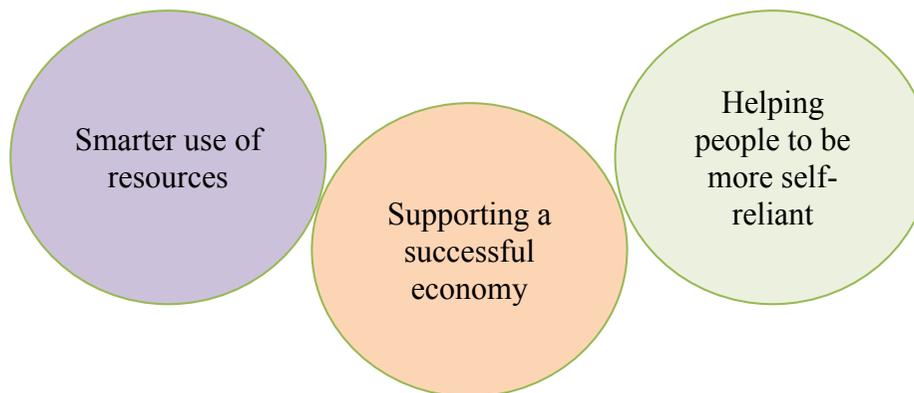


Partneriaeth Pen-y-Bont a'r Fro  
Bridgend & Vale Partnership  
working together - gweithio ar y cyd



**BRIDGEND COUNTY BOROUGH COUNCIL WORKING TOGETHER TO IMPROVE LIVES**

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

**2016 – 2017**

**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. Between 2016-17 and 2019-20, the Council is expecting to have to make budget reductions of up to £35.5 million. Budget cuts of this scale present a significant challenge that will require the Council to make many difficult decisions about what services can be maintained and what cannot.
- 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 Improving educational attainment remains very important to the council and ongoing improvement in this area forms part of a wider objective in raising skills and attainment more generally. The Council's Corporate Plan highlights the Council's commitments whilst recognising that core and statutory services will continue to receive attention including the Council's work as a planning authority, maintain highways and public transport; refuse collection, street cleaning, revenues and benefits, public protection and sports, arts and libraries.
- 1.4 The Council continues with its commitment to the Transformation Programme, strong financial management and performance management and robust business planning and service planning.

## 2. Improvement Priorities for 2015-17

- 2.1 Bridgend County Borough Council recognises that it will have to make significant changes to the way they think and operate in order to meet the significant challenges ahead – not least the increasing demands made on many of the Council's services, against the background of a shrinking budget. The Council has a clear and simple vision and that is, always to act as:-

**“One Council working together to improve lives”.**

- 2.2 The Council's values have not changed and continue to represent what the Council stands for and influences how they work. The Council's values are:-

- **Fair** – taking into account everyone’s needs and situation;
- **Ambitious** – always trying to improve what we do and aiming for excellence;
- **Citizen-focused** – remembering that we are here to serve our local communities;
- **Efficient** – delivering services that are value for money.

2.3 The Council has also identified three well-being outcomes that will be their focus over the coming four years. These outcomes are intended to improve the quality of life of people in the County while significantly changing the nature of the Council. The three outcomes are as follows:

Supporting a successful economy	Helping people to become more self-reliant	Smarter use of resources
A successful, sustainable and inclusive economy that will be supported by a skilful, ambitious workforce.	Individuals and families that will be more independent and less reliant on traditional Council services.	A Council that has lean, robust processes and a skilful workforce. A supported third/community sector with the opportunity to take on services that meet citizens’ needs.

### 3. Corporate Priority Outcomes

3.1 The following table outlines the three priority outcomes set by the Council and what will help to achieve these aims.

Priority	Description	Key Projects and Programmes
<b>One – supporting a successful economy</b>	This means the Council will take steps to make the county a good place to do business and to ensure that schools are focused on raising the skills, qualifications and ambitions of	<p><b>City Deal</b> – Working with neighbouring South East Wales Councils, we are seeking a ‘City Deal’ from the UK and Welsh Government which could result in around £1 billion investment in major capital projects in the Cardiff City Region over the next 10-15 years.</p> <p><b>Strategic Review of Post 16 Education and Training</b> – A strategic review to</p>

