

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



**INTERNAL AUDIT SHARED SERVICE  
DRAFT ANNUAL AUDIT PLAN FOR CROSS CUTTING**

**2015 – 2016**

**Bridgend CBC**

## 1. Introduction

1.1 Across the whole of the United Kingdom, local councils are facing unprecedented challenges following reduced Government funding and increased demands on essential services. In respect of Bridgend County Borough Council they are preparing for a funding shortfall of approximately £49 million between now and 2018-19. This means that the Council will have to find savings of £11.2 million in 2015-16.

1.2 The Council remains unwavering in its commitment towards improving and finding ways of delivering local services, providing better outcomes for residents and achieving savings that will ensure they can deliver a succession of balanced budgets.

1.3 The Council has confirmed its six improvement priorities for the next two years and has redefined the key actions under each improvement priority, taking account of resources available. The key outcomes they want to achieve are as follows:

- **People in Bridgend County Borough are healthier:** This would mean that people and their families are empowered and informed to live healthily and lead independent lives, and our communities are stronger, cohesive and sustainable, with appropriate access to services for all.
- **People in Bridgend County Borough benefit from a stronger and more prosperous economy:** This would mean that people are increasingly active in the local economy and support local businesses, and our communities are sustainable with the appropriate infrastructure to support business growth and thriving town centres.
- **People in Bridgend County Borough are engaged and empowered to achieve their own potential:** This would mean that people are active citizens in our society, equipped with the skills, qualifications and confidence needed to live and work, and that there are equal opportunities so people are supported and equally valued.
- **Bridgend County Borough is a great place to live, work and visit:** This would mean that people take pride in the county borough; their communities, the heritage and natural environment, and our communities are clean and safe and have a good range of leisure, tourism and cultural activities.

## 2. Improvement Priorities for 2015-17

2.1 Bridgend County Borough Council has identified six improvement priorities; improvements the Council believe matter most to people in the borough. These priorities are as follows:

Working together to develop the local economy	Working together to raise ambitions' and drive up educational achievement.	Working with Children and Families to tackle problems early	Working together to help vulnerable people to stay independent.	Working together to tackle health issues and encourage healthy lifestyles	Working together to make best use of our resources.
---	--	---	---	---	---

## 3. Corporate Commitments

Improvement Priority	Commitment Objective	Commitments (Actions)
<b>IP1 – WORKING TOGETHER TO DEVELOP THE LOCAL ECONOMY</b>	We will continue to regenerate our town centres, actively look for new funding opportunities and encourage new investments to help boost our local economy, provide extra employment opportunities and attract more visitors to the county borough.	Develop bids and secure funding for the next phase of urban regeneration projects through the EU Convergence programme, up to 2020; Continue to implement the first phase of a number of key land reclamation and development projects in Maesteg and the Llynfi Valley; Continue implementation of a composite regeneration programme in Bridgend Town Centre; Re-appraise development options for the delivery of regeneration in Porthcawl; Commence implementation of the Rural Development Programme 2014-2020 working with rural communities and partners towards achieving self-sustaining rural communities, diversified rural enterprises and vibrant rural economies; Provide focused support for businesses and support social enterprises to help them invest and create jobs; Engage with people and communities to understand their learning needs so that adult community learning provision is commissioned to meet their needs and employment prospects are improved;

