

Partneriaeth Pen-y-Bont a'r Fro  
Bridgend & Vale Partnership  
working together - gweithio ar y cyd



**INTERNAL AUDIT SHARED SERVICE  
ANNUAL RISK BASED AUDIT PLAN**

**2014 – 2015**

**Bridgend CBC**

**Table 1 – Productive Resource Availability & Utilisation April 2014 to March 2015 – Draft Proposals.**

<b>Resources Available</b>	<b>Total Days</b>
Total Productive days Available	<b>1,310</b>
<b>Time Allocated to Audit Work</b>	1,310
Resources	<b>365</b>
<ul style="list-style-type: none"> <li>• Finance</li> <li>• Human Resources</li> <li>• Governance</li> <li>• ICT</li> <li>• Property</li> </ul>	
Legal and Regulatory Services	<b>85</b>
<ul style="list-style-type: none"> <li>• Legal Services</li> <li>• Regulatory</li> </ul>	
Children (Including Schools)	<b>215</b>
<ul style="list-style-type: none"> <li>• Learning</li> <li>• Strategy, Partnerships &amp; Commissioning</li> <li>• Safeguarding &amp; Family Support</li> <li>• Schools</li> </ul>	
Communities	<b>125</b>
<ul style="list-style-type: none"> <li>• Regeneration and Development</li> <li>• Streetscene</li> </ul>	
Wellbeing	<b>125</b>
<ul style="list-style-type: none"> <li>• Adult Social Care</li> <li>• Healthy Living</li> </ul>	
Cross Cutting	<b>255</b>
External	<b>20</b>
Contingency – unplanned	<b>70</b>
Contingency – Fraud and Error	<b>50</b>
<b>OVERALL TOTAL</b>	<b>1,310</b>

**INTERNAL AUDIT SHARED SERVICE DRAFT ANNUAL PLAN 2014 -2015**

Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment which encompasses the systems of governance, risk management and internal control, by evaluating its effectiveness in achieving the organisation's objectives. It examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. The Annual Plan has been formulated to ensure compliance with the Public Sector Internal Audit Standards (PSIAS) which have been effective since 1<sup>st</sup> April 2013

**Performance / Resources**

<b>Area</b>	<b>Corporate Risk</b>	<b>Audit Scope</b>	<b>QTR (s)</b>	<b>Total Days</b>
<i>Core Financial Systems</i>	RA1; RA2; RA3.	<p><b>Full system and compliance audits to provide assurance over the effectiveness of the Council's Core Financial Systems that are material to the production of the Council's accounts and are assessed as high priority including:</b></p> <ul style="list-style-type: none"> <li>• <b>Council Tax – Council Tax Reduction Scheme</b></li> <li>• <b>Benefit Administration,</b></li> <li>• <b>Income Management,</b></li> <li>• <b>Creditor Payments/Accounts Payable,</b></li> <li>• <b>Debtors/Accounts Receivable,</b></li> <li>• <b>Business Rates,</b></li> <li>• <b>Cash,</b></li> <li>• <b>Budget Monitoring &amp; Reporting,</b></li> <li>• <b>Budget Setting,</b></li> <li>• <b>Treasury Management,</b></li> <li>• <b>General Ledger.</b></li> </ul> <p>(this list is not exhaustive)</p>	<i>2 to 4</i>	<i>120</i>
<i>ICT</i>	RA2.	<p><b>To review the operation, efficiency and effectiveness of the Council's Information and Security governance arrangements.</b></p> <p><b>To review the operation, efficiency and effectiveness of the Council's ICT Asset Management;</b></p> <p><b>To provide assurance that adequate controls are in place in relation to Business Continuity;</b></p> <p><b>To provide assurance that adequate</b></p>	<i>1 to 4</i>	<i>110</i>

		<p>controls are in place in relation to the “Halarose” system. In addition, to ensure that adequate arrangements are in place for the introduction of Individual Electoral Requirements (IER).</p> <p>To review the operation, efficiency and effectiveness of Mobile Device Management to ensure that adequate safeguards are in place and operating.</p> <p>To review the efficiency and effectiveness of the MS Enterprise Agreement (is the Council using its IT innovatively; is IT fully utilising its assets and working smarter).</p> <p>To provide assurances on the controls surrounding the efficient and effective use of Secure Email and file Transfer.</p> <p>To follow up on the Government Connect (PSN) submission to ensure any tasks / actions identified are being implemented in or to provide assurance on compliance.</p>		
<i>Property</i>	RA2	To review the Non-Operatives Estates Strategy to provide assurance on its effective management.	<i>1</i>	<i>15</i>
		To review Building Maintenance to ensure that internal controls continue to operate effectively	<i>1</i>	<i>10</i>
		Review of the CRC Energy Efficiency Scheme footprint and annual reports and evidence pack.	<i>1</i>	<i>15</i>
<i>Human Resources</i>	RA1; RA2; RA3; RA11; RA14.	Payroll – To review the operation, efficiency and effectiveness of the Council’s payroll system. A systems based approach will be utilised considering key risk exposure and controls. The review will examine HR records to ensure the completeness and accuracy of the establishment, HR records and contractual evidence surrounding Starters and Leavers. The approach will include continuous	<i>1 to 4</i>	<i>70</i>

