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Bridgend County Borough Council
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Ask for / Gofynnwch am: Andrew Rees

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

Date / Dyddiad: Friday, 13 November 2015

Dear Councillor,

AUDIT COMMITTEE

A meeting of the Audit Committee will be held in Committee Rooms 2/3, Civic Offices Angel Street Bridgend CF31 4WB on **Thursday, 19 November 2015 at 2.00 pm.**

AGENDA

1. Apologies for Absence
To receive apologies for absence (to include reasons where appropriate) from Members/Officers
2. Declarations of Interest
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 2014
3. Approval of Minutes 3 - 8
To receive for approval the minutes of the Audit Committee of 24 September 2015.
4. Corporate Risk Assessment 2015-16 9 - 36
5. Housing and Council Tax Benefit Fraud Investigations Out turn 2014/15 and a comparison of position in the first 6 months of this year 37 - 42
6. Update on National Fraud Initiative 2014 43 - 50
7. Information and Action Requests by Committee 51 - 52
8. Completed Audits 53 - 60
9. Schools Summary Report 2014-15 61 - 74

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10. Internal Audit Shared Service Outturn Report - April to September 2015 75 - 96
11. Updated Forward Work Programme - 2015/16 97 - 100
12. Urgent Items
To consider any other items(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.

Yours faithfully

P A Jolley

Assistant Chief Executive Legal and Regulatory Services

Distribution:

Councillors:

GW Davies MBE
RC Jones
JR McCarthy
JE Lewis

Councillors

M Reeves
C Westwood
D Sage
CL Jones

Councillors

DK Edwards
G Davies
CA Green
E Dodd

Lay Member:

Mrs J Williams

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOMS 2/3
ON THURSDAY, 24 SEPTEMBER 2015 AT 2.00 PM

Present

Councillor E Dodd – Chairperson

GW Davies MBE
M Reeves

RC Jones
C Westwood

JR McCarthy
G Davies

JE Lewis

Officers:

Randal Hemingway	Head of Finance & ICT
Helen Smith	Chief Internal Auditor
Sarah Daniel	Democratic Services Officer – Committees
Darren Gilbert	KPMG
Matthew Arthur	KPMG

Lay Member:

Mrs J Williams

202. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members/ Officers for the reasons so stated:

Councillor CL Jones – Hospital Appointment
Councillor DK Edwards – Other Council Business
Councillor CA Green – Prior Commitment
Mary Williams – Other Council Business

203. DECLARATIONS OF INTEREST

None

204. APPROVAL OF MINUTES

RESOLVED: That the minutes of the Audit Committee held on 25 June 2015 were approved as a true and accurate record, subject to Mrs J Williams being added to the list of attendees

205. AUDITED STATEMENT OF ACCOUNTS

The Head of Finance and ICT presented a report to Committee on the final Statement of Accounts for 2014-15, the associated Letter of Representation of the Council and the final audited Annual Return for the Harbour Authority.

AUDIT COMMITTEE - THURSDAY, 24 SEPTEMBER 2015

The Head of Finance and ICT referred Members firstly to the Audited Statement of Accounts. The main points of the report were:

- There were 898 changes to individual assets' valuations totalling £26.002m revaluation gain
- The accounts were updated for 153 assets (17% of 898) but this resulted in £22.071m revaluation gain (85% total gain £26.002m)
- The 745 remaining uncorrected assets representing £3.931 million was below the materiality threshold and would have taken too long to process into the Authority's Asset Register and Statement of Accounts

He confirmed that the accounts were due to be signed off as presenting a true and fair view of the financial position of the Council at 31 March 2015 by 30 September 2015.

The Head of Finance and ICT then referred Members to the External Auditor's Audit of Financial Statements Report which was attached to Appendix B of the report. He confirmed that there were a number of adjustments made to the asset valuations within the post audit Balance Sheet. He stated that the adjustments reflected the rise in building indices from the date of valuation on 1 April 2014 to the year-end balance sheet date 31 March 2015.

The Head of Finance and ICT referred Members to Appendix C which contained the Council's Letter of Representation that was required by the External Audit Manager, KPMG and the Appointed Auditor, the Wales Audit Office to complete the process and enable the accounts to be signed off.

The Head of Finance and ICT concluded by referring Members to the Annual Return for the Harbour Authority. He confirmed that there had been some amendments to the Return following clarification from Wales Audit Office about how the form needed to be completed, and, as a result of the audit including the inclusion of a Capital Accrual relating to the refurbishment of the Harbour.

Members questioned if the valuation of its property portfolio included what had been realised from the sale of land and properties.

The Head of Finance and ICT confirmed that property or land that had been earmarked for disposal was included in the valuation sheet, he added that the balance sheet was very specific and property was valued at what it would cost to replace.

RESOLVED: That Members:

- Approved the audited Statement of Accounts 2014-15
- Noted the appointed Audit of Financial Statements Report
- Agreed the Final Letter of Representation to the Wales Audit Office
- Approved the audited Annual Return for the Harbour Authority

206. TREASURY MANAGEMENT

The Head of Finance and ICT presented a report that updated the Committee on the outturn position for Treasury Management activities, Treasury Management and Prudential Indicators for 2014-15 and to highlight the compliance with the Council's policies and practices before they were reported to Cabinet and Council.

AUDIT COMMITTEE - THURSDAY, 24 SEPTEMBER 2015

He stated that the Treasury Management function was reviewed by the Council's External Auditor's KPMG, during the 2014-15 Annual Audit. He added that the audit opinion issued was one of "substantial assurance" and of the areas selected for examination, no control weaknesses were identified, therefore no recommendations were made

RESOLVED: Members noted the Annual Treasury Management Activities for 2014-15

207. INFORMATION AND ACTION REQUEST

The Chief Internal Auditor summarised for Members the actions and information requests made by the Audit Committee at its last meeting on 25 June 2015.

She provided the Committee with information on the Audits not undertaken due to the level of vacant posts in the Audit team, a list was attached to the report in Appendix A which included the following:

Money Laundering – This had been subsequently covered in Quarter 2 of the current financial year and the report was currently out in draft

Early Years Intervention and Prevention – This was planned for the last quarter of 2014/15 but due to resources the audit did not commence. This was included within the plan for 2015/16 and was commenced in Quarter 2

School Places – This was discussed in a planning meeting in January 2015 with the Director and she did not deem it to be a significant risk area and had already been done in this area by the Directorate

Mental Capacity Act – Internal Audit agreed not to undertake any further work as the CSSIW had only recently undertaken an in-depth review

Occupational Therapy – Due to the lack of resources within the service area this is now planned for 2015/16

Access to Records – This is to be included in the 2015/16 plan and is currently in draft format.

Assessment Framework – Due to the lack of resources this was now scheduled for 2015/16

Secure email and file transfer – Due to the lack of resources this review was unable to be carried out, if time permits it was agreed to be carried out in the 2015/16 ICT allocation

ICT Governance – This was addressed as part of the Annual Governance Review

Breaches of Standards - This is to be included in the 2015/16 plan and is currently in draft format.

RESOLVED: Members noted the report

208. COMPLETED AUDITS REPORT

The Chief Internal Auditor presented the findings of the recently completed audits by the Internal Audit Shared Service to Members. She stated that Internal Audit conducts reviews according to an annual audit plan and reports their findings to the Audit Committee.

The Chief Internal Auditor highlighted to Members that the Audits completed that were documented in Appendix B of the report, reflected the work that had commenced in 2014/15 and carried forward to 2015/16. She added that one recommendation that was raised for Payroll regarding the storing of documentation has been addressed and the situation was improving.

RESOLVED: Members considered the summary of completed audits to ensure that all aspects of their core functions were being adequately reported

209. IASS OUTTURN REPORT - APRIL TO AUGUST 2015

The Chief Internal Auditor presented a report to the Committee of the actual Internal Audit performance against the five months of the audit plan year covering April to August 2015

She provided a summary of the work completed by the Bridgend and Vale Internal Audit Shared Service for the period April to August 2015 and provided the Head of Audit's current opinion on the Council Framework of Governance, Risk Management and Internal Control. Based on the work carried out for the five months of 2015, her overall opinion was that the Council's Framework of Governance, Risk Management and Control was considered Reasonable.

The Chief Internal Auditor informed Members that during 2014-15 a self-assessment was undertaken to review the Authority's compliance with the Public Sector Internal Audit Standards. The review confirmed that there were no areas of non-compliance.

The Chief Internal Auditor stated that subject to the Accounts and Audit (Wales) Regulations 2015 principal local authorities must make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS). She stated that in accordance with the PSIAS there is a requirement that Internal Audit undergo an external assessment at least once every five years. She stated that she was currently exploring different options that included local authorities joining up to purchase the services of one external auditor to undertake the external assessment or alternatively that Chief Internal Auditors from each local authority auditing their peers. Members favoured having an external auditor undertake the assessment as they felt this would provide more rigour and have a higher level of independence. The Chief Internal Auditor agreed to bring a report back to a future Audit Committee.

The Chief Internal Auditor went on to explain to Members the shortfall of 79 productive days; she stated the reason for the shortfall was due to the 2.5 vacant posts in the department. The Chief Internal Auditor went on to explain that there were no plans at present to fill the vacant posts due to the expectations that the service will make significant savings over the next three years. She added that targets would need to be reduced in line with reductions in resources which will have an overall impact of reductions in the number of productive days that could be delivered.

Members were concerned at the pressure to continue to cut posts to achieve budget cuts and asked if the additional risks could be covered with the current staffing levels.

AUDIT COMMITTEE - THURSDAY, 24 SEPTEMBER 2015

The Chief Internal Auditor advised that the team are always looking at innovative ways to complete Audits and are IT driven. She explained that the team are currently looking at the targets that can be reduced whilst ensuring they satisfy the requirements of the Public Sector Internal Audit Standards and that she is in a position to provide a robust opinion at the end of the Financial Years.

RESOLVED: That Members gave due consideration to the Internal Audit Outturn Report covering the period April to August 2015 to ensure that all aspects of their core functions were being adequately reported

210. UPDATE ON FORWARD WORK PROGRAMME

The Chief Internal Auditor presented to Members an update on the 2015-2016 Forward Work Programme for the Audit Committee

RESOLVED: Members noted the updated Forward Work Programme to ensure that all aspects of their core functions were being adequately reported.

211. URGENT ITEMS

None

The meeting closed at 3.15 pm

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE AUDIT COMMITTEE

19 NOVEMBER 2015

REPORT OF THE CORPORATE DIRECTOR RESOURCES

THE CORPORATE RISK ASSESSMENT 2015-16

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 amendments to the Risk Management Policy and procedures and also the changes made to the 2015-16 Corporate Risk Assessment which have arisen out of the quarterly reviews undertaken during the year.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.1 The report links to the following corporate priorities:

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

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 which is currently reviewed and revised on an annual basis.

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 The 2015-16 Corporate Risk Assessment was agreed by Corporate Management Board on 22 December 2014, Audit Committee on 15 January 2015 and is fully aligned with the Council's Medium Term Financial Strategy which was approved by Council on 25 February 2015.

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 Senior Management Team, 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 As part of a review of the current Risk Management Policy, Corporate Management Board decided that it would be more appropriate for risk management tasks and responsibilities to be undertaken by Senior Management Team (SMT).

The purpose of this change is to engage with a wider group of senior officers:

- Who have a greater day to day involvement with the risks
- Who are potentially in a better position to know what new risks are within Directorates that should be escalated to the Corporate Risk Assessment
- Have a better understanding of specific risk mitigation measures and the impact that they will have in controlling the outcomes of risks.

The Corporate Risk Management Policy now identifies that the role of the SMT is to:

- “Scan the horizon” for new risks to the Council and the County Borough.
- Provide a view on the medium to long term impacts of Government policy, financing, business transformation and partnership working
- Have oversight of the production of the annual risk assessment
- Consider the risk assessment at quarterly reviews throughout the year.

- 4.2 The Corporate Risk Assessment has been reviewed and updated by SMT and the updated 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.

- 4.3 During the course of the quarterly reviews of the risk assessment the Risk Management & Insurance Officer now links in with the Corporate Performance and Integrated Partnership Team to review the directorate performance dashboards to ascertain what risk areas are highlighted. This change in procedure will be captured in the next review of the Risk Management Policy.

- 4.4 The principal changes throughout 2015 have been as follows:

- Using Resource Effectively

The risk description has been updated noting that the draft settlement for 2016-17 would normally be announced by Welsh Government in October. However, this year the comprehensive spending review will not be announced until the end of November meaning that the settlement from Welsh Government will not be known until December. This means that the Medium Term Financial Strategy timetable will be significantly compressed.

The risk impact column notes that the Council expects to have to make revenue budget reductions totaling £49.592m from 2016-17 to 2019-20.

The risk mitigation measures have been updated because Cabinet is reviewing its Improvement Priorities to bring renewed focus upon them. These will inform the

allocation of resources in the Medium Term Financial Strategy period 2016-20. Prioritisation may be afforded to specific budget areas which deliver against the new priorities.

- Welfare Reform

The risk description has been changed to reflect further reforms which are being brought forward by the UK Government and Universal credit which is being implemented in the County Borough from June 2015.

The risk impact column reflects the numbers of households impacted by the reforms. Initially 1,466 households were affected by the bedroom cap. This has since reduced to 1,241 which is 29% of the total Housing Association benefits recipients. The Benefits Services continues to work closely with Housing Associations to support people affected by the bedroom cap. 82 households are affected by the income cap of which 56 are affected by less than £50 per week. The total number of households in the County Borough is around 59,000.

The risk mitigation measures column confirms that the Benefits Service works closely with Housing Associations to support the people affected by the caps by identifying those that are exempt from it, providing debt and money management advice and in qualifying cases awarding Discretionary Housing Benefit payments. The grant for payments in 2015-16 is £252,060. It also identifies the support services provided by the Council to claimants and DWP Universal Credit staff.

The residual risk score has been reduced to recognise the reduction in the proportion of persons affected by the reforms and work undertaken to prepare for the implementation of Universal Credit.

- Local Government Reorganisation

The risk description has been updated noting that in June 2015 Welsh Government announced its preference for the future shape of Local Government in Wales. This included a reduction in the number of councils to eight or nine with Bridgend merging with Rhondda Cynon Taff and Merthyr Tydfil. The Local Government (Wales) Bill was agreed by the Assembly on 20 October 2015. This enables the next Welsh Government to proceed with voluntary mergers of authorities after the Assembly election. The Bill does not allow for compulsory mergers and a further Bill has been proposed for these.

The risk mitigation measures note the economic benefits of being part of the proposed Cardiff Capital Region City Deal which the proposed merger would facilitate and that whilst there is uncertainty, the Council will continue to collaborate with a range of partners on a pragmatic basis, but will not do anything that would make a future merger harder.

- Supporting Vulnerable People

The risk description has been updated to recognise the increasing demand placed upon the Council for Dementia Services. It has been identified that need will double between 2001 and 2030.

The risk mitigation measures have been updated because the Social Services and Wellbeing (Wales) Act 2014 is being fully implemented. This is supported by a workforce development programme which puts in place regional learning and development arrangements to ensure that all staff are well trained.

The Learning Disability project is delivering a wide range of positive outcomes. These include the development of social enterprises, providing access to range of activities, access to help and support via technology, new models of tenancy support and a resettlement programme from residential homes to supported living.

The remodeling homecare implementation plan is on track for December 2015. Homecare is delivering fewer hours than planned which indicates that preventative services are working.

Independent residential care providers have been helped by the production of a Regional Quality Framework for their sector. It gives providers knowledge of the level of care expected.

The Council has been leading on the procurement of a national community care information system that supports both health and social care. This will allow professionals across different organisations to access and share information. This mitigation measure also impacts the Supporting Vulnerable Children, Young People and Their Families risk below.

