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Bridgend County Borough Council

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

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Cyfarwyddiaeth y Prif Weithredwr / Chief Executive's Directorate
Deialu uniongyrchol / Direct line /: 01656 643148 / 643147 / 643694
Gofynnwch am / Ask for: Andrew Rees

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

Dyddiad/Date: Friday, 7 December 2018

Dear Councillor,

AUDIT COMMITTEE

A meeting of the Audit Committee will be held in the Committee Rooms 2/3 - Civic Offices Angel Street Bridgend CF31 4WB on **Thursday, 13 December 2018** at **14:00**.

AGENDA

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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.

13. <u>Exclusion of the Public</u>
The Minutes relating to the following item are not for publication as they contain exempt information as defined in Paragraph 12 of Part 4, and Paragraphs 12,13 & 18 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

If following the application of the public interest test the Committee resolves pursuant to the Act to consider this item in private, the public will be excluded from the meeting during such consideration.

14. <u>Approval of Exempt Minutes</u>   77 - 78
To receive for approval the exempt minutes of 15/11/18

Yours faithfully
K Watson
Head of Legal and Regulatory Services

<u>Councillors:</u>	<u>Councillors</u>	<u>Councillors</u>
CA Green	RM Granville	PA Davies
JE Lewis	LM Walters	P Davies
MJ Kearn	A Williams	TH Beedle
B Sedgebeer	AJ Williams	T Giffard

<u>Lay Member:</u>

J Williams

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOMS 2/3 - CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON THURSDAY, 15 NOVEMBER 2018 AT 14:00

Present

Councillor A Williams – Chairperson

JE Lewis	RM Granville	LM Walters	AJ Williams
PA Davies	P Davies	TH Beedle	T Giffard

Apologies for Absence

MJ Kearn

Officers:

Helen Smith	Chief Internal Auditor
Mary Williams	Chief Accountant
Andrew Rees	Senior Democratic Services Officer - Committees
Gill Lewis	Interim Head of Finance and Section 151 Officer
Lynne Berry	Group Manager Housing & Community Regeneration

Lay Member:

Josephine Williams

81.   DECLARATIONS OF INTEREST

Councillor JE Lewis declared a personal interest in agenda item 13 – Approval of Exempt Minutes in that her grandson attends Flying Start. Councillor Lewis withdrew from the meeting during discussion thereof.

82.   APPROVAL OF MINUTES

RESOLVED: That the Minutes of the meeting of the Audit Committee of 6 September 2018 be approved as a true and accurate record, subject to an amendment being made to the resolution in Minute no. 74 in "That the Committee considered and noted the progress made in respect of the External Audit Plan" replacing the words "That the Committee agreed to accept the progress made in respect of the External Audit Plan".

83.   WALES AUDIT OFFICE (WAO) REPORT ON THE SERVICE USER PERSPECTIVE OF DISABLED FACILITIES GRANTS

The Head of Finance and Section 151 Officer introduced the report of the Wales Audit Office on the Service User Perspective of Disabled Facilities Grants within the authority.

Martin Gibson representing the Wales Audit Office reported that it had completed work in 2017-18 to understand the service user perspective of Disabled Facilities Grants at each Council in Wales. He stated that the overall conclusion of the report was that most service users were happy with the housing adaptations service, but the Council was not maximising opportunities to improve the service and deliver value for money. Five proposals for improvement had been identified following the review.

The Committee questioned whether service users are given an opportunity to evaluate the work when the building contractor is still carrying out adaptations or can they get the contractor to return to the property quickly to rectify problems and defects. The representative of the WAO informed the Committee that an evaluation was carried out following completion of the adaptations. He stated that Bridgend Care and Repair undertake two thirds of adaptation work and service users are sent a satisfaction survey of the adaptations undertaken which are then evaluated. A third of service users do not use Care and Repair and the WAO believe the authority should strengthen its evaluation arrangements. The Group Manager Housing informed the Committee that a survey of service users who do not use the services of Care and Repair is undertaken. The majority of the responses received are positive and the adaptations have made a difference to the lives of service users. She stated that surveyors carry out interim and final inspections of the adaptations carried out by contractors and the surveyors are part of the DFGs Team. She informed the Committee that arrangements for evaluating adaptations do need strengthening where service users commission independent contractors to undertake the adaptations.

The Committee asked whether service users are aware of the cost of adaptations. The Group Manager Housing informed the Committee that the agent will provide a Bill of Quantities at which point the cost of the adaptations will be known. Applicants will be means tested and they may be required to make a contribution towards the cost of the adaptations. Applicants are given a choice which agents they wish to engage. She stated that Care and Repair are well known and are set up in order to carry out adaptation work. Service users who use their own agents are required to get at least 2 quotations for the adaptations.

The Committee referred to the absence of a list of approved contractors and questioned whether the authority liaised with neighbouring local authorities. The Group Manager Housing informed the Committee that the authority is liaising with Cardiff and Neath Port Talbot Councils to look at good practice in order to revise the authority's practices.

The Committee considered that a list of professional builders should be drawn up who are able to carry out adaptation work to minimise the risk of defective workmanship. The Group Manager Housing stated that a more robust system of monitoring contractors was being looked at in order to minimise risk and whether the Department could work closely with the Council's Corporate Landlord Department.

The Committee asked whether contractors are required to work according to agreed timescales. The Group Manager Housing informed the Committee that contractors will have to programme work, although there may be unavoidable delays to work commencing. She stated that contractors would be expected to make a start on the adaptations and complete within a year of the approval of the DFG. Interim payments are made to contractors dependent on the value of the work and all completion certificates have to be in place prior to final payment being made.

The Committee referred to the number of days taken to deliver a DFG which on average takes 300 days and questioned whether this was attributed to there being a number of agencies used. The Group Manager Housing stated there was a need for processes to be streamlined and the use of an agency will add a layer to the process. She also stated that one of the frustrations of officers is the inconsistency in the recording of performance indicators by local authorities. The representative of the WAO commented that the WAO had concerns at the recording of the performance indicator for DFGs which is unaudited.

The Committee requested that case studies be undertaken where properties have had the benefit of DFGs. The Group Manager Housing stated that case studies would be done and reported to this Committee for information.

The Committee asked whether the recommendations of the WAO will be woven into the review of DFGs. The Group Manager Housing stated that DFGs are one type of grant and the review would look at the other types of grant in place and to explore better working with Social Services. Some systems are already in place with Social Services but those systems need review to create better working arrangements with Occupational Therapists.

The Committee questioned whether the WAO would revisit the review of DFGs. The representative of the WAO stated that plans were being developed with the Head of Finance. The Head of Finance stated there would be a report to this Committee to provide an action plan relating to the recommendations in the WAO.

The Committee questioned whether complaints and complements are logged. The Group Manager Housing stated that a record is kept of concerns and payment will not take place until the work has been completed satisfactorily.

In response to a question from the Committee, the Group Manager Housing stated she would provide the Committee with the fee paid to the agent to support the service user through the building process.

RESOLVED: That the Committee noted the WAO Report on Service Users Perspective of Disabled Facilities Grants.

84.   WALES AUDIT OFFICE (WAO) PERFORMANCE WORK UPDATE 2018-19

The Head of Finance and Section 151 Officer introduced the update report on the Performance Audit Programme for 2018-19 by the Wales Audit Office.

Samantha Clements representing the Wales Audit Office presented an update of the performance audit work programme as at October 2018 which outlined the work undertaken in the Council by and on behalf of the Auditor General. She stated that the WAO would be reporting on Digital Risk; the Improvement Plan Audit 2018-19; Performance Audit; the Annual Improvement Report and Financial Planning and Transformation. The WAO would be examining the sustainable development principles of the Porthcawl Resort Investment Focus Programme and reviewing the arrangements the Council has put in place to deliver environmental health services and the effectiveness of corporate safety arrangements which were planned for completion in Spring 2019. A report on using data effectively would be presented to the Committee next month.

The representative of the Wales Audit Office stated that a letter had been sent to the Chief Executive regarding the Council's preparedness for Brexit in relation to funding, workforce and regulatory implications and the Council's duties to meet the Wellbeing of Future Generations (Wales) Act 2015.

The Committee questioned the means by which local government studies are selected. The representative of the WAO informed the Committee that the Auditor General will carry out work on themes and select ones which will have the greatest impact. The Committee questioned the reasons for the selection of certain local authorities in the local government studies. The representative of the WAO informed the Committee that internal knowledge is considered as well the advice of stakeholders and good practice in the selection of local authorities selected for local government studies. The Head of

Finance and Section 151 Officer commented that the themes across local government are similar and the relevant officers considered the findings applicable to this Council for adoption even if this Council was not part of the pilot study and that a report be presented to the Committee on those findings.

RESOLVED: (1) That the Committee noted the WAO performance audit work programme update October 2018;

(2) That a report be presented to the Committee on the findings of the local government studies.

85.   WALES AUDIT OFFICE ANNUAL IMPROVEMENT REPORT (AIR) 2017-18 BRIDGEND COUNTY BOROUGH COUNCIL

The Head of Finance and Section 151 Officer introduced the Annual Improvement Report (AIR) 2017-18 from the Auditor General.

Samantha Clements representing the Wales Audit Office presented the Auditor General's annual improvement report. The Auditor General had undertaken improvement assessment work at all councils in 2017-18 as well as work in relation to the Wellbeing of Future Generations (Wales) Act 2015. She stated that the Annual Improvement Report includes a summary of the national studies the WAO undertook during the year with recommendation which require all local authorities to address. She also stated overall, the conclusion was positive and the Council is meeting its statutory requirements in relation to continuous improvement, based on the work carried out by the Wales Audit Office and relevant regulators. The Auditor General believed the Council is likely to comply with the requirements of the Local Government Measure 2009 during 2018-19.

She reported on the headline findings of the following projects it had undertaken and presented the headline findings under each project:

- 'Scrutiny: Fit for the Future?' Review
- Annual Audit Letter 2016-17
- Annual Improvement Plan Audit
- Annual Assessment of Performance Audit

The representative of the Wales Audit Officer reported that national report recommendations had been made in respect of:

- Savings Planning in Councils in Wales
- Public Procurement in Wales
- Good governance when determining significant changes – National Summary
- Local Government Financial Reporting 2016-17
- How Local Government manages demand – Homelessness
- Housing Adaptations
- Speak my language: Overcoming language and communication barriers in public services
- Reflecting on Year One: How have public bodies responded to the Wellbeing of Future Generations
- Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities

Concern was expressed by the Committee as to how the Scrutiny function could be more innovative.

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The Committee questioned how it could get a better sense of the criticalness of the national report recommendations and how best the Council would need to implement the recommendations. Martin Gibson of the Wales Audit Office informed the Committee that the national recommendations may not require an action by this Council.

RESOLVED:　　　　That the Committee noted the Annual Improvement Report 2017-18 produced by Wales Audit Office.

86.　　TREASURY MANAGEMENT - HALF YEAR REPORT 2018-19

The Group Manager – Chief Accountant presented a report updating the Committee on the mid-year review and half year outturn position for treasury management activities, Treasury Management and Prudential Indicators for 2018-19 and highlighted compliance with the Council's policies and practices which had been reported to Cabinet and Council.

The Group Manager – Chief Accountant explained that the Committee is responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. She added that the Welsh Government issued revised Guidance on Local Authority Investments in April 2010 which required the Council to approve an Investment Strategy prior to the start of each financial year and this was included in the TMS.

The Group Manager – Chief Accountant reported that the Council has complied with its legislative and regulatory requirements during the first half of 2018-19. The TMS 2018-19 and the Half Yearly Outturn were reported to Council on 28 February and 24 October 2018 respectively. She presented a summary of the treasury management activities for the first half of 2018-19. The Council had not taken long term borrowing since March 2012 and it was not expected there would be a requirement for any new long term borrowing in 2018-19, however for cash-flow purposes short term borrowing will be taken and £3 million short term borrowing was taken and repaid between 1 April and 30 September. Favourable cash flows had provided surplus funds for investment and the balance on investments at 30 September 2018 was £34.30 million with an average interest rate of 0.81% which equated to £126k.

The Group Manager – Chief Accountant informed the Committee that the Council opened Money Market Funds in August 2017 and opened additional MMFs in September 2018. It also set up a web based portal (at no cost to the Council) to simplify and introduce efficiencies to all aspects of MMFs from account maintenance through to trading and reporting. She also informed the Committee of the Council's average rate of return on investments and the Council's average rate of return on investments was more favourable than the average of Arlinclose Welsh Local Authority clients.

RESOLVED:　That the Committee noted the treasury management activities for 2018-19 for the period 1 April 2018 to 30 September 2018 and the projected Treasury Management and Prudential Indicators for 2018-19 which were all reported to Council on 24 October 2018.

87.　　AUDIT REPORT - INFORMATION MANAGEMENT FOLLOW UP

The Chief Internal Auditor reported on the follow up audit in respect of the Information Management review undertaken by the South West Audit Partnership on behalf of the Council's Internal Audit Shared Service and which formed part of the 2017/18 Audit Plan.

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She informed the Committee that Information Management is an important aspect of governance for an organisation. Effective Information Management will facilitate and support efficient working, better decision-making, improved customer service and business transformation to facilitate the delivery of key priorities and objectives. She stated that the recommendations for improvement have been reviewed with the relevant manager and a management response was produced for each area requiring attention.

The Chief Internal Auditor reported that the assurance for Information Management follow up had been reviewed as an overall Medium Assurance Opinion. She stated that due to the passage of time from the completion of the follow up review to its submission to this Committee, the relevant service areas had actioned a significant number of the recommendations made and there was a need for more timely information to be brought to this Committee.

In response to a question from the Committee for information on the GDPR Implementation Board and Governance Board, the Chief Internal Auditor stated that she would provide the Committee with detail of the composition, terms of reference and the frequency of meetings of those Boards.