		<p>Continue improvements in transport, pedestrian and cycle links between the bus and rail network and employment and education sites to include schemes in Bridgend, Maesteg and Porthcawl; and;</p> <p>Identify and implement physical improvements to the public rights of way and cycle track network using Welsh Government RoWIP and other grant funding</p>
<p><b>IP2 – WORKING TOGETHER TO RAISE AMBITIONS AND DRIVE UP EDUCATIONAL ACHIEVEMENT.</b></p>	<p>We want to secure a big change in the rate of improvement so that, by September 2015, children are functionally literate and numerate at the end of their primary education, and at least 60% of young people achieve the level of qualification expected for them at GCSE.</p>	<p>Use data to ensure we better understand the performance of individuals and groups of learners and offer extra help at an earlier stage in their education;</p> <p>Support schools to meet pupils' additional learning needs and the needs of more-able pupils who need extra support to reach their full potential;</p> <p>Monitor and seek to improve the effectiveness of schools through the Central South Consortium;</p> <p>Continue to implement the Youth Engagement and Progression Framework;</p> <p>Support schools in the implementation and use of Fixed Penalty Notices for non-attendance in schools;</p> <p>Implement the BCBC attendance strategy;</p> <p>Provide 14-19 year olds with the advice they need to ensure they engage in the right type of qualification for them;</p> <p>Provide schools that support the needs of all learners and their communities;</p> <p>Promote libraries and implement a series of programmes designed to get more children and young people to enjoy reading;</p> <p>Deliver the agreed actions under the School Modernisation Programme, including implementation of projects within the capital programme; and;</p> <p>Under the auspices of the Schools Task Group, work with schools to develop a sustainable strategy for the provision of education in Bridgend.</p>
<p><b>IP3 – WORKING WITH CHILDREN AND FAMILIES TO TACKLE PROBLEMS EARLY.</b></p>	<p>We want to achieve more positive changes for more children and families.</p>	<p>Put systems in place to support our new Multi-Agency Safeguarding Hub (MASH) arrangements;</p> <p>Re-launch the Joint Assessment Family Framework to ensure that partnership arrangements are more effective;</p> <p>Implement the Permanency and Placement Strategy and the Early Help Strategy to reduce the number of looked after children and to prevent children becoming looked after; and</p> <p>Improve the way we work with other agencies to help identify more families that are in need of support and to address the root cause of their problems.</p>
<p><b>IP4 – WORKING</b></p>	<p>We want to ensure effective care and support is given to</p>	<p>Produce and consult on the prevention and wellbeing strategy that includes the coordination</p>

<p><b>TOGETHER TO HELP VULNERABLE PEOPLE TO STAY INDEPENDENT.</b></p>	<p>people when it is needed.</p>	<p>of support, information and advice available in local communities;                  Increase the range and accessibility of advice and information for carers;                  Develop a regional quality framework to monitor and improve the quality of care;                  Take reasonable steps to prevent homelessness in line with strengthened duties under the new Housing (Wales) Act 2014;                  Help vulnerable people retain their dignity and stay as independent as possible in accommodation that best meets their needs;                  Further develop crisis prevention, support and accommodation options for people with mental health needs that promotes independence and prevents hospital admission;                  Continue the development of two new extracare schemes across the borough;                  Continue the transformation of homecare services; and                  Establish an integrated operational model for the Learning Disability Community Support Team.</p>
<p><b>IP5 – WORKING TOGETHER TO TACKLE HEALTH ISSUES AND ENCOURAGE HEALTHY LIFESTYLES.</b></p>	<p>We want to encourage more people across the county borough to live healthily and to see increased participation in physical activity across all population groups.</p>	<p>Ensure our schools meet the standards of the Healthy Eating in Schools Regulations 2013;                  Continue to roll-out and implement cashless catering system across our schools;                  Through the Family Active Zone initiative, promote nutrition, physical activity and family relationships for positive lifestyle change;                  Promote the Healthy Options Scheme with businesses across the county borough to offer customers healthy options on a food business’ menu;                  Continue to work with partners towards joint inspections of premises selling age restricted products such as tobacco and alcohol which will help tackle nuisance behaviour related to alcohol consumption;                  Develop and provide advice and education to businesses on matters such as the sale of age restricted products and food hygiene standards;                  Implement the primary and secondary school national sport programme to increase physical activity levels;                  Support partners in the LSB to further develop target projects to encourage better health with a focus on the Llynfi Valley;                  Develop services and opportunities that encourage and promote life-long physical activity particularly amongst underrepresented groups, by working in partnership with HALO Leisure and a range of community partners;                  Continue to deliver the National Exercise Referral Programme in partnership with HALO Leisure to help reduce obesity levels and encourage better weight management across the county borough;</p>

