-15 Full Year Plan Days	Proportion of Plan Days Available for April to Oct. 2014.	2014-15 <i>April to Oct.</i> <i>Actual Days</i>
Resources	365	213	286
Legal and Regulatory Services	85	50	49
Children's (Including Schools)	215	125	59
Communities	125	73	129
Wellbeing	125	73	40
Cross Cutting	255	149	154
External	20	11	15
Contingency - unplanned	70	41	38
Contingency - Fraud & Error	50	29	22
<b>TOTAL PRODUCTIVE DAYS</b>	<b>1,310</b>	<b>764</b>	<b>792</b>

- 7.4 The figures show that 792 actual productive days have been achieved, which equates to 103% of the overall planned productive time available for the period.
- 7.5 Detailed reports are issued to the relevant service managers on the results of individual audits and where significant weaknesses are identified these will be followed up to ensure high priority recommendations are implemented. To date, there have been five reviews completed which have identified significant control weaknesses so much so that for four of these reviews only limited assurance could be placed on the internal control environment and one where no assurance could be provided.

## 8. Implementation of Recommendations

- 8.1 Following each audit, report recipients are asked to complete an action /implementation plan showing whether they agree with the recommendations made and how they plan to implement them. The classification of each recommendation made assists management in focusing their attention on priority actions. For the year, Internal Audit has made a total of 58 recommendations, of which management has given written assurance that 58 of these will be implemented.
- 8.2 Although Merits Attention (Priority Three) recommendations are made where it is deemed appropriate to do so; by their very nature they relate specifically to an action that is considered desirable but does not necessarily have an impact on the control environment. To this end, these recommendations are not included on the Management Implementation Plan or logged on the Internal Audit Management Information system. Therefore a formal written response is not required from the client or included in the table below.

<b>Recommendation Priority</b>	<b>No. Made</b>	<b>No. Agreed / Implemented</b>
<b>Fundamental</b> (Priority One) Rating - D and E (+ to -) Action – Immediate Implementation	5	5
<b>Significant</b> (Priority Two) Rating – C (+ to -) Action – Implementation within 6 – 12 months	53	53
<b>Total</b>	<b>58</b>	<b>58</b>

Table 4

- 8.3 The recommendations made are graded according to their importance (Fundamental and Significant – Priority One and Two). 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.

8.4 Table 5 below details the number of recommendations made grouped by risk.

Description	No of Fundamental <b>Priority One</b> Recommendations	No of Significant <b>Priority Two</b> Recommendations
<b>A</b> – Accomplishment Of Objectives	0	12
<b>C</b> – Compliance	2	18
<b>E</b> – Value for Money	0	2
<b>R</b> – Reliability and Integrity of Information	0	13
<b>S</b> – Safeguarding Assets	3	4
<b>X</b> – Governance	0	4
Y – Corporate Impact	0	0
<b>Total</b>	<b>5</b>	<b>53</b>

Table 5

## 9. Audit Client Satisfaction Questionnaires

9.1 At the completion of each audit, all recipients of our reports are asked to comment on their satisfaction with the audit process, by way of a survey questionnaire ranging from a score of 1 for very satisfied to a score of 5 very unsatisfied. The results so far this Financial Year are summarised in table 4 below.

### Responses to Questionnaires

<b>No.</b>	<b>Question</b>	<b>Average Score of responses April to October 2014</b>	<b>Average Score of responses 2013/14</b>
1.	Where appropriate, briefing of client and usefulness of initial discussion.	1.220	1.420
2.	Appropriateness of scope and objectives of the		

audit.	1.370	1.450
3. Timeliness of audit.	1.530	1.490
4. Response of Officer to any requests for advice and assistance.	1.210	1.300
5. General helpfulness and conduct of auditor (s).	1.110	1.150
6. Discussion of findings / recommendations during or at the conclusion of audit.	1.000	1.000
7. Fairness and accuracy of report.	1.320	1.600
8. Practicality and usefulness of recommendations.	1.420	1.570
9. Standard of report.	1.260	1.380
10. Client agreement with overall audit opinion.	1.210	1.560

Table 6

- 9.2 The survey results are excellent and we hope to sustain this level of customer satisfaction throughout the year. In addition to the above, a number of clients have commented separately on the professionalism and helpfulness of the Auditors they dealt with.
- 9.3 The overall response rate of 70% for Client Satisfaction Surveys (CSS) is pleasing, particularly when compared with other authorities. The 22 Welsh Authorities participate in an annual benchmarking exercise which is co-ordinated via the Welsh Chief Auditors Group. One of the Performance Indicators captured is the percentage of CSS's returned, with the average for those authorities who responded being 54%.

## 10. Performance

- 10.1 As stated in 9.3 above the Section participates annually in the Welsh Chief Auditors Group benchmarking exercise. The results for 2013/14 have just been released and the table below provides a comparison of performance with the overall average for the responding authorities.