The Committee questioned when the Information Management Strategy and Business Continuity & Disaster Recovery Plan will be reviewed and who will be responsible for the actions which arise. The Chief Internal Auditor informed the Committee that Internal Audit is in the process of finalising a report on Business Continuity, the outcome of which should be reported within the next outturn report. A watching brief would be kept on those recommendations contained within the Information Management follow up, although due to the timeliness of the report, many of the recommendations had been actioned.

The Committee considered that officers should have ownership of the recommendations and that responsibility should lie where it belongs and not with the audit function. The Committee referred to the phasing out of Public Services Network (PSN) compliance but would be adhered to until such time as the Council no longer utilises services via the PSN and that the Group Manager is satisfied that PSN is being replaced by Cyber Essentials Plus. The Chief Internal Auditor stated that the ICT Department had worked on the PSN recommendations and is aware of the severity of the recommendations and is delivering on Cyber Essentials Plus. The Committee considered there was a need in future for recommendations to be implemented and reported more proactively.

RESOLVED: That the Committee considered the content of the Healthy Organisation Follow Up Review and the actions that have already been taken to address those areas requiring attention and requested the Group Manager ICT attend the next meeting of the Committee to present a report addressing the actions in relation to Information Management.

88.   INTERNAL AUDIT - OUTTURN REPORT - APRIL TO SEPTEMBER 2018

The Chief Internal Auditor reported on the performance of Internal Audit against the Audit Plan for the period April to September 2018. She explained that the 2018/19 Internal Audit Plan was submitted to the Audit Committee for approval on 26 April 2018, the Plan provided for a total of 1000 productive days covering April 2018 to March 2019. The days were split into Priority One and Priority Two reviews with the intention of completing the whole plan by the end of the financial year.

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The Chief Internal Auditor reported on the actual progress against the 2018/19 Risk Based Plan which detailed those reviews which had not yet been allocated in the respective quarters and those reviews which had been brought forward from future quarters. The Chief Internal Auditor informed the Committee that the overall structure of the Section continues to be based on 14 Full Time Equivalent positions and the Section continues to carry vacant posts. She stated that the recent recruitment campaign had proved to be extremely successful with all the vacant auditors' posts and one of the Senior posts filled. These new members of staff commenced their employment in the service in August 2018 and were settling well in their new roles. The services of the South West Audit Partnership had again been commissioned to address in part some of the shortfall in days necessary to complete the plan and this was likely to continue throughout this financial year.

The Chief Internal Auditor reported on the details of those reviews which had been completed during the period and their performance. During the period, only one review identified significant weaknesses in the system of internal control to date which had been reported to this Committee in September.

The Head of Finance and Section 151 Officer informed Members that work was progressing well on implementation arrangements for a shared regional service. The post of Head of Shared Service had been advertised and the Chairperson of this Committee would be part of the interview panel. It was hoped to report on the outcome of the appointment process to the next meeting of the Committee.

The Committee requested that it have sight of the Anti-Fraud and Bribery and Whistleblowing Policies. The Chief Internal Auditor informed the Committee that a risk assessment had been completed of the Anti-Fraud and Bribery policy and that she would report the policy to this Committee.

RESOLVED: That the Committee considered the Internal Audit Outturn Report covering the period April to September 2018 to ensure that all aspects of their core functions were being adequately reported.

89. UPDATED FORWARD WORK PROGRAMME 2018/19

The Chief Internal Auditor presented an update on the 2018/19 Forward Work Programme. She stated that in order to assist the Committee in ensuring that due consideration had been given by the Committee to all aspects of their core functions an updated Forward Work Programme was submitted. She also informed the Committee that the Group Manager ICT be requested to attend the next meeting of the Committee as part of its consideration of the report on Information Management.

RESOLVED: That the Committee noted the updated Forward Work Programme 2018-19.

90. URGENT ITEMS

The Committee requested that it be provided with a hard copy of the briefing paper to accompany the CIPFA survey Members had been requested to complete and that the Lay Member of the Committee receive a copy of the survey to complete.

91. EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A (4) of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, the public be excluded from the

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meeting during consideration of the following item of business as it contains exempt information as defined in Paragraphs 12, 13 and 18 of Part 4 and Paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

Following the application of the public interest test in consideration of this item, it was resolved that pursuant to the Act referred to above, it be considered in private, with the public being excluded from the meeting as it would involve the disclosure to them of exempt information of the nature as stated above.

92.   APPROVAL OF EXEMPT MINUTES

The meeting closed at 15:50

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 DECEMBER 2018

REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

ANNUAL AUDIT LETTER 2017-18

1.   Purpose of this report

1.1   The purpose of this report is to submit the Appointed Auditor's Annual Audit Letter 2017-18, attached as **Appendix A,** for noting.

2.   Connections to Corporate Improvement Objectives / Other Corporate Priorities

2.1   This report assists in the achievement of the following corporate priority:

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3.   **Background**

3.1   The Appointed Auditor has a statutory responsibility under the Public Audit (Wales) Act 2004 to:

- Provide an audit opinion on the accounting statements;
- Review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- Issue a certificate confirming that the Appointed Auditor has completed the audit of the accounts.

4.   Current Situation / Proposal

4.1   Attached to this report is the Annual Audit Letter 2017-18 which confirms that the Appointed Auditor issued an unqualified audit opinion on the accounting statements, confirming that they present a true and fair view of the Council's financial position and transactions.

4.2   The letter also confirms that the Appointed Auditor is satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

4.3   The Appointed Auditor, in accordance with the Public Audit (Wales) 2004, issued a certificate confirming that the audit of the accounts has been completed.

5.   Effect upon policy framework and procedural rules

5.1   None

6.   Equality Impact Assessment

6.1   There are no equality implications.

7.   Well-being of Future Generations (Wales) Act 2015 Implications

7.1   This report links to the Council's long-term well-being objectives as it examines the performance of the Council and how continuous improvement is being achieved.

8.   Financial implications

8.1   There are no financial implications regarding this report.

9.   Recommendations

9.1   It is recommended that Audit Committee:
   - Note the Annual Audit Letter 2017-18 (Appendix A)

Gill Lewis CPFA
Interim Head of Finance and Section 151 Officer
26 November 2018

Contact Officer   : Mary Williams

Telephone   : (01656) 643302

E-mail   : mary.williams2@bridgend.gov.uk

Background Papers: Public Audit (Wales) Act 2004

Councillor Huw David
The Leader
Bridgend County Borough Council
Civic Offices
Angel Street
Bridgend
CF31 4WB

Reference: 907A2018-19

Date issued: 19 November 2018

Dear Councillor David

Annual Audit Letter – Bridgend County Borough Council 2017-18

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

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

It is Bridgend County Borough Council's (the Council's) responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;

- maintain proper accounting records;

- prepare a statement of accounts in accordance with relevant requirements; and

- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

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

- provide an audit opinion on the accounting statements;

- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and

- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their statement of accounts in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Code is based on International Financial Reporting Standards.

On 12 September 2018 I issued an unqualified audit opinion on the statement of accounts confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the statement of accounts. The key matters arising from the audit were reported to members of the Audit Committee in my 'Audit of Financial Statements' report on the 6 September 2018. In this report I confirmed that the quality of the draft accounts and associated records presented for audit had been prepared to a generally high standard, reflecting the Council's continued improvement over recent years.

Local authorities in Wales face significant financial challenges

Austerity funding remains the most significant challenge facing all local government bodies in Wales and these financial pressures are likely to continue for the medium term. The recent provisional local government funding settlement for 2019-20 will see the Council settlement decrease by £1.22 million or 0.6%. This percentage decrease is larger than the all-Wales figure of 0.3%.

For 2017-18 the Council underspent its net revenue expenditure by £6.5 million (before transfers to earmarked reserves). As at the 31 March 2018 the Council had usable reserves of £77.9 million, being £2.8 million lower than the previous year. The useable reserves of £77.9 million consisted of earmarked reserves of £48.1 million, a capital receipts reserve of £21.2 million, a council-fund balance of £8.3 million, and a capital grants unapplied reserve of £0.3 million.

For the current 2018-19 financial year, the Council forecasts within its latest management accounts that it will deliver an operational underspend of £4.5 million (before the forecast transfer to earmarked reserves). The Council's 'Medium Term Financial Strategy 2018-19 to 2021-22'[1] sets out budget reduction proposals of £32.6 million. Within this figure £6.1 million of the reductions relate to 2018-19, for which the Council has identified proposals. For the remaining figure of £26.5 million for the three years to 31 March 2022, the Council has identified reductions of £7.1 million and is yet to identify reductions for the remaining £19.4 million.

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

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, although in September 2018 I set out in my 'Annual Improvement Report'[2] the areas where improvements could be made.

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[1] Dated February 2018

[2] http://www.audit.wales/system/files/publications/bridgend_council_annual_improvement_report_2017_18_english.pdf

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On 12 September 2018 I issued a certificate confirming that the audit of the 2017-18 accounts was completed.

My work to date on certification of grant claims and returns has not identified significant issues that would impact on the annual accounts or key financial systems

This audit work is ongoing with no significant issues thus far. In early 2019 I will issue my grant report on the audit of the Council's 2017-18 grant claims and returns. This report is considered each year by the Council's Audit Committee.

Financial audit fees

The financial audit fee for 2017-18 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan. The final fee for my audit of the Council's 2017-18 grant claims and returns will be set out in my grant report.

Yours sincerely

Derwyn Owen
For and on behalf of the Auditor General for Wales

Cc: Darren Mepham, Chief Executive Officer
        Gill Lewis, Section 151 Officer

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 DECEMBER 2018

REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

AUDIT OF 2017-18 PERFORMANCE

1.   Purpose of this report

1.1   The purpose of this report is to submit the certificate from Wales Audit Office, the Appointed Auditor, on the performance of the Council in 2017-18, attached as **Appendix A,** for noting.

2.   Connections to Corporate Improvement Objectives / Other Corporate Priorities

2.1   This report assists in the achievement of the following corporate priority:

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3.   **Background**

3.1   The Appointed Auditor has a statutory responsibility under the Local Government (Wales) Measure 2009 to annually publish an assessment which describes its performance:

- In discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- In meeting the improvement objectives it has set itself;
- By reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- In meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

4.   Current Situation / Proposal

4.1   The Appointed Auditor, in accordance with the Local Government (Wales) Measure 2009 and Auditor's Code of Practice issued a certificate confirming that the Council has discharged its duties under the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties. This is attached at **Appendix A**.

5.   Effect upon policy framework and procedural rules

5.1   None

6. Equality Impact Assessment

6.1 There are no equality implications.

7. Well-being of Future Generations (Wales) Act 2015 Implications

7.1 This report links to the Council's long-term well-being objectives as it examines the performance of the Council and how continuous improvement is being achieved.

8. Financial implications

8.1 There are no financial implications regarding this report.

9. Recommendations

9.1 It is recommended that Audit Committee:
  - Note the Certificate on the Audit of the Council's 2017-18 Performance (**Appendix A**)

Gill Lewis CPFA
Interim Head of Finance and Section 151 Officer
28 November 2018

Contact Officer : Mary Williams

Telephone : (01656) 643605

E-mail : mary.williams2@bridgend.gov.uk

Background Papers: Local Government (Wales) Measure 2009

WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Reference: 935A2018-19

Date issued: November 2018

Audit of Bridgend County Borough Council's assessment of 2017-18 performance

Certificate

I certify that I have audited Bridgend County Borough Council's (the Council) assessment of its performance in 2017-18 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;

- in meeting the improvement objectives it has set itself;

- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and

- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Adrian Crompton

Auditor General for Wales

CC: Alun Davies – Cabinet Secretary for Local Government and Public Services

Sara-Jane Byrne, Manager

Samantha Clements, Performance Audit Lead

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 DECEMBER 2018

REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

WALES AUDIT OFFICE DIGITAL RISK DIAGNOSTIC REPORT

1. Purpose of this report

1.1   The purpose of this report is to submit the Digital Risk Diagnostic Report produced by Wales Audit Office (WAO), attached as **Appendix A,** for noting.

2. Connections to Corporate Improvement Objectives / Other Corporate Priorities

2.1   This report assists in the achievement of the following corporate priority:

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background

3.1   This was a piece of work undertaken by the Wales Audit Office during May/June/July as part of the planning risk assessment.

4. Current Situation / Proposal

4.1   The work examined the key risks associated with Digital Risk and Transformation in the Council over a number of areas.

4.2   The findings from the work were fed back informally to officers as a slide presentation which is attached for information.

4.3   Officers will now work through the findings and produce an action plan to address the issues raised.

5. Effect upon policy framework and procedural rules

5.1   None

6. Equality Impact Assessment

6.1   There are no equality implications.

7. Well-being of Future Generations (Wales) Act 2015 Implications

7.1 This report links to the Council's long-term well-being objectives as it examines the performance of the Council and how continuous improvement is being achieved.

8. Financial implications

8.1 There are no financial implications regarding this report.

9. Recommendations

9.1 It is recommended that Audit Committee:
- Note the WAO Digital Risk Diagnostic Report (**Appendix A**)

Gill Lewis CPFA
Interim Head of Finance and Section 151 Officer
6 December 2018

Contact Officer : Gill Lewis

Telephone : (01656) 643302

E-mail : Gill.Lewis@bridgend.gov,uk

Background Papers: WAO Digital Risk Diagnostic Report

Archwilydd Cyffredinol Cymru
Auditor General for Wales

WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Bridgend County Borough Council – Digital Risk Diagnostic

Date: November 2018

Author: Andrew Strong

Digital Risk Diagnostic - Scope

- Wales Audit Office review for planning purposes

- To identify and understand the key digital risks the Council faces

- Fieldwork completed May & June 2018

- Document review July 2018

- We thought we would share the key findings and messages with you for discussion

Key areas and risks

Key areas	Risk
1. Digital Strategy and Transformation	Missed opportunities and delayed implementation of digital projects to support the MTFS.
2. Website development - being better connected	Does not fully support 'channel shift' and expectations of service users.
3. Resilience of the ICT infrastructure and platforms	Does not support the new digital and transformation projects.
4. IT skills, capacity, capability and resources	Threat to the timely delivery of digital change projects and to standards required.
5. ICT Disaster Recovery (DR) planning	Delays in recovering from IT service interruptions.
6. Cyber security and resilience	Threat to the confidentiality, integrity and availability of IT services and data.
7. Data protection arrangements & GDPR	Risks from potential penalties if arrangements are not fully complaint.

