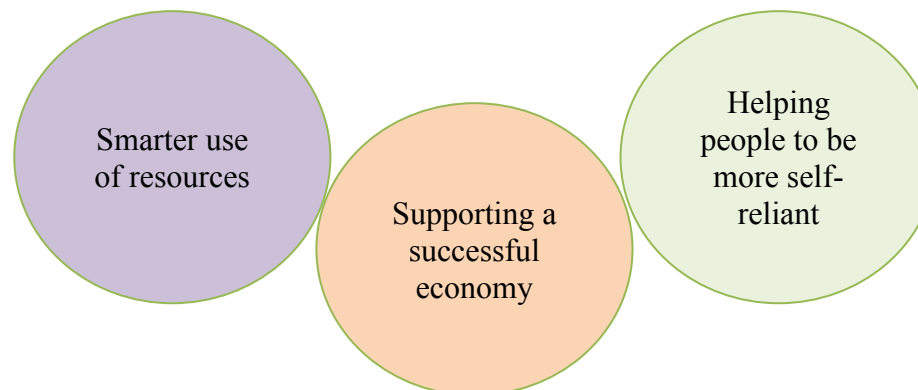


Partneriaeth Pen-y-Bont a'r Fro  
Bridgend & Vale Partnership  
working together - gweithio ar y cyd



**BRIDGEND COUNTY BOROUGH COUNCIL WORKING TOGETHER TO IMPROVE LIVES**

**INTERNAL AUDIT SHARED SERVICE  
DRAFT ANNUAL AUDIT PLAN FOR FINANCE WITHIN THE CHIEF EXECUTIVE'S  
DIRECTORATE**

**2017 – 2018**

**Bridgend CBC**

## **1. Introduction**

- 1.1 The Chief Executive (CEX) - Finance Directorate's primary function is to support the rest of the organisation in the delivery of its priorities. The Directorate is responsible for the effective planning and management of all the Council's Finances. In addition they are responsible for the administration of council tax and housing benefit payments.
- 1.2 The Directorate will continue to support other directorates in the delivery of the Bridgend Change Programme and the Medium Term Financial Strategy, whilst also continuing to deliver its own improvement objectives and budget reduction requirements. The Service's overall aim is to continue to provide the best support it can over the coming year, focusing on their efforts on making best use of limited resources at all times.
- 1.3 In 2017-18 Bridgend County Borough Council will have a gross budget of nearly £400 million and a capital programme of currently £42.029 million to support its core business and the corporate priorities. Whilst the 2017-18 budget settlement is favourable compared to recent years, there is considerable uncertainty around "Brexit" negotiations and the Council is going to be expected to achieve budget reductions of nearly £34 million from 2017-18 to 2020-21. The Council's Medium Term Financial Strategy sets out how it will achieve its corporate priorities and statutory duties whilst meeting budget reductions and managing financial pressures and risks over the next four years.
- 1.4 Improving educational attainment remains very important to the council and ongoing improvement in this area forms part of a wider objective in raising skills and attainment more generally. The Council's Corporate Plan highlights the Council's commitments whilst recognising that core and statutory services will continue to receive attention including the Council's work as a planning authority, maintain highways and public transport; refuse collection, street cleaning, revenues and benefits, public protection and sports, arts and libraries.
- 1.5 The Council continues with its commitment to the Transformation Programme, strong financial management and performance management and robust business planning and service planning.

## 2. Improvement Priorities for 2015-17

2.1 Bridgend County Borough Council recognises that it will have to make significant changes to the way they think and operate in order to meet the significant challenges ahead – not least the increasing demands made on many of the Council’s services, against the background of a shrinking budget. The Council has a clear and simple vision and that is, always to act as:-

**“One Council working together to improve lives”.**

2.2 The Council’s values have not changed and continue to represent what the Council stands for and influences how they work. The Council’s values are:-

- **Fair** – taking into account everyone’s needs and situation;
- **Ambitious** – always trying to improve what we do and aiming for excellence;
- **Citizen-focused** – remembering that we are here to serve our local communities;
- **Efficient** – delivering services that are value for money.

2.3 The Council has also identified three well-being outcomes that will be their focus over the coming four years. These outcomes are intended to improve the quality of life of people in the County while significantly changing the nature of the Council. The three outcomes are as follows:

<b>Supporting a successful economy</b>	<b>Helping people to become more self-reliant</b>	<b>Smarter use of resources</b>
A successful, sustainable and inclusive economy that will be supported by a skilful, ambitious workforce.	Individuals and families that will be more independent and less reliant on traditional Council services.	A Council that has lean, robust processes and a skilful workforce. A supported third/community sector with the opportunity to take on services that meet citizens’ needs.