- Economic Climate and Austerity

The risk mitigation measures have been updated to reflect the current position of regeneration projects. In Bridgend the Rhiw will be regenerated bringing footfall and vitality to the town centre. A development land programme for key sites in the Llynfi valley has been agreed with Welsh Government and in Porthcawl the Townscape Heritage Initiative is now underway and buildings, structures and open spaces are being restored.

- Supporting Vulnerable Children, Young People and Their Families

The risk impact has been changed to reflect the reduction in the number of Looked After Children from 412 to 389.

The risk mitigation measures have been updated to include the provisions of the Social Services and Wellbeing (Wales) Act 2014 as they impact Looked After Children. They have also been updated to take account of the significant re-structure of the Family Intervention Services which was completed in March 2015 creating three Early Help locality hubs to work with families in a more joined up way. A range of professionals are co-located in each of the hubs to support a whole system approach to ensuring that the needs of all our children and young people will be met at the earliest opportunity. In addition a central hub of specialist Family Support Services has been created. These initiatives will help continue to safely reduce both the numbers of Looked After Children and children on the Child Protection Register.

The Council is ensuring that robust mechanisms are in place to identify and provide appropriate services to children at risk from child sexual exploitation (CSE).

Practitioners have either received child sexual exploitation training or are part of an ongoing programme to enhance their knowledge. The council is part of a focused multi-agency agency child sexual exploitation task force including Police and ABMU Health.

The residual risk score has been reduced to recognise the reduction in the number of Looked After Children.

- Disposing of Waste

The risk description has been changed because a new kerb side collection service will commence in two years' time. This will deliver improved performance but in the meantime it is a challenge to maintain momentum behind the existing scheme.

The risk mitigation measures note that a report has gone to Overview and Scrutiny Committee discussing options for the future. This, together with findings from WRAP Cymru will inform a report to Cabinet which will make recommendations for the future of kerb side collection.

BCBC and Swansea CBC, under the South West Wales hub have procured an Anaerobic Digestion facility provided by Biogen. An interim contract of 2 years has been let commencing on 1 August 2015. A business case for a longer term contract is being prepared.

A tender has been let to allow an operator to provide residual waste handling facilities. The waste will continue to be received at the MREC but may or may not be dealt with there, depending on the proposals received. Possible providers are currently considering the MREC facility and their response to the tender.

- Healthy Lifestyles

The risk mitigation measures have been changed to emphasise the link between the work of the Sport, Play and Active Wellbeing service and the challenge of the Social Service and Wellbeing (Wales) Act with the focus on prevention and wellbeing interventions that reduce the need for higher cost support in the future. A number of encouraging indicators are noted, including that the number of visits to HALO facilities was 5.6% higher in 2014-15 than they were in 2011-12.

- Maintaining Infrastructure

The risk description has been changed because the Local Government Borrowing Initiative has come to an end and reductions must be found in the Highways budget.

The risk mitigation measures note that the Local Government Borrowing Initiative has made improvements to the highway infrastructure but that now it has ended there will inevitably be deterioration in the proportion of roads that are in a satisfactory condition.

- Collaboration with Partners

The risk mitigation measures have been changed to reflect that the Local Service Board has reviewed its priorities and its structure, reducing the number of its

delivering boards from 11 to 5. The review has resulted in a renewed focus for the Local Service Board, clearer priorities and the development of flagship projects which clearly demonstrate how they contribute to achieving the desired outcomes.

- Educational Attainment

The risk description has been changed to include the need for a narrowing in the attainment gap between vulnerable pupils and others.

The impact column notes the potential gap in achievement between pupils from vulnerable groups such as those with Free School Meals, Looked After Children, CIN and Special Educational Needs and other pupils.

The risk mitigation measures refer to the work that the Council does in conjunction with partners in helping Governors be effective in providing challenge to the schools, including working with the Bridgend Governors Association to develop a strategy to roll out a Governor Improvement Group for the County Borough and to implement greater self-evaluation via the development of a self-evaluation action plan.

- Health and Safety

This is a new risk. On 20 April 2015 the Senior Management Team received the Health and Safety Manager's report on 'Health and Safety Gap Analysis' and upon consideration of the report decided that the risk should be escalated to the Corporate Risk Assessment.

The risk description describes the Council's duties and identifies that there are areas where there can be improvement in some health and safety arrangements.

The risk impact column identifies a number of effects of failure including injury, ill-health or loss of life to employees or members of the public and the sanctions and effects on services that might follow.

The risk mitigation measures include the completion of the gap analysis surveys with the results being cascaded to all management tiers across all Directorates. The Directorates will then develop Health and Safety action plans and risk registers. Managerial competencies will be assessed and further training given where needed. Performance will be monitored through Corporate Performance Assessment (CPA) and Corporate Management Board (CMB).

The inherent risk has been scored by the Health and Safety Manager with a likelihood of 5 and an impact of 4. The application of the risk mitigation measures will not lessen the impact if an incident occurs but will reduce the likelihood of it taking place. Consequently after the application of the mitigation measures the likelihood has been assessed at 3 giving a residual score of 12.

- 4.5 The other risks, impacts and mitigation measures have been reviewed and brought up to date where necessary.
- 4.6 The outcome of the 2016-17 Corporate Risk Assessment and review of the Risk Management Policy will be reported to Audit Committee on 28 January 2016.

5. Effect upon Policy Framework& Procedure Rules.

5.1 None as a direct consequence of this report.

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 That Members consider the changes to the Corporate Risk Assessment that have been made during 2015 and receive a further report in January 2016 concerning the 2016-17 Corporate Risk Assessment and review of the Risk Management Policy.

**NESS YOUNG
CORPORATE DIRECTOR - RESOURCES
12 November 2015**

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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	Working together to make the best use of our resources	<p>Using resource effectively:</p> <p>The final 2015-16 Local Government Settlement showed an average reduction in aggregate external finance (AEF) for councils in Wales of -3.4%. Bridgend's reduction was also -3.4%. However this did not recognise the transfer in of funding for social care, which was previously funded through grant, giving a real reduction of -3.6%.</p> <p>The draft settlement for 2016-17 would normally be announced by WG in October. However, this year the comprehensive spending review will not be announced until the end of November meaning that the settlement from WG will not be known until December. This means that the MTFS timetable will be significantly compressed. Currently the MTFS is based on an assumption that AEF will reduce by -4.5% in the three years to 2018-19 plus an increase in Council Tax of 4.5%.</p> <p>The revised savings targets are:</p> <p>2016-17: £13.566m</p>	<p>The Council will have to manage 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.</p> <p>Budget reduction proposals for 2015-16 to 2018-19 are being developed to meet the forecast £48.82 saving requirement.</p> <p>Currently 22.2% of the required savings are rated green, 22.97% amber and 54.83% red. A number of proposals for 2016-17 onwards require further information and analysis.</p> <p>The expectation is that the Council will have to make revenue budget reductions totalling £49.592m from 2016-17 to 2019-20. It becomes ever harder to deliver budget reductions without impacting service levels.</p> <p>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>Savings proposals are having and will continue to have implications for the workforce given that 68% of the net revenue budget is staff costs. The cost of redundancies will be significant.</p> <p>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 MTFS for the period 2015-16 to 2018-19 has been developed and target savings of £48.82m have been set. It is anticipated that a further £12m will have to be saved in 2019-20. 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 Directorates must meet savings proposals of about 8% of their 2014-15 controllable budgets. Directorates are also developing achievable savings proposals based on a number of scenarios for 2016-17 onwards.</p> <p>Cabinet is reviewing its Improvement Priorities to bring renewed focus upon them. A series of internal staff engagement events are being held to communicate and receive feedback on the revised priorities.</p> <p>The Improvement Priorities will inform the allocation of resources in the MTFS period 2016-20. Prioritisation may be afforded to specific budget areas which deliver against the new priorities.</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 £1.5m will be maintained over the life of the MTFS to support its delivery.</p> <p>Savings identified so far include:</p> <ul style="list-style-type: none"> • Retendering learner transport contracts • Modernising the school estate • Waste management initiatives • Remodelling health and social care • School transport route efficiencies • Staffing restructures • Remodelling cultural services, adult social care, regulatory services and the youth offending service • Closure and/or asset transfer of public buildings and services such as public toilets, parks and pavilions and playgrounds 	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
		2017-18: £12.263m 2018-19: £11.763m 2019-20: £12.000m			<p>The workforce will reduce over the life of the MTFS. The reduction will be managed through a continuation of the employment freeze, redeployment, early retirements, voluntary redundancies and some compulsory redundancies.</p> <p>The income from fees and charges will be increased by CPI plus 1%</p> <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 assets will be based on an assessment of their potential contribution.</p>		
Links to all key outcomes	Links to all Corporate Improvement Priorities	<p>Local Government Reorganisation:</p> <p>Geographically Bridgend straddles both East and West Wales. The Williams Commission recommended a merger with NPT and perhaps Swansea, but because of economic and other benefits BCBC made an expression of interest for a merger with Vale of Glamorgan (VoG) but this was rejected.</p> <p>In June 2015 WG announced its preference for the future. This included a reduction in the number of councils in Wales to eight or nine with Bridgend merging with Rhondda Cynon Taff and Merthyr Tydfil. WG will publish and consult on a draft Mergers and Reform Bill in the Autumn.</p>	<p>Delivering the transformative change required to make MTFS savings, at a time when demand for some services is up, is already challenging.</p> <p>Without specific funding Local Government Reorganisation will add to these cost pressures and mean that larger savings will be required to balance the budget. This will make it harder to provide good quality public services.</p> <p>There is uncertainty about the eventual outcome. If senior management are focussed on reorganisation whether it is to the north, west or east they may fail to deliver the required services to the public in conjunction with the savings needed for the MTFS. There is also a danger of inertia as managers feel unable to make decisions required now because of a merger that is due to take place in the future.</p> <p>The precise mechanism for harmonisation of council tax and pay and conditions between authorities is unknown. However, this may increase costs which would make it harder to realise</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>WG has considered the findings of the Williams Commission report and has now indicated its preferred option for a merger with Rhondda Cynon Taff and Merthyr Tydfil. This proposed merger would have the benefit of the County Borough being part of the proposed Cardiff City Capital Region City deal which will be positive for the economy and consequently for the citizens of the County Borough.</p> <p>The Local Government (Wales) Bill was agreed by the Assembly on 20 October 2015. This enables the next Welsh Government to proceed with voluntary mergers of authorities after the Assembly election. The Bill does not allow for compulsory mergers and a further Bill has been proposed for these.</p> <p>Whilst uncertainty remains the Council will continue to collaborate with a range of partners on a pragmatic basis but will not take any action which would make merger more difficult.</p>	Chief Executive	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>

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		<p>The costs of Local Government Reorganisation are unknown, but will be high. These costs have not been factored into the 2015-16 to 2018-19 MTFS which already requires savings of £48.82m.</p> <p>The MTFS is also at risk because greater demands will be placed on senior management as they plan for Local Government Reorganisation, whilst bringing about the transformative change required to deliver services within reduced budgets.</p> <p>In the longer term there are also other risks as two workforces and sets of financial arrangements are brought together necessitating harmonisation of pay and conditions and council tax.</p>	benefits from reorganisation.				
<p>People in Bridgend County Borough are healthier.</p> <p>People and their families are empowered and informed to live healthily and lead independent lives and our communities are stronger,</p>	Working together to help vulnerable people to stay independent.	<p>Supporting vulnerable people:</p> <p>If the Council in partnership with 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</p>	<p>The population is aging. Between 2014 and 2020, the number of people aged 65 and over is estimated to increase by 12.1% whilst the number of people over 85 is projected to increase by 24.4%. 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 place</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>Transformation 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. The Remodelling Adult Social Care (RASC) Board continues to be the foundation of the transformation journey as the council continues to change the emphasis from a model of “caring” to a more preventative approach of working with partners such as the NHS and third sector organisations to assist and support adults as they live independently in their own communities. The Council is exploring ways to include service users and communities within aspects of commissioning especially in the development of new service models for the future,</p>	Corporate Director Social Services & Wellbeing	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>

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cohesive and sustainable, with appropriate access to services for all.		<p>budget and a population that is both older and has more complex physical and mental health needs.</p> <p>Demand for services is increasing. This is especially so with Dementia where need will double between 2001 and 2030. At the same time resources are decreasing. This makes the MTFS challenging. There is currently a shortfall in the savings identified. It is imperative that the Council continues to identify 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 which impacts on the ability of the Council to transfer services as originally planned. The Council will have to demonstrate both flexibility and innovation in order to drive through proposals for change.</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</p>	<p>additional cost pressure on the service. Additional provision has been made for demographic change of £400,000; Mental Health £70,000; direct payments £400,000 and Learning Disabilities £300,000.</p> <p>Failure to remodel services will:</p> <ul style="list-style-type: none"> • Restrict the Council's ability to respond to assessed needs as set out in the Social Services and Wellbeing Act (Wales) 2014. • Result in longer lengths of stay in acute hospital services. • Result in a greater need for expensive hospital treatment. • Mean that vulnerable people lead less fulfilled lives. • Mean that the Council and the NHS do not meet the public's expectations and consequently the reputation of the organisations will suffer. • Mean that the Council will be unable to meet its essential obligations and deliver the MTFS 		<p>The RASC is closely aligned to the MTFS and its work is supported by a Changing the Culture Board; work is also ongoing to develop a corporate approach to Prevention and Wellbeing.</p> <p>The Social Services and Wellbeing (Wales) Act 2014 will be fully implemented in April 2016. The Act in conjunction with demographic and financial pressures will mean that alternative models of service delivery are required.</p> <p>A self-assessment has been submitted to WG which sets out the Western Bay regions readiness to comply with the Act. With regional partners the Council is developing an implementation plan which sets out key priorities.</p> <p>The Social Care Workforce Development Programme will put in place regional learning and development arrangements to ensure that staff are well trained to deliver the requirements of the Act.</p> <p>The Learning Disability project is delivering a wide range of positive outcomes. These include the development of social enterprises, providing access to a range of activities, access to help and support via technology, new models of tenancy support and a resettlement programme from residential homes to supported living. The success of residential aspects of the project is dependent upon positive responses being received from the market.</p> <p>Similarly the project to change the residential care model will be subject to market conditions. Buildings are old and not future proof. It will become increasingly difficult to keep them at an acceptable standard. The Council is planning to develop two Extracare homes to replace three care homes although the timetable has slipped due to the need to ensure that legal and procurement rules are adhered to.</p> <p>Independent residential care providers have been helped by the production of a Regional Quality Framework for their sector. It gives providers knowledge of the level of care expected.</p> <p>The remodelling homecare implementation plan is on track for December 2015. Homecare is delivering</p>		