1. Digital Strategy and Transformation

- Digital is a key enabler for transformation.

- Digital vision, roadmap and strategy being established for the transformation programme to modernise services and deliver efficiencies.

- MS Cloud Navigator process – workshops for channel shift, digital first and consulting service areas. Digital strategy development and agreement by end of 2018?

- Should be supported by adequate Transformation Programme governance and scrutiny. Risks include funded investments plans, delivery plans and realising benefits.

- Information Management strategy requires updating. Slide 4

2. Website

- SOCITM 2016 1* Better Connected rating – a basic score.

- New website April 2018 and 'my account' – phase 1 with a limited number of 'transactions' eg Council tax.

- Further developments required – phase 2 – reporting and transactions eg pot holes and school admissions.

- Phase 3 developments ……………. ?

- Risks to 'channel shift', digital project delivery, integration to back office functions & processes and to 'mobilise' the workforce.

3. Resilience of the ICT infrastructure and platforms

- Resilience and cyber risks from out-of-date and unsupported ICT infrastructure estate and platforms.

- Technology refresh plans to prioritise replacement of end-of-life ICT infrastructure are challenged by a lack funding available.

- The Council have recently invested in and implemented new Storage Area Network devices.

- Scope to consider data centre storage approach vs cloud based IT service models.

- Modern ICT infrastructure needed to support agile working & delivery of new digital transformation projects.

4. IT skills, capacity, capability and resources

- Risk that the ICT operating model is not adequate to deliver the Digital Strategy and Transformation.

- Is there the capacity, resources and digital leadership across the organisation to support the implementation of digital projects?

- Risk that the IT Department and Service does not have or cannot bring in the skills and knowledge to deliver the Digital Strategy on time.

- Is funding available from services for transformation?

- Scope to develop a wider range of IT key performance indicators that measure both IT service delivery, support and savings realised.

5. ICT Disaster Recovery (DR) planning and data backups

- IT DR plans require updating and further consideration for recent changes to ICT infrastructure and key system priorities.

- DR plans have not been fully tested to ensure they work as intended and to drive improvements in these plans.

- Risks to resilience planning should consider:
  - data centre approach and off-site data backup
  - potential for cloud solutions
  - backup approach and policy, do backups work?
  - assess impact on the Council of the Network Infrastructure Services (NIS) Directive.

6. Cyber security and resilience

- Council's Public Services Network (PSN) code of connection – fully certified?

- Addressing improvement action plans as a priority?

- IT security policy – update and review

- No cyber security risk assessment documented

- No regular scheduled internal network vulnerability assessments completed

- Scope to improve cyber incident response plans

- No gap analysis to Information Security Management standard (ISO 27001) good practice for assurance purposes and continual service improvements.

7. Data protection arrangements & GDPR

- GDPR readiness plans in place and appeared to be progressing in May 2018 (fieldwork date).

- Work still remained ongoing to reach full compliance and risks that this is likely to extend past the end of May 2018 implementation deadline. These include:

  – privacy notices, information asset registers and relevant policies being updated

  – training and awareness

  – retention schedules.

- Risk of impact on GDPR preparations on responding to FOIA and Data Protection statutory information requests.

- Corporate Director and SIRO has since left the Council after our review – succession plans in place ?

Next steps – consider risks

Key proposals for further consideration based on risks identified:

- Complete the Digital Strategy development, formally agree plans and provide adequate funding for the timely delivery of plans.

- Ensure the transformation programme governance and scrutiny arrangements are appropriate.

- Look at ways to develop the Council's website transactional and 'channel shift' capabilities.

- Complete GDPR compliance work and readiness plans and update the Council's information management strategy.

- Review the adequacy of the Council's IT infrastructure and network to support its emerging digital strategic approach.

- Consider reviewing the IT operating model to deliver the digital transformation strategy.

Next steps – consider risks

- Update and test IT Disaster Recovery plans and ensure these work as intended.

- Address potential cyber security risks by:
  - confirming the PSN code of connection certification
  - consider the cyber security risk assessment process and comparisons to ISO 27001 security management standard
  - complete internal network vulnerability risk assessments and cyber security incident response plans.

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE AUDIT COMMITTEE

13 DECEMBER 2018

REPORT OF THE CHIEF EXECUTIVE

COMMUNITY ACTION FUND 2018-19 UPDATE

1.   Purpose of report

1.1   The purpose of this report is to provide an update in respect of the use of the Community Action Fund (CAF) approved by Cabinet on 05 September 2017.

2.   Connection to corporate improvement objectives/other corporate priorities

2.1   This report assists in the achievement of the following corporate priority/priorities:

- Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.

- Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3.   Background

3.1   The 2017-2021 Medium Term Financial Strategy which was approved by Council on 1st March 2017 included a new budget of £285,000 for the creation of a Community Action Fund. The broad aims of the fund were to create opportunities for localised intervention by Members within their own ward to the benefit of the community. It was hoped to broaden the impact which council funding can have on individual communities and provide a funding source which Elected Members can individually use to directly benefit their local ward.

3.2   The Community Action Fund scheme was designed with the aim of minimising administrative costs and placing responsibility for the eligibility of payments with individual Elected Members. Further assurance would then be provided through public accountability which included the reporting of payments on the Council's website and to the Audit Committee. The Council's internal audit function would undertake periodic sample based compliance testing to provide additional assurance.

3.3 Elected Members have significant discretion over how the money has been used with the overarching caveat that expenditure must be lawful and it must not contravene council policy. Similarly, funding should not be awarded to profit making organisations or for political purposes. It should not be used for expenditure that is recurring and would necessitate future funds.

3.4 Elected Members are required to attend mandatory training before they are able to submit applications for payment to ensure that the scheme operated smoothly, that administration costs and enquiries were kept to a minimum, and Members were able to comply with the conditions of the scheme and self regulate.

3.5 On 5 September 2017 Cabinet approved the implementation of the Community Action Fund scheme and training sessions were provided in October 2017 to ensure that all Elected Members had the necessary training before submitting funding requests. The funding of £285,000 provided for an allocation of £5,000 for each member to allocate to their ward and £15,000 towards administration costs.

3.6 Due to the delay in implementation of the scheme, unused funding in 2017-18 was rolled over into the 2018-19 financial year for use by the end of October 2018.

3.7 On 29 June 2018 a report was submitted to the Audit Committee which provided an unpdate on fund activity to date and recommended that a full review of the Community Action Fund would be undertaken following the end of the current phase of funding.

4. Current situation/proposal

4.1 Financial

4.1.1 It was agreed that funding requests would be processed between16 October 2017 - 19 October 2018. This deadline was extended to the 31st October 2018. Any unspent funding would be returned to the corporate reserve.

4.1.2 During the period of the scheme a total of £231,667.24 (85.8%) of the available £270,000 was provided from the Community Action Fund budget to fund 156 projects across the County Borough.

4.1.3 The minimum level of funding was £500. Elected Members used their allocation to fund projects of different amounts.

4.1.4 Elected Members used their funding for a variety of projects including:

- Christmas trees
- Activities for young people i.e. scooter clubs,
- Purchase of equipment for community groups,
- Memorial garden,
- Bus shelter

A full list of projects, Elected Members, wards and values is shown at **Appendix 1**.

4.1.5 At the close of the scheme 3 Members (6%) of Elected Members have

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not used any of their allocated funding.

4.1.6 During the period of the scheme significant officer time has been spent on processing the applications. Business Support and Democratic Services Officers are frequently involved in reviewing the appliations and collating the information required. The Monitoring Officer and the Section 151 Officer have also dealt with significant queries in relation to the appropriate use of the scheme and clarification of the financial and governance arrangements of grant applications and payment requests. This position was not envisaged when the scheme was approved.

4.2   Feedback

4.2.1 The administration team used the checklist contained within the Payment Request form to ensure that each application met the criteria for payment. Difficulties were experienced with:

- incomplete forms or forms,
- lack of payment request forms,
- bank statements not being included with submission,
- declarations of interest which needed resolution by the Monitoring Officer,
- additional confirmation of how funding would be used,

- 3 quotes not being provided when the request for funding was over £1000, and additional advice required from S151 and the Monitoring Officer and other officers before progressing a funding request ;
- Slow response from Members when queries have been raised.

4.2.2 During the scheme period Elected Members have provided feedback on the following issues:

- Remit of scheme doesn't cover what they would like to fund
- Doesn't allow Members the freedom to spend as they'd like
- Difficult process
- Difficult to get voluntary organisations to apply for the fund

4.3   Audit Review

4.3.1 In October 2018, Internal Audit undertook an audit review of the Community Action Fund to ensure that the financial controls in place were efficient and effective and that decsions made were in accordance with published guidance. During the Audit a number of strengths and good practice were identified as follows:

- All Members had attended the Community Action Fund training.
- The monitoring of Members' spend by Business Support was accurate when compared to the Council's ledger.
- That all applications requested by the Auditor had been retained by Business Support.

4.3.2   The following key issues were identified during the audit which needed to be addressed:

- A breakdown of the expenditure incurred from the fund was not available on the Council's external website although it is stated as a requirement within the Community Action Fund guidance notes.

- The administration of the grant has involved the time of a number of officers in different departments

4.3.3 During the audit it emerged that a Councillor who had completed the training had not followed the application process. The Councillor's request had gone directly to a department and this resulted in the department authorising the work out of their own budget. Democratic Services and Business Support had no knowledge of this request and therefore no official confirmation that the cost of the works would be reimbursed to the department had been obtained. Rectifying this involved the time of the Section 151 Officer as well as other Officers in the Council.

4.3.4 The Auditor also observed during testing that a number of applications had been queried by Business Support with the Section 151 Officer and the previous Corporate Director – Operational and Partnership Services, therefore utilising staff time of other departments for a scheme that was set up to be as low cost on administration and as self-regulating as possible.

4.3.5 Out of the 20 applications sampled during the audit, 14 were for funding over £1,000 and it was identified that 4 of of these applications did not have 3 quotes as required in the guidance notes due to the nature of the service/item purchased. The Auditor recommended that consideration should be given to updating the application forms to allow Members to get approval from the Head of Democratic Services for any variation prior to submission.

4.3.6 The auditors recommended that the whole process is reviewed to ensure that it is efficient and effective whilst also being economical. The amount of Officer time involved should be considered alongside the controls required and the value of the funding being requested by each Member to ensure that this scheme is providing value for money.

4.3.7 Based on the assessment of strengths and weakness of the areas examined the Audit Opinion was that of 'reasonable assurance' of the effectiveness of the internal control environment.

4.4 Administrative support

4.4.1 Although designed to be a low cost scheme, in reality the administrative burden has been substantial and has involved officer time across the authority including officers providing financial advice and guidance as previously referred to in paragraph 4.2.1.

4.4.2 During operation of the scheme, officers identified that in one instance grant funding had been provided retrospectively which was in breach of the terms and conditions of the scheme. In the instance identified, the funding related to internal works undertaken by the Council before funding had been approved.

4.4.3   When the scheme was introduced it was anticipated that should Members want to use their allocation to fund works or services which the Council would itself carry out, incremental to existing provision, Members would be encouraged to discuss proposals at an early stage with officers in order to best accommodate requests in an efficient manner. However it was also recognised that it may not be possible to practically or economically accommodate all requests and that the relevant Corporate Director would retain the right to refuse such work. A number of schemes involving work undertaken by the Council have diverted much needed community services resources by undertaking these schemes as other planned works have needed to be rescheduled. In addition funding inwards has resulted in additional on-going cleaning and maintenance costs of street furniture which will need to be resourced.

4.5   Effective Use of Resources

4.5.1   There has been mixed reviews by Members on their experience of the scheme, with some positive outcomes on the community benefit of the scheme and some negative outcomes in respect of the process, scheme criteria and limited interest in the scheme from eligible organisations in the area.

4.5.2   Given the level of budget reductions the Council needs to make over the medium term, and pressures the authority is facing, consideration needs to be given as to whether this funding could be used more strategically as part of a larger budget benefiting all residents of the borough. This would involve discontinuation of the scheme and rechanneling the £285,000 into the medium term financial strategy to alleviate other reductions in services. The funding could either be used towards meeting the cost of identified budget pressures or to mitigate shortfalls in budget reduction proposals.

5.   Effect upon Policy Framework and Procedure Rules

5.1   There is no effect on the policy framework and procedures rules

6.   Equality Impact Assessment

6.1   There are no equality implications arising from this report

7.   Well-being of Future Generations (Wales) Act 2015 implications

7.1   The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8.   Financial implications

8.1   There are no financial implications associated with this report.

9.   Recommendation

9.1   The Audit Committee is recommended to:

a) Note the content of the report and

b) Make a recommendation to Cabinet the cessation of the Community Action Fund and the transfer of the £285,000 funding back into the Medium Term Financial Strategy for consideration when setting the budget for 2019-20 to 2022-23.

