



Audit and Governance Committee agenda supplement

Date: Thursday 28 July 2022

Time: 10.00 am

Venue: The Oculus, Buckinghamshire Council, Gatehouse Road, Aylesbury
HP19 8FF

Agenda Item	Time	Page No
9 2022/23 Business Assurance Strategy (including Internal Audit Plan)		3 - 26
13 Action Log		27 - 28
15 Exclusion of the public To resolve:		
that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting on the grounds that it involves the likely disclosure of exempt information as defined in the paragraph indicated in Part 1 of Schedule 12A of the Act.		
18 Business Assurance Strategy Update - Completed Audits and Management Actions		29 - 90
19 Action Log (confidential)		91 - 92

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Leslie Ashton on 01895 837227, email democracy@buckinghamshire.gov.uk.

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Report to Audit and Governance Committee

Date:	28 July 2022
Title:	22/23 Draft Business Assurance Strategy (incl. Internal Audit Plan)
Relevant councillor(s):	N/A
Author and/or contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Auditor)
Ward(s) affected:	N/A
Recommendations:	To approve the Business Assurance Strategy and Internal Audit Plan
Reason for decision:	N/A

1. Executive summary

- 1.1 The purpose of the report is to present the draft 2022/23 Business Assurance Strategy which includes the proposed Internal Audit Plan.
- 1.2 The Business Assurance Team delivers the Council's Risk Management, Assurance, Internal Audit and Counter Fraud services.

2. Content of report

- 2.1 The Accounts and Audit Regulations 2015 (S5) state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance; these are defined as the Public Sector Internal Auditing Standards 2017.
- 2.2 The Public Sector Internal Auditing Standards defines "Internal auditing is an independent, objective assurance and consulting activity designed to add value and

improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

- 2.3 The Internal Audit plan is produced with reference to the Strategic and Directorate Risk Registers and is prepared using a risk-based methodology that enables the provision of an independent opinion on the adequacy and effectiveness of the systems of internal control (comprising of risk management, corporate governance, financial and operational controls).
- 2.4 A significant proportion of the Internal Audit plan is audit activity was deferred during 20/21 and 21/22 due to the Covid-19 pandemic. Whilst we have a plan in place, we recognise the need to have a fluid approach to enable an effective response to emerging risks and the needs of the organisation, as such a risk-based planning model has been used to assess and identify the key audit engagements that ‘must’ be delivered this year. The remain audits in the plan that are RAG rated ‘medium’ or ‘low’ will be carried out based on availability of resource and other urgent requests.
- 2.5 We have identified a number of contingency days to allow us to react to ad-hoc and unplanned requests for assurance or fraud work. We will present proposed changes to the plan to the Audit Board and Audit and Governance Committee for approval.
- 2.6 We present quarterly updates to each of the directorates, and the planned audit and assurance activity is reviewed for appropriateness each time. We also seek the views of the directorates on the work of the Business Assurance Team to enable continuous improvement and ensure that we are meeting the needs of the organisation as best we can.
- 2.7 The strategy was presented to the Corporate Management Team (CMT) on 21 July 2022, and the proposed plan was agreed.
- 2.8 The strategy has been presented to, and agreed by, the Audit Board (S151 Officer, Monitoring Officer and Director of Legal Services).

3. Other options considered

- 3.1 N/A.

4. Legal and financial implications

- 4.1 None.

5. Corporate implications

5.1 None.

6. Local councillors & community boards consultation & views

6.1 N/A

7. Communication, engagement & further consultation

7.1 N/A.

8. Next steps and review

8.1 An update on delivery of the Business Assurance Strategy and a summary of the internal audit output will be presented as a standing agenda item at Audit and Governance Committee meetings.

9. Background papers

9.1 None.

10. Your questions and views (for key decisions)

10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email democracy@buckinghamshire.gov.uk.