		<p>Co-ordinate the Love to Walk programme to support community walking networks;                  Develop active travel maps and support walking and cycling initiatives that will contribute to the implementation of the Active Travel (Wales) Act; and                  Identify and promote new initiatives that support the health and wellbeing of employees.</p>
<p><b>IP6 – WORKING TOGETHER TO MAKE THE BEST USE OF OUR RESOURCES.</b></p>	<p>We want to make £11.2m of savings in future years while driving improvements in priority areas.</p>	<p>Implement the planned savings identified in the 2015-16 budget;                  Deliver the projects contained within the Bridgend Change Programme (BCP);                  Improve efficiency by rationalising and maximising the use of ICT systems and software applications;                  Develop proposals to provide citizens with more self- service options for accessing Council services;                  Develop effective mechanisms to improve our understanding of citizens’ views;                  Explore new ways of engaging and consulting with children and young people to continue to hear their voice;                  Implement the contract management and e-procurement strategy to improve efficiency;                  Deliver the agreed actions of the Parc Afon Ewenni scheme;                  Extend electronic learning opportunities for staff to develop the skills and flexibility of the Council’s work force;                  Further rationalise the Council’s operational estate to reduce accommodation costs;                  Pursue our asset disposal strategy with the aim of securing capital receipts of at least £6 million; and;                  Introduce a compliance tracking system to support more effective facilities management of our buildings.</p>

#### 4. Corporate Risks

The Council assesses on an annual basis the major risks that will affect the ability to achieve the Corporate Improvement Priorities, provide services as planned and fulfil its statutory duties. The main risks facing the Council, the likely impact of these on Council services and the wider County Borough are listed below.

Risk Ref.	Risk	Inherent Risk Score	Residual Risk Score
	Welfare Reform	24	24
	Using resource effectively	24	24
	Local Government Reorganisation	24	24
	Supporting vulnerable people	24	20
	Supporting vulnerable children, young people and their families	24	20
	School modernisation	24	16
	The economic climate and austerity	20	16
	Disposing of waste	20	16
	Healthy lifestyles	20	16
	Maintaining infrastructure	20	16
	Equal pay claims	20	16
	Impact of homelessness	15	15
	Collaboration with partners	24	12
	Educational attainment	16	12

#### 5. The Risk Assessment Process

5.1 The information which has been used to prepare the risk assessment and proposed internal audit plan for review that are considered to be Cross - Cutting has been collected and collated from a number of different sources including the information contained above. The starting point for a risk based audit approach is an understanding of the Council's priorities and risks. This has been achieved by reviewing the Corporate Plan, Directorate's Business Plans, Corporate Risk Register and meeting / interviewing Corporate Directors and their Senior Management Teams asking where they perceive to

be the main risks within their individual areas and where they would require internal audit to provide assurance that such risks are being effectively mitigated and managed. This information is used to inform and design the audit plan.

5.2 The plan is based on an underlying risk assessment. The inherent risks existing within each area are then identified for audit as part of the audit planning process. The audits which make up the plan have been assessed on priority. Internal Audit will ensure that all reviews classified as “high” risk, will be completed by the end of the year, “medium risk reviews are the next level down, but still require a scheduled review. Although “low” risk reviews still carry a degree of risk, these have not been included on the plan but continue to be risk assessed annually to take account of any changes in their status.