		<p>auditing of key controls throughout the year using techniques such as data mining.</p> <p>An audit of staff expenses will be undertaken to ensure the new system processes and controls are operating effectively focussing on risk areas across the Council.</p> <p>The Agency Contract will be reviewed to provide an assessment of compliance to the processes and procedures surrounding the contract.</p> <p>To assess the operational controls in place relating to DBS to ensure they are efficient and effective and in accordance with the policies and procedures set out, including whether arrangements provide documentary evidence that DBS disclosures have been obtained where appropriate and results appropriately evaluated.</p>		
CCSU /CCTV	RA13	To review the effectiveness of the CCTV operation throughout the Borough, the review will include the operation, efficiency and effectiveness of the Lone Worker Monitoring system.	2	10
Financial Assessments Reviews	RA2; RA4.	To review the effectiveness of the assessment process to support effective management of risks through appropriate controls.	3	15
		<b><i>Overall Total – Resources</i></b>		<b>365</b>

Legal and Regulatory Services

Area	Corporate Risk	Audit Scope	QTR (s)	Total Days
<i>Procurement</i>	RA2; RA3	Review of the Council's corporate framework for procurement cards. To include compliance with the Council's policies and procedures including Contract Procedure Rules and relevant legislation.	3	15
		Examine procurement and commissioning activities, concentrating on the commissioning of services including spot purchase. In addition a sample of contractors will be selected to assess whether goods, services and works are procured at competitive prices in line with the Council's Financial and Contract Procedure Rules and to assess the effectiveness of arrangements for ensuring goods and services are appropriately delivered and charged.	3	40
Licencing	RA2; RA3.	To review the effectiveness of controls in relation to taxi licencing, this will include providing assurance on the compliance with safeguarding.	2	10
Money Laundering	RA3.	To review the statutory obligations under the Proceeds of Crime Act and Money Laundering Regulations and assess whether those arrangements are sufficiently imbedded in the Council's policies and procedures to mitigate the risk of failure to comply with this legislation.	1	10
Legal Expenditure	RA3	To review the effectiveness of controls and a clear division of duties is evident in the procurement of supplies and services within Legal Services.	2	10
<b>Overall Total – Legal &amp; Regulatory Services</b>				<b>85</b>

Children's Directorate

Area	Corporate Risk	Audit Scope	QTR (s)	Total Days
Education Grants (WAG)	RA2; RA7.	To certify that education grants are fairly stated and in accordance with their grant conditions.	2	15
Programme of School visits.	RA2.	Compliance with approved policies and procedures. The schools selected for review will be identified through a risk assessment so that resources are targeted towards the higher risk schools and aligned to the IASS four year rolling programme of visits. In addition, the programme will be aligned to any Estyn inspections due.	1 to 4	80
		To provide the Corporate Director Children with an overall School summary report on the findings, conclusions and general themes at the conclusion of the IASS programme of school visits.	2	5
Looked After Children	RA6	To review the effectiveness of controls in particular the overall strategy and the arrangements in place for making placements and VFM arrangements for looked after children. The review will also include a review of how the recommendations from the workwise programme have been implemented.	3	15
Early Years Intervention and Prevention	RA6; RA7.	To verify the effective targeting and delivery of preventative and early intervention services. Are measures being taken effective? Are identified risks being managed? Is there a joined up approach?	4	10
School Places	RA6.	A review to assess the adequacy of arrangements to plan for increased / decreased pupil numbers. To include a review of: the robustness of pupil number projections. Plans to decrease / create places. The review will be linked to the School	1	15

		Modernisation and planning programme.		
Learner Transport Project		To review the overall governance arrangements surrounding this programme.	1	15
Inter Authority Placements	RA6	To review the controls in place for pupils placed into and out of county schools. Follow up on previous audit reports where concerns have been raised.	3	10
Basic Skills	RA7	The review the policies, procedures and processes developed to support the Basic Skills initiative to ensure outcomes are achieved.	3	20
Deficit and Balances	RA2	To review the Schools deficit and surplus balances to ensure compliance with the Council's policies and procedures.	3	10
Directorate Savings Plan	RA2	A review of financial models and budget monitoring to ensure that plans to achieve the savings targets are robust and achievable and that progress towards achievement of these targets is monitored. The review will also include the impact in the reduction of services on the Council's overall control environment.	2 and 4	20
		<b>Overall Total - Children's</b>		<b>215</b>

