

**2016/17 Completed Audits**

**Reported at the 26<sup>th</sup> January 2017 Audit Committee Meeting**

Report Title	System Overview	Department & Directorate	Work Finalised	Audit Days	Key Messages	Audit Opinion
Townscape Heritage Initiative	<p>The Townscape Heritage Initiative (THI) is a building improvement grant scheme run by the Heritage Lottery Fund (HLF). Its main objective is to improve the image and character of the architecture through building repairs; reinstatement of architectural details; and bringing vacant floor space back into use.</p> <p>The BCBC Corporate Plan 2016-2020 has identified the objective <i>'To create successful town centres'</i> as one of its strategic priorities <i>'Supporting a Successful Economy'</i>. The THI has been identified as one of the key projects to deliver this objective over the next four years.</p>	Regeneration & Development, Communities Directorate.	October 2016	15	<p>No significant issues were identified during the course of the audit. Only one minor issue was identified with the timeliness of grant monies of £40k from the Heritage Lottery Fund which has taken up to 2 and half years to be received.</p> <p>A number of strengths and areas of good practice were identified as follows:</p> <ul style="list-style-type: none"> <li>▪ Both Bridgend and Porthcawl THI Projects were evidentially supported to demonstrate compliance with the Council's Grant Policy and Financial Procedure Rules.</li> <li>▪ Individual applications for grant funding were supported by evidence to demonstrate compliance with the Heritage Lottery Funding terms and conditions.</li> <li>▪ There is evidence to support the review and approval of Applicant's Quantity Surveyor reports and invoices prior to payment.</li> <li>▪ Grant claims to the Heritage Lottery</li> </ul>	Substantial

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					Fund are evidentially supported and approved in accordance with the Council's Grant Policy.	
Corporate Change Fund	<p>A Strategic Change Management fund of £1M was approved by Council in 2013 as part of the 2013/14 Medium Term Financial Strategy (MTFS). This fund was originally established from earmarked reserves in order to enable services to access support to facilitate the projects required to contribute to the achievement of the Bridgend Change Programme, which links to the MTFS budget reduction proposals.</p> <p>A further £500K was added to the fund following approval from Corporate Management Board and during 14/15 the balance of the Service Pressures Contingency Reserve was transferred to the fund in order to meet the potential costs of the programme providing the current overall fund total of £2.788m.</p>	Chief Executive & Finance	October 2016	10	<p>The key area of concern identified during the audit related to a lack of information relating to actual savings achieved or updates to estimated savings to demonstrate the effectiveness of the fund.</p> <p>Recommendations have been made in the following areas:</p> <ul style="list-style-type: none"> <li>▪ Management should request on-going updated information relating to projects where savings estimates have been used as part of the application process to ensure that estimated savings remain a realistic target.</li> <li>▪ All applications made are on the standard documentation and retained for future reference.</li> </ul>	Reasonable
Built Environment Process	A review of the procedural document reference BPM 1.0 process followed for the	Built Environment,	December 2016	20	Whilst reasonable assurance has been provided it is noted that due to staff shortages within the section, processes	Reasonable

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Review	<p>procurement of work orders of £5,000 and above was undertaken as part of the 2015/16 annual Internal Audit Plan. At the time of that review it was noted that there were insufficient completed jobs to test, to be able to provide comprehensive assurance that the BPM 1.0 process is working effectively since the switch to electronic working in March 2015. Therefore, a further review was undertaken as part of the 2016/17 Internal Audit Plan.</p>	<p>Education &amp; Family Support Directorate.</p>			<p>appear to have slipped and the completion of documents worsened since the time of the previous audit review in November 2015.</p> <p>During the audit, a number of Merits Attention recommendations were made because there were several instances where documents were either not retained or had not been completed in full, for example, BM05 order process document, BM02 project action checklist and practical completion certificates. It was felt that if independent file checks were taking place, these issues would have been detected and rectified before the job could progress to the fully completed stage. Whilst the issues surrounding incomplete documentation have been categorised as merits attention recommendations within this report, it is thought that if file checks continue to not take place and the BPM 1.0 process continues to slip, it could result in more significant control issues in the future.</p>	

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Supporting People Grant Verification	<p>The Supporting People Programme began on the 1st April 2003, bringing together seven housing-related funding streams from across central government. It provides housing-related support to help vulnerable people to live as independently as possible. This could be in people's own homes or in hostels, sheltered housing, or other specialist supported housing. It also provides complementary support for people who may also need personal or medical care.</p> <p>As part of the 'Audit Requirements' set out in Section 11 of the Terms and Conditions issued by Welsh Government on 12th June 2014, the Council's Chief Internal Auditor or the Chief Finance Officer is required to certify the Audit Certificate confirming that the entries have been fairly stated and that expenditure has been properly incurred in accordance with the offer of grant.</p>	Regeneration, Development and Property Services,  Communities Directorate.	Sept 2016	8	<p>During the Audit a number of strengths and areas of good practice were identified as follows:</p> <ul style="list-style-type: none"> <li>▪ Payments to a Service Provider had been correctly stopped in line with the contract ending.</li> <li>▪ All payments made to suppliers sampled by the Auditor were correct on the financial ledger.</li> </ul> <p>The key issue identified during the audit was that the check for duplicate outcomes was not correctly performed for both periods of the grant meaning these were overstated on the returns to the Welsh Government. A recommendation was made to rectify this.</p>	Reasonable