

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

12 NOVEMBER 2020

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN

(1st APRIL 2020 to 31st OCTOBER 2020)

1. Purpose of report

- 1.1 To provide members of the Committee with a position statement on progress being made against the audit work included and approved within the Internal Audit Risk Based Plan 2020-21.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- Smarter use of resources – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 In accordance with the Public Sector Internal Audit Standards, the Head of Internal 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 Internal 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 Internal Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 3.2 The Internal Audit Plan for 2020-21 was submitted to the Governance and Audit Committee for consideration and approval on 10th September 2020. The Plan outlined the assignments to be carried out which will provide sufficient coverage to provide an opinion at the end of 2020-21 whilst having regard to the unprecedented impact of the pandemic.

4. Current situation/proposal

- 4.1 Progress made against the plan for the period 1st April to 31st October 2020 is attached at **Appendix A**. This 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, Audit Committee and Corporate

Management Board (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.

- 4.2 **Appendix A** illustrates that as at 31st October 2020, 10 items of work have been completed of which 6 audit reviews have resulted in an opinion being provided. A further 2 reviews have been completed and draft reports issued; these are awaiting feedback from Service Departments. Both Internal Audit staff and auditees are now used to the remote ways of working and conducting audits digitally and whilst there are some connection issues periodically it is not causing any significant problems. A further 13 reviews are currently on-going with another 8 having been allocated and should be commencing shortly.
- 4.3 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 completed review and an opinion of reasonable assurance to 4 completed reviews.
- 4.4 The remaining completed audit review was given an audit opinion of limited, that is only limited assurance can be placed on the current system of internal control. This is detailed as follows :

Supported Living Missing Money

Internal Audit were advised that £115 was missing from a cash tin held in a supported living establishment. Due to the Covid-19 pandemic Internal Audit staff were unable to visit the establishment but were provided with information by the Service Manager. It was found that regular checks and controls had not taken place and processes had lapsed. As a result of this incident, processes have been reviewed and updated and the importance of following them has been expressed to all staff. A follow up review will be undertaken to ensure that the amended processes are in place and being adhered to.

- 4.5 **Appendix A** illustrates that a total of 7 medium (significant) 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.

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 of the Committee note the content of the report and the progress made against the 2020-21 Internal Audit Annual Risk Based Plan.

Mark Thomas
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Background Documents :

None