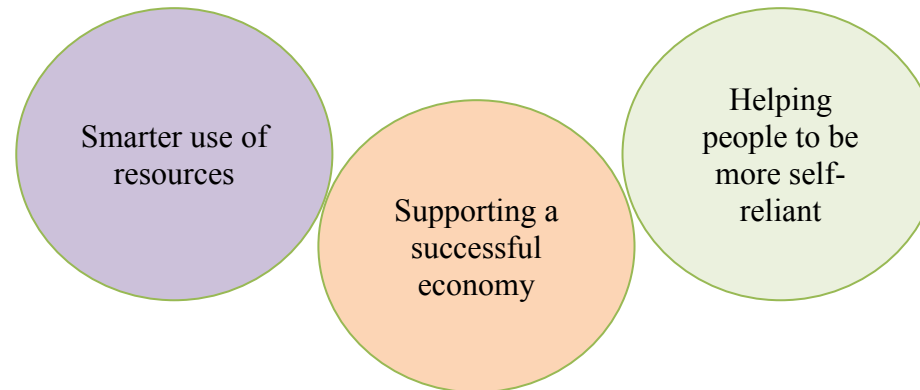


Partneriaeth Pen-y-Bont a'r Fro  
Bridgend & Vale Partnership  
working together - gweithio ar y cyd



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

**INTERNAL AUDIT SHARED SERVICE  
DRAFT ANNUAL AUDIT PLAN FOR FINANCE WITHIN THE CHIEF EXECUTIVE'S  
DIRECTORATE**

**2016 – 2017**

**Bridgend CBC**

## **1. Introduction**

- 1.1 The Chief Executive (CEX) - Finance Directorate's primary function is to support the rest of the organisation in the delivery of its priorities. The Directorate is responsible for the effective planning and management of all the Council's resources including finance, people, information technology and assets. In addition they are responsible for the administration of council tax and housing benefit payments, customer services and communications and marketing.
- 1.2 The Directorate will continue to support other directorates in the delivery of the Bridgend Change Programme and the Medium Term Financial Strategy, whilst also continuing to deliver its own improvement objectives and budget reduction requirements. The Directorate's overall aim is to continue to provide the best support it can over the coming year, focusing on their efforts on making best use of limited resources at all times.
- 1.3 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. The CEX - Finance Directorate will have a key role to play in fulfilling this aim, both in terms of its own activity but also in supporting others to ensure that the Council are continually striving to reduce its cost base by increasing efficiency and productivity, eliminating waste and duplication and developing new, more cost effective models of service delivery.
- 1.4 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.
- 1.5 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
<p><b>One – supporting a successful economy</b></p>	<p>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 all people in the county.</p>	<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 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</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.</p>

	Council and its services.	<p>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>
<b>Three – Smarter use of resources</b>	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 development of resources throughout the community that can help deliver the Council's priorities.	<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><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>

**4. Corporate Priorities – CEX - FINANCE**

Council Priority	Objective	Finance - (Actions)
<b>One – Supporting a successful economy</b>	To help local people develop skills and take advantage of opportunities to succeed and to extend that success to every community in the County Borough.	Work with the regional Learning, Skills and Innovation Partnership (LSKIP) and also through the Council's 21 <sup>st</sup> Century Schools Programme and other BCBC-led projects to develop employment opportunities (including apprenticeships and traineeships) and a skills plan that can be delivered locally with our partners, including the college, other training providers and local businesses.

<b>Two – Helping people to be more self-reliant</b>	To support the third sector, town and community councils and community groups to meet local needs.	Increase capacity of the third sector by finding new ways of working together.
<b>Three – Smarter use of resources</b>	To achieve the budget reductions identified in the MTFS.	Implement the planned budget reductions identified for 2016-17 budgets. Identify and take forward at least three new income generation initiatives.
	To improve the efficiency of and access to services by redesigning our systems and processes	Develop a range of automated and online services that are easy for citizens to use. Move most common internal processes to automatic to reduce transaction costs and streamline processes. Improve our understanding of citizens views by developing and promoting mechanisms that increase responses to consultations.
	To make the most of our physical assets, including school buildings.	Provide new and improved schools through delivering the agreed actions under the Schools' modernisation programme. Rationalise further the Council's administrative estate to ensure the Council operates from one core office by March 2017. Deliver the enhanced asset disposal programme to achieve £4million capital receipts by March 2017; Make the Waterton site available to market for housing development as part of the Parc Afon Ewenni scheme. Implement energy and carbon reduction measures and promote good practice in all our public buildings to help them reduce their carbon footprint and achieve 2% carbon reduction.
	To develop the culture and skills required to meet the needs of a changing organisation.	Support managers to lead staff through organisational change; Provide the learning and development opportunities for staff to meet future service needs.

## 5. Corporate Risks

The Council assesses on an annual basis the major risks that will affect the ability to achieve the Corporate Priorities, provide services as planned and fulfil its statutory duties. The following high risks are owned by the Finance Services within the Chief Executive Directorate and are shown under each improvement priority.

<b>Risk Description</b>	<b>2016-17 Score</b>
Cultural change to deliver the MTFS	24
Welfare Reform	18
Equal Pay Claims	16

## 6. The Risk Assessment Process

6.1 The information which has been used to prepare the risk assessment and proposed internal audit plan for the CEX - Finance Directorate 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 Plan, 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.

6.2 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.

## 7. Proposed Internal Audit Plan for the CEX - Finance Directorate 2016-17

### CHIEF EXECUTIVE - FINANCE

Area	Identified Risk(s)	Audit Scope	Total Days
Core Financial Systems	<p>Loss of key members of staff.</p> <p>Failure by External Audit to be able to place reliance on work.</p>	<p>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 and External Audit will place reliance on our work to inform their audit. The Core systems include:</p> <ul style="list-style-type: none"> <li>• Taxation – Council Tax &amp; Business Rates</li> <li>• Benefit Administration,</li> <li>• Creditor Payments/Accounts Payable,</li> <li>• Debtors/Accounts Receivable,</li> <li>• Cash Control,</li> <li>• Budget Setting, Monitoring &amp; Reporting,</li> </ul>	70

BCBC CHIEF EXECUTIVE - FINANCE PROPOSED PLAN 2016-17

		<ul style="list-style-type: none"> <li>• Treasury Management,</li> <li>• Main Accounting.</li> </ul> (this list is not exhaustive)	
<b>Elections</b>	Reputational damage for the Council.	To review the systems and processes in place for Elections and provide assurance on the overall control environment including governance and risk.	<b>15</b>
<b>MTFS</b>	Reputational Damage. Failure to deliver the change agenda. Failure to meet the savings targets.	Key to the success of the Council's Change / transformational agenda is delivering the savings as outlined in the Medium Term Financial Strategy. Internal Audit will review the savings which have been highlighted as Red and/or Amber and evaluate the impact.	<b>20</b>
<b>Corporate Change Fund</b>	Failure to meet expectations.	Invest to Safe. Review the procedures and process in operation and provide the necessary assurances.	<b>10</b>
<b>Direct Payments</b>	Inaccurate payments, reputational damage, expectations not realised.	The Council are exploring ways in which the service provision can be improved. This review will examine the Finance Sections involvement in the processes and procedures and will provide the necessary assurances on the overall control environment.	<b>15</b>
		<b>Overall Total – CEX – Finance</b>	<b>130</b>