Performance Indicator	IASS Performance For BCBC 2013/14	Overall Average Performance 2013/14
% of planned audits completed	96%	80%
Number of Audits completed	133	126
% of audits completed within planned time	92%	71%
% of directly chargeable time, Actual versus planned	99%	94%
Average number of days from audit closing meeting to issue of draft report.	10 days	9.5 days
% of directly chargeable time Versus total available.	68%	68%
% of staff leaving during the Financial Year	0%	22%

Table 7

10.2 As can be seen from the table above, the Section is performing well. This, together with our overall performance indicators for the service provided to the Vale places us in the top quartile.

## 11. Qualifications and Experience

11.1 The Head of Internal Audit requires appropriate resources at their disposal to undertake sufficient work to offer an independent opinion on the Council's internal control environment. This is a fundamental part of BCBC's governance arrangements. The Internal Audit Annual Plan was presented to the Audit Committee in April 2014; based on a provision of 1,310 productive days.

11.2 In accordance with the Public Sector Internal Audit Standards (PSIAS); the Head of Audit must ensure that Internal Auditors possess the knowledge, skills and competencies needed to perform their individual responsibilities. Internal Auditors are therefore encouraged to study for and obtain professional qualifications. In addition, it is a requirement of the standard that the Head of Audit must hold a professional qualification and be suitably experienced. The following information outlined in table 8 below demonstrates the experience and qualification mix for the Internal Audit Shared Service.

**Table 8**

<b>Auditing Experience</b>	<b>All Auditing</b>	<b>%</b>	<b>In Local Government</b>	<b>%</b>
<b>Up to 1 year</b>	<b>1</b>	<b>5.5%</b>	<b>1</b>	<b>5.5%</b>
<b>1 to 2 years</b>	<b>2.5</b>	<b>13.5%</b>	<b>0</b>	<b>0%</b>
<b>2 to 5 years</b>	<b>5</b>	<b>27%</b>	<b>5</b>	<b>27%</b>
<b>5 to 10 years</b>	<b>4</b>	<b>27%</b>	<b>5.5</b>	<b>35%</b>
<b>Over 10 years</b>	<b>5</b>	<b>27%</b>	<b>6</b>	<b>32.5%</b>
<b>Total Staff</b>	<b>17.5</b>		<b>17.5</b>	

### Qualifications

Accountants (CIPFA; FCCA; ICAEW)	3
Certified Information Systems Auditor (CISA)	1
Institute of Internal Auditors – full membership	0
Institute of Internal Auditors – part qualified or audit certificate	2
Association of Accounting Technicians (AAT)	4
Studying (AAT, IIA, CIPFA etc.)	4
<b>Total</b>	<b>14</b>

11.3 All staff are encouraged to attend relevant courses and seminars to support their continual professional development. All staff have the opportunity to attend courses run by the Welsh Chief Auditors Group on a diverse range of topics. Individuals keep records of their continuing professional development based on their professional body requirements.

## **12.0 Financial and Governance Implications**

- 12.1 Internal Audit recommendations and advice strive to support a robust corporate governance framework. Delivering the Internal Audit Risk Based Annual Plan in addition to any reactive work performed during the year, are essential elements in mitigating the risk of losses arising from error, irregularity and fraud. The work of the Internal Audit Shared Service represents a fundamental function in delivering the Council's Corporate Governance responsibilities.
- 12.2 For the 2013/14 year, the Head of Internal Audit's Annual Opinion stated that reasonable assurance could be placed upon the adequacy and effectiveness of the Council's internal control environment. The report also highlighted the significant governance issue surrounding the unavailability of the Council's Section 151 Officer and the imminent departure of the Deputy Section 151 Officer. Interim arrangements were put in place by the Chief Executive to cover this statutory role in the short term and the Council has now been successful in attracting an external candidate to undertake the combined role of Head of Finance and ICT. The successful candidate has now taken up his position and in addition, the Director of Resources /Section 151 Officer has returned to resume her duties.
- 12.3 The Internal Audit reviews undertaken so far this year have identified internal control weaknesses in five areas examined; four of which only limited assurance could be placed on the internal control environment and one where no assurance could be provided. As set out in Appendix C, the significant control issues identified have tended to relate to specific service areas rather than an across the board breakdown in controls. The relevant managers have agreed with and are working toward implementing the recommendations made to address the weaknesses identified. Internal Audit will follow up on these issues during the latter part of 2014-15 to ensure that significant progress is being made.
- 12.4 In addition to this; the Council has proactively responded to central government's austerity drive that has created a period of unprecedented financial pressures in the public sector. Substantial savings are necessary and the latest Medium Term Financial Strategy estimates this to be in the region of £50million for the next four years on top of the £11.2million already identified for 2014/15.
- 12.5 It is clear that the scale of the challenges to come will mean that "business as usual", however well managed, will not be enough. The challenge will be to consider alternative delivery models for services across the Council and this will be essential to mitigate the impact of cuts and assist in continuing to provide priority services. Therefore, as the Council continues to experience reduced resources, increased demands on services and new and innovative forms of delivery; there is a need to ensure that the control environment; including governance and risk management; remains robust, proportionate and is as efficient and effective as possible.