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		on-going robust management of sickness absence. Sickness absence remains high and the service continues to give this a high priority			<p>fewer hours than planned which indicates that preventative services are working.</p> <p>The Council has been leading on the procurement of a national community care information system that supports both health and social care. This will allow professionals across different organisations to access and share information.</p> <p>Partnership agreements have robust outcome specifications and arrangements for monitoring of contract delivery to ensure the safeguarding of vulnerable people.</p> <p>The links between the Sport, Play and Active Wellbeing division and older people aging well and Learning Disability Services have strengthened considerably. They have an active involvement with the wellbeing and prevention agenda.</p> <p>The directorate senior management team and managers across the service will continue to proactively manage absence levels in line with corporate policies and monitor the sickness absence process. Managing down absence levels is a challenge, particularly in services which are facing change.</p>		
Links to all key outcomes	Links to all Corporate Improvement Priorities	<p>Welfare reform:</p> <p>The UK Government has introduced a number of significant welfare reforms over the last two years and Universal Credit (UC) has now been implemented in the County Borough in June 2015. Further reforms were brought forward in the July 2015 Budget which will mean that more citizens in the County Borough will be impacted.</p>	Changes being made by the UK Government to benefit entitlements mean that some citizens will be in greater poverty including increased child poverty. Demands on services for vulnerable people are likely to increase at the same time as the Council's resource base reduces. This will be exacerbated by the further changes proposed in the July 2015 UK Government budget. These include a freeze on most benefits for 4 years, a further reduction in the benefit cap, no automatic entitlement to Housing Benefit for 18 to 21 year olds, Tax Credits and UC being restricted to a maximum of two children and the income threshold on Tax Credits being reduced from £6,420 to £3,850.	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<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 is developing proposals for dealing with changes in demand.</p> <p>The Benefits Service works closely with Housing Associations to support the people affected by the caps by identifying those that are exempt from it, providing debt and money management advice and in qualifying cases awarding Discretionary Housing Benefit payments. The grant for payments in 2015-16 is £252,060.</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. Bridgend Housing Partnership meets quarterly and discusses the impact as an agenda item.</p> <p>When advised by the DWP of a new benefit cap case, the Benefits Service contacts the affected claimants to</p>	Corporate Director Resources	<p>Likelihood - 6</p> <p>Impact - 3</p> <p>Total - 18</p>

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			<p>Since 15 July 2013 there has been a limit on the total benefit a working age person can receive. BCBC impose the cap through Housing Benefit deductions as and when notified by the Department for Works and Pensions (DWP). This currently affects 82 households in Bridgend. This number will increase when the benefit cap reduces from £23,000 to £20,000.</p> <p>From April 2013, maximum rent has been reduced in the social sector depending on the number of bedrooms required. 1,241 households are affected which represents 29% of the total working age Housing Association benefit claimants. The total number of households in Bridgend is about 59,000.</p> <p>The Council will need to manage the Council Tax Reduction (CTR) scheme within its budget. 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 for 2015-16 to fund the projected additional budget requirement of £1m.</p> <p>UC commenced in October 2013 and was implemented in Bridgend for certain claim categories in June 2015. The potential number of persons who may claim UC is estimated at 180 per month, with around 40 of these receiving support with housing costs.</p> <p>The UC caseload will build from 2016 onwards until the benefit is established for all claimants by the end of 2019.</p>		<p>discuss their options. Appropriate cases are referred to the council's debt advice service or Housing Options. The Benefits Service works closely with these families to ensure that they are adequately equipped to deal with the reduction in their income, or, in conjunction with DWP, assist the family where possible with the transition into employment.</p> <p>Officers are 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 UC in June 2015</p> <p>During the rollout of UC the council is required to provide support services to claimants and DWP UC staff as follows:</p> <ul style="list-style-type: none"> • Helping to prepare landlords for the change • Supporting claimants with online administration • Supporting claimants with complex needs and those that require personal budgeting • Provide expertise to UC service centre staff on housing issues • Process CTR for UC claimants <p>The Benefits Service has been discussing UC changes with landlords since its announcement and has procured budgeting support and advice via Caer Las.</p> <p>The council has developed other support services</p> <ul style="list-style-type: none"> • 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 • Secured funding to provide support in libraries and community venues with digital applications, eg Universal Jobmatch and UC • Developed a draft directory of training, employment and other support <p>As part of the MTFs, the Council has an earmarked reserve specifically for welfare reform.</p> <p>As part of the July 2015 budget it is proposed that the compulsory living wage will increase from £7.20 to</p>		

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			It is too early to say what the impact will be on the number of households affected by the latest welfare reform proposals.		£9.00 by 2020.		
<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 achievement.	<p>School modernisation:</p> <p>Budget pressures may reduce or delay the 21st Century school programme.</p> <p>WG has committed to fund 50% (£22.474m) of the total costs for the Band A programme. To receive this funding the council has to provide match funding of £22.474m. Whilst £5m is from core funding allocations the Council is also relying on raising £4m from S106 agreements and £13.475m from the sale of school and other sites.</p> <p>It continues to be a challenge to release sufficient land for sale to support the programme, If the Council is unable to do so, there may be a delay in new builds which may 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</p>	<ul style="list-style-type: none"> Insufficient progress may have a negative impact on pupils' learning and wellbeing. There is a link between attendance, attainment and the school environment. It may affect the range of educational opportunity for pupils. There may be inefficient use of resources, due to a mismatch in the supply and demand for places in different schools. 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. New schools are designed as community facilities and in the case of Coleg Cymunedol Y Dderwen is also a multi-agency hub. Inadequacies in buildings maintenance have been identified, including fire safety within schools. 	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council continues to implement a phased schools modernisation programme but within a revised timetable.</p> <p>WG has committed to fund 50% (£22.474m) of the total costs for the Band A programme through a combination of Capital Grant and LGBI. To receive this funding the Council needs to submit detailed business cases for each project including how its match funding will be provided.</p> <p>It is essential that the planned capital receipts already committed and ring fenced from the sale of school sites are retained for school modernisation. Any change to this commitment would require Council approval.</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 & Capital Programme Contractor Framework will continue via the new framework SEWSCAP2.</p> <p>By the end of 2015 the council will identify the needs that Band B projects should meet.</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 and condition surveys will enable the Council to prioritise improvement works and respond to emerging issues.</p> <p>The Safe, Dry and Warm project has commenced including the development of condition surveys of all school buildings. The Council has advertised for a Fire Safety Officer.</p>	Corporate Director Education & Transformation	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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		tribunals.			<p>A School Task Group is considering sustainability. It is reviewing the pupil population post 16, Welsh medium education capacity, education surplus places, falling roles in schools, deficit budgets, overcrowding and the potential federation of schools.</p> <p>Demand for Welsh medium education is up and the council is proposing to move YGG Cwm Garw to the Betws school site where it will be more accessible from other areas of the County Borough. In addition, it is proposed that a Welsh medium starter class will commence at the Brynteg Comprehensive School site.</p>		
<p>People in Bridgend County Borough benefit from a stronger and more prosperous economy.</p> <p>People are increasingly active in the local economy and support local businesses, and our communities are sustainable with the appropriate infrastructure to support business growth and thriving town centres.</p>	Working together to develop the local economy	<p>The economic climate and austerity:</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, 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 2015-16 to 2018-19. These cuts will impact on the local economy disproportionately because the Council is</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 £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 don't get stronger. 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>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Three Communities First teams are in place until at least April 2016. The new programme is focused on fighting poverty and seeks to achieve three main outcomes. These being healthy, learning and prosperous communities.</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>Increasing footfall via a greater number of residents living in town centres and by running high quality events.</p> <p>Implementation of the current rural development programme and development of the successor programme which is being submitted to WG. The current rural development programme is scheduled to end in December 2014, with the successor scheduled to start in July 2015.</p> <p>Implement the Youth Engagement And Progression Framework.</p> <p>Strategic Regeneration Fund (SRF) allocations are committed to projects up to 2016-17. However, following the announcement of the WG's Structural Funding Programme 2014-20, and the additional</p>	Corporate Director Communities	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>

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		<p>one of the key local employers.</p> <p>The current Convergence Programme is coming to an end, with key schemes that support local economic development and employment ending shortly. There will be significant gaps in the Council's mitigation strategies unless replacement schemes are funded and approved.</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>funding that can be secured using the SRF as matched funding, it has been agreed that the period of matched funding in the capital programme up to and including the 2020-21 financial year has been extended.</p> <p>Bridgend The Rhiw will be regenerated bringing footfall and vitality to the town centre. There will be a combination of residential development and car parking. The project, funded by WG via a Vibrant and Viable Places grant, is on track with conditional planning having been approved and progress being made with tendering.</p> <p>Maesteg/Llynfi Valley A development land programme for key sites in the Llynfi valley has been agreed with WG. The first phase will be funded by a £2.5m loan from the WG Central Capital Retained Fund to enable site investigation and land remediation work to be undertaken for future residential led development. This will generate confidence that will act as a catalyst for further private sector investment.</p> <p>Porthcawl The new marina was officially launched in April 2014 And the Jennings building has been sold subject to contract.</p> <p>The Porthcawl THI is now underway and buildings, structures and open spaces are being restored.</p> <p>An initial bid for Attractor Wales funds has been made to Visit Wales. Bridgend's bid is one of three which is going to a second phase. Work to develop the scheme is underway.</p> <p>WG funding for a new town centre partnership was approved and is now delivering projects.</p> <p>The council is working with ten Local Authorities as part of the South East Wales Development Partnership to increase employment and skills. Including Life Long Learning which will improve employability.</p>		
People in Bridgend County	Working with children and families to tackle	Supporting vulnerable children,	Between 2007/08 and 2012/13 the number of Looked After Children	Likelihood - 5	Part 6 of the Social Services and Wellbeing Act concerns children who are looked after by the council.	Corporate Director Social Services	Likelihood - 4

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<p>Borough are engaged and empowered to achieve their own potential.</p> <p>People are active citizens in our 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>problems early.</p>	<p>young people and their families:</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>increased by 40%, from 292 to 412. The number has now reduced to 389 and is coming down month by month.</p> <p>The wellbeing and safety of children might be compromised. They may be unable to</p> <ul style="list-style-type: none"> • Thrive and make the best use of their talents • Live healthy and safe lives • Be confident and caring throughout their lives • Know and receive their rights <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>Impact - 4</p> <p>Total - 20</p>	<p>The Act stipulates that:</p> <ul style="list-style-type: none"> • The child should have a care and support plan • The council should make it easy for the child to stay in touch with parents, family and friends where it is safe to do so • Each child should have an independent reviewing officer • The council should provide support and advice for young people coming out of care <p>Significant training is being put in place to ensure that the Council meets its duties under the Act.</p> <p>Childrens safeguarding and early help and prevention teams will work closely together to deliver both the Early Help and Intervention Strategy and the Placement and Permanency Strategy to vulnerable groups. There has been a significant re-structure of Family Intervention Services which was completed in March 2015. Three Early Help locality hubs (North, East and West) have been created to work with families in a more joined-up way. Family Support Workers, Education Welfare Officers, Family Engagement Officers, Counsellors and Youth Workers have been co-located in each of the hubs as well as Safeguarding Social Work Teams to support a whole system approach to ensuring that the needs of all our children and young people will be met at the earliest opportunity. In addition, we have created a central hub of specialist Family Support Services (e.g. Connecting Families) who provide a range of services across the whole County Borough</p> <p>These initiatives will help continue to safely reduce both the numbers of Looked After Children and children on the Child Protection Register.</p> <p>The Council is ensuring that robust mechanisms are in place to identify and provide appropriate services to children at risk from child sexual exploitation (CSE). Practitioners have either received CSE training or are part of an ongoing programme to enhance their knowledge. The Council is part of a focused multi-agency agency "CSE Task Force" including Police and ABMU Health.</p> <p>The Council will strive for stability and permanence for Looked After Children. This will include using increased numbers of adoptions, special guardianship</p>	<p>and Wellbeing</p>	<p>Impact - 4</p> <p>Total - 16</p>

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					<p>orders, residence orders and other long term arrangements with Foster Carers or extended family. The Western Bay Regional Adoption Service has been established and will help make the best use of resources so that improvements can be made to ensure that children requiring adoptive placements are speedily and appropriately matched with adopters who can meet their needs for their entire childhood. The replacement of the current commissioning of independent fostering agency placements with a new local parent and child fostering service will also improve use of resources.</p> <p>The Council is taking a lead role in the development of a national approach to statutory advocacy for Looked After Children and children in need.</p> <p>The Council has been leading on the procurement of a national community care information system that supports both health and social care. This will allow professionals across different organisations to access and share information.</p> <p>The Youth Engagement and Progression Framework identifies the young people who are most at risk, provides coordination of support, stronger tracking of young people through the system and enhances employability and opportunity.</p> <p>The current respite arrangements for disabled children will be reviewed.</p>		
<p>Bridgend County Borough is a great place to live, work and visit.</p> <p>People take pride in the county borough, their communities, the heritage and natural environment and our communities are clean and safe and have a</p>	<p>Working together to make the best use of our resources.</p>	<p>Disposing of waste:</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. Since 2012-13 there has been an obligation to recycle / compost 52% of waste and this will rise to 70% by 2025. A new</p>	<p>Failure to achieve recycling/composting targets could result in:</p> <ul style="list-style-type: none"> Inefficient use of resources as waste goes to landfill sites Penalties of £200 per tonne if we fail to achieve landfill allowance targets <p>Increased recycling has a knock on effect to the contract requirements of MREC.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Kier contract has delivered a stable recycling performance and this is likely to continue until the end of the current contract term in March 2017.</p> <p>Any extension to the Kier contract or alternative delivery model will need to build in the requirement to meet the targets set by WG in their policy document "Towards Zero Waste". WRAP Cymru are assisting the council consider the future by modelling various options. A report has gone to Overview and Scrutiny Committee discussing options. This, together with the WRAP Cymru findings will inform a report to Cabinet in September 2015 which will make recommendations for the future.</p> <p>BCBC and Swansea CBC, under the South West Wales hub have procured an Anaerobic Digestion</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
good range of leisure, tourism and cultural activities.		service will commence in two years time. This will deliver improved performance, but in the meantime maintaining momentum behind the existing scheme and hitting the target is a challenge.			<p>facility provided by Biogen. An interim contract of two years has been let commencing on 1 August 2015. A business case for a longer term contract is being prepared.</p> <p>A tender has been let to allow an operator to provide residual waste handling facilities. The waste will continue to be received at the MREC but may or may not be dealt with there depending on the proposals received. Possible providers are currently considering the MREC facility and their response to the tender. It is anticipated that the contract will commence in May 2016.</p> <p>In the short term, maintaining recycling rates can only be achieved by educating citizens so that they maintain their participation with the existing scheme.</p>		
<p>People in Bridgend County Borough are healthier.</p> <p>People and their families are empowered and informed to live healthily and lead 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>Healthy Life Styles:</p> <p>There are significant health inequalities within the County Borough and national statistics show that some parts are amongst the least healthy in Wales. Many people in the County Borough live unhealthy lifestyles and this might deteriorate as welfare reform continues and some people become poorer. 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"> • Shortened life expectancy. Life expectancy in the County Borough is below the Welsh average. • Shortened healthy life expectancy. Some areas of the County Borough have a healthy life expectancy which is 20 years longer than others. • Higher rates of obesity. Over half the County Borough population is overweight or obese. This results in significant costs to the economy, health and social services. • Worse emotional health. • Less fulfilled lives as people lose their independence due to ill health. <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 council aims to support a wide range of people, at all stages of life, to achieve health gains by encouraging them to be more active, more often.</p> <p>The Welsh NHS confederation identifies that the all-cause mortality risk is reduced by 30% amongst those who are physically active and that physically active people will spend on average 38% fewer days in hospital. The Sport, Play and Active Wellbeing service targets collaborative working to increase physical activity rates. In addition the service has responded to the challenge of the Social Services and Wellbeing (Wales) Act by focussing on prevention and wellbeing based interventions that can reduce the need for higher cost provision or support in the future.</p> <p>The number of physical activity visits to council operated leisure facilities has increased by 92,508 over a two year period. Visits to GLL/HALO facilities have also increased. The total for 2014-15 of 1,148,616 is 5.6% higher than in 2011-12.</p> <p>Children and young people are encouraged to be physically active. The Sport, Play and Active Wellbeing Service have formal partnerships with 33 Primary Schools, 9 Comprehensives and 2 Special Schools. In addition the school national sport programme is being implemented as is the "Every Child a Swimmer". The wellbeing of Looked After Children is promoted because they receive additional support through free access to local facilities.</p>	Corporate Director Social Services & 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>The secondary schools programme achieved 71,352 participants and supported 5,448 physically activity sessions.</p> <p>Other examples of how the community is being encouraged to exercise are:</p> <ul style="list-style-type: none"> • Developing community based sporting opportunities with Disability Sport Wales for children and adults with disabilities. There are 923 junior and 623 senior participants. • Increasing the activity levels of women and girls through initiatives such as “Us Girls”. • The “Move More Often” programme is being developed to support users of day care and residential services. • The Love to Walk programme <p>The council works with LSB partners and other parties to further develop targeted projects that tackle health issues such as weight management, harmful drinking and smoking.</p> <p>Inspections and enforcements are used against premises selling alcohol to those underage.</p> <p>There are ongoing Responsible Authority meetings to review any emerging issues around the licence trade and the sale of alcohol.</p> <p>There is support for initiatives via Neighbourhood Networks and local partnership working, that target evidence of alcohol related anti-social behaviour.</p> <p>The Council is seeking to reduce levels of tobacco consumption within the County Borough. The multi-agency Tobacco Control Steering Group developed an action plan for partnership working across the County Borough. The Group keep the action plan under review and report to the Health Board of the LSB.</p> <p>There are various awareness raising initiatives across the County Borough and Trading Standards, as part of the newly formed regulatory service, inspects premises and enforces legislation concerning sales to those who are underage.</p>		