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BUCKINGHAMSHIRE COUNCIL

BUSINESS ASSURANCE STRATEGY and INTERNAL AUDIT PLAN 2022/23

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)

July 2022

Contents

1. Introduction	3
2. Internal Audit Strategy	4
3 Audit Planning Methodology	5
4. Counter Fraud	7
5. Resources.....	9
6 Performance Monitoring / Reporting.....	10
Appendix 1 – Business Assurance Team Key Performance Indicators	11
Appendix 2 – 2022/23 Internal Audit and Counter Fraud Plan.....	12

1. Introduction

- 1.1 This paper details the Business Assurance Strategy, including the Internal Audit plan, the resources available and how we will be delivering our service in 2022/23.
- 1.2 The Business Assurance Team delivers the Council's Risk Management, Assurance, Internal Audit and Counter Fraud services. The team operates under the Service Director for Legal and Democratic Services within the Deputy Chief Executive Directorate. Work undertaken includes assurance reviews of the Council's financial and operational systems, computer audit reviews, corporate and social housing fraud investigations, fraud awareness, corporate governance and risk management reviews, and compliance reviews to check adherence to policies, procedures and systems. The legislative framework and professional standards / guidelines we are required to adhere to include:
- Accounts and Audit Regulations 2015;
 - Fraud Act 2006;
 - Social Housing Fraud (Power to Require Information) Regulations 2014;
 - Council Tax Reduction Schemes (Detection of Fraud and Enforcement) Regulations 2013; and
 - Public Sector Internal Audit Standards (PSIAS).
- 1.3 The draft Internal Audit plan for 2022/23 is attached as Appendix 2. The work plan will continue to flexible and evolve during the year as the assurance framework continues to mature and to meet the needs of unplanned demands, especially in the context of the response to and recovery from the Covid-19 pandemic.
- 1.4 The scope for each of the audit areas will be discussed with the Corporate and/or Service Directors, and a brief summary of key risks areas for audits due in next quarter will be presented to the Audit and Governance Committee.

2. Internal Audit Strategy

- 2.1 The Accounts and Audit Regulations 2015 (S5) state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance; these are defined as the Public Sector Internal Auditing Standards 2017.
- 2.2 The Public Sector Internal Auditing Standards defines “Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”
- 2.3 The Chief Internal Auditor is required to provide an annual report on the system of internal control which is used to inform the Council’s Annual Governance Statement. In providing this opinion, we are required to review annually the financial management, risk management and governance processes operating within the Council. This includes reviewing internal control systems for key processes on a risk basis. There is a need for robust and effective controls to be in place in order to make certain that resources are used to be best effect and deliver the authority’s objectives. Internal audit helps provide independent assurance that risks are known, understood and addressed, and that systems and procedures are sound, effective and free (as far as can be) from waste, error or fraud. It is the Chief Internal Auditor’s objective to propose a plan that addresses the emerging risks and developing areas for the council, whilst still covering the material and cross cutting systems and ensures that internal audit resources are directed in the most appropriate way.
- 2.4 The Council will work towards a combined assurance model using the “three lines of defence” approach, with Internal Audit operating as the third line of defence. The first line of defence is achieved by the management controls and systems within each of the services, and the second line of defence from the professional leads responsible for monitoring the key governance frameworks such as finance, HR, technology, contract management and decision making. The model was supposed to be embedded into the governance reporting process during 2022/23, however this work was deferred due to the ongoing service reviews that are in progress across the directorates. This work will be progressed as part of the 2022/23 with the Business Assurance Team supporting the Professional Leads and Corporate Directors in developing their assurance frameworks, by

providing advice and guidance. These frameworks will be implemented following the completion of the transformation programme in each Directorate, where service reviews are still in-progress, interim assurance arrangements will be put in place to maintain oversight. This work will be further embedded alongside the Code of Corporate Governance for Buckinghamshire Council.

2.5 The priorities for the remainder of Q2 are as follows:

- complete the audit activity which has been deferred from 2022/23;
- counter fraud investigations; and
- complete Covid-19 grant returns and reconciliations.

2.6 To provide an opinion on the system of internal control, the Chief Internal Auditor will use the work undertaken by the Business Assurance Team:

- The Senior Business Assurance Officer focusses on the system of risk management, and the performance risks within the key services, including the major contracts, projects and transformation programmes. It is also the responsibility of this team to co-ordinate the combined assurance reporting which includes monitoring and reviewing the completeness of the management control, (first line of defence) and the professional lead statements, (second line of defence). Quarterly updates and a year-end combined assurance report will be produced for each of the Directorates.
- The Internal Audit team reviews the key control processes across the organisation, including those supporting critical service areas. The activity focusses on governance, and internal control, including financial management and fraud risk. As the third line of assurance, it is the role of Internal Audit to consider the adequacy and effectiveness of the first two lines of assurance.

3 Audit Planning Methodology

3.1 There has been a growing trend across the sector towards more flexible audit plans to enable internal audit to be more responsive to changing risks, in turn maximising resource focus to meet the needs of the organisation as and when needed – Agile Auditing.