<u>Cod</u>	<u>Job</u>	<u>Job Name</u>	<u>Days</u>	<u>Budget</u>	<u>Date Commenced</u>	<u>Date Closed</u>	<u>Opinion</u>
<b>ASSURANCE</b>							
<b>B</b>	<b>Directorate</b>	<b>RESOURCES</b>					
		390 BCBC - DBS	29.74	30.00	01/04/2014	26/09/2014	Limited
		391 BCBC - Agency Contract	16.81	15.00	04/04/2014	19/08/2014	Reasonable
		418 BCBC - COA Business Continuity C/Fwd	6.76	5.00	01/04/2014	03/09/2014	Limited
		439 BCBC - Debtors	25.95	25.00	24/06/2014		
		441 BCBC - Staff Expenses	14.22	15.00	24/06/2014		
		447 BCBC - Cash Control	9.63	10.00	21/07/2014		
		451 BCBC - Main Accounting	4.12	15.00	21/07/2014		
		452 BCBC - Treasury Mgt	3.92	10.00	21/07/2014		
		453 BCBC - Leasing	3.14	10.00	28/07/2014		
		460 BCBC - Taxation	9.16	15.00	04/09/2014		
		462 BCBC - Financial Assessments Reviews	0.47	15.00	01/09/2014		
		467 BCBC - HB Free School Meals	4.90	5.00	25/09/2014		
		468 BCBC - HB CT Reduction Scheme	3.92	10.00	25/09/2014		
		477 BCBC - Creditors	0.20	20.00	06/10/2014		
<b>Total</b>	<b>Directorate</b>	<b>RESOURCES</b>	<b>132.94</b>	<b>200.00</b>			
<b>B</b>	<b>Directorate</b>	<b>RESOURCES - ICT &amp; PROPERTY</b>					
		396 BCBC - CRC Return	16.72	15.00	01/04/2014	22/08/2014	Reasonable
		397 BCBC - Lone Worker Monitoring	26.59	25.00	02/04/2014		
		398 BCBC - Microsoft Enterprise Agreement	1.01	15.00	28/04/2014	02/07/2014	N/A
		404 BCBC - Building Maintenance	22.26	20.00	01/04/2014	10/07/2014	Reasonable
		415 BCBC - CRM Application	4.73	5.00	01/04/2014		
		416 BCBC - EDRM Application	6.93	7.00	01/04/2014		
		417 BCBC - SIMS Application	5.74	5.00	01/04/2014		
		420 BCBC - Info Governance Board	3.72	5.00	01/04/2014		
		423 BCBC - Non Operative Estates	15.27	15.00	05/05/2014		
		430 BCBC - CAAT's	8.04	20.00	07/04/2014		
		437 BCBC - Electoral System	14.43	15.00	09/06/2014		
		438 BCBC - ICT Asset Mgt	25.17	26.00	27/06/2014		
		442 BCBC - IT Health Checks	1.15	10.00	02/06/2014		
		454 BCBC - UK Mail	1.49	5.00	07/07/2014		
<b>Total</b>	<b>Directorate</b>	<b>RESOURCES - ICT &amp; PROPERTY</b>	<b>153.24</b>	<b>188.00</b>			
	<b>Directorate</b>	<b>LEGAL &amp; REGULATORY SERVICES</b>					

