

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

18th April 2019

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

INTERNAL AUDIT – FINAL OUTTURN REPORT – APRIL 2018 TO MARCH 2019

1. Purpose of report

- 1.1 The purpose of this report is to inform the Audit Committee of the actual Internal Audit performance against the Audit Plan for the Financial Year 2018/19 and to provide the Head of Audit's Annual Opinion.

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 2018/19 Internal Audit Plan was submitted to the Audit Committee for consideration and approval on the 26th April 2018. The Plan outlined the assignments to be carried out and their respective priorities.
- 3.2 The Plan provided for a total of 1,000 productive days to cover the period April 2018 to March 2019. These days were split into those reviews considered to be Priority One and those considered to be Priority Two with the aim of completing the whole plan by the end of the financial year.

4. Current situation/proposal

- 4.1 The actual outturn against the 2018/19 Risk Based Plan is attached at **Appendix A**. In order to assist the effective monitoring of the annual risk based plan, further information is attached at **Appendix B** which details the end of year performance against the plan and includes the Head of Audit's Annual Opinion on the Council's overall control environment which includes, governance, risk management and internal control.
- 4.2 Resource requirements are reviewed each year as part of the audit planning process and are discussed with the Internal Audit Shared Service Board (IASSB). The impact of the financial pressures with the requirements to generate efficiencies and hard savings have seen internal audit resources reduce year on year. This together with the number of vacant posts carried by the Section during this financial year has meant that the service needed to commission the services of the South

West Audit Partnership in order to address in part some of the shortfall in days necessary to complete the plan.

4.3 The Audit Service has consequently been extended to secure resilience moving forward and as such, will now provide the Internal Audit function to four Councils; these being Bridgend C.B.C, Merthyr Tydfil CBC, Rhondda Cynon Taf CBC and the Vale of Glamorgan Council. As this is a newly developed Regional Service, the overarching structure of the service is yet to be finalised. However, the establishment of the Regional Shared Service will provide real opportunities and will continually evolve and improve, making best use of new technology and working practices, providing resilience and offer a wider range of internal audit specialisms across the four local authorities.

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 Final Internal Audit Outturn Report for the Financial Year 2018/19 including the Head of Audit's Annual Opinion on the Council's control environment in relation to governance, risk management and internal control.

Mark Thomas
Head of Audit
18th April 2019

Contact Officer: Mark Thomas – Head of Regional Audit Service.

Telephone: (01446) 709572

E-mail: cmthomas@valeofglamorgan.gov.uk

Postal Address

Bridgend County Borough Council
Internal Audit
Ravens Court
Brewery Lane
Bridgend
CF31 4AP

Background Documents

None