Update on Progress against Bridgend County Borough Council's Internal Audit Plan for 2017-18

Cross-cutting - BCBC

Area	Audit Scope	IASS Budget Days	Status
Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. To assist the Council in the production of the Annual Governance Statement.	10	**Allocated for Quarter 4**
Safeguarding	Case management of safeguarding incidents are dealt with in accordance with the Council's safeguarding policies and procedures. This review will also include an annual assessment of the Council's overall operating model for safeguarding; including reviewing the adequacy of assurances obtained by the Council in respect of safeguarding arrangements in place for vulnerable adults and children.	15	**Allocated for Quarter 4**
Transformational Change	Whilst recognising the need to generate savings, there is also a need to ensure that gaps in controls in key risk areas do not emerge as a result of transformation and that the necessary savings have been and are being achieved. This will be included within other reviews where appropriate.		**Allocate to SWAP as part of the Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning).**
Ethical Review	In accordance with the Public Sector Internal Audit Standards; review of procedures and standards in operation.		**Complete**
Bus Services Support Grant	To verify and validate grant claims as required.		**Complete**
Quality Assurance & Improvement Programme / Review of the Effectiveness of Internal Audit	To undertake a series of internal audits to ensure compliance with PSIAS. To review / ensure compliance with the Accounts and Audit (Wales) Regulations 2014 / Public Sector Internal Audit Standards (PSIAS).	5	**Contingency**

Emerging Risks / unplanned	To enable Audit Services to respond to provide assurance activity as required.	**10**	**Contingency**
Provision of Internal Control / Planning / General Advice	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority, including maintained school based staff.	**10**	**Contingency**
Audit Committee / Member and CMB Reporting	This allocation covers Member reporting procedures, mainly to the Audit Committee, plan formulation and monitoring, and regular reporting to, and meeting with, Corporate Directors, Corporate Management Board, the Internal Audit Shared Service Board and the Chair of the Audit Committee	**20**	**In progress**
External Audit Liaison	To ensure that a "managed audit" approach is followed in relation to the provision of internal and external audit services.	**5**	**Contingency**
Follow – Up	Where more serious concerns over the effectiveness of internal controls within the systems being reviewed are identified (and consequently an 'ineffective' or 'poor' opinion is provided at the time), a follow-up audit is undertaken at an appropriate time, allowing adequate time for the implementation of the recommendations but also taking into account the risk presented to the Council whilst the actions required remain open.	**10**	**In progress**
Recommendation Monitoring	Whilst it is management's responsibility to manage the risks associated with their outcomes / objectives, this allocation enables Internal Audit to monitor management's progress with the implementation of high priority recommendations.	**10**	**In progress**

Fraud / Error / Irregularity	**Irregularity Investigations** – Reactive work where suspected irregularity has been detected. **Anti-Fraud & Corruption** – Proactive – Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud. Developing fraud risk assessment in inform further areas for detailed focus (Fraud Risk Tools). **National Fraud Initiative** – Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers.	**20**	**Contingency**
Carried Forward Work from 2016-17	Provision for the assignments still In progress at the end of 2016/17		**Complete**
Review of IT Strategy	Internal Audit will undertake a review to provide assurances over the adequacy and effectiveness of the Strategy to deliver the Council's priorities.		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**
Partnerships / Collaboration	To review the Council's approach to governance over collaborative working / partnership arrangements. The areas to be covered will be developed during the year and will concentrate on: Evaluation of controls, Consistency of approach (taking into account factors such as proportionality and appropriateness) Relevance / meeting strategic (operational) objectives / outcomes.		**Defer to 2018/19 – However elements of this will be incorporated within the Healthy Organisation Review**
Risk Management	Robust risk management system is required to underpin delivery of Council objectives, compliance with legislation. Internal Audit review is also required to provide a balanced Annual Head of Audit Opinion that contributes to the Annual Governance Statement. Internal Audit will undertake a review of evidence to ensure that the Council has a fully embedded risk management system in place that identifies and considers risks to key strategic and operational objectives.		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**

COMMUNITIES DIRECTORATE

Area	Proposed Audit Scope	IASS Budget Days	Status
Waste	Review of waste management contract arrangements with emphasis placed on effective management of contracts and arrangements in place to respond to any changes in government legislation.		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**
Project / Contract Management	Assess the most important contracts under the direction of the Directorate and how these are managed in terms of: whether the contract in place is robust and effective, variations to contracts are approved and embedded promptly, performance management is clear and if the culture between the parties is effective. Review the methodology and practice within the Directorate to manage projects.		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**
Property Compliance	This review has been rolled forward from 2016/17. This may be considered as a cross-cutting review due to the diversity of responsibility i.e. schools.	**20**	**Not yet allocated to be undertaken during QTR 4**
Capital Region City Deal	The "City Deal" aims to create 25,000 new jobs by 2036 and bring in £4 billion of private sector investment. The City Deal will bring £1.229 billion of investment in South East Wales infrastructure. There will also be programmes designed to tackle unemployment, support local businesses, improve the region's digital network and coordinate house building and regeneration across the region. Initially this review will focus on the effectiveness of the overall governance arrangements		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**
Highways	One of the Corporate Risks for the Council as outlined in the Corporate Risk Register 2017-18 is Maintaining Infrastructure. One of the mitigating risks is the reliance that will be placed upon the inspection regime and responding to complaints. An assurance review will be undertaken in this area.	**20**	**In progress**
Health & Safety	To review procedures in operation by the Council to ensure compliance with policies and procedures, Health & Safety training, Risk Assessments, records maintenance and incident reporting.		**Deferred to Quarter 1 of 2018/19**