The pandemic highlighted the needs and benefits of this approach, where significant in year changes had to be made to the 2020/21 and 2021/22 audit plan, following which there has been further request to change them again – as such the plans need to be more fluid. This principle looks set to continue and has several benefits with ever changing priority and related risks. Key benefits include:

- reduction in non-productive resource planning - current pandemic circumstances require significant plan changes.
- improved opportunity to keep plan aligned to current risks within Service Areas and as a whole for the Authority.
- more effective and timely pre-audit engagement with key Service Leads.
- greater and more regular discussion with services – supporting current risk and work priorities.
- being in line with sector practices for more flexible audit plans – agile auditing.
- experience that plans change regularly.
- changes in external risk drivers are more easily picked up in audit assurance needs.

3.2 The Internal Audit plan is produced with reference to the Strategic and Directorate Risk Registers and is prepared using a risk-based methodology that enables the provision of an independent opinion on the adequacy and effectiveness of the systems of internal control (comprising of risk management, corporate governance, financial and operational controls). The plan is also informed through discussion with the Senior Leadership Teams for each Directorate, Heads of Finance, Section 151 Officer and the Deputy Chief Executive (Monitoring Officer). Quarterly meetings with the Corporate Directors and the Audit Board are scheduled to ensure the plan is kept under continuous review.

3.3 The Audit Plan is dynamic and is constantly reviewed and updated to reflect the changing risks faced by the Council. The plan will continue to be influenced by external organisations and statutory bodies we work with and provide assurance to. The plan will also be reviewed quarterly in conjunction with Strategic and Directorate Risk Registers and presented to the Audit Board and Audit and Governance Committee for consideration and comment.

3.5 In order to make certain the audit efforts are focussed on those areas that are key, an audit planning model has been used on the list of audits identified from the discussion with senior management, the review of risk registers and those identified through horizon scanning. The model is predicated on the basis that all risks are relative but that they can be compared by combining three key factors: -

1. The size, importance or inherent risk in the area under review
2. The assessment of the effectiveness of the internal controls
3. The likelihood of the consequences being detected if the risk does materialise.

Each of above factors is given an equal overall weighting to reflect the fact that audit assessment is a combination of risk and control. The risks in each function or system throughout the business are then evaluated to create a score for each of the three categories above. Included within the model are sub-categories which are given different weightings to reflect their relative importance. A formulaic calculated is applied to the derive the overall risk score. Based on the agreed scoring threshold the audit assignment is RAG rated, with those scored RED deemed to be a priority to deliver this year.

3.6 The 2022/23 Internal Audit Plan (**Appendix 2**) includes all the identified audit assignments for this year along with a RAG assessment which is based on the Audit Planning Model score.

4. Counter Fraud

4.1 Counter-fraud provisions are a high priority for the Council and assist in the protection of public funds and accountability. The Counter Fraud Team procedures alone cannot guarantee the detection of fraud and corruption; however the Council has frameworks and procedures in place to detect, prevent fraud and encourage staff as well as the public to report suspicions of fraud through a number of channels. Senior Management across the authority have responsibility for ensuring that there are adequate controls in place to manage the risk of fraud and corruption. The size and complexity of the authority means that some irregularities are inevitable, and when these arise the Counter Fraud Team must deploy resources to investigate these. The team

