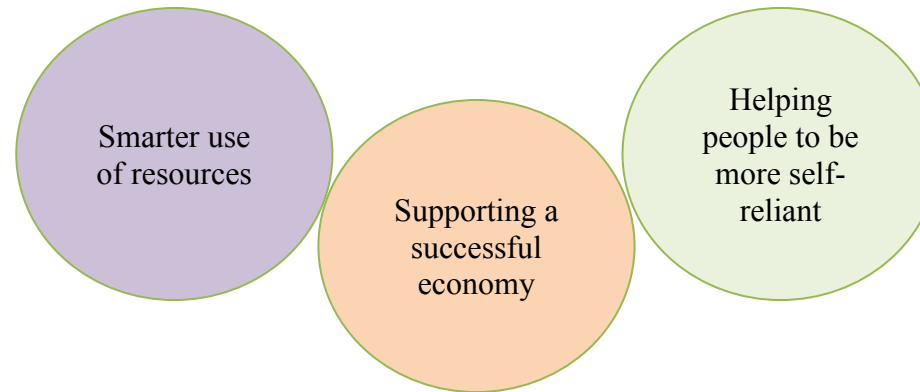


Partneriaeth Pen-y-Bont a'r Fro
Bridgend & Vale Partnership
working together - gweithio ar y cyd



BRIDGEND COUNTY BOROUGH COUNCIL WORKING TOGETHER TO IMPROVE LIVES

**INTERNAL AUDIT SHARED SERVICE
DRAFT ANNUAL AUDIT PLAN**

2018 – 2019

Bridgend CBC

1. Introduction

- 1.1 Bridgend County Borough Council is uniquely placed to bring its own services together with the work of other agencies, communities, families and individuals for the benefit of the people of the county. This is nothing new. However, the world is changing fast, hence the Council's Corporate Plan 2016-20 sets out how the Council is to change and what its focus will be over the next four years. The Council recognises that it will have to make significant changes to the way it thinks and operates in order to meet the significant challenges ahead of its communities – not least the increasing demands made on many of its services, against the background of a shrinking budget and economic uncertainty.
- 1.2 In 2018-19 the Council will have a gross budget of just over £400 million and a capital programme of currently £33,693 million to support its core business and the corporate priorities set out in the Corporate Plan. Whilst the 2018-19 budget settlement is favourable compared to recent years and Welsh Government has provided an indication of the funding settlement for 2019/20, there is still considerable uncertainty, particularly in respect of the impact of "Brexit" negotiations and the Council is going to be expected to achieve budget reductions of nearly £33 million between 2018-19 to 2021-22. The Council's Medium Term Financial Strategy sets out how the Council will achieve its corporate priorities and statutory duties whilst meeting budget reductions and managing financial pressures and risks over the next four years.
- 1.3 The Council remains unwavering in its commitment towards improving and finding ways of delivering local services, providing better outcomes for residents and achieving savings that will ensure they can deliver a succession of balanced budgets.
- 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 2016-20

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:

Supporting a successful economy	Helping people to become more self-reliant	Smarter use of resources
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. Well-being 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 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 As a public body, Councils have a duty to work towards achieving these seven goals. The Act requires that the Council set its well-being objectives and take steps to realise them. The Act requires the Council to do things differently, applying sustainable development to everything it does. The Council is 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 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>One – supporting a successful economy</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>City Deal – 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>Strategic Review of Post 16 Education and Training – 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>Successful Economy Programme – 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 a community living in the heart of the town centre by converting vacant space over shops into accommodation.</p> <p>Alignment of the Welsh Government Grants – The Council will streamline and make flexible use of major grants to support families through early help and to address poverty.</p>
<p>Two – Helping people to be more self-reliant</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>Remodelling Social Care:- This is a large programme which includes recommissioning adult home care, developing extra care and information and advice services for people and their carers.</p> <p>Working with partners creating a Multi-Agency Safeguarding Hub as a single point of contact for all safeguarding concerns.</p>

		<p>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.</p> <p>Community Asset Transfer – transferring assets to communities to manage while making the most of the assets retained.</p>
<p>Three – Smarter use of resources</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>Digital Transformation Programme – changing the way the Council operates to enable customers to access information, advice and services on line.</p> <p>Rationalising the Council’s estate – disposing of assets, transferring assets to communities to manage while making the most of the assets retained.</p> <p>Schools’ Modernisation Programme – investing in a sustainable education system in school buildings that reduces cost and their carbon footprint.</p>

5. Corporate Risks

The Council assesses on an annual basis the major risks that will affect the ability to achieve the Corporate Improvement Priorities, provide services as planned and fulfil its statutory duties. The main risks facing the Council, the likely impact of these on Council services and the wider County Borough are listed below.