<b>B</b>	429 BCBC - Taxi Licensing	12.74	10.00	26/05/2014	19/08/2014	Substantial
	444 BCBC - Legal Expenditure	12.84	13.00	01/07/2014	10/10/2014	Substantial
	445 BCBC - Purchasing Cards	14.89	15.00	10/07/2014		
	456 BCBC-Procurement & Mgt Consultants Spend	8.07	40.00	11/08/2014		
<b>Total</b>	<b>Directorate LEGAL &amp; REGULATORY SERVICES</b>	<b>48.53</b>	<b>78.00</b>			
	<b>Directorate CHILDREN</b>					
<b>B</b>	409 BCBC Brynmenin Primary	3.31	4.00	01/04/2014	12/05/2014	Substantial
	410 BCBC Coety Primary	4.22	4.00	01/04/2014	02/06/2014	Substantial
	411 BCBC St Roberts Primary	1.96	4.00	01/04/2014	07/05/2014	Substantial
	421 BCBC - School Summary Report	6.01	8.00	01/04/2014	09/10/2014	N/A
	431 BCBC - Archdeacon John Lewis Primary	5.20	4.00	11/06/2014	11/07/2014	Substantial
	432 BCBC - Newton Primary	6.68	4.00	02/06/2014	06/10/2014	Limited
	434 BCBC Schools CRSA	1.55	9.00	02/06/2014		
	436 BCBC Pen y Bont PS	3.24	4.00	25/06/2014	16/09/2014	Substantial
	446 BCBC School Uniform Grant	3.99	5.00	24/07/2014	25/09/2014	Substantial
	459 BCBC - Basic Skills	6.99	20.00	01/09/2014		
	461 BCBC - Ffaldau	3.38	4.00	08/09/2014		
	464 BCBC - Inter Authority Placements F/Up	4.43	15.00	08/09/2014		
	473 BCBC - St Marys & St Patricks Primary	0.95	4.00	17/10/2014		
	476 BCBC- School Deficit and Balances	0.34	10.00	06/10/2014		
<b>Total</b>	<b>Directorate CHILDREN</b>	<b>52.25</b>	<b>99.00</b>			
	<b>Directorate COMMUNITIES</b>					
<b>B</b>	394 BCBC - Waste Management	16.30	17.00	08/04/2014	28/10/2014	Reasonable
	405 BCBC - Park Income	12.09	12.00	21/04/2014	19/08/2014	Substantial
	406 BCBC - Highway Maintenance Potholes	18.34	19.00	07/04/2014	28/10/2014	Reasonable
	408 BCBC - Sign Shop	12.67	13.00	07/04/2014	25/09/2014	Substantial
	424 BCBC - Supporting People Pol /Proc Audit	19.86	20.00	12/05/2014	14/10/2014	Substantial
	425 BCBC - Home to School Transport	12.03	12.00	01/05/2014	26/08/2014	Reasonable
	427 BCBC - Houses to Homes Grant	5.00	5.00	19/05/2014	18/09/2014	Substantial
	449 BCBC Supptng People Grant Verification	8.95	10.00	14/07/2014	26/09/2014	Substantial
	458 BCBC - Homelessness	8.85	15.00	02/09/2014		
	463 BCBC - Regeneration Funding	2.60	10.00	01/09/2014		
<b>Total</b>	<b>Directorate COMMUNITIES</b>	<b>116.71</b>	<b>133.00</b>			
	<b>Directorate WELLBEING</b>					
<b>B</b>	407 BCBC - Section 117 Process	20.34	21.00	01/04/2014	26/09/2014	No Assurance
	414 BCBC - SEWTA Grant 13.14 Qtr1 & 2	6.66	4.00	01/04/2014	01/07/2014	Reasonable
<b>Total</b>	<b>Directorate WELLBEING</b>	<b>26.99</b>	<b>25.00</b>			



	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>					
<b>B</b>	389 BCBC - Audit Committee Qtr 1 and 2		31.82	25.00	01/04/2014		
	392 BCBC - Close Down 2013-14		23.23	15.00	01/04/2014		
	399 BCBC - Advice & Guidance Resources		14.16	4.00	01/04/2014		
	400 BCBC - Advice & Guidance Legal & Reg		2.13	4.00	01/04/2014		
	401 BCBC - Advice & Guidance - Communities		0.84	4.00	01/04/2014		
	402 BCBC - Advice & Guidance Children		2.87	4.00	01/04/2014		
	403 BCBC - Advice & Guidance Wellbeing		0.47	4.00	01/04/2014		
	443 BCBC - Telecare F/Up		4.49	5.00	09/07/2014		
	471 BCBC - General Follow ups		2.16	5.00	29/09/2014		
<b>Total</b>	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>	<b>82.18</b>	<b>70.00</b>			
	<b>Directorate</b>	<b>EXTERNAL</b>					
<b>B</b>	440 BCBC - County Borough Supplies		10.21	11.00	24/06/2014	07/10/2014	Substantial
	469 BCBC - Crematorium		4.36	10.00	22/09/2014		
<b>Total</b>	<b>Directorate</b>	<b>EXTERNAL</b>	<b>14.57</b>	<b>21.00</b>			
<b>Total</b>	<b>Function</b>	<b>ASSURANCE</b>	<b>627.42</b>	<b>814.00</b>			
<b>ANTI-FRAUD &amp; CORRUPTION</b>							
	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>					
<b>B</b>	413 BCBC - National Fraud Initiative NFI		14.39	15.00	01/04/2014		
	448 BCBC - Home Improvement Grant allegation		7.16	7.00	30/07/2014		
<b>Total</b>	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>	<b>21.55</b>	<b>22.00</b>			
<b>Total</b>	<b>Function</b>	<b>ANTI-FRAUD &amp; CORRUPTION</b>	<b>21.55</b>	<b>22.00</b>			
<b>GOVERNANCE</b>							
	<b>Directorate</b>	<b>CHILDREN</b>					
<b>B</b>	426 BCBC - Learner Transport Project		6.76	10.00	01/05/2014	22/08/2014	Reasonable
<b>Total</b>	<b>Directorate</b>	<b>CHILDREN</b>	<b>6.76</b>	<b>10.00</b>			
	<b>Directorate</b>	<b>COMMUNITIES</b>					
<b>B</b>	412 BCBC - Section 106 Agreements		12.70	15.00	07/04/2014		
<b>Total</b>	<b>Directorate</b>	<b>COMMUNITIES</b>	<b>12.70</b>	<b>15.00</b>			
	<b>Directorate</b>	<b>WELLBEING</b>					
<b>B</b>	455 BCBC - Referral Mgt Social/Health Care		13.65	15.00	01/08/2014		
<b>Total</b>	<b>Directorate</b>	<b>WELLBEING</b>	<b>13.65</b>	<b>15.00</b>			