### Communities Directorate

Area	Corporate Risk	Audit Scope	QTR (s)	Total Days
Homelessness	RA1.	Arrangements support reduction in the use of temporary accommodation. In addition, to evaluate the procedures and processes in place to address any impact as a result of Welfare Reform.	3	15
Section 106 Agreements	RA2	The review will assess and verify that all requirements are met in relation to Section 106 Agreements. Review process for arriving at commuted sums and the control environment surrounding S106 negotiations.	3	15



Home to School Transport	RA2	To follow up on the 2013/14 audit, to review the effectiveness of the controls for the provision of Home to school transport and ensure that previous recommendations have been fully implemented.	1	5
Waste Contract Management		To review the contract arrangements for Waste Management; this review will include an examination of the robustness of Contract Management.	1	15
Special Regeneration Projects		To review the effectiveness of the control environment relating to budget management.	2	10
Sign Shop	RA2	To review the effectiveness of the control environment and to ensure that the provision of the Council's Sign Shop is providing Value for Money.	1	10
Highways Maintenance / Winter Maintenance	RA10	A contract management review of the highways contract(s) to ensure targets are being met, there is adequate control over programme / schedule of inspections and that payments are made in accordance with the contract and only for approved and completed works.	1	15
Supporting People	RA4 RA6; RA12	To review the overall policies and responsibilities for the "Supporting People" programme and monitoring of providers. Examine and test arrangements for evaluating applications for support, authorisation of service provision, processing of payments / income and review budget management processes.	2	20
		To provide the necessary assurance under the certification process for Welsh Government.	3	10
Parks and Grounds Maintenance	RA2	To review the effectiveness of the control environment on the handling of cash within Parks and Grounds Maintenance.	1	5
Houses to Homes Grant	RA2; RA12	To review the procedures and processes in place and to ensure the	2	5

		effectiveness of the control environment.		
		<b>Overall Total - Communities</b>		<b>125</b>

**Wellbeing Directorate**

<b>Area</b>	<b>Corporate Risk</b>	<b>Audit Scope</b>	<b>QTR (s)</b>	<b>Total Days</b>
<b>Section 117 Process</b>	<b>RA4; RA6</b>	<b>To review the impact to the Council in relation to Section 117. The audit will examine the procedures and processes in place for the after care of those people who fall under Section 117. To identify any weaknesses in the current procedures and ensure that the costs of provision are equally apportioned in accordance with any agreements with ABMU.</b>	<b>1</b>	<b>20</b>
<b>Mental Capacity Act</b>	<b>RA4; RA6</b>	<b>To review the procedures and processes in place to ensure the Council is compliant with the requirements of the Act and to ensure the Deprivation of Liberty Safeguards have been incorporated.</b>	<b>4</b>	<b>25</b>
<b>Occupational Therapist</b>	<b>RA2; RA4; RA6</b>	<b>To review the procedures and processes for referrals to Occupational Therapists. To review the overall waiting times, examine processes to ensure an efficient and effective service delivery.</b>	<b>4</b>	<b>15</b>
<b>Access to records</b>	<b>RA2;</b>	<b>To review the procedures and processes in place for the sharing of data with health and 3<sup>rd</sup> party organisations. This will be combined with an overall cross cutting review of the Council's protocols for sharing data and ensuring compliance with DP.</b>	<b>3</b>	<b>15</b>
<b>Continuing Health Care</b>		<b>To review the arrangements in place for the provision of Continuing Health Care to ensure that robust processes and procedures are in place and sound governance is evident.</b>	<b>2</b>	<b>15</b>

<b>Home Care / Domiciliary Care</b>	<b>RA2; RA4; RA6.</b>	<b>Review the processes and procedures for paying Home / Domiciliary Care to external providers and verify that providers are only paid for the hours delivered, non-delivery is reported. How do we know care plans are realistic? That the rate is correct? And that the supplier is completing the work which is billed for. Verify what spot checks on service delivery are undertaken.</b>	<b>2</b>	<b>20</b>
<b>Assessment Framework</b>	<b>RA2; RA4; RA6.</b>	<b>Changes to working practices which is linked to the overall savings proposals will result in budgets being devolved to team managers to make them more accountable. Internal Audit will provide a critical friend role / Health check during the development of these changes.</b>	<b>4</b>	<b>10</b>
<b>Regional Transport Grant</b>	<b>RA2</b>	<b>To validate the return relating to the Regional Transport Grant.</b>	<b>1 and 4</b>	<b>5</b>
		<b>Overall Total – Wellbeing</b>		<b>125</b>

