

2015/16 & 2016/17 Completed Audits

Reported at the 29th September 2016 Audit Committee Meeting

| Report Title | System Overview | Department & Directorate | Work Finalised | Audit Days | Key Messages | Audit Opinion |
|---------------------------|---|-------------------------------------|----------------|------------|--|---------------|
| Business Support Services | <p>Since 1st August 2014 the Business Support team became a centralised unit reporting to the Head of HR and Organisational Development and providing support to 3 client areas. (ICT, Built Environment and Property). The objective of the audit was to review the impact on the control environment as a result of Business Support being centralised to ensure processes and procedures remain robust and that there is a clear division of duties evident. The scope of the audit testing was limited to orders, invoicing and purchasing cards.</p> | Operational Services & Partnerships | June 16 | 50 | <p>Since centralisation the team has developed and implemented an electronic way of working, attempted to streamline a variety of financial processes as well as implementing generic and agile working with a view to creating an adaptable workforce. It was found that any new procedures strictly adhere to the Council's financial regulations and an authorised signatory listing has been developed and is referred to at all times. The team has regular communication with the 3 service areas and provides advice and support when necessary.</p> <p>The following key issues were identified. As a result of the restructure process, coupled with gaps in working instructions there is often a delay in invoices being raised and authorised on COA which means that monies</p> | Reasonable |

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| | | | | | <p>payable to the Council and owed to Suppliers is delayed. Purchase card reviews are not undertaken on the Barclaycard system in a timely manner (though it is acknowledged this is often out of the control of Business Support). A number of the delays identified during the various processes tested have stemmed from the Business Support team not receiving paperwork from departments (including schools) in a timely manner. Business Support will chase paperwork as much as possible and remind departments of the need to submit it promptly.</p> | |
| Council Tax | <p>The objective of the audit was to confirm there are sound systems of internal control in place with regard to the application of Single Person Discount (SPD) within the Council Tax system. The scope of the audit was to document the process in place for the awarding and monitoring of Single Person Discount and undertake any necessary testing to confirm. Also</p> | CEX & Finance | Aug 16 | 10 | <p>The section has experienced and knowledgeable staff who actively pursue the NFI matches via an appropriate monitoring process. The section use I-mail for printing, producing and delivering mail and this has reduced mailing costs through time, postage and printing costs.</p> <p>It was identified from sample</p> | Reasonable |

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| | to review the process for dealing with NFI matches and to identify the progress to date. | | | | testing that SPD application forms are not retained on information@work at all times, the Auditor could not verify that there are sufficient processes in place for verifying SPD before the Council Tax liability is discounted and that guidance in relation to granting SPD is not comprehensive. | |
| Highways Network Asset Valuations | With effect from 1 st April 2016, all local authorities are required to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Transport Infrastructure Asset Code of Practice. The purpose of the new code will be to ensure that local authorities apply a consistent approach in how HNA valuations are recorded and reported in their 'Statement of Accounts'. Highway Services, Communities Directorate is responsible for preparing and collating the data for the HNA valuation, which is used by the Council's Finance section. The objective of the audit was to evaluate the integrity of the Highways Network Asset Valuation | CEX & Finance / Communities | July 16 | 14 | Highway Services have produced supporting documentation to demonstrate the process and methodology undertaken in the 2014/15 valuation and there was sufficient evidence provided to support the methodology and calculations for the valuation of carriageways, footways and structures. The following key issues were identified which need to be addressed. There is no agreed process in place to accurately identify and capture additional / disposal of highway network assets. Furthermore, inaccurate Street Lighting, Street Furniture and Traffic Management System inventories | Reasonable |

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| | figures used for the recent return and to provide assurance that the valuations ultimately used in the balance sheet in 2016/17 are sound. | | | | were used in the 2014/15 valuation. | |
| NNDR (Refunds) | The objectives of the audit were to confirm there are sound systems of internal control in place with regard to the operation of the NNDR Refunds function | CEX & Finance | June 16 | 10 | It was found that clear processes were in place for dealing with NNDR Refunds, there was a clear audit trail against employee's actions in the RB Live system and segregation of duties between authorising and input of refunds was evident. There were no key issues identified during the Audit which need to be addressed. | Substantial |
| Creditors | The COA Financials Accounts Payable module is used to pay invoices received from suppliers of goods and services; additionally it maintains a record of payments made to suppliers. In conjunction with COA Financials, Bridgend County Borough Council (BCBC) uses Fiscal Technologies' AP Forensics which seeks to identify potential duplicate payments, fraud | CEX & Finance | July 16 | 21 | When tested the controls on a separate user entering a payment to those authorising a payment was enforced for all 49,155 payments (totalling £85,336,538) made between 1 st April 2015 and 28 th January 2016. Payment cancellation actions required for a sample of 10 records from the Duplicate Invoice Recordings spreadsheet | Substantial |