K Watson
Head of Legal and Regulatory Services

Gill Lewis CPFA
Interim Head of Finance and Section 151 Officer
6 December 2018

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Background documents: Report to Audit Committee 28 June 2018 -Community Action Fund 2017-18 Update

Community Action Fund- Detailed Transaction Report

Ward	Cllr Name	Organisation paid	Detail of Expenditure		£232,567.24
Ward	Cllr Name	Organisation paid	Detail of Expenditure	Total	Date Paid
Aberkenfig	Cllr C. Radcliffe	Aberkenfig Girls and Boys Club	Footbal Equip, Gen Purpose equip and funding for coaching	1,000	11/09/18
Aberkenfig	Cllr C. Radcliffe	Aberkenfig Ministries	Laptop and Equipment	4,000	26/09/18
Bettws	Cllr Martyn Jones	Garw Valley Community Council	Bus Shelters Bettws	5,000	28/09/18
Blackmill	Cllr Hywel Williams	Ogmore Valley Priide	Community clean-up (Skips x2, Bag Hoops x2)	681.18	04/10/18
Blackmill	Cllr Hywel Williams	Blackmill & Glynogwr TRA	Defibrillators	1,490	26/09/18
Blackmill	Cllr Hywel Williams	Evanstown Community Centre	Repairs to the community centre	2,829	22/10/18
Blaengarw	Cllr Sorrel Dendy	Calon Y Cwm	Pontycymmer Youth Club 2nd Pilot	3,466.88	23-May
Brackla	Cllr Aniel Pucella	Brackla Environmental Support Group (B.E.S.T)	Cleaning of Subways etc	150	07/03/18
Brackla	Cllr Aniel Pucella	Brackla FC	Kits, footballs and training equipment	333.34	19/10/18
Brackla	Cllr Aniel Pucella	Brackla Community Chorus	Piano	306.04	07/02/18
Brackla	Cllr Aniel Pucella	Brackla Charity Fundraising Group	Purchase of equipment for fundraising activities	250	16/10/18
Brackla	Cllr Aniel Pucella	Brackla RFC	Purchase of Sports and First Aid equipment	331.68	15/10/18
Brackla	Cllr Aniel Pucella	Brackla Community Council	Replacement of two bins and polycarbonate to 8 bus stops in Brackla	2,619.94	19/10/18
Brackla	Cllr John Spanswick	Brackla Environmental Support Team (B.E.S.T)	Cleaning of Subways etc	550	07/03/18
Brackla	Cllr John Spanswick	Brackla Community Centre	Litter Bins	995	17/10/18
Brackla	Cllr John Spanswick	1092 (Bridgend) Squadron Royal Air Force Air Cadets	Mini Bus	500	08/10/18
Brackla	Cllr John Spanswick	Brackla Primary School	Outdoor trim trail	500	10/07/18
Brackla	Cllr John Spanswick	Brackla Community Chorus	Piano	306	07/02/18
Brackla	Cllr John Spanswick	2nd Bridgend (Brackla) Scout Group	Purchase of mess tent	699	19/10/18
Brackla	Cllr John Spanswick	Brackla RFC	Purchase of sports equipment	500	15/10/18
Brackla	Cllr John Spanswick	Brackla Environmental Support Team (B.E.S.T)	Trailer	950	04/06/18
Brackla	Cllr Kay Rowlands	Brackla Environmental Support Team (B.E.S.T)	Clearing of Subway in Brackla	150	07/03/18
Brackla	Cllr Kay Rowlands	Brackla FC	Kits, footballs and training equipment	333.33	19/10/18
Brackla	Cllr Kay Rowlands	Brackla Community Chorus	Piano	306.05	07/02/18
Brackla	Cllr Kay Rowlands	Brackla Charity Fundraising Group	Purchase of equipment for fundraising activities	250	16/10/18
Brackla	Cllr Kay Rowlands	Brackla RFC	Purchase of Sports & First Aid equipment	331.66	
Brackla	Cllr Kay Rowlands	Brackla Community Council	Replacement of two bins and polycarbonate to 8 bus stops in Brackla	2,619.93	19/10/18
Brackla	Cllr Tom Giffard	Brackla Environmental Support Group (B.E.S.T)	Cleaning of Subways etc	150	07/03/18
Brackla	Cllr Tom Giffard	Brackla FC	Kits, footballs and training equipment	333.33	19/10/18
Brackla	Cllr Tom Giffard	Brackla Community Chorus	Piano	306.04	07/02/18
Brackla	Cllr Tom Giffard	Brackla Charity Fundraising Group	Purchase of equipment for fundraising activities	250	16/10/18
Brackla	Cllr Tom Giffard	Brackla RFC	Purchase of sports and first aid euipment	331.66	15/10/18
Brackla	Cllr Tom Giffard	Brackla Community Council	Replacement of two bins and polycarbonate to 8 bus stops in Brackla	2,619.93	19/10/18
Bryncethin	Cllr Gary Thomas	Bryncethin RFC	Refurbish and extend building	5,000	
Bryncoch	Cllr Janice Lewis	Community Safety Partnership	supply and installation of Invica LED vehicle activated sign	4,403	18/10/18
Bryntirion	Cllr Pamela Davies	3rd Bridgend Scouts	Mess Tent	975	24/10/18
Bryntirion	Cllr Pamela Davies	Bryntirion Infants School	Swimming lessons	600	16/10/18
Careau	Cllr Gareth Howells	Caerau Christmas Tree Celebrations	Chriatmas Tree and Decorations	450	05/12/18
Careau	Cllr Gareth Howells	Caerau Development Trust	Defribillator	989	27/04/18
Careau	Cllr Gareth Howells	Nantyffyllon Miners Institute	Essential repairs to the building	2,000	30/10/18
Careau	Cllr Gareth Howells	Maesteg Welfare Bowling Club	Improvement of bowling green	1,000	16/10/18
Careau	Cllr Paul Davies	Caerau Christmas Tree Celebrations	Christmas Tree and Decorations	450.00	05/12/18
Careau	Cllr Paul Davies	Caerau Community Growers	Compost Toilet	979.00	20/03/18
Careau	Cllr Paul Davies	Nantyffyllon Miners Institute	Essential repairs to building	600.00	30/10/18
Careau	Cllr Paul Davies	Maesteg Gleemen Male Voice Choir	Funding towards a new piano	600.00	29/10/18
Careau	Cllr Paul Davies	Harmony Choir	New Uniform for Choir	940.00	24/07/18
Careau	Cllr Paul Davies	Caerau Bowls Club	Repairs after Fire	967.16	01-May
Careau	Cllr Phil White	Caerau Community Growers	Compost Toilet	1,000	20/03/18
Careau	Cllr Phil White	Caerau Development Trust	Defribillator	989	27/04/18
Careau	Cllr Phil White	Cleaner Streets	Fencing, Tondu Rd Lane, Maesteg	1,072	27/03/18
Careau	Cllr Phil White	Maesteg Welfare Bowling Club	Improvements to bowling green	500	16/10/18
Careau	Cllr Phil White	Nantyffyllon Primary School	Improvements to the school	930	30/10/18
Careau	Cllr Phil White	Old Parish Running Club	Purchase equipment for park run events	500	30/10/18
Cefn Cribbwr	Cllr Huw David	Cefn Cribbwr Primary School	Development of extra new space for ALN pupils	5,000	13/03/18
Cefn Glas	Cllr Jon-Paul Blundell	Mental Health Matters Wales	Arts and Crafts Materials	747	06/09/18
Cefn Glas	Cllr Jon-Paul Blundell	Llangewydd Junior School	Reading Scheme	2,000	06/09/18
Cefn Glas	Cllr Jon-Paul Blundell	Cefn Glas Infants	To buy story teller for new library and seating for playground	900	26/09/18
Cefn Glas	Cllr Jon-Paul Blundell	Young at Heart	Workshops and visits	275	28/02/18
Coity	Cllr Amanda Williams	Coity & Bridgend First Aiders	AED training device and IPAD AED	1,494	11/01/18
Coity	Cllr Amanda Williams	Bethesda Artworks	Artwork for Coety Primary	771	19/10/18
Coity	Cllr Amanda Williams	1st Coity Brownies	Purchase Equipment	800	26/09/18
Coity	Cllr Amanda Williams	Coety Primary School	Purchase of outdoor play equipment for nursery Coety Primary	1,935	18/07/18
Cornelly	Cllr Jeff Tildesley	Afon-y-Felin Primary School	Sculptures	5,000	21/03/18
Cornelly	Cllr Richard Granville	Afon Y Felin Primary	Funding to support additional reading development	1,000	28/09/18
Cornelly	Cllr Richard Granville	Ysgol Y Ferch O'r Sger	Purchase of 3 Laptops	1,000	02/10/18
Cornelly	Cllr Richard Granville	North Cornelly Community Playgroup	Purchase of interactive whiteboard	500	02/10/18
Cornelly	Cllr Richard Granville	Corneli Primary	Purchase of Lap Tops	1,000	28/09/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	50+ Club - Social Outing	500	11/05/18
Coychurch	Cllr Elaine Venables	Coychurch WI	Anniversay day trip	500	12/07/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	Defb - The Bryn	500	13/07/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	Defib - Waterton	500	13/07/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	Defib- East	500	13/07/18
Coychurch	Cllr Elaine Venables	Coychurch Community Council	Repair fencing in the play park	930	28/03/18
Coychurch	Cllr Elaine Venables	Coychurch Primary School	Resurfacing of playarea	1,070	06-Aug
Coychurch	Cllr Elaine Venables	Coychurch Youth Club	Trip to Folly Farm	500	12/07/18
Felindre	Cllr Bridie Sedgebeer	Girl Guides 2nd Pencoed	Flags and Tents	1,213	01/10/18
Felindre	Cllr Bridie Sedgebeer	Vale & Valley Community Arts	Forest School Eco Club equipment	567	12/10/18
Felindre	Cllr Bridie Sedgebeer	Friends of Salem	Internal refurbishment/redecoration of Salem Chapel	1,000	04/10/18
Felindre	Cllr Bridie Sedgebeer	Croesty Primary School	IT Equipment	2,220	17/10/18
Litchard	Cllr Sadie Vidal	Litchard Primary	Develop outdoor department	5,000	07/09/18
Llangeinor	Cllr Roz Stirman	Bridgend Valleys Railway Co. Ltd	Finger post to advertise Garw Valley	528	11/09/18
Llangeinor	Cllr Roz Stirman	Tynyrheol Primary School PTFA	Improvments to outdoor learning environment	1,000	04-Jun
Llangeinor	Cllr Roz Stirman	Tynyrheol Primary School PTFA	PTFA Storage cabinet and Lego WeDo	1,977.84	26.07.18
Llangeinor	Cllr Roz Stirman	Tynyrheol Primary School PTFA	PTFA Summer Platscheme for children	1,000	18/07/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Westward Community Centre	Kitchen Equipment	430	01/05/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Llangewydd Junior School	Outdoor clothing and equipment	500	14/03/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Cefn Glas Infants School	Outdoor Project	500	06/09/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Westward Community Centre	Refurbishment of kitchen	2,750	28/02/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Cefn Glas Scouts, Bridgend	Third Bridgend Cubs & Scouts	500	19/09/18
Llangewydd & Brynhyfryd	Cllr Charles Smith	Young at Heart	Workshops and visits	320	28/02/18
Llangynwyd	Cllr Malcolm James	Llangynwyd Village Hall Assoc	Memorial Garden at Llanygynwyd Village	4,000	22/01/18