	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>			
<b>B</b>	395 BCBC - Business Continuity Management		7.08	10.00	08/04/2014
	433 BCBC - Corporate Management Board		7.53	5.00	01/04/2014
	465 BCBC - Corporate Governance Framework		3.04	20.00	25/09/2014
<b>Total</b>	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>	<b>17.66</b>	<b>35.00</b>	

<b>Total</b>	<b>Function</b>	<b>GOVERNANCE</b>	<b>50.77</b>	<b>75.00</b>	
		<b>RISK &amp; PERFORMANCE MANAGEMENT</b>			

	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>			
<b>B</b>	393 BCBC - Capital Projects		54.53	55.00	01/04/2014
<b>Total</b>	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>	<b>54.53</b>	<b>55.00</b>	

<b>Total</b>	<b>Function</b>	<b>RISK &amp; PERFORMANCE MAN</b>	<b>54.53</b>	<b>55.00</b>	
		<b>CONTINGENCY</b>			

	<b>Directorate</b>	<b>LEGAL &amp; REGULATORY SERVICES</b>					
<b>B</b>	419 BCBC - Data Protection C/Fwd		7.84	8.00	01/04/2014	11/09/2014	Limited
<b>Total</b>	<b>Directorate</b>	<b>LEGAL &amp; REGULATORY SERVICES</b>	<b>7.84</b>	<b>8.00</b>			

	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>					
<b>B</b>	428 BCBC - Internal Audit PI's		2.15	3.00	29/05/2014	04/07/2014	N/A
	435 BCBC - School Buildings		1.28	5.00	09/06/2014		
	457 BCBC - School Meal Money		11.25	10.00	01/09/2014		
	466 BCBC - ETCI		0.07	5.00	25/09/2014		
	470 BCBC - Civil Parking (Joint see AU616)		14.89	17.00	30/09/2014		
	475 BCBC - ICT Advancements		0.61	5.00	01/10/2014		
<b>Total</b>	<b>Directorate</b>	<b>BCBC CROSS CUTTING</b>	<b>30.25</b>	<b>45.00</b>			

<b>Total</b>	<b>Function</b>	<b>CONTINGENCY</b>	<b>38.09</b>	<b>53.00</b>	
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**Grand Total 792.36**

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

#### 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 Internal Audit Shared Service.

##### **2. Connection to Corporate Improvement Objectives / Other Corporate Priority.**

2.1. Internal Audit's work impacts on all the Corporate Improvement Objectives/other Corporate Priorities.

##### **3. Background**

3.1. Internal Audit conducts reviews according to an annual audit plan and reports on the findings of these reviews to the Audit Committee at regular intervals.

##### **4. Current situation / proposal.**

4.1. Recently completed audits as per the out-turn report are summarised in Appendix A attached to this report.

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. Equality Impact Assessment.**

6.1 There are no equality implications.

##### **7. Financial Implications.**

7.1. None

##### **8. Recommendation.**

8.1. That Members give due consideration to the completed audits report to ensure that all aspects of their core functions are being adequately reported.

**Ness Young**  
**Corporate Director - Resources**  
**20<sup>th</sup> November 2014**

**Contact Officer:**   **Helen Smith**  
                                  **Chief Internal Auditor**

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**Postal Address**

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Internal Audit  
Innovation Centre  
Bridgend Science Park  
Bridgend  
CF31 3NA

**Background documents**

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

Completed Audits

Report	System Overview	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
DBS	<p>The Authority is committed to safeguarding the welfare of those accessing services through the effective use of the DBS. At the time of the audit there were 9057 occupied jobs across the Authority, of which 7399 (82%) jobs have the requirement of a DBS check.</p> <p>There is a statutory requirement to undertake rechecks every three years, for certain positions including those governed by the Care Standards Act, e.g. employees in care homes. However, BCBC has adopted as best practice a rechecking policy, for all checks to be undertaken on a 3 yearly basis.</p> <p>During the period 1 July 2013 to 31 December 2013 it was identified that BCBC requested 1604 DBS checks.</p>	Sept 2014	30 days	<p>Following the introduction of the applicant only certificate in April 2013, the Authority no longer receives the original disclosure certificate. It is the employees' responsibility to ensure that they provide their disclosure certificate to the DBS Team upon receipt. It is felt that this change has caused a number of control weakness to occur within the system:</p> <ul style="list-style-type: none"> <li>• Assurance cannot be provided that all employees who require a DBS check have a valid check in place. A number of CRB checks have expired and a number of individuals have future dated DBS checks, suggesting input errors.</li> <li>• Input date errors on Trent mean that individuals are being chased for DBS disclosure when they have already been provided.</li> <li>• Escalation procedures have only recently been developed for individuals who fail to return their application or disclosure certificate by the stipulated date. Previously they were not chased by the DBS team in a timely manner meaning that they continued to be paid without a valid check in place.</li> <li>• Individuals are not being penalised for failing to supply this information.</li> </ul>	Limited Assurance	January 2015