Corporate Risks
Cultural change necessary to deliver the MTFS
Supporting vulnerable children, young people and their families
Maintaining the Infrastructure
Welfare reform

Supporting adults at risk
Healthy Lifestyles
The economic climate and austerity
Ineffective collaboration
School Modernisation
An unfunded NJC pay claim
The implementation of Adult Learning Needs reform
The Impact of Homelessness
Educational attainment
Educational provision
Health and Safety
Disposing of waste
Compliance with the Welsh Language Standards
Implementation of the General Data Protection Regulations.

6. The Risk Assessment Process

6.1 The information which has been used to prepare the risk assessment and proposed internal audit plan 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 Plans, 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.

6.2 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.

7. Proposed Internal Annual Risk Based Audit Plan for BCBC 2018-19

HIGH RISK – PRIORITY ONE

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
Carry Forward from 2017/18	Cross Cutting	Assurance	Provision for those assignments which are still ongoing at the end of 2017/18.	20				20
2017/18 Closure of Reports	Cross Cutting	Assurance	To finalise all draft reports outstanding at the end of 2017/18.	10				10
Follow up of recommendations for 2017/18	Cross Cutting	Assurance	To ensure that all outstanding recommendations made during 2017/18 have been actioned.	10				
Recommendation Monitoring			Monitoring the implementation of Internal Audit		5	5	5	

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
			recommendations in consultation with service areas which have received these recommendations. During the year, Internal Audit will review the process to ensure recommendations are followed up and reported upon to Audit Committee in a timely, efficient and effective manner.					25
Annual Opinion Report 2017/18	Cross Cutting	Governance	To prepare and issue the Head of Audit's Annual Opinion Report for 2017/18.	10				
Annual Opinion Report 2018/19			Preparation for the production of the 2018/19 Annual Opinion Report.				10	20
Audit Planning – 2018/19	Cross Cutting	Governance / Assurance / Risk	To prepare and present the annual risk based audit plan for 2018/19.	20				
Annual Planning – 2019/20			Preparation for the production of the annual risk based plan 2019/20.				15	35
Good Governance	Cross Cutting	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			10	20
Safeguarding	Cross Cutting	Governance / Assurance / Risk	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	10				

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
			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. Preparatory work for the 2018/19 review.				10	20
CRSA	Education & Family Support	Assurance	To undertake the annual controlled risk self-assessment for schools. The aim of the process is to enable Head Teachers to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure rules. The objectives of the Control Risk Self-Assessment (CRSA) questionnaires are to provide a tool for the Internal Audit Service to evaluate the financial and other related controls in operation, help to provide a basis upon which the scope and frequency of audits can be determined and allow Head Teachers to self-assess themselves against potential risks. CRSAs is a widely used technique in both the public and private sectors	10		10		20
Audit Committee /Members and CMB Reporting	Cross Cutting	Governance / Risk / Assurance	This allocation covers Member reporting procedures, mainly to the Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Board and the IASS Board.	10	10	10	10	40
Advice & Guidance	Cross Cutting	Assurance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority,	5	5	5	5	20

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
Provision of Internal control / General advice.			including maintained school based staff.					
Grant Certification Work	Cross Cutting	Assurance	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.	10	5			15
Financial Systems	Chief Executive / Finance	Assurance	To provide assurances that the financial systems in operation are efficient and effective and that the internal control environment is robust.		25	25	25	75
Quality Assurance & Improvement Programme / Review of the Effectiveness of Internal Audit	Cross Cutting	Assurance	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		5		10
Emerging Risks / unplanned	Cross Cutting	Contingency	To enable Audit Services to respond to provide assurance activity as required.	10	10	10	10	40
External Audit Liaison	Cross Cutting	Governance	To ensure that a “managed audit” approach is followed in relation to the provision of internal and external audit services.		5		5	10
Health & Safety	Cross Cutting	Assurance / Risk	Deferred from 2017/18 - 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.	10				10

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
Members	Cross Cutting	Governance	Partly deferred from 2017/18 - 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.	10				10
Performance Indicators	Cross Cutting	Assurance	Deferred from 2017/18 – To review the performance management arrangements paying particular attention to the accuracy of the performance information collected.	10				10
Transformational Change	Cross Cutting	Governance / Assurance	To gain assurance that high risk projects are being managed under the Transformational Change Agenda and delivering the savings required.	10	10	10	10	40
Direct Payments	Social Services & Wellbeing	Governance / Risk / Assurance	Review the effectiveness of the procedures and processes in place for Direct Payments to ensure compliance particularly in light of the increase in numbers as a result of the SS&WB Act.				15	15
Domiciliary Care	Social Services & Wellbeing	Assurance	Review of Commissioning, Contracts / Framework / Agreements, monitoring and invoicing. Provider performance and complaints linked to safeguarding.				20	20
Property Compliance	Cross - cutting	Governance / Risk / Assurance	This review had been rolled forward from 2017/18. This will be undertaken as a cross-cutting review due to the diversity of responsibility i.e. schools.		5	5	5	15
Healthy Organisation Review – follow up	Cross Cutting	Governance / Risk / Assurance	To follow up on the areas for attention as outlined in the Healthy Organisation Review 2017/18 – particularly focusing on Risk Management and Information Management		25	10		35