Llangynwyd	Cllr Malcolm James	Llangynwyd Primary School	Refurbishment of the library	1,000	15/11/18
Maesteg East	Cllr Keith Edwards	Garth Primary School	Replacement of safety surface	5,000	24/05/18
Maesteg East	Cllr Tom Beedle	Maesteg Harlequins RFC	Crowd barriers at South Parade	4,200	25/04/18
Maesteg East	Cllr Tom Beedle	Maesteg Harlequins RFC	Replace worn carpets in public area	800	28-Aug
Maesteg West	Cllr Richard Collins	Maesteg Mens Shed	Assist with essentuial repairs	950	30/10/18
Maesteg West	Cllr Richard Collins	Nantyffyllon Miners Institute	Essential repairs to building	550	30/10/18
Maesteg West	Cllr Richard Collins	Maesteg Welfare Bowling Club	Improvements to bowling green	1,500	16/10/18
Maesteg West	Cllr Richard Collins	Special Families	Sensory equipment	500	30/10/18
Maesteg West	Cllr Ross Thomas	Llynfi Valley Rivercare Group	Environmental Enhancement	1,000	29/10/18
Maesteg West	Cllr Ross Thomas	Friends of Maesteg Welfare Park	Gin Pit commemorative stone, plaque and event	1,000	31/10/18
Maesteg West	Cllr Ross Thomas	St Mary's & St Patrick's RC Primary School	Toilet improvements	2,000	30/10/18
Maesteg West	Cllr Ross Thomas	HALO	TRAINING AND EQUIPMENT KANGOO JUMPS	1,000	02/10/18
Morfa	Cllr Nicole Burnett	Penybont Primary	Adventure Trail, Foundation Play area	5,000	21/05/18
Morfa	Cllr Stuart Baldwin	The Bridge Mentoring Scheme	Coffee Machine and Office Furniture	3,828	17/01/18
Morfa	Cllr Stuart Baldwin	BAVO	ENVIRONMENTAL IMPROVEMENTS - WILDMILL PRECINCT	1,000	14/11/17
Nantymoel	Cllr David Owen	Reach Rural Development	part of the Ogmore Heritage Trial, Bike repair stand and pump	1,212	01/11/18
Newcastle	Cllr Caroline Webster	St John's House Trust	3 x A3 Display Stands and 3 x A2 Display Stands	2,014.85	06/02/18
Newcastle	Cllr Caroline Webster	YMCA	Activities for young people with ALN	2,710.15	26-Mar
Newcastle	Cllr Caroline Webster	Young at Heart	Workshops and Visits	275.00	28/02/18
Newcastle	Cllr David White	Young at Hearts	Defib for Westward Community Centre	1,500	18/07/18
Newcastle	Cllr David White	Westward Community Centre	Kitchen equipment	500	01/05/18
Newcastle	Cllr David White	Westward Community Centre	Kitchen equipment	995	03/05/18
Newcastle	Cllr David White	Bridgend Community Bereavement Support	Leaflets and craft materials	500	19/09/18
Newcastle	Cllr David White	Bridgend Warriors Kickboxing	Painting and decorating equipment	750	18/07/18
Newcastle	Cllr David White	St John's House	Printer/Laminator etc	750	18/07/18
Newton	Cllr Kenneth Watts	Porthcawl Town Council	Install Gateway Signs Entering Porthcawl	3,820	11/09/19
Newton	Cllr Kenneth Watts	Porthcawl YMCA	Pool Table	333	26/09/18
Newton	Cllr Kenneth Watts	CAPITA	Safer Routes to School	847.50	26-Jan
Nottage	Cllr Norah Clarke	BCBC - Highways	Road safety markings outside West Park Primary School	2,866.45	
Nottage	Cllr Norah Clarke	1st Nottage Scouts	Set of double doors for safe access and disabled friendly	2,133.55	30/07/18
Ogmore Vale	Cllr Dhanisha Patel	Wyndham Boys & Girls Club	Football Kit	500	15-Aug
Ogmore Vale	Cllr Dhanisha Patel	Halo	Gardening Project and Inter Valley Playscheme	640	03/10/18
Ogmore Vale	Cllr Dhanisha Patel	Nantymoel Boxing Club	Gym equipment	550	03/05/18
Ogmore Vale	Cllr Dhanisha Patel	Ogmore Vale Ladies Choir	Portable piano	629	22/05/18
Ogmore Vale	Cllr Dhanisha Patel	Ogmore Valley Priide	Skips, compost bags etc	2,680	26/09/18
Oldcastle	Cllr Lyn Walters	Bridgend YMCA	Youth Engagement & Volunteering Project	4,000	29/06/18
Oldcastle	Cllr Matthew Voisey	Mental Health Matters Ltd	Photography Club	744	25/06/18
Oldcastle	Cllr Matthew Voisey	Bridgend Town Younf Cricketers	Replacement of practive cricket nets	4,256	28/11/18
Pendre	Cllr Richard Young	1092 (Bridgend) Squadron RAF Air Cadets	Squadron Mini Bus	5,000	02/10/18
Penprysg	Cllr Alex Williams	Coychurch Higher Community Council	Bus Shelters- High Street, Heol y Cyw	4,329	10/09/18
Penprysg	Cllr Alex Williams	Coychurch Higher Community Council	Hard Standing at Bus Shelter, Heol y Cyw	620	12/10/18
Pen-y-fai	Cllr Altaf Hussain	Newcastle Higher Community Council	Two traffic calming signs in Penyfai village	5,000	30/07/18
Pontycymmer	Cllr Roderick Shaw	BRIDGEND VALLEYS RAILWAY	INFORMATION BOARDS AND FINGER POST	996	25/07/18
Pontycymmer	Cllr Roderick Shaw	Blaengarw RFC Social Club	Open House Service for Younger and Older people	544	25/09/18
Pontycymmer	Cllr Roderick Shaw	Wales CRC	Renovation of benches	1,000	19/09/18
Pontycymmer	Cllr Roderick Shaw	HALO	SKATE & SCOOTER YOUTH CLUB	2,460	22/11/17
Porthcawl East	Cllr Brian Jones	Porthcawl Primary School	Books for children with learning disabilities	2,506.27	07/06/18
Porthcawl East	Cllr Brian Jones	Newton Primary School	Play Equipment for children	903.00	24/07/18
Porthcawl East	Cllr Brian Jones	CAPITA	Safer Routes to School	847.50	26-Jan
Porthcawl East	Cllr Brian Jones	Porthcawl & Pyle Amateur Boxing Club	Training & Safety Euipment for Boxing	573.48	36/09/18
Porthcawl West	Cllr Sean Aspey	BCBC Highways Department	Provision of a new bench	1,000	19/11/18
Porthcawl West	Cllr Sean Aspey	Porthcawl Community First Responders	Provision of Camel Lifting Device	1,980	27/09/18
Porthcawl West	Cllr Sean Aspey	BCBC Highways Department	Provision of signage at Nottage Primary School	2,020	20/11/18
Pyle	Cllr Mike Kearn	Pyle Community Council	All-inclusive roundabout at Pandy Crescent	5,000	25/06/18
Pyle	Cllr Stephen George Smith	KPC Youth	Improve signage to the project	1700	23/10/18
Pyle	Cllr Stephen George Smith	Pyle Piglets Junior Section	Training equipment for Pyle Piglets	910.14	01/11/18
Pyle	Cllr Stephen George Smith	Pyle Community Council	upgrading of park at Pandy crescent	2389.86	21/11/18
Pyle	Cllr Jane Gebbie	St Theodore's Church	Funds towards refurbishment works - Parish of Kenfig Hill - Remodel of St Theodore's Church for community space	5,000	26/03/18
Rest Bay	Cllr Mike Clarke	Porthcawl YMCA	Pool Table	387.50	26/09/18
Rest Bay	Cllr Mike Clarke	Porthcawl Town Council	To support communityevent 'Fire & Water'	1855.00	30/10/18
Rest Bay	Cllr Mike Clarke	Porthcawl Town Council	Contribution to Promoting Porthcawl Committee budget for report	2750.00	19/09/18
Sarn	Cllr David Lewis	Sarn Centre Association	Definbrillator	975	19/10/18
Sarn	Cllr David Lewis	Sarn Community Garden Association	Provide extra plots, upgrade existing plots and pathways	975	19/10/18
Ynysawdre	Cllr Tim Thomas	Brynmenyn Primary School	Defibrilator	1,000	15/05/18
Ynysawdre	Cllr Tim Thomas	Aberkenfig Boys and Girls Club	Footbal Equip, Gen Purpose equip and funding for coaching	1,000	11/09/18
Ynysawdre	Cllr Tim Thomas	Tondu United Football Club	Funding of football development	1,000	06/03/18
Ynysawdre	Cllr Tim Thomas	Ynysawdre Community Council	Grass Verge on Maesteg Road for wild flower area	1,000	18/06/18
Ynysawdre	Cllr Tim Thomas	Brynmenyn Primary School	Bikes & Scooters	1,000	15/05/18
				0	

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 DECEMBER 2018

REPORT OF THE INTERIM HEAD OF FINANCE

RISK MANAGEMENT

1.   Purpose of Report.

1.1   The purpose of the report is to provide the Audit Committee with an update on changes being made to the Council's Risk Management Policy, the Corporate Risk Assessment 2018-19 and the Incident and Near Miss Reporting Procedure.

2.   Connection to Corporate Plan / Other Corporate Priority.

2.1   This report assists in the achievement of the following corporate priority/priorities:

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

2.2   Effective risk management is an essential part of the framework for ensuring good corporate governance and supports delivery of the Council's Corporate Improvement Priorities.

3.   Background.

3.1   Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.

3.2   The Audit Committee's Terms of Reference require the committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Council's risk management, internal control and corporate governance arrangements.

3.3   The Corporate Risk Assessment is considered and reviewed by Corporate Management Board, Senior Management Team, Audit Committee, as part of the Council's quarterly Corporate Performance Assessment framework, and is used to inform the Overview and Scrutiny Committees forward work programme and the budget process.

4.   Current situation / proposal.

4.1   The 2018-19 Corporate Risk Assessment was reported to Audit Committee on 18 January 2018. The report identified that a further review of the Council's risks would be undertaken to assess whether all the identified risks remained risks to the Council, whether the Council should seek to focus on a smaller set of risks, how the

text could be condensed further and whether the risk reduction measures mitigated all the impacts.

4.2   A further review has been undertaken by Corporate Management Board and Senior Management Team. Rather than reviewing the previous risks, a new reduced number of risk measures are being finalised which captures more discernibly the key risks facing the Council. The text of the risks, impacts and mitigation measures have been agreed.

4.3   The Healthy Organisation review identified that the same risk matrix should be utilised consistently throughout the Council. Corporate Management Board has agreed that a 5 x 5 risk matrix will be adopted which will replace the current 6x4 risk matrix. The new risks will be scored using the 5 x 5 risk matrix. The risks will then be reported to the Audit Committee in January 2019.

4.4   Following Audit Committee on 29 June 2018, the Incident and Near Miss Reporting Procedure has been amended to take into account the matters raised. It has been reviewed by Health and Safety Department to ensure that there is no duplication with other procedures and is now returning to Corporate Management Board for an endorsement of the final version.

4.5   The updated Risk Management Policy, Corporate Risk Assessment and Incident and Near Miss Reporting Procedure will be presented to the Audit Committee as a suite of documents in January 2019.

5.   Effect upon Policy Framework& Procedure Rules.

5.1   None as a direct consequence of this report.

6.   Equality Impact Assessment.

6.1   There are no equality implications arising from this report.

7.   Wellbeing of Future Generations (Wales) Act 2015 Implications.

7.1   The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report

8.   Financial Implications.

8.1   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.

9.   Recommendation.

9.1   It is recommended that Audit Committee note the report and that the full suite of risk management documents will be presented to the Committee in January 2019.

Gill Lewis
Interim Head of Finance
13 December 2018

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                          Risk Management & Insurance Officer

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Background documents

None

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 DECEMBER 2018

REPORT OF THE CHIEF EXECUTIVE

AUDIT REPORT – HEALTHY ORGANISATION REVIEW – ACTION PLAN UPDATE

1.   Purpose of report

1.1   The purpose of this report is to update Members on progress against the Action Plan that was produced in response the Healthy Organisation Review presented to Audit Committee in June 2018.

2.   Connection to corporate improvement objectives/other corporate priorities

2.1   This report assists in the achievement of the following corporate priority/priorities:

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3.   Background

3.1   The outcome of the Healthy Organisation Review was presented to Audit Committee at their meeting held on the 28 June 2018. This review was conducted by South West Audit Partnership on behalf of the Internal Audit Shared Service (IASS). Members were notified by the Interim Head of Finance that the Council's Corporate Management Board (CMB) would focus on the high risk areas of the review and that these would be incorporated into an Action Plan.

3.2   CMB met and produced an Action Plan which was presented to the Audit Committee in September and which has continued to be monitored by them.

4.   Current situation/proposal

4.1   The previous update highlighted that many of the recommendations had been acted upon. Some recommendations included actions with a longer time scale and progress against these are recorded below. In a small number of cases, the management response was to not take action and these are also revisited below. In each case the narrative is organised by the headings identified in the original audit report and resultant action plan.

4.2   Governance - Effective Working Relationships

The outstanding recommendation related to the inclusion in the corporate induction framework of the Constitution and its associated Code of Conducts. This was scheduled for completion by the end of September 2018 and has now been

completed. The Corporate induction framework and e-learning module were updated to reflect these documents. As part of a separate initiative, all staff now meet with the Chief Executive within a couple of months of starting and this provides a further opportunity to discuss the importance of this and other core elements of the induction programme.

4.3   Governance – Transparency

The audit recommended that Freedom of Information Requests and their responses should be regularly published on the Council's website. This was not accepted by CMB because of the requirement for all web content to be translated into Welsh. As a result of this bi-lingual requirement and the associated costs, the Council is prioritising other web content that is of more frequent use to service users. Resourcing of translation services and web updates remains under pressure and so CMB still consider this recommendation to be a low priority and therefore no action is proposed.

4.4   Governance – Communication / Stakeholder Consultation

The recommendations were to clarify within the Council's Marketing and Engagement Team Plan, the process for communication / stakeholder consultation and the arrangements for officers and members to follow if they were approached for comment on a major issue which could have reputational significance. This was scheduled for completion by the end of November 2018 to coincide with planned review of the team plan. This work is underway but the expected completion date is now December 2018.

4.5   Risk management – Appetite / Transparency

It was recommended that the Council consider the inclusion of a numerical risk appetite value within the risk matrix to aid understanding of the risk register. CMB have revised the presentation of corporate risk and partially accepted this recommendation. They have moved to a 5x5 grid assessment of risk impact and likelihood which they believe to be more intuitive. However the main change is a shift towards more clearly highlighting the actions taken to mitigate the risk and how these are to be tracked and monitored. A report on the Risk Register 2019-20 will be presented to the Audit Committee in January 2019.

4.6   Commissioning and Procurement -Strategy and Commissioning Intentions

Two recommendations were made and accepted relating to corporate oversight of commissioning and the publication of commissioning intentions. Both of these were scheduled for completion by the end of the financial year and remain on track.

4.7   Commissioning and Procurement – Supplier Management

The recommendation related to the identification of key suppliers where business criticality may result in risk to service continuity. Corporate Management Board reported that Directorates already dynamically assess the risk associated with main contractors but undertook to include an assessment of risk of key failures within the next iteration of business continuity plans. This remains on schedule for completion by the end of the financial year as part of the scheduled refresh of those plans.

5.   Effect upon policy framework and 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.   Well-being of Future Generations (Wales) Act 2015 implications

7.1   The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8.   Financial implications

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

9.   Recommendation

9.1   That Members note the update on the Healthy Organisation Report Action Plan.

Darren Mepham
Chief Executive
27 November 2018

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Background Documents
SWAP Healthy Organisation Review

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BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 DECEMBER 2018

REPORT OF THE CHIEF INTERNAL AUDITOR

AUDIT REPORT – INFORMATION MANAGEMENT FOLLOW UP

1.   Purpose of report

1.1   The purpose of this report is to re-present to Members the follow up audit in respect of the Information Management review undertaken by the South West Audit Partnership on behalf of the Council's Internal Audit Shared Service (IASS) and which formed part of the Council's 2017/18 Audit Plan.

2.   Connection to corporate improvement objectives/other corporate priorities

2.1   This report assists in the achievement of the following corporate priority/priorities:

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3.   Background

3.1   Following the presentation of the Healthy Organisation Review submitted to the Audit Committee on 28th June 2018 and as a consequence of the South West Audit Partnership being unable to form a conclusion on Information Management, a follow up review was commissioned during the first quarter of 2018/19.

4.   Current situation/proposal

4.1   Information Management is an important aspect of governance for an organisation. Effective Information Management will faciliatate and support efficient working, better decision-making, improved customer service and business transformation to facilitate the delivery of key priorities and objectives. Attached at **Appendix A** is the follow up audit report. Set out from pages 15 onwards are the recommendations for improvement and these have been reviewed with the relevant manager and a management response is included for information.

4.2   The assurance for Information Management follow up referred to above has been reviewed and depicted as an overall Medium Assurance Opinion. However, it should be noted that due to the passage of time from the completion of this follow up review to the submission to the Council's Audit Committee, the relevant service areas have actioned a significant number of the recommendations made. Whilst Members noted the above, they requested that this report be re-presented to Committee and that Management be present to provide more detailed information in relation to the actions taken to implement the recommendations.