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| | <p>and errors in current or historical data. The objective of the audit was to ensure that the systems and controls surrounding the COA Financials Accounts Payable module are robust and operating in accordance with the Financial Procedure Rules.</p> | | | | <p>had all been acted on accordingly when cross-referenced against COA Financials. It was identified during the Audit that 232 potential duplicate payments that have been marked recommended by the National Fraud Initiative have not been examined by the Council. It was explained that these tend to be payments made on a 4 week cycle so are seen as low risk but they will be reviewed in the future.</p> | |
| Occupational Therapy including minor adaptations | <p>The principal aim of the Community Occupational Therapy Service is to promote the independence and safety of people with 'permanent & substantial' disabilities, living in their own homes and to ensure that their Carers (as applicable) are able to undertake support tasks safely. This audit focused on how Community Occupational Therapy assessments and referrals are managed and monitored and how minor adaptations and equipment loans are managed. To ensure that where necessary</p> | Social Services & Wellbeing | Aug 16 | 35 | <p>Day to day operations are well rehearsed and good procedures are followed with monitoring being undertaken. Referrals are handled in short timescales that will exceed those historically recommended by the Local Government Ombudsman. It was recommended that advice should be sought with regard to the content of a Memorandum Of Understanding and service level agreement to ensure that they are sufficient</p> | Reasonable |

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| | <p>contracts/agreements or SLA's are in place and up to date and agreed by both parties, they are effective and compliant and that budgets are managed and monitored effectively. Furthermore that the referral process is efficiently managed and work is completed and approved in a timely manner.</p> | | | | | |
| <p>Bus Services Support Grant</p> | <p>An audit of the Bus Services Support Grant claim made to SEWTA for 2015/16 was undertaken to ensure that the method of calculating the claim complied with the Terms and Conditions of the grant. Each quarter SEWTA hold back 10% of the grant funding to allow for any errors made over the preceding 12 months. The grant is claimable for the 12 months between April 2015 and March 2016</p> | <p>Social Services & Wellbeing</p> | <p>July 16</p> | <p>7</p> | <p>This was the first year that the spreadsheet created by Internal Audit was used by Physical Resources to collate the distance travelled by the vehicles. However testing revealed that there were discrepancies within the quarterly figures already submitted. It is clear therefore that the current process of collating and submitting the kilometres travelled for the quarterly return is inadequate, resulting in an overpayment being received and it was therefore recommended that all claims are checked by a second person before being submitted to minimise claim errors.</p> | <p>Limited</p> |

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| Performance Indicators | A review of the 2015/16 performance indicators including National Strategic Indicators (NSI), Public Accountability Measures (PAM) and Local Indicators (LI) was undertaken to ensure that the process for collating, approving and submitting data for 2015/16 is robust and reliable. Three Local Indicators in relation to the Customer Services Centre performance targets were also reviewed together with providing assistance in the setup of the 2016/17 indicators resulting from the Social Services & Wellbeing Act Wales 2014. | Operational Services & Partnerships | Aug 16 | 15 | The audit concluded that a robust Performance Management Framework is in place, linked to Corporate, Directorate and Service Plans; the Performance Management System (PMS) provides a 'one stop shop' for PIs and associated information, and Group Managers/Responsible Officers demonstrated awareness of processes. To improve the systems it was identified that supporting reports and documents were not consistently uploaded to the PMS by all departments; that formal final sign off of the PI was not always evident on the PMS and the performance information from third parties was not provided in a timely manner. | Reasonable |
| Cash Handling & Stock Control | The Customer Service Centre in the Civic Offices collects cash, cheque, credit and debit card payments for a number of Council Departments as well as dealing with a wide range of other queries and selling car park passes, Trade Waste sacks and RADAR keys. | Cross Cutting | Aug 16 | 15 | Areas of good practice were identified such as staff are made aware of the key points in the Councils Constitution Rules of Procedure and service specific cash handling rules and segregation of duties was evident in the banking processes | Reasonable |

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| | <p>They are also the G4S collection point for a number of other departments within the Council. In addition some Council departments undertake their own income collection and G4S handover. The Customer Service Centre collected a total of £660,145.79 in cash, cheque, credit and debit card payments in 2015/16 from 10,645 transactions. Therefore the objectives of the audit was to ensure that the cash and stock controls at key collection points (Contact Centre, Licensing and Registrars) are operating effectively and in accordance with the Council Constitution Rules of Procedure.</p> | | | | <p>across all three areas reviewed. Some recommendations have been made to improve controls across all three areas such as not mixing personal money in cash tins, and ensuring that cash is securely stored and accounted for at all times.</p> | |