

**Internal Annual Risk Based Audit Plan for BCBC 2019-20**

**Appendix A**

**PRIORITY ONE – Mandatory Audit Work**

<b>Area</b>	<b>Directorate</b>	<b>Type</b>	<b>Audit Scope</b>	<b>Budget Days Qtr. 1</b>	<b>Update for Audit Committee June 2019</b>
<b>Good Governance 11015</b>	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.	<b>10</b>	<b>Completed and issued</b>
<b>Safeguarding 16024</b>	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 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.	<b>10</b>	<b>Deferred until later in the year</b>
<b>Grant Certification Work 17042</b>	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.	<b>10</b>	<b>Two grants allocated and work is on-going</b>
<b>Data Analytics 12019</b>	Cross Cutting	Assurance	The Council is seeing an increase in the digitisation of their operations, resulting in a growth of data across all business functions.	<b>10</b>	<b>Allocated and is work on-going</b>

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			To align with this objective, Internal Audit is currently developing a data analytics strategy to be implemented during 2019/20. Data Analytics is proving to be a useful internal audit tool as Councils become more reliant on electronic data, as data analytics enables a vast amount of data to be analysed when selecting testing samples, also utilising IT to discover new capabilities and unlock key information to help identify and reduce inefficiencies and control weaknesses, eliminate waste, fraud and abuse, and improve productivity.		
<b>Healthy Organisation Review – follow up 17201</b>	Cross Cutting	Governance / Risk / Assurance	To follow up on the areas for attention as outlined in the Healthy Organisation Review 2017/18 including Governance, Procurement and Commissioning, Risk Management, Programme & Project Management and Information Management.	<b>10</b>	<b>Brought forward from quarter 2 – allocated to SWAP to undertake an Information Management review</b>
<b>Carry Forward from 2018/19 17033</b>	Cross Cutting	Assurance	Provision for those assignments which are still ongoing at the end of 2018/19.	<b>20</b>	<b>3 c/f jobs raised and 1 completed and issued 1 under review 1 work on-going</b>
<b>2018/19 Closure of Reports 17100</b>	Cross Cutting	Assurance	To finalise all draft reports outstanding at the end of 2018/19.	<b>10</b>	<b>Awaiting the return of 3 management implementation plans</b>
<b>Follow Up of recommendation made 2018/19</b>	Cross Cutting	Assurance	To ensure that all outstanding recommendations made ensuring 2018/19 have been actioned	<b>10</b>	<b>On-going</b>

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<b>Annual Opinion Report 2018/19</b> 17100	Cross Cutting	Governance	To prepare and issue the Head of Audit's Annual Opinion Report for 2018/19.	10	<b>Completed and presented to Audit Committee 18<sup>th</sup> April 2019</b>
<b>Audit Planning – 2019/20</b> 17027	Cross Cutting	Governance / Assurance / Risk	To prepare and present the annual risk based audit plan for 2019/20.	20	<b>Completed and presented to Audit Committee 18<sup>th</sup> April 2019</b>
<b>Audit Committee /Members and CMB Reporting</b> 17005	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	<b>Prepared reports and attended Audit Committee 18<sup>th</sup> April 2019 and 13<sup>th</sup> June 2019.</b>
<b>Advice &amp; Guidance</b> 17200	Cross Cutting	Assurance	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.	5	<b>Ongoing – advice &amp; guidance is provided when requested</b>
<b>Quality Assurance &amp; Improvement Programme / Review of the Effectiveness of Internal Audit</b>	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	<b>ongoing</b>