### **3. Wellbeing Objectives**

3.1 In April 2016, the Well-being of Future Generations (Wales) Act 2015 came into effect. The Act is about improving the economic, social, environmental and cultural well-being of Wales. It places a duty upon all public bodies to apply the principles of sustainable development to ensure that present needs are met without compromising the ability of future generations to meet their own needs. The Act sets out seven long-term national goals:-

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales.

3.2 The Act requires Councils to do things differently, applying sustainable development to everything they do. BCBC are committed to the sustainable development principles, always acting in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their needs. The five ways of working defined by the Act – long term, prevention, integration, collaboration and involvement – will underpin everything the Council does and will help to improve the well-being of the area and make the county borough a good place for people to live, work, study and visit.

### **4. Corporate Priority Outcomes**

4.1 The following table outlines the three priority outcomes set by the Council and what will help to achieve these aims.

Priority	Description	Key Projects and Programmes
<p><b>One – supporting a successful economy</b></p>	<p>This means the Council will take steps to make the county a good place to do business and to ensure that schools are focused on raising the skills, qualifications and ambitions of all people in the county.</p>	<p><b>City Deal</b> – Working with neighbouring South East Wales Councils, we are seeking a ‘City Deal’ from the UK and Welsh Government which could result in around £1 billion investment in major capital projects in the Cardiff City Region over the next 10-15 years.</p> <p><b>Strategic Review of Post 16 Education and Training</b> – A strategic review to evaluate education provision and curriculum delivery with Bridgend College to ensure that there are clear options available to provide the best possible opportunities for learners in Bridgend.</p> <p><b>Successful Economy Programme</b> – key regeneration and local development schemes including: - Vibrant and Viable scheme with external funding of £9.6 million, which is redeveloping the Rhiw Car Park in Bridgend and creating an affordable housing in the heart of the town centre by converting vacant space over shops into accommodation.</p> <p><b>Alignment of the Welsh Government Grants</b> – The Council will streamline and make flexible use of major grants to support families through early help and to address poverty.</p>
<p><b>Two – Helping people to be more self-reliant</b></p>	<p>This means the Council will take early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.</p>	<p><b>Remodelling Social Care:-</b>                      This is a large programme which includes recommissioning adult home care, developing extra care and information and advice services for people and their carers.                      Working with partners creating a Multi-Agency Safeguarding Hub as a single point of contact for all safeguarding concerns.                      Looking at existing models of residential care for children and young people and respite care for children with disabilities in order to make them more targeted and more effective.  <b>Community Asset Transfer</b> – transferring assets to communities to manage while making the most of the assets retained.</p>

<p><b>Three – Smarter use of resources</b></p>	<p>This means the Council will ensure 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.</p>	<p><b>Digital Transformation Programme</b> – changing the way the Council operates to enable customers to access information, advice and services on line.</p> <p><b>Rationalising the Council's estate</b> – disposing of assets, transferring assets to communities to manage while making the most of the assets retained.</p> <p><b>Schools' Modernisation Programme</b> – investing in a sustainable education system in school buildings that reduces cost and their carbon footprint.</p>
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**5. Corporate Priorities – CEX - FINANCE**

Council Priority	Objective	Finance - (Actions)
<p><b>One – Supporting a successful economy</b></p>	<p>To help local people develop skills and take advantage of opportunities to succeed and to extend that success to every community in the County Borough.</p>	<p>Continue to work with the Cardiff Capital Regional skills and employment Board and other BCBC led projects to help shape employment opportunities, including continuing to capture apprentice opportunities, and develop a skilled workforce to meet those needs.</p>
<p><b>Two – Helping people to be more self-reliant</b></p>	<p>To support the third sector, town and community councils and community groups to meet local needs.</p>	<p>Work with partners and the third sector to identify the best way of providing services within local communities.</p>
<p><b>Three – Smarter use of resources</b></p>	<p>To achieve the budget reductions identified in the MTFs.</p>	<p>Implement the planned budget reductions identified in the 2016-17 budgets.</p>
	<p>To improve the efficiency of and access to services by redesigning our systems and processes</p>	<p>Increase the number of citizens using our online system to manage their council tax and housing benefit accounts and deliver financial savings.</p> <p>Automate most common internal processes to reduce transactions costs and streamline processes.</p>
	<p>Other Directorate Priorities.</p>	<p>Carry out commercialisation projects. Supporting the Corporate Landlord model. Health and Safety / Wellbeing.</p>

