

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

28 JANUARY 2022

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

#### PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN 2021-22

#### 1. Purpose of report

- 1.1 The purpose of the report is 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 2021-22.

#### 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 2021-22 was submitted to the Governance and Audit Committee for consideration and approval on 18<sup>th</sup> June 2021. The Plan outlined the assignments to be carried out which will provide sufficient coverage to provide an opinion at the end of 2021-22. The proposed plan continues to recognise particular risks arising from COVID-19, availability of audit and service staff and challenges arising from the remote ways of working. The plan is also flexible to allow for changing circumstances and events that may occur, such as requests to respond to new issues that may emerge.

#### 4. Current situation/proposal

- 4.1 Progress made against the approved plan for the period 1<sup>st</sup> April to 31<sup>st</sup> December 2021 is attached at **Appendix A**. This details the status of each planned review, the audit opinion and the number of any high, medium or low priority 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 Governance and Audit Committee / 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 the 31<sup>st</sup> December 2021, 14 audits have been completed with an opinion being provided. A further audit has been completed, the draft report issued and feedback is being awaited from the Service Department. A total of 12 audits are currently on-going with another 13 having been allocated to auditors 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 3 completed reviews and an opinion of reasonable assurance to the other 11 completed reviews.
- 4.4 As illustrated in **Appendix A** there are some items included on the audit plan which have yet to be allocated. Some of these areas such as Project Management and General Data Protection Regulations (GDPR) will be covered within the scope of other audits to allow some assurance to be given. In addition service areas are under pressure and two planned audits, employee code of conduct and performance management, have been deferred. Any audits that remain unallocated by the year end will be included within the risk assessment process for the 2022/23 audit plan.
- 4.5 Despite the fact that some audit areas may not be covered by the year end, it is felt that there will be enough coverage for the Head of Internal Audit to provide an audit opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for 2021-22.
- 4.6 **Appendix A** identifies that a total of 25 medium priority recommendations have been made to improve the control environment of the areas reviewed and 32 low priority recommendations. The implementation of these recommendations is being monitored to ensure that the identified and agreed improvements are being made and progress will be reported to Committee in due course.

## **5. Effect upon policy framework and procedure rules**

- 5.1 There is no effect upon the policy framework and procedure rules.

## **6. Equality Act 2010 implications**

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of 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 2021-22 Internal Audit Annual Risk Based Plan.

**Mark Thomas**  
**HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE**  
**January 2022**

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**Background Documents :**  
None