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<b>Emerging Risks / unplanned</b>  <b>17028</b>	Cross Cutting	Contingency	To enable Audit Services to respond to provide assurance activity as required.	<b>15</b>	<b>none</b>
<b>External Audit Liaison</b> <b>17002</b>	Cross Cutting	Governance	To ensure that a “managed audit” approach is followed in relation to the provision of internal and external audit services.	<b>4</b>	<b>On-going</b>
<b>Fraud / Error / Irregularity</b> <b>17003</b>	Cross Cutting	<b>Contingency</b>	<b>Irregularity Investigations</b> - Reactive work where suspected irregularity has been detected.  <b>Anti-Fraud &amp; Corruption</b> – 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).	<b>10</b>	<b>Advice and guidance is being provided to whilst the NFI data analysis of matches is on-going.</b>
		<b>Fraud &amp; Error</b>	<b>National Fraud Initiative</b> - 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.	<b>10</b>	
			<b>Total – Priority One</b>	<b>179</b>	

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<b><u>PRIORITY TWO – High Risk</u></b>					
<b>Procurement 11005</b>	Chief Executive / Resources	<b>Assurance</b>	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.	<b>15</b>	<b>Not allocated</b>
<b>Schools 14001</b>	Education & Family Support	<b>Assurance</b>	To undertake a number of school based reviews in accordance with the Internal Audit risk based assessment. To undertake cross cutting projects to ensure compliance across all schools.	<b>15</b> <b>15</b>	<b>Completed controlled risk self-assessments are being analysed to identify areas and schools for review</b>
<b>Banks Automated Clearing System (BACS) 11003</b>	Chief Executive / Resources	<b>Assurance</b>	The Bank Automated Clearing System (BACS) is a system for making payments directly from one bank account to another. There are two types of bank-to-bank payments: Direct Debits and Direct Credits. Direct Debits are typically used for taking regular or recurring payment such as household bills and Direct Credits are typically used for making payments such as salaries. This review will provide assurance on the adequacy and effectiveness of the control environment surrounding both Direct Debits and Credits.	<b>10</b>	<b>To be allocated</b>
<b>General Data Protection Regulations 13001</b>	Cross Cutting		The GDPR came into force on the 25 <sup>th</sup> May 2018 and is intended to strengthen and unify data protection for individuals within the European Union (EU) and to address the export of data outside of the EU. Whilst many of the GDPR's main concepts and principles	<b>20</b>	<b>Allocated to SWAP. The Terms of Reference has been agreed and the work is underway.</b>

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			are much the same as those in the current Data Protection Act there are a number of new elements and significant enhancements. There is also the potential for significant fines (up to £20m) to be imposed in the event that the Council is found to have broken the law. This audit will review whether the Council has an effective control framework in place for ensuring that personal information that is gathered is only used for the purpose for which it was originally intended.		
<b>Project / Contract Management 15031</b>	Communities	<b>Governance / Risk Assurance</b>	Inadequate contract management can result in poor performance and service delivery, and inappropriate payments. We shall undertake a review of a sample of high risk contracts and, if applicable, joint contracts. We will also review the process for undertaking due diligence of contractors, including resilience, both pre and post contract award. Where appropriate, this review will follow – up on weaknesses identified as part of previous audit work in this area, to ensure these have been adequately addressed.	<b>15</b>	<b>Allocated to SWAP</b>
<b>Budget Savings 11030</b>	Cross Cutting	<b>Assurance</b>	The Medium Term Financial Plan sets out the Council's core budget position in order to ensure it maintains a balanced budget. An important part of the Council's strategy will be to continue to deliver efficiencies and savings over the coming years. A portion of the savings are categorised as 'savings targets' and will require regular review	<b>15</b>	<b>not allocated awaiting closure of accounts</b>

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			and reporting to monitor the level of savings that have been achieved. This review will seek to establish whether there are effective budget monitoring and reporting arrangements in place to track the progress of the identified savings targets.		
<b>Retrospective Orders 12015</b>	Cross Cutting	<b>Assurance / Risk</b>	Inappropriate use of retrospective orders increases the risk to the Council of duplicate / fraudulent orders and payments, disputes and legal consequences, ineffective budget management and the non-achievement of Value for Money. This review will identify the extent to which retrospective orders are occurring and establishing the approximate value and thereby determining the impact this has on the overall control environment.	<b>10</b>	<b>allocated</b>
			<b>Total – Priority Two</b>	<b>115</b>	
			<b>Grand Total</b>	<b>294</b>	