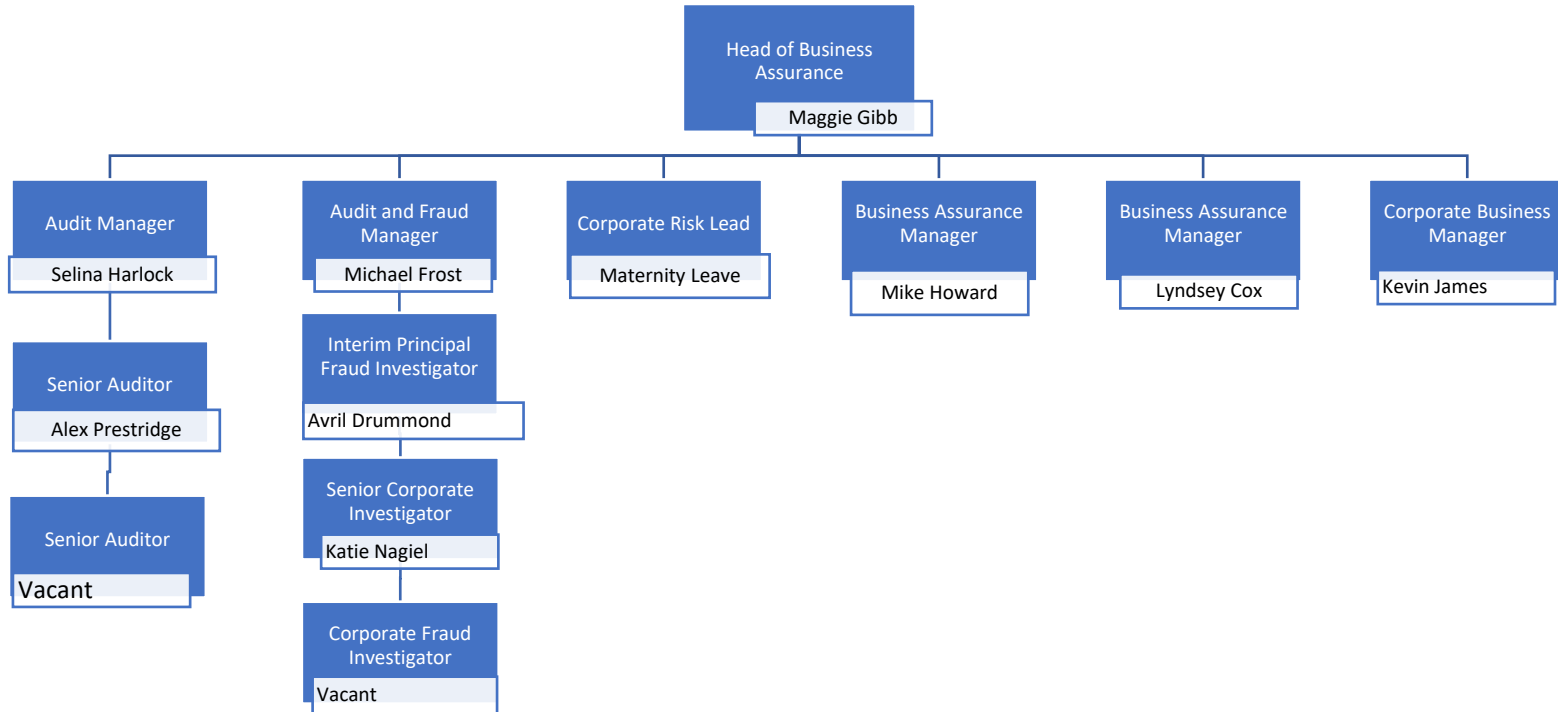
will investigate instances of potential fraud and irregularities referred to them and will also carry out pro-active anti-fraud and corruption reviews of systems and process considered to be most at risk to fraud.

4.2 In recognition of the guidance in the Fraud Strategy for Local Government “Fighting Fraud Locally” and the TEICCAF (The European Institute for Combatting Crime and Fraud) publication “Protecting the English Public Purse 2016”, Counter Fraud resources will be allocated to allow a focus on identifying and preventing fraud before it happens. Nationally these areas include Procurement, Payroll, Blue Badges, Direct Payments and Pensions. For 2022/23 (**Appendix 2**) the plan will include:

- deliver fraud awareness training - hold formal sessions to groups across the Council to raise awareness of what the Counter Fraud Team’s responsibilities are in relation to fraud and counter-fraud, different types of fraud, fraud risks, whistleblowing procedures etc.
- produce period internal communications - send messages across the Council to promote 'good practice' and raise awareness of potential indicators of fraud and staff responsibilities.
- The proactive probity activities to be undertaken that have been identified through a review of emerging internal risks, thematic irregularities based on previous investigations, NFI data matches and emerging fraud areas identified nationally.
- Develop the fraud case management system to utilise all of its functions to maximise efficiency and management reporting capabilities.
- Continue to maintain the fraud risk register, includes identify emerging fraud risks and liaising with respective services to ensure that there controls in place to prevent the fraud risks from materialising.
- Further enhance the fraud networking connections with key partners such as; Hertfordshire County Council and Oxford City Council. Continue to chair the Home Counties Tenancy Fraud Forum; and bring all learnings into the team to improve ways of work.

5. Resources

5.1 The Business Assurance Team is currently resourced with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. The framework is hosted by the London Borough of Croydon and the audit service is currently provided by Mazars. This arrangement allows for a flexible approach and enables us to respond swiftly to urgent requests for resource such as for investigations. The framework also enables us to request specialist resource such as IT auditors and contract auditors where the in-house team do not have the appropriate technical skills. The below chart shows the current team structure; however this is subject to change as the service is currently subject to a service review.