5.   Effect upon policy framework and 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.   Well-being of Future Generations (Wales) Act 2015 implications

7.1   The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8.   Financial implications

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

9.   Recommendation

9.1   That Members give due consideration to the content of the Healthy Organisation Follow Up Review and the actions that have already been taken to address those areas requiring attention.

Helen Smith
Chief Internal Auditor
13th December 2018

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Background Documents

None

Healthy Organisation– Information Management Follow Up

Draft Report

Working in Partnership to Deliver Audit Excellence

Contents

Executive Summary

This section provides an overview of the approach taken in relation to the Healthy Organisation strategic review, as well the overall assurance assessment.

Summary Assessment

This section contains the summary assessment by theme and the key strengths and Areas for Attention identified are highlighted.

Detailed Assessment

This section contains a more detailed assessment of each area considered by theme.

Appendices:

Appendix A – Mapping Areas for Attention

Key Contacts and Distribution

Statement of Responsibility

SWAP
INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

Executive Summary

Overview

As part of the 2018/19 audit plan a follow up audit has been undertaken to assess the control framework in place for Information Management at the Council. As part of the initial Healthy Organisation review undertaken in March 2018, a meeting was held with the Group ICT Manager, however at this time we were unable to obtain sight of some key pieces of information to verify that the controls were in place. We were therefore unable to conclude on this theme and have now conducted this follow up review on the areas outstanding to enable assurance to be provided to Senior Management.
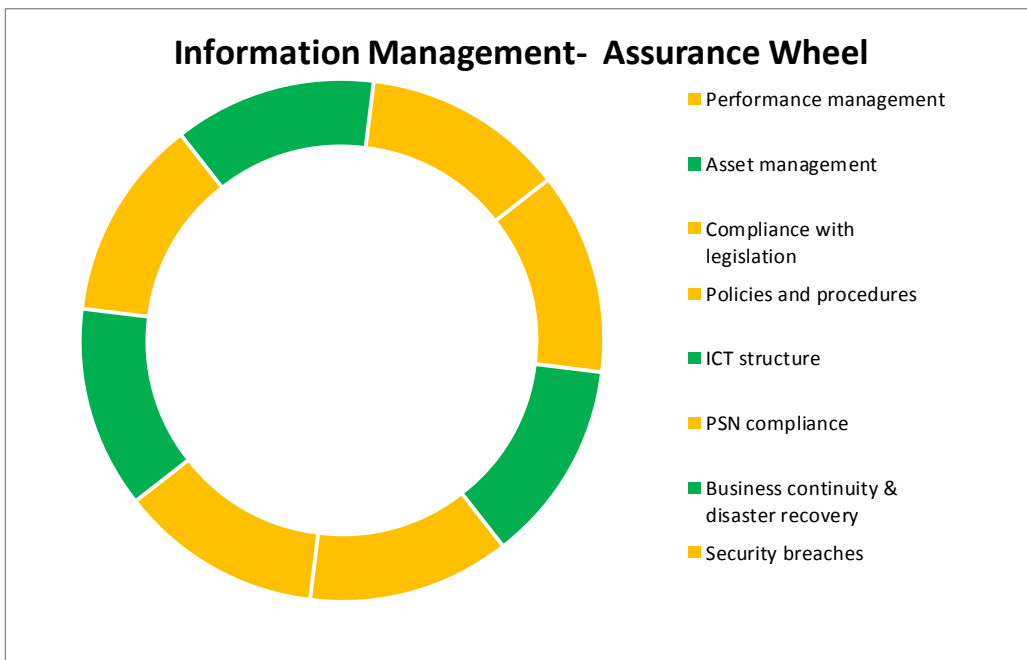
The Audit Assurance section below provides a summary assurance wheel for Information Management, followed by a more detailed assessment for each of the controls. Appendix A of the document maps the areas requiring attention.

Audit Assurance:	Medium

The assurance for Information Management follow up referred to above have been reviewed and depicted in the following graph. This indicates an overall **Medium Assurance** opinion.

Information Management assurance graph

Information Management- Assurance Wheel

- Performance management
- Asset management
- Compliance with legislation
- Policies and procedures
- ICT structure
- PSN compliance
- Business continuity & disaster recovery
- Security breaches

R/A/G Rating Key:

RED   (Low Assurance / High Risk)
AMBER   (Medium Assurance /Medium Risk)
GREEN   (High Assurance / Low Risk)

SWAP
INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

Summary Assessment

Information Management is an important aspect of governance for an organisation. Effective Information Management will facilitate and support efficient working, better decision-making, improved customer service and business transformation to facilitate the delivery of key priorities and objectives.

AREAS OF STRENGTH

Performance Management
- The satisfaction of the service users against the 4 ICT Key Point Indicators is tested regularly via KPI surveys.
- Satisfaction of ICT service users is consistently excellent/ very good/ good as gauged by the KPI survey results.

Asset Management
- The OTRS Configuration Management Database is regularly updated and holds all relevant information about hardware and software assets to prove their full lifecycle.
- Business cases are submitted with new equipment requests by specific Business Managers, to allow for ICT Services analysis of the need for the equipment and approval as necessary.

Compliance with Legislation – GDPR
- The roll-out of GDPR training and planning for GDPR implementation was already underway during the previous Healthy Organisation review.

ICT Structure
- An ICT structure chart identifies all posts within the ICT Services and most management posts are filled.

Policies, Procedures & Training
- There has been a roll out of Apprenticeships within the ICT Service, to aid progression and learning opportunities.
- Mandatory training records are kept on a standardised Corporate Induction Record, and on the e-learning portal individually for all staff.

PSN Compliance
- There has been the addition of new columns in the PSN remedial actions tracker to assist with monitoring who is responsible for completing actions to adhere with deadlines and comments are now being left by those responsible as to the status of the action.
- There was a decrease in the quantity of "High" risk recommendations made by the PSN assessors compared to the previous assessment.

Business Continuity & Disaster Recovery
- The Group ICT Manager has liaised with Business Managers to collate the list of applications within the ICT Business Continuity Plan.
- An up to date Major Incident Recovery plan is in place, which have been developed in partnership with local and regional 'Category 1' authority representatives. The documents are subject to regular review at local and regional planning groups.

Security Breaches

- The ICT Service Desk ticketing system which security breaches are reported through does not hold detailed information about the breach, therefore mitigating the risk of unauthorized individuals acquiring sensitive information.

<table>
<tr><td>**AREAS FOR ATTENTON**</td></tr>
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Performance Management

- The Corporate Director for Operational & Partnerships Services should ensure corporate oversight and analysis of ICT performance is on the CMB agenda if appropriate and that KPIs are further reported to Council at the quarterly committee meetings.
- The Group ICT Manager should consider implementation of more a formal performance review process within the ICT Service.
- Due to the high scores on the KPI surveys for both *"Availability of voice and data network"* and *"Availability of storage area network (core computing)"*, the Group ICT Manager could consider adjusting these KPIs to alternative measures which assess areas currently untested.

Asset Management

- The Group ICT Manager should develop an Asset Management Plan for the ICT Service, to define how the Asset Management function works and links with key areas, such as: The Service Desk, the Configuration Management Data Base, change management, procurement and starters/leavers.

Compliance with Legislation – GDPR

- At the time of audit there was uncertainty over the appointment of a new Senior Information Risk Owner (SIRO), with the post holder (the Monitoring Officer, Corporate Director of Operational & Partnership Services) due to retire on 6th July 2018.
- The SIRO should consider whether the unofficial appointment of the DPO is appropriate, along with considering how staff could be more explicitly made aware of who the DPO is and how they can be contacted.
- The DPO should consider a more formal approach to recording the remaining progress of GDPR implementation, as without this information it would be difficult to effectively prove that GDPR implementation was underway in a timely manner, and in accordance with the implementation deadlines which are not currently documented in formal plans.
- The SIRO and DPO together should consider whether the current stance to not publish FOI requests and responses via the Councils website shows sufficient compliance with the Local Government Transparency Act.
- The DPO should ensure that the Retention Guidelines within the amended Data Retention Schedule are correct and in accordance with statutory requirements.
- The DPO should ensure that revised Privacy Statements are made available via the intranet and public facing website.
- The SIRO and DPO should review the members of staff who have not completed the GDPR training to ensure that the list is reasonable.

ICT Structure

- The Corporate Director for Operational & Partnership Services should consider whether there is enough clarity within guidance and structure documentation at the Council, to allow for transparency regarding who holds important Information Governance roles and responsibilities.

- The Information Management Strategy has not have been reviewed since May 2015 and having viewed the document it was unclear who would be responsible for reviewing it. The document should be reviewed to reflect the Information Governance roles not otherwise described within the current version, as well as to reflect changes to Council processes in light of the GDPR implementation; such as the delegation of a new DPO, and the updated Data Protection and Security Breach Policy appendices.

Policies, Procedures & Training
- The Group ICT Manager should undertake a review of all ICT Policy/Codes of Conduct to ensure that these are up to date and reflect the current day ICT Service procedures, as the versions available within the staff intranet dated back to 2009 in some instances. A regular review plan should also be put in place to prevent the documents becoming out of date in the future.
- The Group ICT Manager should ensure Service-wide mandatory training has been completed for those staff in ICT.

PSN Compliance
- The Group ICT Manager should satisfy himself that the next PSN (Public Services Network) assessment due date is within calendar reminders and work plans of those responsible for ensuring compliance, to avoid expiration of the 2018/19 certificate prior to booking the next assessment.
- The Group ICT Manager should ensure that deadlines allocated to "High" risk PSN Assessor recommendations/actions are adequate and ensures the issues are proactively addressed.
- The Group ICT Manager should consider whether the recurring issues have been addressed with adequate actions which will lead to the mitigation/eradication of the risk recurring a third time.

Business Continuity & Disaster Recovery
- The Group ICT Manager should ensure the review of the ICT Business Continuity Plan goes ahead in Summer 2018 to bring the Plan up to date and to clarify the identity of 'critical' applications within the applications list.
- The Corporate Directors of Directorates should ensure that their Services' Business Continuity/Disaster Recovery Plans are up to date and contain an Emergency Plan in event that their Service's critical ICT applications should fail. The Directorate Business Continuity/Disaster Recovery Plans should link or direct Management to the ICT Business Continuity Plan with regards to recovery of their Services applications if not addressed within their own plans.

Security Breaches
- The SIRO should consider the adequacy of the current Security Breach tracking spreadsheet in its current state and ensure that it captures all information required to inform the monitoring manager of the status of actions within.
- The SIRO should ensure that access to the Security Breach spreadsheet log is adequately access-restricted.
- The Data Protection Officer (DPO) should ensure that the process in place for recording breaches into the Data Security Breach Incident tracker is sufficient to record all information required about who is reporting and logging the breach, the timescales of action completion, KPI information, reports to the ICO and so on; and also ensure that reference numbers are assigned to each incident within the log that are reflected on its accompanying investigations and related documents completed by the investigating managers.

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- The SIRO and relevant Business Managers should ensure that all outstanding remedial actions have been or are being implemented, and these actions are reviewed and monitored to ensure effectiveness in mitigating the risk and reducing the likelihood of recurrence.
- The DPO and Heads of Service should further consider whether all staff should receive the updated GDPR data protection training, as opposed to omitting staff who 'do not process data'.
- The SIRO should ensure that the Data Security Breach Procedures are clearly accessible via the staff intranet, with old versions being removed to avoid confusion.

Detailed Assessment

Performance Management	Medium Risk

Previous findings:

The Group ICT Manager confirmed that there is a quarterly Corporate Performance Assessment report produced which includes information regarding ICT performance, however a copy was not made available at the time of the original audit (March 2018). We were therefore unable to conclude on the extent to which the priorities stated in the ICT Strategy are measured, monitored and achieved and the requirements of the Performance Management Framework are being met.

Follow up review findings:

There are 4 KPI's for the ICT Service, against which stakeholder satisfaction is gained by means of an OTRS Service desk survey after each 5th ticket logged. Provision and discussion of the 2017/18 Quarterly KPI results with the Group ICT Manager identified that results are generally showing good/very good/excellent performance across the 4 KPIs, and there was not much variance in the figures seen. It was noted that the KPIs for both *"Availability of voice and data network"* and *"Availability of storage area network (core computing)"* have consistently scored 100% throughout 2017/18.

On discussion with the Group ICT Manager, it was explained that no ICT service meetings are held regarding KPI performance, however KPI data is forwarded to the Corporate Management Board via an administrator for their review at Corporate Management Board meetings. This data is then put into an accumulative KPI report which is viewed by Council on a quarterly basis, however there was no evidence of this within Council minutes on the Council website. The previous KPI report was viewed, which did not contain the four ICT KPI's. The Group ICT Manager explained that they had enquired as to why the ICT KPIs were not included within this report, however an answer was not provided by the end of this review. The Group ICT Manager stated that efforts will be made to ensure that the ICT KPIs are included in the reports going forward. Two samples of Corporate Management Board agendas and corresponding minutes were provided during the Healthy Organisation Corporate Governance review but did not appear to discuss the ICT Service's performance criteria within the agendas or minutes.

It appears that KPI data is gathered on a sufficiently regular basis and that KPI survey topics are for relevant measures. It is, however, unclear how the ICT Service proactively manage their performance formally within the Service; and there was little evidence of discussion of their Performance at Corporate Management Team meetings or at full Council.

Asset Management	Low Risk

Previous findings:

There is no documented Asset Management Plan in place for the ICT department. For this reason, we were unable to conclude how the ICT asset management functions links with the service desk, configuration management, change management, procurement, release management and starters/leavers process, or whether a full asset management life cycle takes place within ICT.

There is a database in place which is used for ICT asset management, however only one screenshot of information held within the database was provided for audit testing. We were therefore unable to confirm whether further assets life cycles are monitored, or how assets are recorded on this register.