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
<p>Bridgend County Borough is a great place to live, work and visit.</p> <p>People take pride in the county borough, their communities, the heritage and natural environment and our communities are clean and safe and have a good range of leisure, tourism and cultural activities.</p>	<p>Working together to develop the local economy.</p>	<p>Maintaining infrastructure:</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. The risk is exacerbated by the Local Government Borrowing Initiative (LGBI) coming to an end and the reductions that must be found in the Highways budget.</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>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.</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).</p> <p>The LGBI has provided funding of around £6.8m over the period 2012-15 for highway infrastructure improvements. The principal adopted for the programme of works was to provide good quality resurfacing which will be sustainable in the long term rather than quick overlay which requires higher maintenance in future years. 2014-15 was the last year of the LGBI and there will now be reductions in maintenance budgets. Unless there is further investment there will now inevitably be deterioration in the proportion of roads that are in a satisfactory condition.</p> <p>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</p> <p>The risk around the condition of the highway will be managed by a proactive system of highway inspections and by responding positively to highways complaints.</p>	<p>Corporate Director Communities</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>
<p>Corporate Governance</p>	<p>Working together to make the best use of our resources.</p>	<p>Equal Pay Claims:</p> <p>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.</p> <p>The courts are reviewing rulings on male dominated claims which have been listed.</p>	<p>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.</p> <p>Claims for compensation can now be made through the Civil Courts rather than via an Employment Tribunal. This will increase Legal Costs.</p>	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>The Council is aware of the issues and is monitoring developments.</p> <p>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.</p>	<p>Corporate Director Resources</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
		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 estimated cost, if all male dominated listed claims were settled, is £1.5M.				
<p>People in Bridgend County Borough are healthier.</p> <p>People and their families are empowered and informed to live healthily and lead independent lives and our communities are stronger, cohesive and sustainable, with appropriate access to services for all</p>	Working with children and families to tackle problems early.	<p>The impact of homelessness:</p> <p>Homelessness may increase because of the current economic climate and ongoing austerity measures and welfare reform. This may result in a greater dependence on the Council to provide temporary accommodation for residents.</p> <p>The Housing (Wales) Act 2014 has been enacted and places 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</p>	<p>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 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</p>	<p>Likelihood - 5</p> <p>Impact - 3</p> <p>Total - 15</p>	<p>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.</p> <p>The Council, in conjunction with Registered Social Landlords, have implemented a Common Housing Register and Social Housing Allocations Policy. This is working well and is helping 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 will be located in Civic Offices in May 2015 alongside the Housing Solutions team to provide 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 location of Parc Prison means that there is an</p>	Corporate Director Communities	<p>Likelihood - 5</p> <p>Impact - 3</p> <p>Total - 15</p>

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
		solution is found or a homeless investigation is instigated.	Renewal Area programme is reducing. The WG grant has reduced from £1m to £600,000 per year. 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.		increased risk of homeless presentations with their associated costs. Additional resources have been made available by WG to facilitate the operational changes required by the Housing Act. The Council will continue to apply the "intentionality test" to all groups of homeless households. A one stop shop for domestic abuse has been set up in Civic Offices. The aim is to provide a holistic service to victims of domestic abuse and prevent unnecessary homelessness.		
Corporate Governance	Working together to make the best use of our resources.	<p>Collaboration with partners:</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>Budget reductions have the potential to affect collaboration where they result in restrictions of spend to single-agency priorities.</p> <p>There are potential risks associated with collaborative projects such as the Regulatory Services initiative, the Western Bay Adoption Service, Youth Offending Service and other areas such as the roll out of Universal Credit for new single claimants commencing in June 2015, the</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>Reduction in other public sector partners' budgets may have an impact on their capacity for partnership working. If the collaborative Regulatory Services project is not adequately supported the Service may not be as effective as the proposals would suggest. Even with the innovative approach there will still be a need to make service savings, therefore if there are new statutory duties (ie under the Public Health Bill) being introduced, the Council may find it difficult to deliver them. There needs to be a period of change where performance may dip or will</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 Borough focussing on issues such as health, education, employment, the local economy, tourism, crime and the environment. Those priorities are being reviewed.</p> <p>The LSB reviewed its priorities in 2014. The revised priorities are:</p> <ul style="list-style-type: none"> • Make our residents and their communities financially resilient • Address health inequalities and increase healthy life expectancy • Raise educational standards • Build resilient, safe and engaged communities <p>The LSB also reviewed its structure, reducing the number of its delivering boards from 11 to 5. A refreshed Neighbourhood Network steering group was established to take forward citizen</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
		closure of 20+ work club and the end of funding to "Get Bridgend On Line".	be affected as the Council moves towards the new operating model.		<p>engagement and to plan and deliver 'place' based projects.</p> <p>The review resulted in a renewed focus for LSB, clearer priorities and the development of flagship projects which clearly demonstrate how they contribute to achieving the outcomes.</p> <p>BCBC partners with ABMU, Swansea and NPT 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. There is also the joint working agreement with the Vale of Glamorgan and Cardiff in relation to Regulatory Services.</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 has improved quality.</p> <p>The motor fleet maintenance depot, jointly run with South Wales Police, will increase efficiency.</p> <p>There are partnership agreements to support the management of these collaborative projects.</p>		
<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</p>	Working together to raise ambitions and drive up educational achievement.	<p>Educational attainment:</p> <p>If school standards and pupil attainment do not continue to improve, including a narrowing of the gap between vulnerable pupils and others, there are significant risks to the emotional wellbeing of young people and their future employment prospects, the local</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</p>	<p>Likelihood - 4</p> <p>Impact - 4</p> <p>Total - 16</p>	<p>The Central South Consortium (CSC) is going through a review to implement the Hill report recommendations. The implementation of the School Effectiveness Framework and in particular the work of Challenge Advisors will ensure more rigorous monitoring and challenge.</p> <p>The South Central Consortium is recruiting Consultant Governors to help governing bodies which are in need of support.</p> <p>The Council is working with CSC and other partners to ensure that governing bodies are effective in providing challenge to the school. This includes working with the Bridgend Governors Association to develop a</p>	Corporate Director Education & Transformation	<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
needed to live and work, and that there are equal opportunities so people are supported and equally valued		economy and a range of Council services as young people leave education ill-equipped for employment.	<p>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 in schools.</p> <p>A gap in achievement between pupils from vulnerable groups such as FSM, LAC, CIN and SEN and other pupils</p>		<p>strategy to roll out a Governor Improvement Group for the County Borough.</p> <p>Poor attendance leads to a serious loss of learning which is likely to affect achievement and life chances. An attendance strategy has now been adopted. Fixed penalty notices are available for Headteachers to use as a sanction. This is supported by the CSC absence management toolkit, Callio.</p> <p>To raise standards, the Council continues to implement the concept of self-evaluation across all its services in particular within Education; This includes the development of a self-evaluation action plan.</p> <p>The new School Improvement Strategy will define outcomes for learners.</p> <p>The implementation of the Youth Engagement and Progression Framework is ensuring 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"> Identifying underperforming English and Maths Departments and support action to improve Provide training for staff Develop a whole school approach to basic skills Utilise CSC pupil tracking model CSC literacy and numeracy plans <p>Carry out Additional Learning Needs analysis and ensure the training and development programme is delivered to schools. A provision mapping project will help provide consistent implementation across schools.</p> <p>On-going review of the school funding formula.</p> <p>Federated schools guidance from WG is being</p>		

Key Outcome	Corporate Improvement Priority	Risk Description	Potential Impact	Inherent Risk Score	Risk Reduction Measures	Risk Owner	Residual Risk Score
					<p>considered.</p> <p>School Improvement Groups have been set up across the Consortium area so that schools can share best practice and learn from each other.</p> <p>Categorisation of schools helps to identify which schools require support.</p>		
Corporate Governance	Working together to make the best use of our resources.	<p>Health and Safety</p> <p>The council has a duty to protect the health, safety and welfare of their employees and other people who might be affected by its activities. Areas for improvement in some health and safety arrangements have been identified.</p>	<p>Failure to manage health and safety could result in:</p> <ul style="list-style-type: none"> • Injury, ill-health or loss of life to employees or members of the public. • Total or partial loss of services or buildings used to deliver services to vulnerable people. • Criminal prosecution by enforcement bodies such as South Wales Police, the Health and Safety Executive or South Wales Fire and Rescue Service. Sanctions include fines, imprisonment and disqualification from office. • Employers and Public Liability Claims. • Increased insurance premiums. • Reputational damage. 	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>	<p>Complete the gap analysis surveys and cascade the results to all management tiers across all Directorates. Directorates will develop health and safety action plans and risk registers.</p> <p>Develop a Directorate communication and consultation plan.</p> <p>Incorporate health and safety objectives within staff appraisals.</p> <p>Review managerial health and safety competencies and implement further training where needed.</p> <p>Monitor health and safety performance through CPA and CMB.</p> <p>Assess the health and safety impacts of the savings required by the MTFS and relevant change programme projects.</p>	Chief Executive	<p>Likelihood – 3</p> <p>Impact – 4</p> <p>Total - 12</p>

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

19 NOVEMBER 2015

REPORT OF THE CORPORATE DIRECTOR – RESOURCES

HOUSING AND COUNCIL TAX BENEFIT FRAUD INVESTIGATIONS OUTTURN 2014/15 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, compared with the position during the same period in 2014/15. In addition, the report also summarises the activities undertaken and the results achieved during the financial year 2014/15.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The work of the Fraud Team impacts on 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 was responsible for the investigation of allegations of Housing and Council Tax Benefit fraud. Fraud Investigators were 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 consisted of a Fraud Manager, 3 FTE Fraud Investigators and was supported by a part time collator/administrative officer.

4. Current situation / proposal.

Single Fraud Investigation Service

- 4.1 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 of the Department for Works and Pensions (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.
- 4.2 Investigation staff from all local authorities will become civil servants within SFIS as part of a phased programme running from June 2014 to March 2016. On the 1 November 2015, Bridgend's Fraud Manager and 2 investigation staff joined SFIS and the investigation work for Housing Benefit and Council Tax Benefit transferred.

Future prosecutions for these benefits will now be dealt with by the Crown Prosecution Service. The financial impact on the Council of this change is still not yet known as the council has not received confirmation of DWP grant.

4.3 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 (CTR) will not form part of the SFIS remit.

4.4 To maintain effective and functioning counter-fraud activities for CTR, the Benefits Service has therefore retained two Fraud Investigator posts primarily to undertake the following:

- Investigate allegations of CTR fraud and single person discount discrepancies
- Risk based intervention activities
- Assist SFIS in the provision of information and/or documentation
- Provide awareness and training for staff in relation to fraud, abuse and financial loss

A former Fraud Investigator has been appointed to one of the new posts (i.e. retained rather than transferring to SFIS); the second post is currently vacant and may be filled once demand and future workload is determined.

4.5 Fraud referrals are summarised in Table 1 below. This shows that during the first half of 2015/16 there has been a significant decrease in the number of referrals accepted by the team. As the fraud case work and staff were to transfer to SFIS on 01 November 2015, referrals, where possible, were diverted to the DWP so that the team could concentrate on fully completing their outstanding cases.

Fraud staff have delivered fraud awareness training sessions 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	Date referral made		
	2014/15	April – Sept 2014	April – Sept 2015
N.F.I.	0	0	0
External agencies	21	4	5
Benefit staff	41	26	6
HBMS* data match	30	22	0
Department of Work and Pensions (DWP)	45	25	29
DWP Hotline	7	0	21
Anon phone call**	109	70	1

Anon letter	44	24	26
Total:	297	171	88

* DWP Housing Benefit Matching Service

** from April 2015, any referral incl. DWP benefits referred directly to DWP

- 4.6 Investigations were 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 some new cases, there were also cases ongoing from previous years.

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

Types of allegation	2014/15	April – Sept 2014	April – Sept 2015
Living together	102	56	30
Contrived tenancy	9	7	3
Non-dependant	26	14	12
Non-occupation	30	15	5
Undeclared income	55	27	12
Working and claiming	94	52	26
Total:	316	171	88

- 4.7 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.

- 4.8 During 2014/15, 315 cases were closed and the closure categories are detailed below in Table 3.

Reason for closure	2014/15	April – Sept 2014	April – Sept 2015
No fraud detected	114	62	39
Claimant error	0	0	0
Local Authority error	0	0	0
Nil to investigate	124	63	62
Fraud proven	77	33	51
Total:	315	158	152

- 4.9 The number of fraud proven cases for April to Sept 2015 has increased compared to April to Sept 2014. This is due to the team prioritising the completion of outstanding cases before commencing new cases.

- 4.10 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 (beyond overpayment recovery). 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	2014/15	April – Sept 2014	April – Sept 2015
Caution:			
LA only	5	4	0
with DWP	0	0	0
Admin Penalty:			
LA only	16	6	13
with DWP	6	1	3
Prosecution:			
LA only	9	4	8
with DWP	15	10	10
Total:	51	25	34

- 4.11 The overall number of sanctions issued during the first six months of 2014/2015 shows an increase compared to the same period in 2014. Again, this is due to the team concentrating on concluding outstanding cases.

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 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

19th NOVEMBER 2015

REPORT OF THE CORPORATE DIRECTOR - RESOURCES

UPDATE ON NATIONAL FRAUD INITIATIVE 2014

1. Purpose of Report.

- 1.1 To present to Members for review and consideration a status report on the progress made to date on the National Fraud Initiative (NFI) 2014.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The report links to the improvement priority in relation to the Best Use of Our Resources.

3. Background.

- 3.1 The National Fraud Initiative (NFI) is a data matching exercise that helps to detect and prevent fraud and overpayments across the UK. Forty-three Welsh public sector bodies take part in the exercise, including local authorities, NHS bodies, police authorities, fire authorities, and Welsh Government. Public Audit (Wales) Act 2004 – gives the Auditor General for Wales the power to request data from organisations and undertake the data matching exercises.
- 3.2 The NFI has been run every 2 years since 1996, and to date, has been used to identify fraud and overpayments totaling over £26 million in Wales.
- 3.3 Since the abolition of the Audit Commission in March 2015, the NFI has become part of the Cabinet Office, but is coordinated in Wales by the Wales Audit Office in collaboration with equivalent bodies in England, Scotland and Northern Ireland.
- 3.4 Participating organisations submit data to the NFI where it is matched against other data sets using specific criteria. The submitted information is wide ranging and includes data sets relating to housing benefits, council tax, payroll, creditors, licensing, disabled blue badges, concessionary travel, insurance claims, care homes and personal budgets.
- 3.5 Reports containing potential matches are then released to each organisation to investigate. It is important to note that where a match is found it is not in itself evidence of a fraud and may be an error or an inconsistency that requires further investigation. Historically, the NFI exercise has been conducted biennially although the Council Tax matching (run separately), has recently been changed to an annual process.
- 3.6 Data was last submitted by the Council in October 2014 with the results being released in January 2015. Council Tax data is submitted separately and matches are released at different dates. Two reports were issued in 2014, in April and December.