6 Performance Monitoring / Reporting

- 6.1 The proposed Business Assurance performance indicators for 2022/23 are attached as **Appendix 1** to this report and will form part of the Deputy Chief Executive Directorate Plan monitoring.
- 6.2 The Audit and Governance Committee will receive a quarterly report, including the next quarters plan for approval, a status update on the approved work plans, and a summary of the outcomes of completed audits.

Appendix 1 – Business Assurance Team Key Performance Indicators

No.	Key Performance Indicator (KPI)	2022/23 Target
1	Draft internal audit reports issued within 15 working days of exit meeting (monthly)	90%
2	Final internal audit reports issued within 10 working days of management responses (monthly)	100%
3	Internal audits completed to the satisfaction of the client (quarterly)	95%
4	Audit actions in the draft internal audit report that are accepted by the client (monthly)	90%
5	Delivery of Internal Audit Plan (annual measure)	95%
6	Corporate Reporting Timelines being met (CMT/RMG/A&G) (monthly)	95%

KPI 1 Is monitored from the date of exit meeting.

KPI 2 is monitored from the date of which the last management response(s) is/are received

KPI 3 Is a Quality assessment of work done by internal audit.

KPI 4 Quality assessment which confirms the relevance and appropriateness of the work done by internal audit through the recommendations made.

KPI 4 Combined measure which requires collaboration to agree the importance of the work of internal audit and how it strengthens the whole control framework of the Council.

KPI 5 Is a performance control which confirms the annual audit plan is completed within year.

KPI 6 is monitored through the forward plans/reporting deadlines as set corporately.

Appendix 2 – 2022/23 Internal Audit and Counter Fraud Plan

Corporate			
Corporate Priority Link	<ul style="list-style-type: none"> Increasing prosperity 		
Strategic Risks Link	<p>CMT- 01: Governance failure: Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</p>		
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Cross-cutting	Assurance Framework	Develop a means of identify and mapping the main source of assurance across the Council and coordinating them to best effect.	N/A
	Covid-19 Pre and Post Payment Assurance Plan	Undertake require assurance reviews and returns in line with government requirements.	N/A
	Grants	Undertake grant certification in line with grant conditions	N/A
Deputy Chief Executive			
Corporate Priority Link	<ul style="list-style-type: none"> Increasing prosperity Strengthening our communities 		
Strategic Risks Link	<p>CMT- 01: Governance failure: Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</p>		
	<p>CMT -05: Changes in national & local policy landscape: Government policy - If the Government introduces new policies that affect Buckinghamshire residents such as Domestic Abuse, Education Reforms, Planning Reforms, Business Rate Retention & Health & Social Care Integration then these may place additional pressures on Council services.</p>		
	<p>CMT- 07: Increased external financial pressures: <i>Central</i> Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</p>		
	<p>CMT - 06: Technology breaches/ failures: Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost, or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.</p>		
	<p>CMT - 08: Failure to deliver financial plans: Challenging MTFP process and poor budget forecasting leading to an inability to know where the authority is financially; putting considerable pressure on reserves leading to inappropriate management action.</p>		
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Policy & Communications	GDPR	Deferred from 21/22 plan. To ensure that the Council is compliant with GDPR requirements. To ensure that there is adequate process for the identification, review and reporting of a personal data breach.	HIGH
Policy & Communications	Complaints	Deferred from 21/22 plan. To ensure that there are robust and effective systems are in place for the complete, accurate and timely recording, processing, and acknowledging of complaints. Including effective monitoring framework, which delivers accurate, timely and relevant information for management review.	HIGH

Legal & Dem Services	Legal Processes	Deferred from 21/22 plan. To ensure that there are adequate arrangements in place for the services to engage with the legal team, cases are recorded, monitored and costs tracked appropriately.	LOW
Policy & Communications	Community Boards	Deferred from 21/22 plan. To evaluate the governance arrangements, risk management and financial management is adequate, transparent and board objectives are monitored and reported on.	HIGH
Policy & Communications	Devolution	Deferred from 21/22 plan. To evaluate the processes and procedures in place to ensure an effective transfer of services and assets to town and parish councils in line with the approved policy.	LOW
Service Improvement	Corporate Performance Framework	To assess the adequacy of the Council's performance and reporting arrangements.	LOW
Service Improvement	Helping Hand Programme Assurance	Evaluate the delivery of the programme and ensure that objectives are met, risks are adequately managed and value for money is evident.	MEDIUM
Service Improvement	Better Buckinghamshire Programme Assurance	Ensure that the programme is effectively managed to deliver set objective in a timely manner and within budget.	MEDIUM