				As the audit was undertaken, the Council tendered for the introduction of Ebulk as a method for undertaking checks more effectively. The system should be introduced in November 2014 and a further audit review will take place in the new year.		
Legal Expenditure	<p>The Legal department incurs expenditure in a range of areas including:</p> <ul style="list-style-type: none"> <li>• payment for specialist legal services,</li> <li>• disbursements, and</li> <li>• general administrative costs.</li> </ul> <p>The audit review focused on the controls and monitoring of these types of expenditure.</p>	October 2014	13 days	<p>A range of expenditure types including solicitors, barristers, disbursements, specialist services (e.g. DNA testing) were sampled for testing. In all instances it was established that the services procured represented value for money. Suitable authorisation controls were in place, with some purchases obtaining approval from the Assistant Chief Executive – Legal &amp; Regulatory.</p> <p>In summary, all of the areas reviewed demonstrated good practice, with no negative issues identified.</p>	Substantial Assurance	N/A as no Significant recommendations
School Uniform Grant	<p>The purpose of the grant from Welsh Government (WG) is to provide assistance to families on low incomes for the purchase of school uniforms. The funding is available to pupils entering year 7 of maintained secondary schools who are eligible for free school meals and pupils in special schools, special needs resource bases and pupil referral units who are aged 11 at the start of the 2014/15 school year and who are</p>	Sept 2014	4 days	<p>During the Audit a number of strengths and areas of good practice were identified as follows:</p> <ul style="list-style-type: none"> <li>• The Housing Benefits Team is now responsible for confirming who is eligible for the School Uniform Grant as they have real time information;</li> <li>• Claims were made prior to the deadline date set in WG's terms and conditions;</li> <li>• The majority of the grant applicants do not receive the money but will</li> </ul>	Substantial Assurance	N/A as no Significant recommendations

	eligible for free school meals.			<p>either receive a uniform pack or a voucher from an approved supplier to purchase the uniform.</p> <p>There were no key issues identified during the Audit that need to be addressed.</p>		
Waste Management Efficiency Savings	<p>An audit review of the current situation regarding the budget savings identified in the Medium Term Financial Strategy (MTFS) for the 2014/15 financial year as regards to Waste Management has been undertaken following concerns raised by the Corporate Director – Resources as to the viability of these savings.</p> <p>The total identified savings that could be made from the collection and disposal of waste relating to the MREC were originally calculated as £1,930,000 during the 2011/12 financial year. Following the implementation of a detailed procurement process, these saving projections were subsequently revised downwards, with alternative saving proposals being developed by the Communities Directorate to meet the shortfall.</p>	October 2014	16 days	<p>The difficulties faced by Waste Management are as a result of the consequences that can arise if potential savings are treated as achievable without revisiting the assumptions built into the original business case at regular intervals and updating the MTFS where assumptions have been overridden/circumstances change. In this instance this has caused the Service Area, Directorate and ultimately the Council problems, especially given the current economic climate. It is recognised, however, that the current system of verification and approval of identified savings should ensure that the savings in the MTFS are achievable.</p> <p>The Council is being proactive in dealing with the budgetary difficulties faced with regard to waste management. This can be demonstrated by the setting up of a high profile Project Board specifically for this purpose. Its members include, but are not limited to the Council's Chief Executive and the Director of Communities.</p>	Reasonable Assurance	September 2014