3.7 Internal Audit acts as the Key Contact and provides access to the reports on the NFI website to the relevant Council departments who are asked to investigate the matches and update the NFI website accordingly.

4. Current situation / proposal.

4.1 The following table highlights progress made so far by departments against each report group and the types of resolutions being achieved.

4.2 The NFI data matching exercise is an ongoing one, and the data represents the status as at a specific point in time. For departments with matches that remain open, the NFI website is continually being updated either on an individual match basis or on a whole report basis where work has been undertaken offline.

Table One

Report Group	Total Matches	Total Recommended Matches	Processed	Percentage of Total Matches Processed	Outcomes / Example Resolution
Blue Badge Parking Permit	327	270	327	100.00%	Example resolution: Pass cancelled and system updated.
Concessionary Travel Pass	3,329	3,329	432	12.98%	Example resolution: Pass cancelled and system updated. See Ref 4.6.
Council Tax	2,096	2,096	432	20.61%	Work is ongoing. 118 represents the number closed on NFI. See 4.7 below for further details of the number actually worked on. Example resolution: Withdrawal of discount and instigation of recovery.
Creditors History	4,745	228	20	0.42%	Internal controls are robust enough to not warrant investigation of majority of creditors NFI matches. See Ref 4.3.
Creditors Standing	630	0	0	0.00%	Internal controls are robust enough to not warrant investigation of majority of NFI creditors matches. See Ref 4.3.
Housing Benefit Claimants	1,257	311	56	4.46%	Work is ongoing. See ref 4.5 Example resolution: removal or amendment of benefit.

Insurance Claimants	5	2	5	100.00%	No issues with any matches.
Payroll	115	2	112	97.39%	3 matches are left in progress. All others closed. No issues relating to potential fraud. Example resolution: confirm data is correct and confirm hours/contracts with other organisation. Amend data held if incorrect.
Payroll to Creditors	92	43	43	46.74%	For payroll to creditors, all recommended matches were investigated by Internal Audit. See ref 4.4
Private Residential Care Homes	42	8	42	100.00%	No issues identified - all instances were reported to the Council between the data set being sent and the matches being released.

4.3 Creditor Matches

- 4.3.1 Members will note that only a small number of the total matches in relation to Creditors Standing Data and Creditors History have been reviewed and investigated. Such matches include creditors who have been set up on the system more than once, or repeat value payments to the same supplier. In many instances both these scenarios will be genuine for example if they are a standard supplier (SUP), plus also registered under the Construction Industry Tax Scheme (CIS), in receipt of a Grant (GRA), etc., or in receipt of repeat value payments on a monthly or quarterly basis.
- 4.3.2 Since 2010 the Central Payments team has invested in AP Forensics software that proactively matches creditor standing data and payment data on a daily basis. This allows duplicate suppliers to be removed and payments to be stopped and reviewed prior to the creditor actually being paid.
- 4.3.3 In recent years, Internal Audit has undertaken specific reviews of the AP Forensics system and deemed the matching exercises it performs to be superior to those undertaken as part of the NFI. Furthermore it is worth noting that the daily checks performed are proactive as opposed to the NFI ones which relate to a historical point in time. In April 2015 the Corporate Director - Resources gave approval for the NFI matches specifically in relation to creditors to no longer be investigated, as reported matches will have already been identified, investigated and where necessary corrected via the internally generated matches.
- 4.3.4 The only NFI matches still reviewed by the Central Payments team are in relation to VAT, as AP Forensics does not have this capability.

4.4 Payroll to Creditor Matches

- 4.4.1 As part of the 2015/16 Internal Audit plan, it was agreed that as a one off exercise, Internal Audit would review the recommended Payroll to Creditor matches. Whilst in itself this did not uncover any issues and all matches were deemed genuine, it did cause questions to be raised by one service area about the need for departments to maintain declarations of interest for their staff. Appropriate advice was provided.

4.5 Housing Benefit Matches

- 4.5.1 The current NFI exercise has identified 1,257 matches in relation to Housing Benefits, compared to 1,985 in the 2012 exercise.
- 4.5.2 In previous years the matches generated with links to Housing Benefits have been reviewed, investigated and appropriate follow up action taken by the Housing Benefit Fraud Investigation Team. Work did commence on this process when the matches were released in early 2015, however, the reviews ceased and other work was prioritised as a result of the Fraud Team's move to the DWP on 1 November 2015 as part of the Single Fraud Investigation Service. The Benefits and Financial Assessment Manager has retained one Fraud Investigator and work has now recommenced on reviewing the matches. As an Authority, we will still be responsible for any initial work / sift on the matches, and where the match shows a potential for

fraud activity, the case should be referred to the DWP (with the exception or CTR cases). However, DWP and LA representatives have agreed that it would help LAs if a national process could be developed to provide guidance on how to prioritise the sift and the criteria for identifying and referring those cases which could be suitable for a fraud investigation.

4.6 Concessionary Travel Passes

4.6.1 For a number of NFI cycles, large volumes of matches have been identified in relation to Concessionary Travel Passes. Resource implications and a change in personnel this year has meant that only a small number of the matches have been reviewed. Discussions are underway within the department with regard to resolving this issue. It should be noted that until current matches are worked through and the passes cancelled on the transportation system, they will continue to reappear on all future NFI reports.

4.6.2 The purpose of these matches is to appropriately cancel the Concessionary Travel Passes of individuals that appear on the DWP deceased list, for whom the Authority has not already been notified. Whilst there is a compensating control in that all passes contain a photo of the pass owner, this control is only as good as the check the driver performs when a passenger gets on the bus. The ultimate control is the deactivation of the pass thus preventing it swiping when attempting to be used on a bus. Given the ongoing high number of matches, it is anticipated that Internal Audit will undertake further work in this area in the future.

4.7 Council Tax Matches

4.7.1 In 2014 two NFI reports were released (April and December) in relation to Council Tax data matches. Many of the entries on the December report will be duplicates of entries from the earlier report. An initial sift of the 1,077 matches on the latter report identified approximately 800 cases that needed further investigation. Letters were issued to all and in the majority of cases returned with no further action needed. In 195 cases the letters were not returned and the discount cancelled. A number of other cases remaining ongoing.

4.7.2 From the December 2014 report, £34,195 of incorrect discounts have been identified and stopped to date, of which £28,956 is deemed to be recoverable. The balance relates to accounts where the removal of the discount will result in a benefit recalculation as opposed to recovery action.

4.7.3 From the April 2014 report, £32,412 of incorrect discounts have been identified and stopped to date, of which £24,309 is deemed to be recoverable. Collectively this amounts to £53,265 of identified recoverable money. Information from the Senior Revenues Officer has indicated that once all information has been input onto the NFI website, the recoverable value could potentially rise to over £81,000. This equates to 1.28% of the £6.3 million Single Person Discount awarded in 2104/15.

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

None

6. Equality Impact Assessment

There are no equality implications.

7. Financial Implications.

None as a direct consequence of this report. However, there are resource implications involved in preparation and submission of data and working through the resultant matches. Any resource implications in relation to recovery actions are met within current budgets. In return savings may be identified or money may be recovered.

8. Recommendation.

That Members give due consideration to the NFI update report.

**Ness Young
Corporate Director - Resources
19th November 2015**

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Background documents

None

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

DATE 19TH NOVEMBER 2015

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 the 24th September 2015.

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 plan and reports findings to Audit Committee. During the course of reporting our findings, conclusions and recommendations to the Committee; Members may raise queries, request further information and/or require Internal Audit to take further action.

4. Current situation / proposal.

4.1 In order to ensure that any requests raised by the Audit Committee are followed through, a summary of actions and information either outstanding or raised during the last Audit Committee are recorded and Members are provided with an update on the current status as shown in the table below:

Audit Committee	Action / Request	Officer Responsible	Comment	Current Status
24 th September 2015	Public Sector Internal Audit Standards – External Assessment. Members favoured having an external assessment as they felt this would provide more rigour and have a higher level of independence. The Chief Internal Auditor agreed to bring a report back to a future Audit Committee.	CIA	Due to the delays in receiving expressions of interest and preliminary costs for the provision of this service; a report will be scheduled for Audit Committee in January 2016	Outstanding

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
19th November 2015**

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Background documents

None

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

19 NOVEMBER 2015

REPORT OF THE CORPORATE DIRECTOR – RESOURCES

COMPLETED AUDITS

1. Purpose of Report.

- 1.1 To provide Members with a summary of the findings of the audits recently completed by the Internal Audit Shared Service.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The report links to the following corporate priorities:

The work of Internal Audit impacts on all of the Corporate Priorities and other Corporate Improvement Objectives.

3. Background.

- 3.1 An Internal Audit Plan is approved by Members on an annual basis. The Internal Audit Shared Service conducts reviews in accordance with the approved plan and reports the findings to Audit Committee.

4. Current situation / proposal.

- 4.1 The findings of audits completed by the Internal Audit Shared Service since the previous Audit Committee meeting, are summarised in **Appendix A** attached to this report.
- 4.2 Members are invited to raise any issues or questions they have on these audits or to request the production of the full 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 consider the summary of completed audits to ensure that all aspects of their core functions are being adequately reported.

Ness Young
Corporate Director - Resources
19th November 2015

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Background documents

None

2015/16 Completed Audits**Reported at the 24th November 2015 Audit Committee Meeting**

Report	System Overview	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Banking Contract	In November 2013 the Co-operative Bank notified BCBC that it would be withdrawing from local authority banking at the end of the current contract. A tendering exercise was carried out in August 2014 following which; the banking contract was awarded to Barclays for a period of 3 years and 3 months commencing January 2015.	September 2015	14 days	<p>Audit testing confirmed that:</p> <ul style="list-style-type: none"> • The transition between banking providers was a seamless process. • There has been an overall reduction in the number of bank accounts, specifically petty cash and private fund accounts. • Satisfactory bank reconciliation as at 31/03/15. 	Substantial assurance	N/a
Timesheets	<p>A significant number of employees across all directorates have their wages paid via a process of recording their hours worked on a paper timesheets, having the details authorised by their line manager and submitting the timesheet to HR for payment.</p> <p>Across the authority manual timesheets are still utilised due to staff members shift patterns and the</p>	September 2015	12 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"> • Experienced and knowledgeable Human Resource Assistants who support the payroll timesheet administration process. • Given the complexity of staff working patterns, the sample 	Reasonable	N/a

Report	System Overview	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
	<p>nature of the location in which they may work e.g. care workers.</p> <p>Receiving and inputting the manual timesheets is a labour intensive process which consumes many HR staffing hours.</p>			<p>testing of timesheets only identified minor errors suggesting that the vast majority of manual data entry is correct thus payments made to employees are accurate.</p>		
Money Laundering	<p>The Authority has an obligation by law to appoint a Money Laundering Reporting Officer (MLRO). This named Officer, within the policy, is the main point of contact for employees suspicious of any potential money laundering activity. The Council's Anti-Money Laundering policy should enable Officers to report their suspicions and to implement the policies and procedures that are available to all staff members on the Intranet.</p>	September 2015	13 days	<p>The Authority has an up to date Anti Money Laundering Policy in place with reference to it made the Financial Procedure Rules. It was identified that key staff are aware of the Authority's procedure and maintain awareness of any changes made within the policy.</p> <p>☐ Training is included on Anti-Money Laundering procedures as part of Customer Services' induction training and is periodically included within their ongoing training programme.</p> <p>However, it was felt that ownership of the Anti-Money Laundering policy should be identified and made clear within the policy i.e. Legal or Finance.</p> <p>Minor recommendations were</p>	Reasonable	N/a

Report	System Overview	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
				made at an operational level including the Customer Identification Verification Form and the policy being updated to reflect reporting hierarchy.		
Access to Records (Subject Access Requests)	Subject access is created by section 7 of the Data Protection Act. It is most often used by individuals who want to see a copy of the information an organisation holds about them. The Information Commissioners Office stipulates that Subject Access Requests (SARs) must be dealt with within 40 calendar days of receiving the request.	September 2015	10 days	<p><u>Positive points</u></p> <ul style="list-style-type: none"> • A comprehensive log of SARs is maintained and reviewed. • No complaints of SAR breaches were identified. • The Legal Team are involved at the beginning and at the end of the process to support compliance with the Data Protection Act 1998. • Furthermore, the Legal Team advise and support departmental SAR Contacts when required. • It was demonstrated that information is redacted electronically where viable. • Good practice was identified within Adult Social Services where it was noted that obtaining consent for the possibility to share service users information at later dates is embedded into all 	Reasonable	September 2015

Report	System Overview	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
				<p>stages of their processes.</p> <p><u>Points for attention</u></p> <ul style="list-style-type: none"> • Council procedures to reflect the expected processes could not be found. • SAR's not being completed in a timely manner. • ID's need to be obtained and retained on file for all cases. • The SAR application form needs to be reviewed and updated. 		
Learner Transport Project Review	<p>The Home to School Transport provision is a joint service between the Communities and Children's Directorates. The service is procured and managed by the Transport Unit, Communities but the budget remains the responsibility of the Children's Directorate.</p> <p>A project to review the service provision and achieve efficiency savings has been ongoing for a number of years.</p>	October 2015	12 days	<p>As at the time of the audit review in September 2015, it was confirmed that the project has been concluded with a target date of 1st October 2015 for the issue of the Schools Admissions Policy in order for a final implementation date of September 2016.</p> <p>As a result of the consultation process and legal advice received, the original estimated savings will not be fully realised due to the phased approach for implementation that has had to be adopted.</p>	Substantial	N/A

Report	System Overview	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
				Apart from the time slippage in the early stages of the project, the audit review has provided assurance of compliance with the prescribed project management methodology throughout the process.		
Supported People Grant	<p>The Supporting People 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 part of the Audit Requirements set out in the Terms and Conditions of the grant the Council's Chief Internal Auditor or the Chief Finance Officer is required to certify the Audit Certificate confirming that the entries have been fairly stated and that expenditure has been properly incurred in accordance with the offer of grant.</p>	August 2015	7 days	<p>Areas of strength include:</p> <ul style="list-style-type: none"> • Where new services have been procured in 2014/15, these have been in compliance with the terms and conditions of the grant and the Council's Contract Standing Orders; • The systems used to record the payments made to providers for new service users were accurately calculated and authorised by a senior officer. <p>Key concerns include:</p> <ul style="list-style-type: none"> • Service Level Agreements need to be reviewed to ensure all providers have up to date copies. • All external providers should have up to date contracts in 	Reasonable	April 2016

Report	System Overview	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
				place in accordance with the Council's Contract Procedure Rule.		
Communities First	Welsh Government approved three successful bids from the Authority for grant funding to supply a programme to build Prosperous Communities, Healthier Communities and Learning Communities. The Authority is the Lead Delivery Body for three Communities First Clusters within Bridgend, which were initially awarded grant funding for the period of 2012–2015. A one year extension of funding has been awarded for 2015/16.	October 2015	13 days	<ul style="list-style-type: none"> The Partnership & Integration Manager and her team are enthusiastic and dedicated to the success of the Communities First project. Monitoring of financial processes and budgetary control clear and evident. The recommendations made in the previous audit have been addressed, in particular the monitoring of the contract with Citizen Advice Bureau. 	Substantial	N/A

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

19TH NOVEMBER 2015

REPORT OF THE CORPORATE DIRECTOR RESOURCES

SCHOOLS SUMMARY REPORT 2014/15

1. Purpose of Report.

- 1.1 To present to Members a copy of the report issued to the Corporate Director Children, summarising the findings made by Internal Audit in relation to the school based audits conducted in the 2014/15 audit year.