Adults & Health

Corporate Priority Link	<ul style="list-style-type: none"> • Protecting the vulnerable • Strengthening our communities • Increasing prosperity 		
Strategic Risks Link	<p>CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i></p> <p>CMT- 04: Major contract commissioning and/or market failure: <i>Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.</i></p> <p>CMT – 05: Changes in the national & local policy landscape: Government policy - <i>If the Government introduces new policies that affect Buckinghamshire residents such as Domestic Abuse, Education Reforms, Planning Reforms, Business Rate Retention & Health & Social Care Integration then these may place additional pressures on Council services.</i></p> <p>CMT- 07: Increased external financial pressures: <i>Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</i></p> <p>CMT - 10: Fraud and Corruption: <i>Lack of controls, awareness, policies, procedures, and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.</i></p> <p>CMT – 14: Adult Social Care Statutory Services: <i>Budget reductions, increased demand/insufficient capacity - If budgets and capacity are not sufficient to deliver statutory responsibilities Then there may be unintentional adverse consequences to vulnerable adults</i></p>		
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Integrated Commissioning	Direct Payments	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH
Adult Social Care	Continuing Health Care:	End to end process review evaluating arrangements in place with the CCG (includes client assessment/ eligibility and financial management). This will be scheduled following the peer review by LGA.	HIGH

Adult Social Care	Seeleys Establishment Audit:	Review of compliance with practice and set process and manuals. Work to be undertaken ahead of next CQC inspection to demonstrate progress against the improvement plan	MEDIUM
Integrated Commissioning	Disability Facilities Grant	Grant verification in line with the terms and conditions.	N/A
Integrated Commissioning	Commissioning and Financial Management of Spot Contracts	End to end process reviewing adequacy and effectiveness of controls in place.	HIGH
Integrated Commissioning	E-brokerage	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM
Public Health	Joint Strategic Assessment.	focus of review to be agreed with the service	TBC
Finance	A&H Debt Recovery (Unsecured Debt)	As debt recovery was paused during the pandemic and the debt recovery process has been moved to Finance Operations team, the audit will be reviewing adequacy and effectiveness of controls	MEDIUM

Children's Services

Corporate Priority Link	<ul style="list-style-type: none"> Protecting the vulnerable Strengthening our communities Increasing prosperity
Strategic Risks Link	CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i>
	CMT – 02: Ofsted/ Improvement Plan: <i>IF we fail to successfully implement our improvement plan THEN we are at risk of receiving a third Inadequate judgement from Ofsted causing reputational damage to the council. More importantly, children and families will not receive the support they require in order to improve their outcomes.</i>
	CMT- 04: Major contract commissioning and/or market failure: <i>Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result and the Council will fail to act effectively as a Commissioning Authority.</i>
	CMT- 07: Increased external financial pressures: Central <i>Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</i>
	CMT - 06: Technology breaches/ failures: <i>Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber attack, loss of data or breach of data protection If systems fail, data is lost or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.</i>
	CMT - 10: Fraud and Corruption: <i>Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.</i>
	CMT – 13: SEND: <i>IF we do not ensure our SEND service is compliant with the objectives of the SEND reforms introduced in 2014 THEN we will not improve outcomes for children. In turn, this will impact on the outcome of our SEND inspection creating a reputational risk for the Council.</i>
CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i>	

