

BUSINESS ASSURANCE PROGRESS REPORT – JANUARY 2016

1 Purpose

- 1.1 To receive the Business Assurance Services Progress Report of activity undertaken since November 2015.

2 Recommendations

- 2.1 The committee is recommended to note the progress report at Appendix A and approve the proposed revisions to the 2015/16 Business Assurance plan.

3 Supporting Information

- 3.1 This report provides an update on the progress made against the 2015/16 Assurance Plan. Appendix A includes information on:
- Summary of assurance reviews completed and in progress
 - Revised assurance plan
 - Overdue recommendations and follow up work

4. Reasons for Recommendations

- 4.1 Ensuring a proper and effective flow of information to Audit Committee Members enables them to perform their role effectively and is an essential element of the corporate governance arrangements at the council.

5. Resource Implications

- 5.1 There are no resource implications to report.

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Background papers: none



Business Assurance Services

Assurance Progress Report

January 2016

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1. Assurance reviews completed since the last progress report

No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Housing Allocations			

Housing Allocations

We reviewed the process and controls for Housing Allocations including processing applications in accordance with the Bucks Home Choice (BHC) Policy. Generally the processes operated by AVDC's Housing Service are good. Applicants to the register appear to be thoroughly vetted and in accordance with the BHC Policy. Overall we gave a reasonable assurance rating.

We raised one Medium priority recommendation relating to a wider review against the BHC Policy objectives. The objectives have not been subjected to a formal review since the policy was introduced in 2014; an annual review should be undertaken.

We also raised two Low priority recommendations:

- Within Aylesbury Vale the Housing Register is jointly managed by AVDC and the Vale of Aylesbury Housing Trust (VAHT). Whilst VAHT are not a named partner within the Policy, there is a 'Common Housing Register and Nomination Rights' Agreement in place between AVDC and VAHT. The final signed version of the agreement could not be located.
- Management checks are not routinely carried out at the point of entry to the housing register.

2. Assurance plan work in progress

The following areas are in progress from the Assurance Plan:

Assurance Plan Area	Type of review	Progress
Technology One - Accounts Payable	Assurance	A draft report was issued on 8 January. We are agreeing actions arising as a result of our recommendations with management. The report will be presented to Audit Committee in March.
Technology One - Debtors	Assurance	
Council Tax and Business Rates collections	Assurance	The review is being scoped with a view to issuing a Terms of Reference and starting the review in January 2016.

Housing Benefits and CT reduction	Assurance	The review is being scoped with a view to issuing a Terms of Reference and starting the review in January 2016.
Data Protection – Home working and use of personal devices	Assurance	High level scope has been provided to external provider and we are waiting on quotes. Detailed scope & start date will then be confirmed.
Policy Compliance Software	Advisory	Policy Hub went live in November 2015. We are now planning a compliance programme, including policy review and update and staff training.

Service risk assurance

In December 2015 we started the Service Risk Assurance process. We are currently reviewing the information submitted and updating risk ratings. The results of the service risk assessment will be reported in March 2016.

In February we will begin the review of the Strategic Risk Register.

3. Revised assurance plan

In September 2015 a revised Assurance Plan was approved by members of the Audit Committee. The plan has been further reviewed and updated for the remaining three months of the year to reflect changes which have meant some reviews are no longer a priority for this year and in other cases they have been merged with other reviews or removed all together. Appendix 2 shows the work completed, outstanding and the changes.

4. Overdue recommendations and follow up work

Business Assurance actively track and monitor the recommendations that we have raised from our Assurance Reviews. This is to ensure that the control weaknesses identified have been satisfactorily addressed by the agreed target date which reflects the priority weighting. We only report to the Audit Committee when more than 3 months has passed since the original agreed target date.

In November 2015 we alerted the Committee to outstanding recommendations. Below is the updated position.

Financial control weaknesses - Update

In November 2015 we updated the Committee on some of the issues with the implementation of the new finance system “Technology One”, which meant that previously identified financial control weakness had not yet been addressed.

We carried out the first assurance review of Technology One (Accounts Payable and Accounts Receivable) during November / December 2015. This scope of this review took account of the previous recommendations.

A draft report was issued to management on 8th January 2016. This contains a number of recommendations which will supersede those raised previously. We will provide a comprehensive update on our findings, recommendations and the agreed actions at the March Audit Committee.

Transparency Code - Implemented

We carried out an assurance review to check compliance with the revised Transparency Code in 2014 and then did a follow up in early 2015. We identified that there were datasets that the Council should have been publishing but hadn't for various reasons. Two areas missed the original enforced deadline that the legislation dictates. These related to data about the 'Organisation and Salaries' and the other was data of 'Land and Property ownership.

The 'Organisation and Salaries' data was uploaded around mid 2015 and the 'Land and Property' data was uploaded in December 2015. This recommendation has been fully implemented and all data that the Council is required to publish as part of the Transparency Code can be found on the website under 'Accessing Our Information – Open Data'.

Network Drives - Implemented

This has been a long outstanding recommendation concerning the creation of a better IT sharing environment to facilitate joint working.

A project launched in January 2016 to replace the Z drives with an Enterprise Content Management solution called Box. Box is a cloud based solution which allows facilitates easy sharing of documents whilst reducing the number of e-mail attachments we send.

The recommendation is fully implemented and the project to fully replace the Z drives is expected to take between 6 and 9 months to complete.