EDUCATION & FAMILY SUPPORT DIRECTORATE

Area	Audit Scope	IASS Budget Days	Status
Grant Certification	There are a number of grant funded schemes that require an Internal Audit review prior to the final claim submission. Internal Audit will undertake the necessary assurance checks as these grant submissions become due.		**Complete**
CRC	Provide the necessary assurance associated with the Carbon Reduction Certification.	**10**	**In progress**
Built Environment	To undertake a programme of system review audits. A risk-based approach is taken to prioritise the systems and processes in operation within Built Environment to be reviewed. The objectives will be to determine whether the systems and procedures in operation are functioning satisfactorily and are in accordance with legislation if appropriate and Council Policy.		**Complete**
Schools	To undertake a programme of system review audits on a thematic basis across the Schools within the Borough Council. To undertake a number of individual school audits based on a risk assessment.	**30**	**CRSA's 16/17 complete CRSA's 17/18 in progress Grants complete**
Early Help Locality Hubs (Compliance)	To independently review and appraise systems of internal control in relation to Early Help Locality Hubs to ensure compliance.		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**
Transport for Schools	The audit will review transport arrangements for children. The audit will include a review of the following: The assessment process undertaken, how services are procured, how transport is allocated and whether the allocations are equitable.		Not able to undertake this due to resource however, will gain assurances from the work undertaken by SWAP
School Based Ethical policies	The review will provide assurance over the adequacy and effectiveness of school based ethical policies and procedures.		Incorporated into the CRSA's

OPERATIONAL PARTNERSHIPS SERVICES DIRECTORATE

Area	Audit Scope	IASS Budget Days	Status
Compliance	A number of reviews will be undertaken to provide assurance over compliance with Council policies, procedures and where appropriate legislation.	10	**Allocated for Quarter 4**
HR	Evaluating controls within HR systems 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 and appropriate legislation.	20	**Allocated for Quarter 4**
Supporting People Grant	Internal Audit will undertake the necessary assurance checks and certification as required by the grant conditions.		**Complete**
ICT	To continue a programme of system review audits, the objectives will be to determine whether the systems and procedures in operation are functioning satisfactorily and are in accordance with legislation and Council Policy. • Access to information and facilities is controlled and restricted to authorised users according to their needs. • The potential for fraud and error are minimised; • The system is effectively administered and supported; • All staff using the system have been correctly trained to the level that will allow them to properly fulfil their duties; • The system under review is continually available during working hours		**IT Systems and Security Complete Remainder of the programme to be allocate to SWAP as part of the Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**
Members	Following the May elections, reviews will be undertaken to ensure that Members comply with the Council's Gifts and Hospitality Policy, Declaration of Interests and Code of Conduct.		**Part completed Remainder will be deferred to Quarter 1 of 2018/19**

CHIEF EXECUTIVE - FINANCE

Area	Audit Scope	IASS Budget Days	Status
Core Financial Systems	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. • 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. • 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.	50	**Allocated in Quarter 3 and 4**
Automated Processes	Review of automated processes to ensure a robust internal control environment.	10	**Allocated quarter 3 and 4**
Capital Assets (Capital Receipts)	Review of arrangements to identify, monitor, control and report on Capital Assets including Capital Receipts.		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**
Income Generation	Maximisation of existing and identification of new income streams.		**Complete**
Performance Indicators	The validation of the Council's overall performance		**Deferred to Quarter 1 of 2018/19**

SOCIAL SERVICES & WELLBEING DIRECTORATE

Area	Audit Scope	IASS Budget Days	Status
Section 117	This review has been carried forward from 2016/17. To follow up on the recommendations made in the 2014/15 Internal Audit Report to ensure adequate progress has been made to address the internal control weaknesses.		**Complete**
Social Services & Wellbeing Act **Funding**	The formal implementation date of the Act was April 2016, it will take a significant period of time to bed in due to the introduction of new ways of working and the inevitable impact this will have on the present culture, custom and practice. Therefore, Internal Audit will continue a programme of reviews, provide advice and support where needed to provide overall assurances on the robustness of the systems and processes put in place as they develop. To assess whether there is robust challenge over the placement identification process and pricing, and whether all information is required and received by the appropriate Panels.	**25**	**In progress**
Leisure	To review the overall effectiveness of the delivery of the Leisure Contract with Halo.		**Complete**
Directorate	Reviews will be undertaken relating to the effectiveness of quality assurance processes within Social Services & Well-being which will provide assurance on the internal control, governance and risk management environment.	**10**	**To be allocated during quarter 4**
Children	An independent review of the corporate governance arrangements over children social care to provide assurance that these remain effective and achieve appropriate outcomes for children and young people.		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**
Payments to providers	To review how quickly after contract award, service providers are set up on the system and accurately paid.		**SWAP Healthy Organisation Review: Information Management; Programme & Project Management; Governance; Risk Management (Procurement & Commissioning)**

Total Days Available	Vale 56%	BCBC 44%		Directorate Vale	BCBC Actual Days April – Oct Total	Balance	Nov 17 to March 18 IASS Budget
				CEX – Resources (**130**)	38	92	60
				Operational Services & Partnerships (**110**)	57	53	30
				Education & Family Support (**125**)	50	75	40
				Communities (**130**)	19	111	40
				Social Services & Wellbeing (**170**)	64	106	35
				Cross Cutting (**330**)	85	245	115*
Total 460	**258**	**202**		**Total 995 minimum**	**313**	**682**	**320**

(* this figure included 50 days of contingency)