	<p>CMT – 02: Ofsted/ Improvement Plan: <i>IF we fail to successfully implement our improvement plan THEN we are at risk of receiving a third Inadequate judgement from Ofsted causing reputational damage to the council. More importantly, children and families will not receive the support they require in order to improve their outcomes.</i></p> <p>CMT- 04: Major contract commissioning and/or market failure: <i>Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result and the Council will fail to act effectively as a Commissioning Authority.</i></p>		
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Education	Schools Thematic Review	Review of key controls for sample of schools selected per the risk assessment.	HIGH
Social Care	Direct Payments (including clawbacks)	End to end process reviewing adequacy and effectiveness of controls in place	HIGH
Education	SEND Ofsted Improvement Plan Assurance	Evaluate the completeness adequacy of the improvement plan against the findings raised in the Ofsted report.	MEDIUM
Social Care	Social Care Ofsted Improvement Plan Assurance	Evaluate the completeness adequacy of the improvement plan against the findings raised in the Ofsted report.	MEDIUM
Education	SEND Process review – Focused on ECCOH	End to end review of processes and evaluation of controls to identify inefficiencies in process and improvements to data quality.	HIGH
Social Care	Section 17 Payments	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM
Social Care	Supported Families Programme	Grant Verification	N/A
Education	Related Party Transaction Assurance (SFVS)	verification work in line with DfE guidance	N/A
Communities			
Corporate Priority Link	<ul style="list-style-type: none"> Protecting the vulnerable Improving our environment 		
Strategic Risks Link	<p>CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i></p> <p>CMT- 04: Major contract commissioning and/or market failure: <i>Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result and the Council will fail to act effectively as a Commissioning Authority.</i></p> <p>CMT- 07: Increased external financial pressures: <i>Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</i></p> <p>CMT - 06: Technology breaches/ failures: <i>Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost, or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.</i></p>		

CMT - 10: Fraud and Corruption: <i>Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.</i>			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Highways & Technical Services	Parking On/Off Street	End to end review of processes and evaluation of controls on the new system.	HIGH
Transport Services	Home to School Transport	End to end review of processes and evaluation of controls on the new system.	HIGH
Neighbourhood Services	Household Recycling Centres	New contract in place, review of processes at the HRC; and contract management with new contractor.	MEDIUM
Neighbourhood Services	Business Licenses and Permits – Process review	End to end review of processes and evaluation of controls on the new system.	LOW
Neighbourhood Services	Waste Management	End to end review of processes and evaluation of controls on the new system.	HIGH
Culture, Sports & Leisure	Higginson Park	Financial Controls Audit	LOW
Culture, Sports & Leisure	Farnham Park	Financial Controls Audit	LOW
Highways & Technical Services	New Transport Contract Assurance	Provide assurance on the processes being proposed for the new contract arrangement	HIGH
Planning, Growth & Sustainability			
Corporate Priority Link	<ul style="list-style-type: none"> Strengthening our communities Increasing prosperity Improving our environment Protecting the vulnerable 		
Strategic Risks Link	<p>CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i></p> <p>CMT- 04: Major contract commissioning and/or market failure: <i>Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.</i></p> <p>CMT – 05: Changes in the national & local policy landscape: <i>Government policy - If the Government introduces new policies that affect Buckinghamshire residents such as Domestic Abuse, Education Reforms, Planning Reforms, Business Rate Retention & Health & Social Care Integration then these may place additional pressures on Council services.</i></p>		

	<p>CMT- 07: Increased external financial pressures: <i>Central</i> Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</p> <p>CMT – 08: Failure to Deliver Financial Plans: Challenging MTFP process and poor budget forecasting leading to an inability to know where the authority is financially; putting considerable pressure on reserves leading to inappropriate management action.</p> <p>CMT – 09: Insufficient Capacity: Reduced capacity and increased levels of stress If there continues to be an increase in volume of activity at the same time as resource in the organisation decreases Then there may be an impact on the wellbeing of the workforce and increased levels of stress, and a failure to deliver services.</p> <p>CMT - 10: Fraud and Corruption: Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.</p>		
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Housing & Regulatory Services	Enforcement (Housing)	Audit deferred from 21/22 audit plan. End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM
Housing & Regulatory Services	Homelessness and Temporary Accommodation	Audit deferred from 20/21 & 21/22 audit plan, merged with Temporary Accommodation audit. This area has not been looked at before and it's a high-profile area in terms of the significant financial spend and reputational risk resulting from housing people in temporary and emergency accommodation for lengthy periods	HIGH
Planning & Environment	Building Control	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing including finance, regulatory compliance and performance.	MEDIUM
Property & Assets	Property Maintenance	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH
Property & Assets	Property – Reactive Works	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH
Housing & Regulatory Services	Disability Facilities Grant (Use of the funding)	Audit deferred from 20/21 & 21/22 audit plan. Review the process for commissioning housing adaptations and the use of the DFG fund. To include review of contractors used, VfM.	MEDIUM
LEP	LEP & BBF Assurance	Evaluation of key financial controls	MEDIUM
Strategic Transport & Infrastructure	Project Assurance	Strategic Transport & Infrastructure review of project management controls include reporting and escalation arrangements in place within the service.	HIGH
Finance	K2 Systems Audit	Large volume and value of transactions processed, therefore an evaluation of key controls will be undertaken.	HIGH
Resources			
Corporate Priority Link	<ul style="list-style-type: none"> Strengthening our communities Increasing prosperity 		
	<p>CMT- 01: Governance failure: Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and</p>		

