

# **BRIDGEND COUNTY BOROUGH COUNCIL**

## **REPORT TO AUDIT COMMITTEE**

**14 NOVEMBER 2019**

### **REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE**

#### **PROGRESS AGAINST THE AUDIT RISK BASED PLAN (1st April 2019 to 30th September 2019)**

#### **1. Purpose of report**

- 1.1 To provide Members with a position statement on progress being made against the audit work that was included and approved within the 2019-20 Internal Audit Annual Risk Based Plan.

#### **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 In accordance with the Public Sector Internal Audit Standards, the Head of Audit is responsible for developing a risk-based annual audit plan which takes into account the Council's risk management framework. Within the Standards there is also a requirement for the Head of Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, controls and resources. The Head of Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 3.2 The 2019/20 Internal Audit Plan was submitted to the Audit Committee for consideration and approval on 18th April 2019. The Plan outlined the assignments to be carried out and their respective priorities.

#### **4. Current situation/proposal**

- 4.1 The Plan provided for a total of 1,101 audit days to cover the period April 2019 to March 2020. 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. As noted when the Plan was approved, 2019/20 is a transitional year for the newly extended service so some flexibility is needed to deal with additional demands in terms of setting up this new service.

- 4.2 Actual progress against quarter 1 and quarter 2 of the 2019/20 Risk Based Plan is attached at **Appendix A** which details the status of each planned review, the audit opinion and the number of any high or medium recommendations made to improve the control environment. It should be noted that some reviews listed have no audit opinion, for example advice and guidance and Audit Committee and CMB reporting. This is because the audit work carried out in respect of these items is planned but the nature of the work does not lead to testing and the formation of an audit opinion.
- 4.3 Appendix A illustrates that as at 30th September 2019, 10 audit reviews have been completed. A further 4 reviews have been carried out and draft reports issued that are awaiting feedback from Service Departments. Based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment an audit opinion of substantial assurance has been given to 1 review and an opinion of reasonable to 9 reviews.
- 4.4 Appendix A illustrates that a total of 11 medium recommendations have been made to improve the control environment of the areas reviewed. The implementation of these recommendations will be monitored to ensure that improvements are being made.
- 4.5 The plan was based on a fully staffed structure but, as previously reported, the Section continues to carry vacant posts whilst the structure of the Regional Service is being developed. Therefore the South West Audit Partnership (SWAP) have been commissioned in order to address in part some of the shortfall in days necessary to complete the plan.

## **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 note the content of the report and the progress made

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**28 October 2019**

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**Background Documents**

None