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
Fraud / Error / Irregularity	Cross Cutting	Contingency	<p>Irregularity Investigations - Reactive work where suspected irregularity has been detected.</p> <p>Anti-Fraud & Corruption – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud.</p> <p>Developing fraud risk assessment in inform further areas for detailed focus (Fraud Risk Tools).</p>	10	10	10	10	65
		Fraud & Error	<p>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.</p>					
Total – Priority One				190	115	120	175	600
HIGH RISK – PRIORITY TWO								
Procurement	Operational & Partnership Services	Assurance	This audit will review the procurement framework and a sample of individual procurement activities across the Council in order to evaluate the level of compliance with legislation and the Council's Constitution.	15				15
Additional Learning Needs Bill	Education & Family Support	Assurance	To review the adequacy and effectiveness of early interventions in line with the proposed Additional Learning Needs Bill and to examine the effectiveness of collaboration.		15			15

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
Risk Management	Cross Cutting	Risk	Review of evidenced to ensure that the Council has a fully embedded risk management system in place that identifies and treats risks to key strategic and operational objectives			10		10
Highways	Communities	Assurance	To review the procedures and processes in operation within Highways – specifically relating to potholes to determine if the control environment is robust.	15				15
Schools	Education & Family Support	Assurance	To undertake a number of school based reviews in accordance with the Internal Audit risk based assessment.	10	10	10	10	80
			To undertake cross cutting projects to ensure compliance across all schools.	10	10	10	10	
Safer Recruitment	Operational & Partnership Services	Assurance	To provide assurances that safer recruitment is operating effectively across the Council.	10				10
DOLS	Social Services & Wellbeing	Governance	Significant increase in number of DoLS cases impacting on resources. Included in corporate risk register. No previous Internal Audit coverage.		15		5	20
YOS	Social Services & Wellbeing	Governance / Risk / Assurance	Statutory Service – new Funding streams; early intervention and prevention schemes, young people transferred to secure estate. No audit coverage since 2011/12.		15			15
Business Continuity Planning	Operational & Partnership Services	Assurance / Risk	To evaluate the Council's Business Continuity Plan to provide assurances that it sets out how the Council will operate following an incident and how it expects to return to 'business as	10		15		25

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
			usual' in the quickest possible time afterwards, that roles and responsibilities are clearly defined and understood and that all relevant stakeholders are fully aware of the plan and its content.					
Use of mobile communications	Cross Cutting	Risk	The Council has recognised the growth of mobile communications which can be demonstrated in a number of ways including integrated self-service opportunities via the Council website. The review will evaluate the effectiveness of the Council's use of Mobile Communications for its community having regards to any appropriate legislation, guidance and internal policies.				15	15
Supplier Management	Cross Cutting	Assurance	To undertake a trend analysis identifying the spend profile of the council to ensure that policies and procedures are being adhered to.			10		10
Project / Contract Management	Communities	Governance / Risk / Assurance	To undertake a review of the procedures and processes associated with a number of Projects / Programmes. Particular emphasis will be placed on compliance.	10	10	15	15	50
Access to Records - GDPR	Cross Cutting	Governance / Risk / Assurance	To ensure that the GDPR are being implemented and embedded throughout the Council			10		10
Asset Management	CEX Finance	Risk / Assurance	To ensure that the disposal of assets is in accordance with Council policy, rules and regulations.				10	10
POVA	Social Services & Wellbeing		To review the processes and procedures in place for the administration for the Protection of Vulnerable Adults.				15	15
ICT Audit	Cross Cutting	Governance / Risk	In consultation with ICT, systems reviews will be undertaken across Directorates to ensure		20	20		40

Area	Directorate	Type	Audit Scope	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total Days
		Assurance	robust controls are evident and operating effectively.					
Complaints Representations & Advocacy	Social Services & Wellbeing	Governance / Risk / Assurance	<p>Review complaints processes within Social Services to provide assurance as to their effectiveness and compliance with set targets.</p> <p>To provide assurances that the Council's policies and procedures are aligned to the National Approach to Statutory Advocacy for Children & Young People being introduced.</p> <p>Provide assurance that procedures and processes are in accordance with the Golden Thread Advocacy programme for Adults.</p>	10	10	10		30
Looked After Accommodated Children	Social Services & Wellbeing	Governance / Risk / Assurance	Limited Internal Audit report in 2017/18 for Fostering that requires follow up. Placements, Out of County, Leaving Care.				15	15
			Total – Priority Two	90	105	110	95	400
			Grand Total	280	220	230	270	1,000

Directorate Split

Directorate	Total
Cross Cutting	555
Education & Family Support	115
CEX - Finance	85
Operational Service & Partnerships	50
Social Services & Wellbeing	130

Communities	65
Total	1,000