	<p>all people in the county.</p>	<p>evaluate education provision and curriculum delivery with Bridgend College to ensure that there are clear options available to provide the best possible opportunities for learners in Bridgend.</p> <p><b>A Good to Great School Strategy</b> – ensuring the many good schools become excellent schools.</p> <p><b>Successful Economy Programme</b> – key regeneration and local development schemes including: - Vibrant and Viable scheme with external funding of £9.6 million, which is redeveloping the Rhiw Car Park in Bridgend and creating a community living in the heart of the town centre by converting vacant space over shops into accommodation. – Regeneration of Porthcawl including funding of £0.28 million for the Porthcawl Rest Bay Waterside Cycle Path and £0.89 million for Porthcawl Townscape Heritage Initiative (2015-16 to 2018-19) to regenerate heritage buildings. – Llynfi Sites Reclamation funding of £2.5 million.</p>
<p><b>Two – Helping people to be more self-reliant</b></p>	<p>This means the Council will take early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.</p>	<p><b>Remodelling Social Care:-</b> This is a large programme which includes recommissioning adult home care, developing extra care and information and advice services for people and their carers. Working with partners creating a Multi-Agency Safeguarding Hub as a single point of contact for all safeguarding concerns. Looking at existing models of residential care for children and young people and respite care for children with disabilities in order to make them more targeted and more effective.</p> <p><b>Community Asset Transfer</b> – transferring assets to communities to manage while making the most of the assets retained.</p>
<p><b>Three – Smarter use of resources</b></p>	<p>This means the Council will ensure that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the</p>	<p><b>Digital Transformation Programme</b> – changing the way the Council operates to enable customers to access information, advice and services on line.</p> <p><b>Rationalising the Council’s estate</b> – disposing of assets, transferring assets to communities to manage while making the most of the assets retained.</p>

	<p>development of resources throughout the community that can help deliver the Council's priorities.</p>	<p><b>Schools' Modernisation Programme</b> – investing in a sustainable education system in school buildings that reduces cost and their carbon footprint.</p> <p><b>Procurement Programme</b> – pursuing new opportunities and practices to maximise the benefit the Council gets when they buy goods and services.</p> <p><b>Commercialisation Programme</b> – identifying the opportunities for generating additional income to support and protect core services.</p>
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#### 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	2016-17 Score
Cultural change to deliver the MTFS	24
Local Government Reorganisation	24
Supporting vulnerable people	20
Welfare reform	18
Supporting vulnerable children	16
The economic climate and austerity	16
Disposing of waste	16
Equal pay claims	16
Healthy Lifestyles	16
Maintaining infrastructure	16
Impact of homelessness	15
Collaboration with partners	12
Educational provision	12
Educational attainment	12

Health and Safety	12
School modernisation	12
New pay and grading system	N/A

## 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 CROSS CUTTING - BCBC 2016-17

### CROSS CUTTING - BCBC

Area	Identified Risk(s)	Audit Scope	Total Days
<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>

BCBC – CROSS CUTTING PROPOSED PLAN 2016-17

<b>Project /Contract/ Management / Capital Programme</b>	Potential for project failure. Reputational Damage. Failure to achieve value for money.	To review the Council's procedures and processes in relation to the management of key projects to ensure compliance with the Council's project management methodology and Contract Procedure Rules.	<b>30</b>
<b>Data Quality – Performance Indicators</b>	Weak performance management leads to lack of informed decision making, poor analysis and weak planning and improvement, both for core business management and achievement of transformational change.	The audit will examine:- The robustness of the data quality framework; Have robust processes for data quality been established throughout the Council; The accuracy of performance management data; Validation process undertaken.	<b>20</b>
<b>ICT</b>	Reputational Damage, Failure to meet improvement priorities and service expectations.	The Internal Audit Shared Service will develop and extend the pilot to provide computer audits to other local councils. This will generate income for the service and be offset against the savings required to be made by the service for 2016/17.  In order to continuously improve the Shared Service will make further advancements in rolling out more data extraction and computer assisted audit techniques to increase assurance levels and decrease the impact on client services.  Key to the success of the change programme is digital transformation. It is also a key project that will help the Council achieve its priorities. The review will examine whether the Council is on track to achieve its aims.	<b>95</b>
<b>Safeguarding</b>	Serious safeguarding failure.	Case management of safeguarding incidents are dealt with in accordance with the Council's safeguarding policies and procedures. This review will also include an annual assessment of the Council's overall operating model for safeguarding; including reviewing the adequacy of assurances obtained by the Council in respect of safeguarding arrangements in place for vulnerable adults and children.	<b>15</b>
<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 and that the necessary savings have been and are being achieved.	<b>15</b>
<b>Fleet</b>	Reputational Damage, failure to meet expectations.	To undertake a review of the use of the fleet assets across the council to ensure maximum use and value for money.	<b>20</b>

BCBC – CROSS CUTTING PROPOSED PLAN 2016-17

<b>Grants</b>	Potential breach of grant conditions	To verify and validate grant claims as required.	<b>15</b>
<b>Regularity review</b>	Breakdown in internal control	Core compliance	<b>20</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 / Planning / General Advice</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>35</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>30</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>20</b>

BCBC – CROSS CUTTING PROPOSED PLAN 2016-17

<p><b>Fraud / Error / Irregularity</b></p>	<p>Possible fraudulent activity and non-compliance with the County Borough Council's fraud-related policies and procedures.</p> <p>Failure to comply with a Statutory requirement.</p>	<p><b>Irregularity Investigations</b> - Reactive work where suspected irregularity has been detected.</p> <p><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.</p> <p><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.</p>	<p><b>30</b></p>
<p><b>Carried Forward Work from 2015-16</b></p>		<p>Provision for the assignments still ongoing at the end of 2015/16</p>	<p><b>20</b></p>
		<p><b>Overall Total – Cross Cutting - BCBC</b></p>	<p><b>430</b></p>