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 On an annual basis, the Internal Audit Section visits a proportion of the Authority's Primary, Secondary and Special Schools in order to carry out a pre-determined programme of work, with a view to giving the school, their Governing Body and the Authority assurance that controls are operating effectively. The visits are determined by a risk assessment which considers if schools have had previous limited or no assurance in controlling risks, schools with recent changes in key personnel such as Head Teachers or Clerks or any other concerns brought to Internal Audit's attention. If schools are not visited during the year they are issued with a control risk self-assessment questionnaire (CRSA) which enables the Head Teacher to review the controls and ensure they comply with the requirements of the Financial Scheme for Schools. The CRSA also provides a tool for Internal Audit to evaluate the controls that are in place at the school.

4. Current situation / proposal.

- 4.1 In 2014/15 over £90 million was delegated to the Authority's Secondary, Primary and Special Schools.
- 4.2 During 2014/15 a total of 12 audit visits were conducted, 10 were planned visits whilst one was a follow up where the previous visit identified control weaknesses and the other visit was undertaken at the request of the Corporate Director and Section 151 Officer. The report presented in **Appendix A** provides Members with details of the key findings made during these audit visits.
- 4.3 In summary 10 of the schools visited were graded as providing substantial or reasonable assurance (83%) whilst two were graded as limited assurance. One of these schools was visited again and the audit opinion was increased to substantial whilst the other is due a follow up visit in the new few months.

- 4.4 Any recommendations relating to Internal Audit's findings will have been presented in a report directly to the school and Governing Body concerned.
- 4.5 In order to ensure that audit days available are used in the most effective way, changes will be made to the school audit programme for 2015/16 which will allow for more in depth coverage of high risk areas. Therefore a CRSA will be issued to all schools annually which will enable schools to self-evaluate the controls they have in place to mitigate risk. The completed CRSA will be evaluated by Internal Audit and any issues will be addressed with the school. In addition a Head Teacher Assurance Statement will be required which will provide assurance that the Head Teacher is ensuring that the school has sufficient internal controls. A similar statement will also be sent to the Chair of Governors. The planned audit days for schools will then be used to undertake reviews of particular areas across schools such as safeguarding or procurement, or it will allow more in depth reviews at individual schools based on a robust risk assessment which takes into account senior management requirements.
- 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 issues.
- 7. Financial Implications.**
- 7.1 Effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests.
- 8. Recommendation.**
- 8.1 That the Committee gives due consideration to the Internal Audit annual report on schools to ensure that all aspects of their core functions are being adequately reported.

Ness Young
Corporate Director Resources
19th November 2015

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Background documents: None

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Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15



Bridgend & Vale
Internal Audit
Shared Service

Confidential

Internal Audit Report

Authority	Bridgend County Borough Council
Directorate	Children
Audit Title	School Summary Report 2014/15
Audit Year	2015/16

Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15

To	Deborah McMillan, Corporate Director.
CC	Nicola Echanis, Head of Strategy Partnerships & Commissioning.
Auditors	Laura Barnes, Cara Vernon, Filippa Daniels, Anne Sloman and Andrea Wileman.
Report Date	7 th September 2015
Audit Ref	AA520

1. Introduction

- 1.1 The Internal Audit Section carries out an assurance function that provides an independent and objective opinion to the organisation on the control environment which encompasses the systems of governance, risk management and internal control, by evaluating its effectiveness in achieving the organisation's objectives. It examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources and in accordance with the Public Sector Internal Audit Standards (PSIAS) effective from 1st April 2013.
- 1.2 Since the introduction of the Internal Audit Shared Service arrangement and subsequent implementation of the combined audit work programme, it can be established, as evidenced through completed Client Satisfactory Surveys as detailed in section 5 of this report below and verbal comments received, that processes have been favourably received.
- 1.3 This combined work programme incorporates a risk strategy which takes into account the result of any previous audit work, the results of the Control Risk Self-Assessment Questionnaires (CRSA) submitted within interim years and completion of a Pre-audit Questionnaire (PAQ), in order to inform the individual risk assessment process undertaken for each school. This enables Internal Audit to recognise controls in place at each school and highlight any possible risks when determining the frequency of visits and scope of audit coverage, therefore ensuring that resources are targeted effectively. Thus, not all areas of the schools work programme will be subject to review during the audit visit as assurance will be gained from previous audit work, CRSA and PAQ.
- 1.4 This process allows the Chief Internal Auditor to obtain assurance that internal controls are operating effectively at schools and contributes to the overall Head of Audit's annual audit opinion which is reported to the Council's Audit Committee and upon which the Council's External Auditors will place reliance.

Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15

- 1.5 In 2014-15 there were 60 schools in Bridgend County Borough Council (9 Comprehensive, 44 Primary, 2 Junior, 3 Infant and 2 Special Schools). The last remaining Nursery School amalgamated with a Primary in September 2014. During the financial year CRSAs were issued and completed by 48 schools not scheduled for an audit visit. Audit visits were limited to those schools deemed high risk due to changes in management structure or having assurance issues in the previous financial year, as well as those due for review under the usual 3 yearly rolling programme of school visits. A total of 12 audit visits were conducted during 2014-15, which consisted of 10 Primary schools, 1 revisit to a primary school that received 'Limited Assurance' in its original audit and a special audit review at a Comprehensive school.
- 1.6 This report sets out a summary of the work undertaken and includes details of financial resources available, the analysis of CRSA received, outcomes of audit visits undertaken, the results of Client Satisfaction Surveys and also any other associated areas within schools covered by Internal Audit during the financial year.

2. Financial Information

- 2.1 School budgets are delegated to the control of School Governors under the BCBC Financial Scheme for Schools (FSS) which includes Financial Regulations and Procurement Rules. The individual school budgets for 2014/15 and comparative figures for 2013/14, as recorded on the Council's financial system, were as follows:

Table 1 – School Budgets 2014/15 and 2013/14

	2014/15	2013/14
Comprehensive Schools Budget	£41,458,490	£42,224,875
Primary & Nursery Schools Budget	£42,602,879	£41,789,592
Special Schools Budget	£6,761,070	£7,100,235
Total	£90,822,439	£91,114,702

The schools also obtain additional income in the form of various Welsh Government (WG) grants and initiatives.

- 2.2 Under School Funding (Wales) Regulations 2010, excessive carried forward balances (greater than £50K or 5% for Primary schools and £100K or 5% in Comprehensive/Special schools) can be liable for claw back. A Policy is in

Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15

place for schools to provide an explanation as to how the surplus will be spent and from the information provided, the Corporate Director makes a decision as to whether the proposals are accepted or if the Authority will claw back any of the surplus balance. The Authority's Financial Scheme for Schools provides guidance for school's with a deficit balance. It states that a maximum planned deficit for a school is 5% of the school's annual budget share or £10,000 (whichever is the higher). There is no minimum as any deficit will need to be agreed with the Authority. A plan must be submitted to the Corporate Director identifying how the deficit will be paid back, however a deficit balance cannot be carried for more than 5 years.

- 2.3 Table 2 below sets out the cumulative surplus and deficit balances identified and carried forward into 2015/16.

Table 2 – Cumulative Surplus and Deficit Balances Carried Forward to 2015/16.

Category	Total	Surplus		Deficit	
		No. of schools	Cumulative Surplus	No. of schools	Cumulative Deficit
Secondary Schools	9	7	£1,049,159	2	£648,588
Primary/Nursery Schools	49	44	£1,657,174	5	£86,079
Special Schools	2	2	£438,289	0	£0
Total	60	53	£3,144,622	7	£734,667

- 2.4 From analysis, it was established that, as at 31st March 2015, 53 schools had a surplus balance of which 13 primary schools had a surplus in excess of £50K, whilst 5 comprehensive and 2 special schools having a surplus in excess of £100K. According to information provided by the Principal Finance Officer claw back will be exercised for one school for the value of £210,755.
- 2.5 The total of deficit balances, amounting to £734,667 related to 5 primary schools and 2 comprehensive schools, however £595,758 (81%) of the total deficit balance relates to one comprehensive school. This issue was highlighted to Internal Audit by Chief Officers and a review was undertaken in March 2015, with a follow up planned in September 2015

3. Control Risk Self-Assessment (CRSA)

- 3.1 The CRSA is issued to schools in the interim years between audit visits. The aim of the CRSA is to enable Head Teachers to review and ensure that they undertake and comply with requirements of the Financial Scheme for Schools (FSS) which is based on the legislative requirements of the Schools Standards

Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15

& Framework Act 1998. The questionnaire also covers a number of other operational risks and controls which come under the management of the school. The CRSA provides both a tool for Internal Audit to evaluate the financial and other related controls in operation at schools, thus providing assurance on the internal control environment and reducing the need for more frequent audit visits; and as a basis upon which Head Teachers and Governors will also be able to place a degree of reliance on the systems for which they are responsible.

- 3.2 The CRSA is based on areas covered within the school audit work programme and assists schools in the identification and self-evaluation of risks and internal controls. Schools are also required to submit supporting documentation for certain areas to demonstrate compliance. The CRSA and supporting documentation is then assessed by the evaluation of the responses received. An overall % score is then applied as follows, greater than 80% = very good, 65 – 79% = good, 50 – 64% = fair and below 50% = poor.
- 3.3 In 2014/15 CRSAs were received from 48 schools that were not scheduled for an audit visit. Of these, 33 were Primary Schools, 2 were Junior Schools, 3 were Infant Schools, 8 Comprehensive Schools and 2 Special School. 100% of the schools achieved greater than 80% positive scores therefore deeming them to have 'very good' internal controls in operation.

4. School Audit Visit Findings

- 4.1 Each school, prior to the visit, completes a Pre Audit Questionnaire (PAQ). Based on the responses received, the outcomes/findings of previous audit work, and the result of the previous CRSA forms a risk assessment process is completed to determine the areas that will be covered at the visit. Therefore each school has a unique programme designed to target areas of the highest risk within that school. A more detailed review is undertaken at Comprehensive schools to reflect the size and nature of their operations.
- 4.2 During 2014/15 and 2013/14 the programme of visits incorporated the following number of schools:

Table 5 – The Number of Schools Visited

	2014/15	2013/14
Comprehensive Schools	0	4
Primary, Infant & Nursery Schools	10	18
Special Schools	0	0
Follow Up/Special Audits	2	2
Total	12	24

Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15

4.3 The following details the complete list of possible areas that could be covered during an audit visit at both Primary and Comprehensive schools:

- Imprest Account/Petty Cash
- Cash & Deposits/School Meals Income
- Free Meal Allocation
- Procurement and Payments
- Budgetary control
- Child Protection
- Private Funds
- Assets and Inventories
- IT security and Data Protection
- School Transport
- Governance
- PLASC (Pupil Level Annual School Census)
- Main bank account reconciliation (where applicable)

4.4 To minimise any inconvenience to the staff at the school, Auditors typically spend one day on site at a primary school and 2 to 3 days on site at Comprehensive Schools and Special schools.

4.5 At the conclusion of an audit visit a formal report is produced which makes recommendations for any improvements necessary and gives an overall audit opinion as to the adequacy and effectiveness of the internal control environment. Audit opinions range from Substantial Assurance, where controls were operating well, to No Assurance where fundamental weaknesses have been identified which compromises the overall control environment. The audit report includes a Management Implementation Plan (MIP) of recommendations to address identified weaknesses that the Head Teacher is required to complete.

4.6 The table below presents comparative results of audit opinions for those schools visited between 2013/14 and 2014/15:

Table 6 – Comparison of Audit Opinions 2014/15 & 2013/14

Audit Opinion	2014/15	2013/14
Substantial / Reasonable Assurance	10	22
Limited Assurance	2	0
No Assurance assigned – partial/special review or advice	0	2
Total Schools	12	24

Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15

- 4.7 From the comparison it can be seen that in 2014/15, 83% of schools visited achieved substantial or reasonable assurance as compared to 92% of schools in 2013/14. Two schools were given a limited assurance rating in 2014/15 compared to no schools in 2013/14. One of these, a primary school, was subject to a follow up audit and subsequently received substantial assurance whilst the other, a comprehensive school, is due a follow up audit shortly.
- 4.8 Recommendations made to schools during the course of the 2014/15 year were categorised according to their significance of the weaknesses identified as Fundamental, Significant or Merits Attention. Those that were Fundamental or Significant required immediate or prompt attention to mitigate risks identified whereas those categorised as Merits Attention relate to suggestions for improvement or are deemed to be of low risk. Fundamental and Significant recommendations are put on a Management Implementation Plan requiring a comment and an implementation date from the Head Teacher, these are then followed up to ensure they have been implemented. Merits Attention recommendations are advisory recommendations that Head Teachers need to be aware of.
- 4.9 Due to the risk assessment process prior to the commencement of the audit visit, not all areas as set out in 4.3 above are examined during the visit. Table 7 below represents the results from the areas examined within those primary schools visited and a summary of recommendations made during those reviews.

**Table 7 – Areas Examined & Summary of Recommendations 2014/15
Primary Schools**

Area of review within Primary Schools	No. & Type of Recs. made			Total
	No. of schools	F	S	
Imprest/Petty Cash Account	1	0	0	0
School Meal Income & Free Meals	11	0	3	3
Procurement & Payments	10	0	3	3
Procurement Card	9	0	0	0
Budgetary Control	5	0	1	1
School Income	1	0	0	0
Private Fund	7	0	3	3
PLASC	1	0	0	0
Asset and Inventories	1	0	0	0
IT & Data Protection	6	0	0	0
Child Protection & Staffing	11	1	3	4
Governance	3	0	1	1
Total recommendations		1	14	15

Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15

Primary School visits	11	
Average Recommendations per school	1.36	

Key: F= Fundamental
S= Significant

- 4.10 Table 7 shows that Internal Audit resources were focussed on the high risk areas of School Meal income and Child Protection & Staffing with these areas being covered in all 11 of the schools audited. The area with the highest amount of recommendations was Child Protection & Staffing which had 3 significant recommendations as well as being the only area to have a fundamental recommendation. The other high risk area of Procurement & Payments was looked at 10 Primary School who had a scheduled visit, this was not covered at the revisited school as it had been undertaken at the initial visit and no high risks in this area had been identified.
- 4.11 One Comprehensive school was visited during 2014/15 by request of Chief Officers due to budget concerns. This audit review resulted in 2 fundamental and 7 significant recommendations being made and an audit opinion of 'Limited Assurance' was given. A follow up audit review is due shortly.
- 4.12 Neither of the Special Schools in the Authority were audited during 2014/15.

5. Client Satisfaction Surveys

- 5.1 Following the audit visit and a debriefing session with the Head Teacher, a draft report on the audit findings and recommendations is sent to each school for agreement and response by the Head Teacher. A subsequent agreed final report is issued to the school and a copy forwarded to the Chair of Governors for presentation to the Governing Body.
- 5.2 It is at this stage that Head Teachers are asked to complete a Client Satisfaction Survey (CSS) as a means of expressing their opinion on the audit process. Responses are utilised by Internal Audit to gain assurance on delivery of services provided or to make improvements were it is deemed necessary. It was pleasing to note that 9 out of 11 Primary schools visited returned their completed Client Satisfaction Survey.
- 5.3 The CSS covers 10 aspects of the audit process including; planning, conduct and reporting, culminating in the overall agreement of the audit opinion provided. Responses range from Very Satisfied to Unsatisfactory for each of the 10 areas, as well as an overall agreement with the audit opinion. Eight of the nine (89%) schools who returned their CSS gave an overall rating of "very satisfied" or "satisfied".