## 6. Proposed Internal Audit Plan for BCBC CROSS CUTTING 2015-16

### BCBC - CROSS CUTTING

Area	Identified Risk(s)	Audit Scope	Total Days
<b>Corporate Assessment</b>	Reputational damage to Council; adverse report from WAO.	To assist the Council in preparation for the WAO in-depth Corporate Assessment.	<b>35</b>
<b>Good Governance</b>	Reputational damage to Council if processes are not fair and transparent.	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>15</b>
<b>Project Management</b>	Potential for project failure.	To review the Council’s procedures and processes in relation to the management of key projects (including Vibrant & Viable Places) to ensure compliance with the Council’s project management methodology.	<b>25</b>
<b>Data Quality</b>	Weak performance management leads to lack of informed decision making, poor analysis and weak	The audit will perform an in-depth review into a chosen area of performance within the Council and consider the following: The robustness of the data quality framework;	<b>20</b>



	planning and improvement, both for core business management and achievement of transformational change.	Have robust processes for data quality been established throughout the Council; The accuracy of performance management data; Validation process undertaken.	
<b>Transformational Change</b>	Inability to deliver the Corporate Plan Objectives and Outcomes within the resources available.	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.	<b>25</b>
<b>School Modernisation Programme</b>	Failure to meet improvement priority two – working together to raise ambitions and drive up educational achievements. One of the improvement outcomes is to “continue to improve the learning environment by modernising the school estate”.	To undertake a review of the School Modernisation Programme to ensure that projects are being managed in accordance with the Council’s Project Management Methodology; Financial and Contract Procedure Rules are being complied with and that sound governance and risk management arrangements are clearly evident.	<b>25</b>
<b>Access to Records</b>	Breach of Data Protection resulting in significant penalties. Reputational damage for the Council.	To provide assurance that the Council is complying with the key requirements of the Data Protection Act. That access to records is strictly controlled, securely stored and safely disposed of.	<b>15</b>
<b>Quality Assurance &amp; Improvement Programme / Review of the Effectiveness of Internal Audit</b>	Failure to comply with the Public Sector Internal Audit Standards (PSIAS) and External Auditor unable to place reliance on our work.	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).	<b>5</b>
<b>Emerging Risks / unplanned</b>	Failure to provide for a contingency with the planning process does not comply with the Public Sector Internal Audit Standards.	To enable Audit Services to respond to provide assurance activity as required.	<b>40</b>
<b>Provision of Internal Control /</b>	Inability to support an effective control environment.	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.	<b>31</b>

<b>Planning / General Advice</b>			
<b>Audit Committee / Member and CMB Reporting</b>	Inability of the Audit Committee to fully perform their functions in accordance with their Terms of Reference.	This allocation covers Member reporting procedures, mainly to the Audit Committee, plan formulation and monitoring, and regular reporting to, and meeting with, the Corporate Director of Resources, Corporate Management Board and the Internal Audit Shared Service Board.	<b>50</b>
<b>External Audit Liaison</b>	Duplication of effort, reputational risk, inability to support the audit opinion.	To ensure that a “managed audit” approach is followed in relation to the provision of internal and external audit services.	<b>5</b>
<b>Follow - Up</b>	Risk of fraud and/or error.	Where more serious concerns over the effectiveness of internal controls within the systems being reviewed are identified (and consequently an ‘ineffective’ or ‘poor’ opinion is provided at the time), a follow-up audit is undertaken at an appropriate time, allowing adequate time for the implementation of the recommendations but also taking into account the risk presented to the Council whilst the actions required remain open.	<b>25</b>
<b>External Client</b>		To provide assurance on the overall control environment in respect of County Borough Supplies and the Crematorium.	<b>20</b>
<b>Fraud / Error / Irregularity</b>	Possible fraudulent activity and non-compliance with the County Borough Council’s fraud-related policies and procedures.	<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. Also to develop awareness sessions; e-learning; policies and procedures.	<b>40</b>
	Failure to comply with a Statutory requirement.	<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>25</b>
<b>Carried Forward Work from 2014-15</b>		Provision for the assignments still ongoing at the end of 2014/15	<b>20</b>
		<b>Overall Total – BCBC - Cross Cutting</b>	<b>421</b>