## 6. Key Service Data

### 6.1 Staff

Service	2016/17 (01.05.16)		2017-18 (31.12.2016)	
	FTE	Headcount	FTE	Headcount
Benefits and Financial Assessments	37.94	43	40.86	48
Finance	52.07	55	53.17	57
Revenues	25.81	31	25.37	30
service	117.82	129	120.40	136

### 6.2 Finance

Budget	16/17	17/18	18/19	19/20	20/21
	Actual £'000	Actual £'000	Indicative £'000	Indicative £'000	Indicative £'000
<b>FINANCE</b>					
SENIOR MANAGEMENT	236	238	238	238	238
ACCOUNTANCY	1,452	1,451	1,401	1,401	1,401
RISK MGT & INSURANCES	93	94	94	94	94
EXCHEQUER	149	153	153	153	153
HOUSING BENEFITS ADMIN	697	661	661	661	661
TAXATION & SUNDRY DEBTORS	136	37	-38	-38	-38
PAYMENTS TO HB CLAIMANTS	52	22	-53	-53	-53
BANK CHARGES AND AUDIT FEES	404	404	356	308	308
GENERAL FUND	1	1	1	1	1
<b>Net Budget Total</b>	<b>4,237</b>	<b>3,886</b>	<b>3,638</b>	<b>3,570</b>	<b>3,570</b>
<i>NB: Further budget reductions still to be identified for 2018-19 to 2020-21</i>					

## 7. Corporate Risks

The Council assesses on an annual basis the major risks that will affect the ability to achieve the Corporate Priorities, provide services as planned and fulfil its statutory duties. The following high risks are owned by the Finance Services within the Chief Executive Directorate and are shown under each improvement priority.

Risk Description	Score
Making the cultural change necessary to deliver the Medium Term Financial Strategy.	24
Welfare Reform	18
Equal Pay Claims	16
Health and Safety	12

## 8. The Risk Assessment Process

8.1 The information which has been used to prepare the risk assessment and proposed internal audit plan for the CEX - Finance Directorate has been collected and collated from a number of different sources including the information contained above. The starting point for a risk based audit approach is an understanding of the Council's priorities and risks. This has been achieved by reviewing the Corporate Plan, Directorate's Business Plan, Corporate Risk Register and meeting / interviewing Corporate Directors and their Senior Management Teams asking where they perceive to be the main risks within their individual areas and where they would require internal audit to provide assurance that such risks are being effectively mitigated and managed. This information is used to inform and design the audit plan.

8.2 The plan is based on an underlying risk assessment. The inherent risks existing within each area are then identified for audit as part of the audit planning process. The audits which make up the plan have been assessed on priority. Internal Audit will ensure that all reviews classified as "high" risk, will be completed by the end of the year, "medium risk reviews are the next level down, but still require a scheduled review. Although "low" risk reviews still carry a degree of risk, these have not been included on the plan but continue to be risk assessed annually to take account of any changes in their status.



**9. Proposed Internal Audit Plan for the CEX - Finance Directorate 2017-18****CHIEF EXECUTIVE - FINANCE**

<b>Area</b>	<b>Identified Risk(s)</b>	<b>Type</b>	<b>Audit Scope</b>	<b>Total Days</b>
Core Financial Systems	H	Assurance	<p>The audit priorities and objectives are determined taking a risk-based approach. The audits to be undertaken will be a blend of assignments with objectives primarily relating to issues of system compliance and those with objectives primarily aimed at driving improvement in economy, efficiency and effectiveness.</p> <ul style="list-style-type: none"> <li>Evaluating the controls within a system designed to prevent and / or detect fraud, irregularity or error, and to ensure that transactions are processed in accordance with Council policy, Finance and Contract Procedure Rules, legislation and the requirements of external bodies such as HM Revenues and Customs.</li> <li>Review a range of systems' intelligence to assess how well a system is achieving its objectives and overall desired outcomes, safeguarding the interests of the Council and achieving value for money.</li> </ul>	<b>60</b>
Automated Processes	H	Assurance	Review of automated processes to ensure a robust internal control environment.	<b>15</b>
Capital Assets (Capital Receipts)	H	Assurance	Review of arrangements to identify, monitor, control and report on Capital Assets including Capital Receipts.	<b>20</b>
Income Generation	M	Assurance	Maximisation of existing and identification of new income streams.	<b>20</b>
Performance Indicators	H	Risk	The validation of the Council's overall performance	<b>15</b>
			<b>Overall Total – CEX – Finance</b>	<b>130</b>