Authority	Bridgend County Borough Council
Audit	School Summary Report 2014/15

6. Conclusion

- 6.1 From analysis of the 2014/15 outturns it was established that 53 out of 60 schools closed the financial year with a surplus, with a cumulative total of £3,144,622 being carried forward into the 2015/16 financial year. In line with regulations, claw back was exercised for one school with a total of £210,755 being reclaimed centrally. The cumulative deficit for 7 schools was £734,666 with one comprehensive school having a deficit balance of £595,758. There continues to be close monitoring centrally to ensure recovery is achieved and that schools spend their surplus in line with completed returns.
- 6.2 Based on the CRSAs received and the audit opinions assigned to each of the schools where an opinion was given, it can be concluded that the overall control environment for schools for 2014/15 was sufficient and any issues identified have been or were being addressed.
- 6.3 The Internal Audit Section is always looking at ways to make improvements to ensure that the audit days available are used in the most effective way. Therefore changes have been made to the school audit programme for 2015/16 in order to allow more in depth coverage to the higher risk areas. Therefore a CRSA will be issued to all schools annually which will enable each school to self-evaluate the controls they have in place to mitigate risks. The completed CRSA will be evaluated by Internal Audit and any issues will be addressed. In addition a Head Teacher Assurance Statement will be requested annually which will provide additional assurance that the Head Teacher is ensuring that the school has sufficient internal control. A similar statement will be sent to the Chair of Governors. The planned audit days for schools will then be used to undertake reviews of particular areas across schools, such as safeguarding or procurement, or it will allow more in-depth reviews to be undertaken at individual schools based on a robust risk assessment which takes account of senior management requirements and any audit knowledge.

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

19TH NOVEMBER 2015

REPORT OF THE HEAD OF INTERNAL AUDIT

INTERNAL AUDIT SHARED SERVICE OUTTURN REPORT – APRIL TO SEPTEMBER 2015

1. Purpose of Report.

1.1 The purpose of this report is to inform the Audit Committee of actual Internal Audit performance against the six months of the audit plan year covering April to September 2015.

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 2015/16 Internal Audit Plan was submitted to the Audit Committee for consideration and approval on the 16th April 2015. The Plan outlined the assignments to be carried out and their respective priorities.

3.2 The Plan provided for a total of 1,296 productive days to cover the period April 2015 to March 2016.

4. Current situation / proposal.

4.1 A summary of audits commenced / ongoing and completed during the period April to September 2015 are detailed in both **Appendix A and B**.

4.2 The following table shows an analysis of work done in relation to the plan (1,296 available days).

Directorates	2015/16 Full Year Plan Days	Proportion of Plan Days Available for April to Sept 15	2015-16 April to Sept. Actual days delivered
Resources	355	177.5	167
Legal & Regulatory Services	80	40	13
Children's (incl. Schools)	155	77.5	50
Communities	155	77.5	71
Wellbeing	130	65	67
Cross Cutting (incl. External Client, unplanned & Fraud)	421	210.5	205
TOTAL PRODUCTIVE DAYS	1,296	648	573

- 4.3 The figures show that 573 actual days have been achieved, which is less than the expected target of 648 by 75 days.
- 4.4 As at the 1st April 2015; the overall structure of the Section is based on 18.5 Full Time Equivalent (FTE) employees. The Section started the year with 2.5 vacant posts and this remains the case at present.
- 4.5 Having regard to the issues set out above in paragraph 4.4; it is inevitable that the commitment to deliver 1,296 productive days for the Financial Year 2015/16 will not be achieved. It is expected that the shortfall on the year will be circa 90 productive days.
- 4.6 At the end of the period, a total of 22 reviews have been completed so far to date, twenty (91%) of which have been closed with either a substantial or reasonable assurance opinion level. Of the remaining two reviews (9%), although necessary, they did not culminate in an overall audit opinion. No significant weaknesses in the system of internal control have been identified so far to date.

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 arising from this report.

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. Due to the issues of as set out in paragraph 4.5; there is likely to be an underspend on the budget of circa £25,000 on the year.

8. Recommendation.

- 8.1 That Members give due consideration to the Internal Audit Outturn Report covering the period April to September 2015 to ensure that all aspects of their core functions are being adequately reported.

Helen Smith
Chief Internal Auditor – Head of Audit
19th November 2015

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Chief Internal Auditor

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Background documents

None

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**Bridgend and Vale Internal Audit Service: Head of Internal Audit's Outturn Report April to September 15
Bridgend County Borough Council.**

Executive Summary

This report provides a summary of the work completed by the Bridgend and Vale Internal Audit Shared Service for the period April to September 2015 and provides the Head of Audit's current opinion on the Council's framework of governance, risk management and internal control. Therefore, based on our work carried out for the six months of this year, my overall opinion is that the Council's framework of governance, risk management and control is considered to be reasonable.

Introduction

The aim of the Shared Service is to help both Councils meet high standards of service delivery. Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, internal control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic and effective use of resources. The Shared Service supports the Audit Committees in discharging their responsibilities for:

- Advising on the adequacy and effectiveness of the Council's risk management, internal control and governance processes in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2015.
- Supporting the Director of Resources with her delegated responsibility for ensuring arrangements for the provision of an adequate and effective internal audit.
- Monitoring the adequacy and effectiveness of the Internal Audit Shared Service and Director's / Heads of Service responsibilities for ensuring an adequate control environment.

- Supporting the Director of Resources in discharging her statutory responsibilities under Section 151 of the Local Government Act 1972.
- Ensuring that the Council's External Auditor in relation to our work on the main financial systems audits can place reliance on this.

Definition of Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. (Source:- Public Sector Internal Audit Standards).

Statutory Framework

Internal Audit is a statutory requirement for local authorities. There are two principal pieces of legislation that impact upon internal audit in local authorities; these are:-

- Section 151 of the Local Government Act 1972 requires every authority to make arrangements for the proper administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs.
- Section 5 of the Accounts and Audit (Wales) Regulations 2015 states that "a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

All principal local authorities subject to the Accounts and Audit (Wales) Regulations 2015 must make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS).

Audit Committee

It is important to ensure that the Council has a sufficiently independent and effective Audit Committee that follows best practice. Audit Committees are a key component of corporate governance. They are a key source of assurance about the Council's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and non-financial performance. In addition, Internal Audit provides a key source of assurance to the Committee as to whether controls are operating effectively.

External Audit

The Council's External Auditor examines the work of Internal Audit on an annual basis in order to place reliance on this work when undertaking their audit work on the Council's Financial Statement of Accounts. The Council's External Auditor, KPMG will be responsible for auditing the Council's Statement of Accounts for the Financial Year 2014/2015. The Council's External Auditors will then change to the Wales Audit Office for 2015/16 onwards.

Public Sector Internal Audit Standards (PSIAS)

The Standards the Internal Audit Shared Service works to are the Public Sector Internal Audit Standards. These standards set out:

- The definition of internal auditing;
- Code of ethics.

- International standards for the professional practice of internal auditing. These standards cover the following areas:
 - Purpose, authority and responsibility.
 - Independence and objectivity;
 - Proficiency and due professional care;
 - Quality assurance and improvement programme;
 - Managing the internal audit activity;
 - Nature of work;
 - Engagement planning;
 - Performing the engagement;
 - Communicating results;
 - Monitoring progress;
 - Communicating the acceptance of risks.

The PSIAS apply to all internal audit service providers, whether in-house or outsourced. During 2014-15 a self-assessment was undertaken to review our compliance with the Public Sector Internal Audit Standards. The review confirmed that there were no areas of non-compliance.

Internal Audit Coverage – April to September 2015

The level of internal audit resources required to examine all the Council's activities far exceed those available each year. It is, therefore, essential that the work of Internal Audit be properly planned to ensure that maximum benefit is gained from the independent appraisal function that internal audit provides.

Resources must be appropriately targeted by assessing the Council's total audit needs and preparing a plan that ensures systems are reviewed on a risk basis according to the impact they have on service delivery.

The Internal Audit Plan for 2015/16 is based, to a large extent, on the Council's Corporate Risk Register. This was complemented by:

- Priorities identified by Corporate Directors;
- Heads of Service key risks,
- The requirements of the Council's Section 151 Officer;
- External Audit and
- Those concerns / issues raised by Internal Audit in previous audits and our knowledge of potentially high-risk areas.

The Plan was submitted and approved by the Council's Audit Committee on 16th April 2015. The plan provided for a total commitment of 1,296 productive days for the year. Table 1 below provides the outturn for the service for the period April to September 2015 and further detail is provided in Appendix B. The current structure for the Shared Service comprises of 18.5 Full Time Equivalent employees (FTE's), which provides for a comprehensive Internal Audit Service to both the Vale of Glamorgan and Bridgend County Borough Councils. 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. At the commencement of this financial year, the service is carrying 2.5 vacant FTE posts.

Table 1 – Productive outturn for the period April to September 2015

Directorate	2015/16 Full Year Plan Days	Proportion Of Plan Day April to Sept. 15	April to Sept. Actual Days
Resources	355	177.5	167
Legal and Regulatory Service	80	40	13
Children (Including Schools)	155	77.5	50
Communities	155	77.5	71
Wellbeing	130	65	67
Cross Cutting – Including External Client, Unplanned and Fraud and Error	421	210.5	205
Total	1,296	648	573

As can be seen from the table above, the actual outturn for the Section shows that the overall productive days originally planned have not been achieved; there is a shortfall of 75 days. The Table further shows that the proportion of productive days achieved vary from that expected by Directorate activity. However, this will be addressed as the year progresses.

A total of 22 reviews have been completed so far to-date, twenty (91%) of which have been closed with either a substantial or reasonable assurance opinion level. Of the remaining two reviews (9%), although necessary, they did not culminate in an overall audit opinion.

Internal Control Weaknesses

There are no internal control weaknesses identified so far to date from the work undertaken for the period.

Our overall opinion on a system is based on both the materiality and impact of the system and our opinion on the internal control arrangements within the system. The combination of these factors then results in a category of risk to the Council as shown in Table 2 below:

Table 2.

SYSTEM CONTROL		MATERIALITY AND IMPACT		
		HIGH	MEDIUM	LOW
1	Satisfactory	Moderate	Minimal	Minimal
2	Reasonable	Moderate	Moderate	Minimal
3	Limited – Significant Improvements required	Of Concern	Moderate	Moderate
4	No Assurance – Fundamental weaknesses identified.	Significant	Of Concern	Moderate

Therefore, having regards to the reviews completed so far to-date and the overall opinions given, my overall opinion is the Council's overall internal control arrangements are considered to be **reasonable**, resulting in a “**minimal**” level of risk.

Audit Recommendations – 2015/2016

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 six month period, Internal Audit has made a total of 18 recommendations, of which management has given written assurance that all of these will be implemented.

From time to time and where it is deemed appropriate to do so; Merits Attention recommendations will be made; 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.

Table 3.

2015 -16 Recommendation Priority	No. Made	No. Agreed	No. Implemented	No. not Yet due to be actioned	No. Over due action date
			Complete	Pending	Outstanding
Fundamental (Priority One) Rating - D and E (+ to -) Action – Immediate Implementation	0	0	0	0	0
Significant (Priority Two) Rating – C (+ to -) Action – Implementation within 6 – 12 months	18	18	8	5	5
Total	18	18	8	5	5

Table 4.

Analysis of Overdue Implementation of Recommendations for 2015-16	No. Overdue	One month overdue Target date	Two months overdue target date	Three or more months overdue target date
		Amber	Amber	Red
Fundamental (Priority One) Rating - D and E (+ to -) Action – Immediate Implementation	0	0	0	0
Significant (Priority Two) Rating – C (+ to -) Action – Implementation within 6 – 12 months	5	3	2	0
Total	5	3	2	0

Audit Recommendations – 2014/2015

At the year-end 2014/15 a number of recommendations remain outstanding and these are being actively followed up in accordance with normal procedures and processes.

There are three status levels for recommendations made by the Internal Audit Shared Service:-

- Complete – the audit recommendations have been fully implemented;
- Pending – the agreed date for implementation has not yet been reached (Green Status);
- Outstanding – the agreed date for implementation has not been complied with; which are then given a RAG status (Red – 3 months or more passed the action date; Amber – one to two months passed the action date).

Failure to implement agreed recommendations may have a detrimental effect on the Council's internal control environment and any shortcomings will adversely impact on the audit opinion and could warrant reporting in the next Annual Governance Statement. The table shows the status of recommendations outstanding from 2014/15 as at the end of September.

Table 5.

Analysis of Overdue Implementation of Recommendations for 2014-15	No. Overdue	No. Green Status (Pending)	No. Amber Status (one -two months overdue)	No. Red Status (three or more months overdue)
Fundamental (Priority One) Rating - D and E (+ to -) Action – Immediate Implementation	0	0	0	0
Significant (Priority Two) Rating – C (+ to -) Action – Implementation within 6 – 12 months	38	20	4	14
Total	38	20	4	14

Internal Audit - Successes

Some of our successes so far this year include:

- Internal Audit Plans for 2015/16 have been approved by both Audit Committees and Corporate Management in a timely manner.
- We continue to provide an excellent internal audit provision to both Bridgend County Borough Council and the Vale of Glamorgan Council, so much so that both Audit Committees have supported the proposal to extend the Shared Service Partnership Agreement for a further two years until 31st January 2018; which has been approved by both Cabinets.
- We continue to support staff in obtaining professional qualification including CIPFA - Corporate Governance, Institute of Internal Auditors (IIA) and the Association of Accounting Technicians (AAT) as well as continuing professional development (CPD).
- We continue to build on our excellent working relationship with Members, Chief Officers and staff within both Councils.

Resources, Qualifications and Experience

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 the Council's governance arrangements. The Internal Audit Annual Plan was presented to the Audit Committee in April 2015; based on a provision of 1,296 productive days.

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 1st April 2015 the staffing structure is listed in table 6 below.

Table 6

2015-16 Staffing Structure	FTE
Operational Manager Audit - Head of Audit	1
Principal Auditor	2
Group Auditor	2
Group Auditor (Information Systems)	1
Auditor (2.5 posts are vacant at present)	10
Trainee Auditor	1

Trainee Auditor (Information Systems)	1
Administrative Assistant	0.5
Total	18.5

The total resource of 18.5 Full Time Equivalents (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. At the commencement of this financial year the Section is carrying 2.5 vacant posts.

In accordance with the Public Sector Internal Audit Standards; 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 7 below demonstrates the experience and qualification mix for the Internal Audit Shared Service.

Experience and Qualifications

Table 7

No of Years Experience	Auditing	%	In Local Government	%	Professional Qualifications	No of Staff.
Up to 1 year	0		0		Accountants (CIPFA; FCCA; ICAEW)	3
1 to 2 years	1	6.25	1	6.25	Certified Information Systems Auditor (CISA)	1
2 to 5 years	5	31.25	3	18.15	Institute of Internal Auditors – full membership	1
5 to 10 years	5	31.25	8	50	Institute of Internal Auditors – practitioner level; part qualified or audit certificate	2
Over 10 years	5	31.25	4	25	Association of Accounting Technicians (AAT)	2
					Part Qualified AAT	3
					Studying (CISA, AAT, IIA, CIPFA etc.)	4
Total Staff	16		16		Total	16

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.

Internal Audit – Other Activities

- **Anti-Fraud** – the Internal Audit Shared Service continues to assist in promoting an anti-fraud and corruption culture.
- **National Fraud Initiative** – The Council, via Internal Audit, has again participated in the National Fraud Initiative (NFI) as part of the statutory external audit requirements. This brings together data from across the public sector including local authorities, NHS, other government departments and other agencies to detect “matches” i.e. anomalies in the data which may or may not be indicative of fraud, for further investigation.
- **Advice and Guidance** – Internal Audit continues to provide advice and guidance both during the course of audits and responding to a wide range of ad-hoc queries.
- **Attendance at and contribution to, working groups etc.,** The Section continues to contribute to the development of the Council and ensuring that we are up to date with best practice by attending the following:-
 - Audit Committee;
 - Scrutiny Committees (as required);
 - Cabinet (as required);
 - Corporate Management Board / Team (as required);
 - The Welsh Chief Auditors Group and all its sub-groups (including South Wales Computer Audit Group; South East Education Audit Group; Social Services Audit Group).
- **Investigation Work** – We continue to support Senior Management in providing resources and expertise in investigating allegations of fraud and misappropriation.