**Cross Cutting, External & Contingencies**

<b>Area</b>	<b>Corporate Risk</b>	<b>Audit Scope</b>	<b>QTR (s)</b>	<b>Total Days</b>
<b>Follow Up</b>	<b>RA2</b>	<b>To undertake follow up work on the recommendations made during 2013/14 audit year to ensure that management have implemented those of high risk.</b>	<b>2 to 4</b>	<b>15</b>
<b>Assurance from External Inspections</b>	<b>RA2</b>	<b>Undertake a review of the External Inspection reports issued during the year to ensure recommended actions are being addressed and to inform the overall annual opinion on assurance, risk management</b>	<b>3</b>	<b>10</b>

		and governance arrangements throughout the Council.		
Capital Projects	RA2; RA3; RA5; RA8; RA10	To select a sample of ongoing Capital Projects to ensure expenditure is spent in line with the Capital Programme that clearly identifiable governance arrangements are in place and compliance with Contract Procedure Rules. This review will be ongoing throughout the year.	1 and 3	40
Audit Committee	RA2; RA3.	To ensure that the Audit Committee is serviced in accordance with its Terms of Reference including the production and presentation of relevant reports on the work undertaken by Internal Audit Shared Service.	1 to 4	50
Corporate Governance Framework	All Risks	Annual review of overall governance to assess the adequacy across the Council including an assessment of the Council's Code of Corporate Governance.	3 and 4	20
Business Continuity Management	All Risks	To review the effectiveness of arrangements in place for how the Council prepares for recovery from a major incidence to ensure continuity of service.	1	10
Breaches of Standards.	All Risks	Given the Information Commissioner's increased powers to fine organisations up to £500K, the Council needs to ensure that data is being treated in accordance with the standards. The review will examine the efficiency and effectiveness of the arrangements in place for data quality / security. This review will also be linked to Access to Records, Secure Email and transfer of files.	2	15

<b>Bridgend Change Programme, MTFs and Risk Management</b>	<b>All Risks</b>	<b>Whilst recognising the need to generate savings, there is also a need to ensure that gaps in controls in key risk areas do not emerge as a result of transformation. We will review the overall governance and risk management arrangements for the Council's transformation programme and undertake an assessment of whether there is effective central co-ordination of key projects across the Council and whether the objectives of these individual projects are aligned with each other. A review of financial models and budget monitoring to ensure that plans to achieve the savings targets are robust and achievable and that progress towards achievement of these targets is monitored.</b>	<b>2 to 4</b>	<b>25</b>
<b>CRSA</b>	<b>RA2; RA3.</b>	<b>To continue to utilise the use of Control Risk Self-Assessments across the Council and review and evaluate responses received (including Schools).</b>	<b>1 to 4</b>	<b>20</b>
<b>NFI</b>	<b>RA2; RA3.</b>	<b>To oversee the National Fraud Initiative and to ensure that all relevant matches are dealt with accordingly.</b>	<b>1, 2 and 4</b>	<b>15</b>
<b>13/14 Audit close down</b>		<i>Finalising 13/14 audits which remain outstanding as at the financial Year end.</i>	<b>1</b>	<b>15</b>
<b>Advice &amp; Guidance</b>		<i>To provide ongoing advice and guidance during the year on any specific, relevant matter across all Directorates.</i>	<b>1 to 4</b>	<b>20</b>
		<b>Overall Total – Cross Cutting</b>		<b>255</b>
<b>External</b>	<b>RA2</b>	<b>County Borough Supplies and Crematorium</b>	<b>2 and 3</b>	<b>20</b>
<b>Contingency for Unplanned Work</b>	<b>All Risks</b>	<b>The pace of change across the Council continues to be rapid</b>	<b>1 to 4</b>	<b>70</b>

		due to the need to react quickly and positively to the changes in government funding and how the Council applies that funding to its services. This continued pace of change requires Internal Audit to ensure that changes continue to be prioritised and necessary controls in respect of the changes in service delivery are implemented on a timely basis. Therefore, the provision of this contingency allows for time to be allocated as necessary to react in a timely manner to these rapid changes and requests from management for assistance.		
<b>Contingency for Fraud and Error</b>	<b>All Risks</b>	The provision of this contingency allows Internal Audit to be reactive to allegations of suspected fraud and corruption.	<b>1 to 4</b>	<b>50</b>

<b><u>GRAND TOTAL</u></b>	<b><u>1,310</u></b>
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