Follow up review findings:

As identified within the previous audit, there is no documented plan or policy for asset management within the ICT Service. Whilst there is not an asset management policy to define assets (software or hardware) within the Service, the ICT Business Continuity Plan holds a list of 'critical' software applications (identified as Tier 1). The list was developed by the Group ICT Manager during meetings with Business Managers prior to the final ICT Business Continuity Plan being published in May 2016.

Discussion with the Group ICT Manager has clarified that the full lifecycle of an asset can be tracked within the CMDB, whether purchased via the ICT Service or via Directorates. New ICT assets are requested via the OTRS Service desk ticketing system and will only be considered if a business case completed by one of five Directorate Business Managers has been attached. Requests for new equipment must be approved by the Group ICT Manager prior to procurement of the asset.

Existing hardware assets are assigned a 5-year expiry date, after which they will be replaced. It is noted that capital funding was restricted in 2017/18 meaning that some assets had reached their 5-year expiry date, however were not replaced. £175,000 of capital funding has been approved by Council to fund the 2018/19 ICT asset renewal, allowing the service to bring their asset renewal up to date.

When a member of staff leaves employment at the Council, a ticket is logged to make ICT aware. Once the ticket has been administered by ICT, the assets record is updated with that information and the equipment is cleared of data and added to stock if not reassigned to another user. To manage and identify assets within the database, assets are assigned an identifier based upon asset type and how and when they were purchased. These categories are not documented within any ICT documentation provided, although they were evident in an asset record pulled from the CMDB which was viewed during the audit.

Compliance with Legislation - GDPR	Medium Risk

Previous findings:

During the previous audit, it was unclear whether the Data Protection Officer (DPO) at the Council would continue the role long-term, or whether, as expected, it would be reassigned to the Council's Information Officer. The Information Officer had not received any specific GDPR training at the time of testing.

The progression towards implementing GDPR was also unclear, due to there being no formal implementation plans, nor record of minutes from the Implementation Group that had been created.

Evidence was seen that the Data Protection Policy had been reviewed and approved by Council, along with the Data Retention Plan and Data Retention Schedule; however there were concerns regarding the data retention timescales assigned to certain files in the Data Retention Schedule.

Follow up review findings:

In discussion for this follow up review with the Group ICT Manager, it was made clear that the DPO role has now been designated to the Information Officer, who was interviewed during our last review.

There is concern over whether there are any plans to appoint a new SIRO, as the current post holder (the Monitoring Officer, Corporate Director of Operational & Partnership Services) is due to retire from the post on 6th July 2018. There did not appear to be a formal handover of the SIRO responsibilities prior to the current SIRO taking annual leave before their retirement.

On discussion with the Information Officer, now DPO; the role was unofficially assigned from 1st April 2018 by the Corporate Director for Operational & Partnership Services. We were informed that the decision to appoint the Information Officer as DPO was communicated to staff via a Data Protection update within the Bridgenders mailing tool, though when viewed this update did not explicitly inform staff of the DPO appointment. The DPO recently begun GDPR Practitioner Certification training w/c 14 May 2018, which was expected to be completed in 5 weeks' time.

The DPO was unaware of the Information Management Strategy (version 2015), which holds old versions of the Data Protection & Security Breach Policies and Procedures as well as designating the responsibility of DPO to the Monitoring Officer. The DPO was made aware of this document and they advised that they would be update the document.

At present, Freedom of Information requests are not published on the Council's website. A project plan is underway to add more information to the new website, which the DPO expects to lessen the number of FOI requests received.

During the original audit it was identified that some timescales relating to staff records within the Data Retention Schedule did not match the Retention Guidelines for Local Authorities. It was advised that HR are still in the process of determining the appropriate retention guidelines for the issues raised. Once fully completed, all revised Privacy notices will be published via the Intranet and on the Public facing website. When discussed with the DPO, this was due to go ahead on 25th May 2018, but on review of the Intranet, this is yet to occur.

The DPO provided the following statistics in relation to Council staff who have completed the new GDPR training:
Corporate staff: 21% completed, 79% not completed
Schools: 9% completed, 91% not completed.

The DPO explained that these figures were representative of a full head count, however not all staff would be receiving the new GDPR e-module training, only those who process personal data as part of their role. Statistics in relation to those members of staff who process personal data were requested however it was advised it was not possible to provide this information. This indicates that there has been no formal identification of the quantity of existing staff who are to take the GDPR training at the Council.

ICT Structure	Low Risk

Previous findings:
The ICT structure chart was provided; however, this did not outline the responsibilities/detailed scheme of delegation within the ICT department. Due to no further information regarding ICT roles, we were unable to conclude as to the structure/scheme of delegation of the ICT or Information Management functions at the Council.

Follow up review findings:
The Group ICT Manager advised that no decisions effecting the ICT Service as a whole would be made without their approval. It was explained that there is a Scheme of Delegation within the Council's Constitution document which applies to all Group Managers at the Council, although on viewing the Constitution, this was not found to be the case.
The structure chart provided in the original review is the Service's means of identifying the delegation of authority, along with HR job descriptions which provide further detail of the roles duties/responsibilities. These were provided for the Group ICT Manager, the Data & Network Services Manager and the Systems Manager.

The post of Unified Services Manager is currently vacant and has been since the promotion of the Group ICT Manager who previously held the role. The Unified Services Manager post is currently being supported by the Data & Network Services Manager and the Group ICT Manager.

Policy, Procedures & Training	Medium Risk

Previous findings:
ICT Policy/Strategy and Code of Conduct documents are available via the Intranet, however most of the documents were found to be out of date and without document control.

Some policies were available in Welsh language, however this not for the entire suite. There was also no consideration for the equality/diversity of ICT in relation to the Discrimination Act, regarding alternative equipment/assets or staff procedures.

Follow up review findings:
The suite of ICT & Information Management Policies and Codes of Conducts still required review at the time of follow up review.

Generally, policies are distributed to staff during the Corporate Induction at the beginning of their employment, which would be signed for on completion of the module on their Corporate Induction Record. Codes of Conduct are delivered as a mandatory e-learning module as part of this process. The exact ICT policies required would be determined by the role of the new member of staff. During employment, updates and newly created policies are communicated via email for Service Managers to disseminate to their teams or via the Bridgenders mailing service. The relevant Intranet page would also be updated to reflect the change.

On top of the mandatory training for ICT staff, specialised ICT roles receive further coaching/training via their peers and have accessibility to specialised accreditation pathways. The Group ICT Manager explained that the ICT Services department advocate using apprentices to develop their teams specialisms and foster a good learning culture.

Training matrices were viewed for both the Unified Services and Systems teams within the ICT Service. Both identified areas of Mandatory training that had not been completed for ICT, Safeguarding, Fire Safety and Violence Against Women, Domestic Abuse & Sexual Violence (*VAWDASV*), some of which was not completed for the Support and Digital Officer Manager amongst other staff currently in post.

PSN Compliance	Medium Risk

Previous findings:
Although it was advised that regular PSN check testing is performed internally, we were unable to view a copy of the most recent compliance certificate at the time of the audit and the improvement plan was too vague to confirm implementation of any recommendations, as no timescales or accountabilities were identified in the plan.

Follow up review findings:
As informed by the Group ICT Manager, the previous PSN assessment had expired at the time of the original Healthy Organisation review in April 2018. It was explained that this was due to a changeover of responsibility for ensuring its compliance in the Service, as well as a lack of notification by the PSN Assessors. A PSN review was undertaken at the end of April 2018, as soon as possible following it being identified that the previous certificate had expired. The Group ICT Manager provided the remedial actions tracker for 2017/18 during the original Healthy Organisation review and also the new

remedial actions tracker for 2018/19's review. At the time of testing the 2018/19 tracker and Assessors PSN report had been sent for approval, but that it may not be returned for a few months, as such there had not yet been a decision on whether the PSN actions suggested by the Service yet had been approved yet. It was agreed by the Head of Internal Audit that we would conclude the report on her satisfaction that the PSN was in hand and had been sent for approval.

Details taken from the ICT Service's 2018/19 PSN remedial actions tracker are outlined below:

Risk Level	Total Actions Required	Actions Completed
High	35	7
Medium	16	3
Low	16	0

*figures correct as of 13 June 2018.

The total high-risk actions to be taken is 35, compared to a total of 40 high-risk actions to be taken from the previous assessment. The total medium-risk actions to be taken is 16, compared to a total of 24 from the previous assessment. The total low-risk actions to be taken is also 16, compared to 0 within the previous assessment. The total number of high-risk actions to be completed has fallen compared to the previous year's report, and there has been the addition of new columns in the tracker to assist with monitoring responsibility for completing actions, as well as deadlines and comments left by those responsible.

There are plans for PSN compliance to be phased out across the Public Sector, however it was confirmed that PSN compliance will be adhered to until the point in which the Council no longer utilise services via PSN.

Business Continuity & Disaster Recovery	Low Risk

Previous findings:
We were unable to conclude a full opinion regarding a critical application list, having not been able to view the Configuration Management Data Base (CMDB). The ICT Business Continuity Plan provided did not identify which applications are critical, but did identify application 'owners', contact details for the application suppliers, alternative systems and which servers the application related to. It was noted that the ICT BCP was last reviewed during May 2016. It was advised that there is a printed copy of the ICT Business Continuity Plan held in a fire safe within the Civic Offices. The Group ICT Manager also confirmed that the applications list is not under a regular review process and had not been updated since it was compiled three years ago.

Regarding the Corporate Business Continuity Plans for the Council, the tests could not be concluded as there were no documents identified/provided. The Group ICT Manager confirmed that there are Service/Directorate Business Continuity Plans, but the ICT Plan does not feed into an overarching Corporate Continuity Plan.

Follow up review findings:
Directorate/Service Business Continuity Plans
As previously confirmed, there is an applications list within the ICT BCP, but not within the CMDB. 'Critical' applications are identified within the ICT Business Continuity Plan as 'Tier 1' systems. The Group ICT Manager explained that while most applications are accounted for within the ICT Business Continuity Plan, Directorates should include the applications that they use within their own Directorate Business Continuity Plans and Disaster Recovery Plans. It was also identified by the Group ICT Manager that the ICT Plan has no link with the Corporate Business Continuity Plan, and we were not able to locate a Corporate Business Continuity Plan via the staff Intranet.

One other Business Continuity Plan was made available at the time of the previous audit, for the Social Services & Well-Being Directorate. This document was out of date (due for review in Jan 2016), and did not provide a list of applications used by the Service, nor a plan to follow if applications (for example the DRAIG database) become unavailable. Neither did it link to the ICT BCP server recovery type plans for these applications.

Corporate Business Continuity Plans
The owners of the Major Incident Plans for the Council are the Emergency Planning Team, with the Emergency & Electoral Team Manager responsible for their review and relevant planning. The Emergency & Electoral Team Manager provided the most recent revision of the Strategic Major Incident Plan, Recovery Plans and the Emergency Incident Control Plans; as well as the Corporate (Strategic) Business Continuity Plan. The Corporate Business Continuity Plan for the Council is in place to ensure that during a major incident occurring there are sufficient plans to keep services available to customers, such as bin collection, and other every day services.

The Major Incident Plans and supporting documents have recently been reviewed and, due to restructuring within the Council, there are plans to develop major incident training modules for Service Managers towards the end of 2018 regarding call outs, planning for recovery, and other related topics, to ensure that all necessary staff have sufficient knowledge. The Recovery Plan document outlines the responsibilities of all local Authorities in the case of a major incident and is currently in draft form (dated Feb 2018).

The Emergency & Electoral Team Manager also explained that there are Local Resilience Plans in place which sit beneath the Major Incident Plan, which are developed through seven different 'Category 1' members of local authorities (including Fire teams, Water Boards, and Health Care representatives) who work together at a Regional Planning Group to create recovery plans with regional collaboration.

The Council's Corporate Business Continuity Framework was last reviewed and updated in March 2018, by the Emergency Planning & Electoral Team Manager. The Corporate Business Continuity Framework is supported by individual Directorate plans with more detail on how each directorate will run its own services in the event of a crisis affecting how the Council deliver business as usual. The Framework identifies the Corporate Management Board as the Crisis Management Team and sufficiently outlines teams varying responsibilities if the Plan was to be activated. Contact and distribution list details are not held within this document, but separately by the Emergency Planning team, which would be distributed as necessary when an incident occurred.

It is expected that each service area would hold information regarding emergency response within their own Business Continuity Plan, which was found to be the case within ICT and Social Services & Well-Being. The ICT and Social Services BCPs viewed were both found to be out of date/due for review at the time of testing, with the Social Services plan not identifying their critical/other applications to be bought back in the event of failure. Business Continuity Plans for the remaining service areas were not reviewed as part of this work.

Security Breaches	Medium Risk

Previous findings:
The Group Manager for ICT confirmed that the DPO and SIRO monitor security breaches at the Council, deciding on which to report to the ICO and monitoring breaches once reported via a central spreadsheet. The Data Security Breach spreadsheet was not provided for audit testing.

The Strategy/Codes of Conducts and mandatory Data Protection training in place appeared to be robust enough to ensure that breaches are reported and monitored, however these required reviews to align with the implementation of GDPR.

Follow up review findings:

The Security Breach Incident Tracker was provided by the Group ICT Manager. It was advised that it is stored within the Councils O: Drive, of which only certain users can access (DPO, SIRO and the Business Managers).

One case of a laptop theft was discussed during an audit interview with the Group ICT Manager, who explained that the incident was reported to the ICO, who took no further action due to the laptop's encryption. Another instance was discussed regarding a significant breach which took place in late 2016, which lead to a member of staff being suspended pending further investigation/action. It was advised that the incident was being dealt with by HR and had not yet reached a conclusion.

The ICT Service Desk can be used to log security breaches, however they do not hold full details of the incident investigation, which are signposted to the relevant 5 Business Managers to follow up confidentially. The Security Incident Breach tracker is then updated with the cases progress. Upon review of the tracker, it was found that a lot of information was missing from various columns. The tracker holds all security breach information since 2001, but only a handful of entries in total have been identified with a "Security Breach Ref #".