Internal Audit – Review of Performance Management and Quality Assurance Framework

The Public Sector Internal Audit Standards requires that the Head of Internal Audit develops and maintains a quality assurance and improvement programme that covers all aspects of the internal audit activity. The section has a “Quality Assurance and Improvement Programme (QAIP) that has been presented to, and approved by, the Audit Committee.

1. **Performance Management** – the section’s key performance indicators are set out in the section below.
2. **Quality Assurance** – each individual audit report and supporting working papers / documents are reviewed by either a Principal Auditor or the Head of Audit. Appropriate standards have been set by the Head of Internal Audit in accordance with the Standards. The file reviews ensure the audits comply with the Section’s internal processes and procedures and the overall Public Sector Internal Audit Standards. Where necessary corrective action is taken.

Internal Audit – Performance Indicators

The Section has one key indicator as follows:

- **The Percentage of Audits Completed in Planned Time**

Table 8

Justification of this performance indicator: to ensure that Internal Audit provides sufficient coverage to ensure that the requirements of the Council’s Section 151 Officer and External Audit are met and that Internal Audit can give sufficient assurance to the Audit Committee regarding the Council’s system of internal control, risk management and governance arrangements.

Full Year Target: 89.6%	April to September 2015 Achievement: 100 % Vale 80.95% BCBC
Overall average 91.11%	
Therefore from the number of audits completed in quarter 1 and 2 combined for both Councils; the target has been exceeded. 😊	
The Audit Committee and the Internal Audit Shared Service Board will be kept informed of progress against the audit plan throughout the year. The Section has started the year with 2.5 vacant posts.	

The Section also participates annually in the Welsh Chief Auditors Group benchmarking exercise. The results for 2014/15 have only just been published and are as follows:

Table 9

Performance Indicator 2014/2015	IASS Performance For the BCBC	Overall Average Performance 2014/15	Overall Average Performance 2013/14
Percentage of Planned Audits Completed	98%	84%	80%
Number of Audits Completed	113	111	126
Percentage of Audits Completed in Planned Time	89%	71%	71%
Percentage of directly chargeable time, actual versus planned	94%	88%	94%
Average number of days from audit closing meeting to issue of draft report.	9 days	8.2 days	9.5 days
% of staff leaving during the Financial Year	10%	11%	22%

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 of Glamorgan Council places us once again in the top quartile.

Governance Arrangements

The governance framework comprises the systems and processes, and cultures and values, by which the Council is directed and controls its activities through which it accounts to, engages with and leads the 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.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

Good Governance is about doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable way.

Bridgend County Borough Council is committed to the principles of good governance and as a result has adopted a formal Code of Corporate Governance (COCG) for the last five years. The Code of Governance is based upon the six principles as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA), the Society of Local Authority Chief Executives (SOLACE) and incorporates the “Making the Connections” governance principles and values as set out by the Welsh Government.

The COCG also makes provision for a joint commitment by Members and Officers to the principles it contains, as well as a statement of assurance jointly signed by the Leader of the Council and the Chief Executive. This helps to ensure that the principles of good governance are not only fully embedded but also cascade through the Council and have the full backing of the Leader of the Council and elected Members, as well as the Chief Executive and the Corporate Management Board. The work of the Internal Audit Shared Service represents a fundamental function in delivering the Council’s Corporate Governance responsibilities.

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.

As stated earlier in the report, based on the work underway and completed by Internal Audit for the period April to September 2015; no significant control issues have been identified. 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>
ASSURANCE							
	Directorate	RESOURCES					
	517 BCBC - Virtualisation		14.80	15.00	01/04/2015		
	518 BCBC - End Point Security		19.16	20.00	01/04/2015	24/08/2015	Reasonable
	527 BCBC - Timesheets		12.11	15.00	01/04/2015	22/09/2015	Reasonable
	539 BCBC - CAATS/ Report Development		0.68	5.00	01/04/2015		
	542 BCBC - Information Governance Board		0.20	3.00	01/05/2015		
	544 BCBC - Built Environment Process Review		33.86	30.00	01/06/2015		
	548 BCBC - Debtors		11.72	15.00	26/06/2015		
	549 BCBC - Absence Management		20.07	20.00	25/06/2015		
	550 BCBC - ICT Back -Ups		7.57	15.00	26/06/2015		
	551 BCBC - Northgate Revs & Bens		7.84	10.00	01/07/2015		
	553 BCBC - Banking Contract		13.75	25.00	01/07/2015	15/09/2015	Substantial
	558 BCBC - Built Environment Fees & Charges		19.11	15.00	10/08/2015		
	564 BCBC- DBS		2.84	15.00	07/09/2015		
	567 BCBC - Health & Safety		2.16	10.00	23/09/2015		
	568 BCBC - Asset Disposals		1.01	20.00	24/09/2015		
	570 BCBC - COA System Review		0.14	10.00	28/09/2015		
	571 BCBC - Housing Benefits		0.34	10.00	28/09/2015		
Total	Directorate	RESOURCES	167.34	253.00			
	Directorate	LEGAL & REGULATORY SERVICES					
B	529 BCBC - Money Laundering		13.18	10.00	01/04/2015	22/09/2015	Reasonable
Total	Directorate	LEGAL & REGULATORY SERVICES	13.18	10.00			
	Directorate	CHILDREN					
B	520 BCBC - Schools Summary Report 14-15		5.78	5.00	21/04/2015	09/09/2015	Reasonable
	521 BCBC - Central Pupil Database		13.75	15.00	27/04/2015		
	528 BCBC - Learners Transport Project		11.86	10.00	01/04/2015	01/10/2015	Reasonable
	556 BCBC - School Agency Staff Procurement		11.66	13.00	17/07/2015		
	557 BCBC Early Yrs Intervention & Prevention		6.82	15.00	03/08/2015		
Total	Directorate	CHILDREN	49.86	58.00			
	Directorate	COMMUNITIES					
B	530 BCBC - Waste Disposal / Collections		15.20	20.00	01/04/2015	12/08/2015	Reasonable
B	543 BCBC - Supporting People Grant		6.93	7.00	10/06/2015	15/09/2015	Reasonable

	546 BCBC - Highways Maintenance	18.82	15.00	16/06/2015		
Total	Directorate COMMUNITIES	40.95	42.00			
	Directorate WELLBEING					
B	523 BCBC - Bus Services Support Grant	13.82	14.00	01/04/2015	30/07/2015	Reasonable
	526 BCBC - Home Care - Domiciliary Care	26.49	25.00	01/04/2015		
	561 BCBC - Assessment Framework Pay Process	2.64	10.00	17/09/2015		
Total	Directorate WELLBEING	42.94	49.00			
	Directorate BCBC CROSS CUTTING					
B	505 BCBC - Advice & Guidance Resources	7.06	5.00	01/04/2015		
	506 BCBC - Advice & Guidance - L&R	0.47	5.00	01/04/2015		
	507 BCBC - Advice & Guidance Communities	1.93	5.00	01/04/2015		
	508 BCBC- Advice & Guidance SS & Wellbeing	1.25	5.00	01/04/2015		
	509 BCBC - Advice & Guidance Children's	0.68	5.00	01/04/2015		
	510 BCBC - Audit Committee / CMB Qtr 1 & 2	23.11	30.00	01/04/2015		
	511 BCBC - Audit Planning	26.22	20.00	01/04/2015		
	512 BCBC - Finalising jobs 2014-15	14.70	20.00	01/04/2015	20/07/2015	N/A
	513 BCBC - C/F ICT Business Continuity	1.05	2.00	01/04/2015	02/07/2015	Reasonable
	514 BCBC - C/F External Inspections	7.36	7.50	01/04/2015	23/07/2015	Reasonable
	515 BCBC - C/F Payroll	19.22	20.00	01/04/2015	30/06/2015	Reasonable
	516 BCBC - C/F S106	1.01	2.00	01/04/2015	27/05/2015	Substantial
	524 BCBC - Lone Worker Follow Up	5.07	6.00	01/04/2015	19/06/2015	Reasonable
	525 BCBC - Pencoed Library Follow up	2.97	3.00	01/04/2015	08/06/2015	Reasonable
	536 BCBC - IA Benchmarking & PIs	4.86	5.00	01/04/2015	24/07/2015	N/A
	537 BCBC - CMB and Resources SMT	2.97	15.00	01/04/2015		
	538 BCBC - Homelessness Grant Certification	10.00	10.00	11/05/2015	24/07/2015	Reasonable
	541 BCBC - IASS Monitoring	5.61	3.00	11/05/2015		
	545 BCBC - Brynteg School Follow up	7.47	8.00	11/06/2015	09/10/2015	Reasonable
	559 BCBC - Maesteg Comp. Financial Systems	0.20	5.00	03/09/2015		
Total	Directorate BCBC CROSS CUTTING	143.21	181.50			
Total	Function ASSURANCE	457.48	593.50			
	ANTI-FRAUD & CORRUPTION					
	Directorate BCBC CROSS CUTTING					
B	540 BCBC - NFI	13.11	25.00	01/04/2015		
	563 BCBC - Credit Card Issue CG School	2.20	3.00	17/09/2015		
Total	Directorate BCBC CROSS CUTTING	15.30	28.00			

Total	Function	ANTI-FRAUD & CORRUPTION	15.30	28.00			
GOVERNANCE							
B	Directorate	COMMUNITIES					
	531 BCBC - Communities First		13.61	15.00	01/04/2015		
	532 BCBC - Planning		1.22	15.00	01/04/2015		
Total	Directorate	COMMUNITIES	14.83	30.00			
B	Directorate	WELLBEING					
	552 BCBC - Safeguarding		23.38	25.00	06/07/2015		
	555 BCBC - Leisure Contract Review		0.68	15.00	15/07/2015		
	560 BCBC - Harbour Operation		0.10	15.00	07/09/2015		
Total	Directorate	WELLBEING	24.16	55.00			
B	Directorate	BCBC CROSS CUTTING					
	522 BCBC - Governance Review		16.96	20.00	01/04/2015	17/06/2015	Reasonable
	533 BCBC - VVP		9.09	8.00	01/04/2015		
	569 BCBC - Corporate Assess. Working Groups		0.74	5.00	24/08/2015		
Total	Directorate	BCBC CROSS CUTTING	26.79	33.00			
Total	Function	GOVERNANCE	65.78	118.00			
RISK & PERFORMANCE MANAGEMENT							
B	Directorate	COMMUNITIES					
	519 BCBC - Subsidised Bus Services		15.03	10.00	15/04/2015	24/08/2015	Reasonable
	572 BCBC - Project Management Street Scene		0.20	10.00	28/09/2015		
Total	Directorate	COMMUNITIES	15.24	20.00			
B	Directorate	BCBC CROSS CUTTING					
	534 BCBC - Access to Records - SAR's		9.83	10.00	01/04/2015	22/09/2015	Reasonable
	547 BCBC - Data Sharing		9.32	8.00	06/04/2015		
Total	Directorate	BCBC CROSS CUTTING	19.16	18.00			
Total	Function	RISK & PERFORMANCE MAN	34.39	38.00			
		Grand	572.95				

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

19TH NOVEMBER 2015

REPORT OF THE CORPORATE DIRECTOR - RESOURCES

UPDATED FORWARD WORK PROGRAMME 2015-16

1. Purpose of Report.

- 1.1 To present to Members an update on the 2015/16 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 assurances 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 as Head of Audit.
- 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 implications arising from this report.

7. Financial Implications.

7.1 None

8. Recommendation.

8.1 That Members note the updated Forward Work Programme to ensure that all aspects of their core functions are being adequately reported.

**Ness Young
Corporate Director - Resources
19th November 2015**

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

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Bridgend and Vale Internal Audit Shared Service
Unit 2 A, Innovation Centre,
Bridgend Science Park,
Bridgend
CF31 3NA

Background documents

None

**AUDIT COMMITTEE
SCHEDULE OF MEETINGS AND FORWARD WORK PROGRAMME
2015 – 2016**

DATE OF MEETING	FORWARD WORK PROGRAMME	OFFICER RESPONSIBLE	UPDATE
2015			
25 th June	Information and Action Requests (if applicable).	Chief Internal Auditor (CIA)	N/A
	Updated Forward Work Programme.	CIA	Complete
	Pre-audited Statement of Accounts 2014/15.	Head of Finance & ICT	Complete
	Annual Governance Statement 2014-15	Head of Finance & ICT	Complete
	Complete Audits (if applicable).	CIA	Complete
	External Auditors / Inspection Reports (where applicable).	Head of Finance & ICT / WAO / KPMG	
	IASS Outturn Report April and May 2015.	CIA	Complete
Carried Forward from April 2015 Committee	IASS Outturn Report April 2014 to March 2015 and the Head of Audit's Annual Opinion.	CIA	Complete
24 th September	Information and Action Requests	CIA	Complete
	Updated Forward Work Programme	CIA	Complete
	Statement of Audited Accounts and Final Annual Governance Statement 2014/15	Head of Finance and ICT / KPMG	Complete
	Treasury Management Outturn 2014/15	Head of Finance and ICT	Complete
	Internal Audit 5 months Outturn Report April to August 2015.	CIA	Complete
	Completed Audits Report (where applicable)	CIA	Complete
	External Auditors / Inspection Reports (where applicable).	Head of Finance & ICT / WAO / KPMG	
19 th November	Up dated Forward Work Programme	CIA	Submitted
	Information and Action Requests (where applicable)	CIA	Submitted
	Fraud update (including NFI)	Head of Finance & ICT / Benefits Manager / CIA	Submitted
	Corporate Risk Assessment Review 2015/16.	Head of Finance and ICT / Risk & Insurance Manager	Submitted
	Completed Audits Report (if applicable)	CIA	Submitted
	Internal Audit Outturn Report – April 2015 to September 2015.	CIA	Submitted
	School Summary Report 2014-15	CIA	Submitted brought forward from Jan 16.
	External Auditors / Inspection Reports (where applicable).	Head of Finance & ICT / WAO / KPMG	
2016			
28 th January	Up dated Forward Work Programme	CIA	
	Information and Action Requests (if applicable)	CIA	
	Internal Audit 9 months Outturn Report April 2015 – December 2015	CIA	
	Completed Audits (where applicable)	CIA	
	Report on the work undertaken on School Audits.	CIA	Carried Forward to Nov. 15

APPENDIX A

	External Auditors / Inspection Reports (where applicable)	Head of Finance & ICT / WAO/ KPMG	
	Corporate Risk Assessment 2015-16	Head of Finance & ICT	
	Treasury Management Half Year Report 2015-16 and Treasury management strategy 2016-17	Head of Finance & ICT	
16th April	Information and Action Requests (where applicable)	CIA	
	Updated Forward Work Programme	CIA	
	Proposed Forward Work Programme 2016-17.	CIA	
	Internal Audit proposed Annual Strategy and Audit Plan 2016-2017.	CIA	
	Governance – Compliance with Public Sector Internal Audit Standards for 2015-16	CIA	
	Audit Committee – Terms of Reference	CIA	
	Internal Audit Shared Service Charter	CIA	
	Completed Audits (where applicable)	CIA	
	Head of Audit’s Annual Opinion Report and outturn for the Year 2015/16	CIA	
	External Auditors / Inspection Reports (if applicable): -	Head of Finance & ICT / WAO/ KPMG	