Section 106 (Developer Contributions) – Outstanding

There was a Medium priority recommendation which had an agreed action with a target date of September 2015. This was concerning the Council's policy on developer contributions. This is commonly known as the 'Supplementary Planning Guidance'. We found that this document made no reference to the Community Infrastructure Levy (CIL). CIL is the Government's revision to the Developer Contribution regime.

An action was agreed to provide an addendum to the Guidance to reduce the prospect of a legal challenge from a Developer. This addendum has not yet been written.

Assurance Definitions

<p>Substantial</p>	<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low.</p> <p>As a guide there are a few low risk / priority actions arising from the review.</p>
<p>Reasonable</p>	<p>Our critical review or assessment on the activity gives us a reasonable level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls are in place and operating sufficiently so that the risk to the activity not achieving its objectives is medium to low.</p> <p>As a guide there are mostly low risks and a few medium risk/priority actions arising from the review.</p>
<p>Limited</p>	<p>Our critical review or assessment on the activity identified some concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the risks are not always being operated or are inadequate. Therefore, the risk of the activity not achieving its objectives is medium to high.</p> <p>As a guide there are mostly medium and a few high risk / priority actions arising from the review.</p>
<p>None</p>	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance. The controls to manage the risks are not being operated or are not present. Therefore the risk of the activity not achieving its objectives is high.</p> <p>As a guide there are a large number of medium and high risks / priority actions arising from the review.</p>

REVISED ASSURANCE PLAN 2015/16**Updated January 2016**

The 2015/16 Assurance Plan was revised and approved by members of the Audit Committee in September 2015. A status update on the revised agreed plan together with further proposed changes is presented below.

COMPLETED REVIEWS

Review Area	Description	Reported to Audit Committee	Assurance Rating
Data Transparency	Provide assurance that the transparency requirements have been implemented and review data quality of key areas	July 2015	Limited
Depot fuel management	To review the control and management of fuel at the depot including fuel cards	July 2015	Substantial
S106 allocations	Review of process for determining and allocation S106 monies.	September 2015	Reasonable
Enterprise Car Pool	To review the controls in place for monitoring the use and administration of the pool cars and company cars	September 2015	Reasonable
Oculus income	Review of arrangement for the charging and collection of income	September 20 15	Reasonable
Fraud Identification – post SFIS	To review the impact of staff transferring to SFIS	September 20 15	N/A – advisory
Procurement Arrangements	To review the use of iESE and the future procurement resource needs of the council	September 20 15	N/A - advisory
Taxi Licensing	To review processes and controls for the issue of taxi licenses	November 20 15	Substantial
Housing	Review of housing allocations process	January 2016	Reasonable
Fraud strategy	To update strategy and action plan	January 2016	N/A - advisory

OUTSTANDING REVIEWS

Review Area	Description	Progress/Expected Start date	Planned reporting
Data Protection – Home working	To review the information risks and arrangements for staff who regularly work out of the office with access to personal data	Seeking external support to deliver two data protection reviews due to limited BAS resource. This will have financial cost but benefit by bringing in outside technical expertise. Scope & start date TBC.	March 2016
Data protection – use of personal devices	To review use of personal devices for work		March 2016
Supplier Resilience	Assurance that key suppliers/contracts have adequate business continuity plans in place	Work planned Mar-16	July 2016
Core Financial - General Ledger	A review of budget setting, monitoring processes and reconciliations.	Also include bank reconciliations and closure of Co-Op bank. Work planned Feb-16	March 2016
Core Financial - Payroll	A review of payroll system and controls	Work planned Feb-16	March 2016
Core Financial - Accounts payable	Review of new T1 process and controls to test that they are working as expected	Draft report issued 8 January 16.	March 2016
Core Financial - Debtors	To review the new T1 process and controls to test that they are working as expected	Draft report issued 8 January 16.	March 2016
Council Tax and Business Rates collections	A review of the key controls around the collection process	Work planned Jan-16	March 2016
Housing Benefits and CT reduction	Review the processes and controls for the correct payment of housing benefits and application of CT reductions/exemptions	Work planned Jan-16	March 2016
Elections funding	To review the expenditure and resources incurred in managing the elections	Scope to be agreed. Will need external resource to deliver.	TBA

ITEMS REMOVED OR CHANGED FROM REVISED (SEPT 15) PLAN

Review Area	Description	Reason for change	Proposal
Banking	Review of closure of Coop Bank	Include bank reconciliations and closure of Co-Op bank in General Ledger review.	Remove
SALIX funding	Review arrangements for managing SALIX projects	Area to be reviewed as part of Commercial AVDC project. Business Assurance review not required.	Remove
Chiltern Rail Account	Review controls around the account and reconciliation	Considered a low priority with current resources.	Review need in 2016/17
Safeguarding	To assess the awareness and understanding of safeguarding in the high/medium risk services.	<p>Preliminary scoping meeting held Dec-15. The Bucks Safeguarding Children Board is currently revising the Section 11 audit requirements with an increased focus on outcomes and evidence of impact. The planned timescale for implementation is March/ April. BAS will support the Service with independent challenge and validation of evidence for the Sec 11 audit in 2016/17.</p> <p>Also to consider policy and process for safeguarding vulnerable adults.</p>	Include in 2016/17
Corporate Governance - Committee Reporting	Review arrangements for reducing risk of decisions being presented to committee without due diligence by key officers	New process is being implemented early 2016 to monitor and record decision making process.	Review need in 2016/17