Within the details tab of the tracker there was little information regarding whether the actions (if any) put in place were completed, by whom, the date of completion and whether any further monitoring was being implemented to address any potential for the incident to reoccur and/or affect other areas of the Council.

Guidance is not easily identifiable within the Bridgend staff intranet as to how to report a data security breach. There is information regarding reporting a Security Breach within the Information Management Strategy as an appendix; however this document is out of date (last reviewed in 2015). It is not possible to tell from the Security Breach Incident Tracker whether the process explained within the Information Management Strategy appendix has been followed as there is insufficient information kept within the tracker to conclude this.

During the audit testing completed in the original Healthy Organisation review, it was identified by the Group ICT Manager that there was a mandatory ICT training module for staff members, as well as a Data Protection mandatory module during staff inductions, to ensure that the data breach protocol is communicated to all staff members.

Appendix A - Mapping Areas for Attention to 2018/19 Internal Audit Plan

Theme	Area for Attention	Update
Information Management-Performance	The Corporate Director for Operational & Partnerships Services should ensure Corporate oversight and analysis of ICT Performance is on the CMB agenda if appropriate and that KPIs are further reported to Council at the quarterly committee meetings.	Complete – performance is monitored on line.
Information Management-Performance	The Group ICT Manager should consider implementation of more formal Performance review within the ICT Service.	Actioned. Current methods are deemed appropriate.
Information Management-Asset Management	The Group ICT Manager should develop an asset management plan for the ICT Service.	Already in place.
Information Management - Legislation - GDPR	There is concern over whether there are any plans to appoint a new SIRO. The Executive Director should ensure that this role has been passed on to a suitably senior member of the Management team.	This has already been actioned with the Monitoring Officer covering the SIRO role.
Information Management-Legislation - GDPR	The SIRO should consider whether the unofficial appointment of the DPO is appropriate, and how staff could be more explicitly made aware of who is responsible/ the main point of contact for the role of DPO.	This has already been actioned and an appropriate appointment made which was clearly disseminated to staff via Bridgenders.
Information Management-Legislation - GDPR	The DPO should consider a more formal approach to recording the remaining progress of GDPR implementation, as without this information it would be difficult to effectively prove that GDPR implementation was underway in a timely manner, and in accordance with the implementation deadlines which are not currently documented in formal plans.	A GDPR implementation Board was established with key representation from each Directorate. It has been accepted that formal minutes should have been taken;
Information Management – Legislation - GDPR	The SIRO and DPO together should consider whether the current stance to not publish FOI requests and responses via the Councils website shows sufficient compliance with the Local Government Transparency Act and formally risk assess the impact of not publishing FOI's online.	There is an FOI Publication Scheme on the intranet which publishes FOI responses that we consider would be of interest to the public. The team are currently reviewing the Publication Scheme with a view to publishing more FOIs
Information Management – Legislation - GDPR	The DPO should ensure that the Retention Guidelines within the amended Data Retention Schedule are correct and in accordance with statutory requirements.	The Data Retention Policy has been reviewed in light of GDPR and was approved by Cabinet in January 2018;
Information	The DPO should ensure that revised	Complete

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Theme	Area for Attention	Update
Management – Legislation - GDPR	Privacy Statements are made available via the intranet and public facing website.	
Information Management – Legislation - GDPR	The SIRO and DPO should ensure that staff who have not completed the updated GDPR training are mandated to do so.	GDPR training – this is a set agenda item for the IG Board. The completed lists are reported and each Business Manager is then required to chase those within their Directorate who are yet to complete it;
Information Management - ICT Structure	The Corporate Director for Operational & Partnership Services should consider whether there is enough clarity within guidance and structure documentation at the Council, to allow for transparency regarding who holds important Information Governance roles and responsibilities.	Already in place. Some updating is required but this is low risk and therefore not high priority.
Information Management - ICT Structure	The Information Management Strategy was seen to not have been reviewed since May 2015 and having viewed the document it is unclear who would be responsible for reviewing this Strategy. The document should be reviewed to reflect the Information Governance roles not otherwise described within the current version, as well as to reflect changes to Council processes in light of the GDPR implementation; including the delegation of a new DPO, and the updated Data Protection and Security Breach Policy appendices.	The Information Management Strategy is currently being reviewed by Legal as it is felt that it appropriately sits with Legal.
Information Management – Policy, Procedures & Training	The Group ICT Manager should review all ICT Policies and Procedure documents to ensure that they are up to date and reflect the current day ICT Service procedures, as the versions available within the staff intranet dated back to 2009 in some instances. A regular review plan should also be put in place to prevent the documents being out of date in future.	Complete
Information Management – Policy, Procedures & Training	The Group ICT Manager should ensure Service-wide mandatory training has been completed for staff in ICT.	Complete
Information Management – PSN Compliance	The Group ICT Manager should satisfy himself that the next PSN assessment due date is within calendar reminders and work plans of those responsible for ensuring compliance, to avoid expiration	The Group Manager is satisfied. PSN is being replaced by Cyber Essentials Plus.

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Theme	Area for Attention	Update
	of the 2018-19 certificate prior to booking the next assessment.	
Information Management – PSN Compliance	The Group ICT Manager should ensure that deadlines allocated to "High" risk PSN Assessor recommendations/actions are adequate.	All high risks are actioned immediately therefore no recommendations or actions are outstanding.
Information Management – PSN Compliance	The Group ICT Manager should consider whether the recurring issues have been addressed with adequate actions which will lead to the mitigation/eradication of the risk recurring a third time.	This is being considered and will be addressed when the Data-centre is moved to Ravenscourt.
Information Management – Business Continuity & Disaster Recovery	The Group ICT Manager should ensure the review of the ICT Business Continuity Plan goes ahead in Summer 2018 to bring the Plan up to date and to clarify the identity of 'critical' applications within the applications list.	This is being considered and will be addressed when the Data-centre is moved to Ravenscourt.
Information Management – Business Continuity & Disaster Recovery	The Corporate Director for the Social Services and Well-Being Directorate should ensure that the Business Continuity/Disaster Recovery Plans for their services are updated and contain an Emergency Plan in light that their Services critical ICT applications should fail. They should link to the ICT Business Continuity Plan with regards to Recovery of their applications.	As above – this will be actioned as part of the update
Information Management – Business Continuity & Disaster Recovery	The Corporate Director for Education and Family Support should ensure that they hold adequate and up to date Business Continuity and Recovery Plans for their Directorate's Services in the event of a major event or disaster.	As above – this will be actioned as part of the update.
Information Management – Business Continuity & Disaster Recovery	The Corporate Director for Communities should ensure that they hold adequate and up to date Business Continuity and Recovery Plans for their Directorate's Services in the event of a major event or disaster.	As above – this will be actioned as part of the update.
Information Management – Business Continuity & Disaster Recovery	The Corporate Director for Operational and Partnership Services should ensure that they hold adequate and up to date Business Continuity and Recovery Plans for their Directorate's Services in the event of a major event or disaster.	No longer applicable. Will cover the Directorate of CEX – Resources and included as above.
Information Management – Security Breaches	The SIRO should ensure that access to the Data Security Breach Incident tracker is adequately access-restricted.	This is already appropriately access-restricted.
Information Management – Security Breaches	The DPO should ensure that the process in place for recording breaches into the Data Security Breach Incident tracker is	Already actioned and monitored by the DP officer.

Theme	Area for Attention	Update
	sufficient to record all information required about who is reporting and logging the breach, the timescales of action completion, KPI information, and reporting to the ICO; and ensure that reference numbers are assigned to each incident within the log that are reflected on its accompanying investigations and related documents completed by the investigating managers.	
Information Management – Security Breaches	The SIRO and relevant Business Managers should ensure that all of their relevant actions in relation to security breaches have been or are being implemented, and these actions are reviewed and monitored to ensure effectiveness in mitigating/eradicating the risk of recurrence.	DPO – there is a Code of Practice for Data Breaches available for staff on the intranet which outlines the new process in light of GDPR. All data breaches are recorded in Legal and should also be held by the relevant Business Manager. Data Breaches is a set agenda item for the IG Board so that breaches can be discussed with a view to ensuring such breaches do not recur.
Information Management – Security Breaches	The SIRO should ensure that the Data Security Breach Procedures are clearly accessible via the staff intranet, with old versions being removed to avoid confusion.	See above.

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Distribution List

This report was distributed to:

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Statement of Responsibility

Conformance with Professional Standards

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SWAP Responsiblity

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Please note that this report has been prepared and distributed in accordance with agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person.

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 DECEMBER 2018

REPORT OF THE CHIEF INTERNAL AUDITOR

UPDATED FORWARD WORK PROGRAMME 2018/19

1.   Purpose of report

1.1   The purpose of this report is to present to Audit Committee the updated Forward Work Programme for 2018/19.

2.   Connection to corporate improvement objectives/other corporate priorities

2.1   This report assists in the achievement of the following corporate priority/priorities:

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's 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 and approve 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 is given by the Committee to all aspects of their core functions the updated Forward Work Programme for 2018/19 is attached **at Appendix A.**

5.   Effect upon policy framework and 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.   Well-being of Future Generations (Wales) Act 2015 implications

7.1   The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8.   Financial implications

8.1   There are no financial implications arising from this report.

9.   Recommendation

9.1   That Members consider and note the updated Forward Work Programme for 2018/19.

Helen Smith
Chief Internal Auditor
13th December 2018

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Background Documents
None

AUDIT COMMITTEE
SCHEDULE OF MEETINGS AND FORWARD WORK PROGRAMME
2018 - 2019

PROVISIONAL DATE OF MEETING	FORWARD WORK PROGRAMME	OFFICER RESPONSIBLE	UPDATE
2018			
28th June	**Information and Action Requests (if applicable).**	**Chief Internal Auditor (CIA)**	**N/A**
	Updated Forward Work Programme 2018/19.	**CIA**	**Completed**
	Pre-audited Statement of Accounts 2017/18.	**Head of Finance**	**Completed**
	Draft Annual Governance Statement 2017-18	**Head of Finance**	**Completed**
	Treasury Management Outturn 2017/18	**Head of Finance**	**Completed**
	Proposal to Incorporate the Shared Internal Audit Service (RIASS) into a Larger Service Hosted by the Vale of Glamorgan Council to Include Two Additional Councils	**Head of Finance**	**Completed**
	Incident and Near Miss Reporting Procedure (Excluding Health and Safety)	**Head of Finance**	**Completed**
	Community Action Fund 2017-18 Update	**Head of Finance**	**Completed**
	Audit Committee's Term of Reference	**Head of Finance**	**Completed**
	External Auditors / Inspection Reports (where applicable).	**Head of Finance / WAO**	
	IASS Outturn Report April and May 2018. Together with progress against Plan.	**CIA**	**Completed**
	Healthy Organisational Review	**CIA**	**Completed**
6th September	**Information and Action Requests**	**CIA**	**N/A**
	Updated Forward Work Programme	**CIA**	**Completed**
	Statement of Audited Accounts and Final Annual Governance Statement 2017/18	**Head of Finance / WAO**	**Completed**
	Internal Audit 4 months Outturn Report April to July 2018, progress against plan	**CIA**	**Completed**
	External Auditors / Inspection Reports (where applicable).	**Head of Finance / WAO**	
15th November	**Up dated Forward Work Programme**	**CIA**	**Completed**
	Information and Action Requests (where applicable)	**CIA**	**N/A**
	Risk Management	**Head of Finance / Risk & Insurance Officer**	**Deferred to December**
	Update on Community Action Fund	**Head of Legal and Regulatory Services**	**Deferred to December**
	Treasury Management Half Year monitoring report 2018-19	**Head of Finance**	**Completed**
	Internal Audit Outturn Report – April 2017 to September 2018.	**CIA**	**Completed**
	Healthy Organisation Review – Information Management follow up	**CIA**	**Completed**
	Incident & Near Miss Procedure	**Head of Finance**	**Deferred to December**
	External Auditors / Inspection Reports (where applicable). **Annual Audit Letter 2017/18**	**Head of Finance / WAO**	**Completed**

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	Annual Improvement Report 2017/18 Performance Work update – 2018/19 Service User Perspective of Disabled Facilities Grants		
13th December			
	Risk Management (including Incidents / Near Misses)	Head of Finance / Risk & Insurance Officer	**Submitted**
	Update on Community Action Fund	Head of Legal and Regulatory Services	**Submitted**
	External Auditors / Inspection Reports (where applicable). **Certificates for both the annual audit and performance assessment.**	Head of Finance / WAO	**Submitted**
	Healthy Organisation Review – Action Plan Update	Head of Finance	**Submitted**
	Re-presentation of the Healthy Organisation Review – follow up Information Management	CIA – ICT Group Manager	**Submitted**
	Updated Forward Work Programme	CIA	**Submitted**
2019			
17th January	**Up dated Forward Work Programme**	CIA	
	Internal Audit 8 months Outturn Report April – November 2018	CIA	
	External Auditors / Inspection Reports (where applicable)	Head of Finance / WAO	
	Corporate Risk Assessment 2019-20	Head of Finance	
	Fraud Update	Head of Finance / Benefits Manager.	
	Corporate Fraud Framework	CIA	
	Treasury Management Strategy 2019-20	Head of Finance	
	External Auditors / Inspection Reports (where applicable). **Performance Work Update – 2018/19**	Head of Finance / WAO	
18th April	**Updated Forward Work Programme**	CIA	
	Proposed Forward Work Programme 2019-20.	CIA	
	Internal Audit proposed Annual Strategy and Audit Plan 2019-2020.	CIA	
	Internal Audit Shared Service Charter 2019/20	CIA	
	Draft Head of Audit's Annual Opinion Report and outturn for the Year 2018/19	CIA	
	External Auditors / Inspection Reports (if applicable): - **External Audit Plan 2019/20** **Certification of Grants and Returns 2017/18** **Performance Work Update – 2018/19**	Head of Finance / WAO	

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By virtue of paragraph(s) 12, 13, 18 of Part 4 of Schedule 12A of the Local Government Act 1972.

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