Highways Maintenance – Potholes	<p>As a Highway Authority, BCBC has a statutory obligation to maintain, at public expense, the highways found within its Council boundaries. There are occasions when the highways break down and due to traffic flow and weather conditions, and potholes appear. There is a constant pressure on Authorities to ensure that potholes are kept to a minimum, and when notified or discovered, are fixed promptly.</p> <p>The Authority operates an in-house facility in the reinstatement of carriageway defects with the use of internal labour. For larger areas of work required the Authority entered into 'patching' contracts with two external suppliers.</p>	October 2014	18 days	<p>The audit identified that many of the processes in place are manual and/or paper based which made it difficult to test or verify the data and processes currently in operation. Therefore a number of recommendations were made that relate to updating and improving the current manual systems to improve efficiency, effectiveness and control.</p> <p>Furthermore a recommendation was made in relation to the tendering process, in that this should commence with sufficient time allowable to ensure that there is no time delay between the cessation of one patching contract and the commencement of another.</p> <p>It was encouraging to note that contract monitoring is in place with daily inspections of contract work being carried out.</p>	Reasonable Assurance	April 2015
Sign Shop	<p>BCBC has operated a Sign Shop since its inception in order to provide an in-house service for the production of road traffic and other signs. Over time the operation has developed into an income generating form with signs being designed and manufactured for Neath Port Talbot Council, South Wales Trunk Road Authority (SWTRA) and other external clients as well as a number of internal</p>	Sept 2014	13 days	<p>During the Audit a number of strengths and areas of good practice were identified including:</p> <ul style="list-style-type: none"> <li>• Sign Shop procedures are clearly documented and are readily available for view.</li> <li>• Appropriate segregation of duties exists within the purchasing process.</li> </ul> <p>However the following key issues were identified during the Audit which need to be addressed:</p>	Limited Assurance	October 2014



	customers, including the Highways section itself.			<ul style="list-style-type: none"> <li>• Business continuity should be assured by the training of another person to design and manufacture signs.</li> <li>• Stock takes should be independently undertaken and any discrepancies followed up.</li> </ul>		
Supporting People	<p>The Supporting People Programme began on the 1st April 2003, bringing together seven housing-related funding streams from across central government. The programme provides housing-related support to help vulnerable people to live as independently as possible. This could be in people's own homes or in hostels, sheltered housing, or other specialist supported housing. It also provides complementary support for people who may also need personal or medical care.</p> <p>As a result of The Aylward Review, WG published guidance (June 2013) for implementing the restructure of the administration, governance and funding arrangements for the Supporting People Programme.</p>	October 2014	20 days	<p>It was identified that:</p> <ul style="list-style-type: none"> <li>• Processes and procedures were available to staff and were consistent with WG Guidance.</li> <li>• Commissioning and procurement of new services was found to be in line with WG Guidance and Council procurement rules.</li> <li>• The strategic review of services had been carried out in line with the three stage process prescribed by WG Guidance.</li> <li>• Payments made to providers for new service users were accurately calculated, double checked and authorised by a senior officer.</li> </ul>	Substantial Assurance	N/A as no Significant recommendations
Houses to Homes Grant Scheme	The Welsh Government launched the three year Houses into Homes scheme in April 2012 to help tackle the 23,000 empty homes in Wales with the intention	Sept 2014		The audit review established that the scheme is operating within a sound control environment. Specific control testing identified:	Substantial Assurance	N/A as no Significant recommendations

	<p>of bringing 5,000 properties into use by 2016. The scheme is supported by a £20million recyclable loan fund which provides loans to bring empty houses or commercial buildings back into use as homes for sale or rent. The loans are interest free and are available to individuals, charities, companies and businesses. A maximum loan of £25K is available per property and this has to be paid back within two or three years, depending on whether the property is sold or let. The total sum of funds that has been allocated to Bridgend is £900,010.</p>			<ul style="list-style-type: none"> <li>• Loan recipient files were complete to enable verification of information.</li> <li>• Risk assessments had been undertaken to minimise losses.</li> <li>• Policies and Procedures were in place and up to date.</li> <li>• Staff were knowledgeable and helpful to potential recipients.</li> </ul> <p>No significant recommendations were made as a result of this review.</p>		
Section 117 Process	<p>Under Section 117 of the Mental Health Act, it is the joint responsibility of the local Health Authority and the local Social Services Authority to provide after-care services for certain categories of detained patients when they leave hospital. There is no power to charge for services provided under S117, such services must be provided free of charge.</p> <p>Section 117 after-care is intended to provide sufficient support for an individual who has been compulsorily detained so that they</p>	Sept 2014	20 days	<p>As a result of the audit review, a number of issues were identified,</p> <p>The Group Manager joined this service area in January 2013, at which time; weaknesses with regard to the application of the Section 117 process were identified. As this is a high risk area, the Manager suggested that a two part review be carried out. The first part reviewed the existing processes and procedures and identified where the weaknesses lie and the second part reviewed the current financial arrangement with Health. The Group Manager intends to use the findings of the audit report and the recommendations</p>	No Assurance	March 2015

	can leave hospital and return to their home or other accommodation in a manner that minimises the risk of deterioration to their mental health and the chances of their needing further hospital treatment. It is therefore important that after-care is effectively managed and delivered to improve outcomes for service users, carers and families.			made as a basis for improving processes and further reviewing the financial arrangement with Health.		
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## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

#### REPORT OF THE CORPORATE DIRECTOR - RESOURCES

##### FORWARD WORK PROGRAMME – 2014-15

#### 1. Purpose of Report.

1.1 To present to Members an update on the 2014 – 2015 Forward Work Programme for the Audit Committee.

#### 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 core functions of an effective Audit Committee are:-

- To consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements.
- Seek assurance that action is being taken on risk-related issues identified by auditors and inspectors.
- Be satisfied that the Council's assurance statements properly reflect the risk environment and any actions required to improve it.
- Oversee the work of internal audit (including the annual plan and strategy) and monitor performance.
- Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- Receive the annual report of the Chief Internal Auditor.
- Consider the reports of external audit and inspection agencies, where applicable.
- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.

3.2 Effective audit committees help raise the profile of internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an Authority.

#### **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 an updated forward work programme is attached at Appendix A.

#### **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 note the updated 2014 -15 forward work programme to ensure that all aspects of their core functions are being adequately reported.

**Ness Young**  
**Corporate Director - Resources**  
**20<sup>th</sup> November 2014**

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#### **Background Documents**

None

**AUDIT COMMITTEE  
SCHEDULE OF MEETINGS AND FORWARD WORK PROGRAMME  
2014 – 2015**

DATE OF MEETING	FORWARD WORK PROGRAMME	OFFICER RESPONSIBLE	UPDATE
<b>2014</b>			
<b>18<sup>th</sup> June</b>	Information and Action Requests (if applicable).	Chief Internal Auditor (CIA)	Complete
	Updated Forward Work Programme.	CIA	Complete
	Approval of the draft Annual Governance Statement 2013-14.	Head of Finance & Performance	Complete
	Pre-audited Statement of Accounts 2013/14.	Head of Finance & Performance	Complete
	Complete Audits (if applicable).	CIA	Complete
	Head of Audit's Annual Opinion Report 2013/14.	CIA	Complete
	External Auditors / Inspection Reports (where applicable).  WAO Annual Improvement Report	Head of Finance & Performance / WAO / KPMG	Complete
	IASS Outturn Report April and May 2014.	CIA	Deferred
	Implementation of Recommendations (if applicable).	CIA	Deferred
<b>Additional Items</b>	Anti -Money Laundering Policy.	Head of Finance & Performance	Complete
<b>25<sup>th</sup> September</b>	Information and Action Requests	CIA	Complete
	Updated Forward Work Programme	CIA	Complete
	Final Annual Governance Statement and summary of assurance 2013/14	Head of Finance and Performance	Complete
	Statement of Audited Accounts	Head of Finance and Performance / KPMG	Complete
	Treasury Management Outturn 2013/14	Head of Finance and Performance	Complete
	Internal Audit 5 months Outturn Report April to August 2014.	CIA	Complete
	Completed Audits Report (where applicable)	CIA	Complete
	Implementation of Recommendations Report (where applicable)	CIA	Complete
	External Auditors / Inspection Reports (where applicable). - Audit of Financial Statement Report 2013/14 (ISA 260). Improvement Programme update	Head of Finance & Performance / WAO / KPMG	Complete
<b>20<sup>th</sup> November</b>	Up dated Forward Work Programme	CIA	Submitted
	Information and Action Requests (where applicable)	CIA	Submitted
	Review of the Annual Governance Statement 2013/14	Head of Finance & ICT	Submitted
	Fraud update	Benefits Manager	Submitted
	Corporate Risk Assessment Review 2014/15.	Head of Finance and ICT	Submitted
	Completed Audits Report (if applicable)	CIA	Submitted
	Internal Audit Outturn Report – April 2014 to October 2014; including update on IASS Performance and Client Satisfaction Survey Results.	CIA	Submitted

## APPENDIX A

	External Auditors / Inspection Reports (where applicable). – Annual Audit Letter 2013/14	Head of Finance & ICT / WAO / KPMG	Submitted
<b>2015</b>			
<b>15<sup>th</sup> January</b>	Up dated Forward Work Programme	CIA	
	Information and Action Requests (if applicable)	CIA	
	Internal Audit 9 months Outturn Report April 2014 – December 2014	CIA	
	Completed Audits (where applicable)	CIA	
	Report on the work undertaken on School Audits.	CIA	
	External Auditors / Inspection Reports (where applicable)	Head of Finance & ICT / WAO/ KPMG	
<b>16<sup>th</sup> April</b>	Information and Action Requests (where applicable)	CIA	
	Updated Forward Work Programme	CIA	
	Proposed Forward Work Programme 2015-16.	CIA	
	Internal Audit proposed Annual Strategy and Audit Plan 2015-2016.	CIA	
	Governance – Compliance with Public Sector Internal Audit Standards for 2014-15	CIA	
	Audit Committee – Terms of Reference	CIA	
	Internal Audit Shared Service Charter and Terms of Reference	CIA	
	Completed Audits (where applicable)	CIA	
	Head of Audit's Annual Opinion Report and outturn for the Year 2014/15	CIA	
	External Auditors / Inspection Reports (if applicable): -	Head of Finance & ICT / WAO/ KPMG	



By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

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