Strategic Risks Link	<i>failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i>		
	CMT- 04: Major contract commissioning and/or market failure: <i>Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.</i>		
	CMT- 07: Increased external financial pressures: <i>Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</i>		
	CMT - 06: Technology breaches/ failures: <i>Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost, or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.</i>		
	CMT - 10: Fraud and Corruption: <i>Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.</i>		
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Business Operations	Blue Badges, Administration and Enforcement	To ensure that badges are only issued to residents who satisfy one or more of the eligibility criteria (as updated by the Disabled Persons (Badges for Motor Vehicles) (England) (Amendment) Regulations 2019 (S.I. 2019 No. 891) on 30 August 2019 to include 'hidden' disabilities) set out in the legislation that governs the scheme.	LOW
Business Operations	Business Support – Accounts Payable and Accounts Receivables	Review of financial controls and compliance to corporate procedures.	HIGH
Business Operations	Shop4Support	End to end sales process review	MEDIUM
HR & OD	Teachers Pensions – new system in place	New system in place, review process and controls in place	MEDIUM
HR & OD	Payroll Follow-up	Ensure that the actions from the 2021/22 audit have been fully implemented.	MEDIUM
HR & OD	Learning and Development	To review organisational spend on learning and development to ensure consistency and quality of training.	HIGH
Finance	Capital Programme	To ensure business cases are adequate, approved and projects on the programme are sufficiently monitored.	HIGH
Finance	Procurement Compliance	Ensure that procurement rules are clearly documented and followed in all procurement exercises.	MEDIUM
Finance	Year End Assurance - Journals and Accruals	Compliance with financial controls	LOW
Finance	Pensions	Evaluation of key controls	LOW
Finance	Completeness and Effectiveness of the Finance Assurance Pack	Evaluation of the adequacy of controls monitoring and assessment on the effectiveness of the assurance pack.	MEDIUM
Finance	Scheme of Delegation – Financial and Non-Financial delegations	Evaluation of the Scheme of Delegation to ensure that these are understood by all and complied with when making decisions.	MEDIUM
Finance	Council Tax	Evaluation of key financial controls	HIGH
Finance	National Non-domestic Rates	Evaluation of key financial controls	HIGH

Finance	Council Tax Reduction Scheme/ Housing Benefits	Evaluation of key financial controls	HIGH
Finance	Key Financial Systems	Evaluation of key financial controls	MEDIUM
IT	IT/Infrastructure Resilience – Per Audit Needs Assessment	A number of IT/Infrastructure resilience-related risks feature in the Council’s IT Risk Register. The audit will address; consideration of the impact of the pandemic on IT/infrastructure resilience, People, process and technology perspective, including a high-level review of the IT architecture and technology in place.	HIGH
IT	Disaster Recovery and Backups – Per Audit Needs Assessment	Disaster recovery was noted as having a residual risk score of 10 in the Council’s IT risk register with a fully tested strategy and plan required to provide the Council assurance that full business continuity can be provided. This audit would test controls in regard to backup scope, frequency, offsite location, testing and recovery.	HIGH
IT	Change/Patch Management	This audit will consider the following: <ul style="list-style-type: none"> - Change to infrastructure and applications are governed through a consistent policy/process; - The change process addresses the request, impact, authorisation, testing, deployment of changes; - Comparison with LG peers concerning good change control practice commonly identified; - Patch management is undertaken across the estate in a complete, accurate and timely manner. 	HIGH

Counter Fraud Plan

Proactive/ Probity Activity	NFI data matches	Support services with collating the NFI data and determining an approach for prioritising the instances that require investigation.
	Blue badge abuse	Investigate blue badges that have been in place for long periods and ensure that these are valid.
	Covid grant recovery	Undertaking post payment assurance and identify and investigate instances of possible false claims
	Schools	Lessons learnt from 21/22 investigations to be shared with all schools and presented via schools forum.
	Fraud awareness training	Hold formal sessions to groups across the Council to raise awareness of what the Business Assurance Team’s responsibilities are in relation to fraud and counter-fraud, different types of fraud, fraud risks, whistleblowing procedures etc.
	Internal Communication on Fraud	Send messages across the Council to promote 'good practice' and raise awareness of potential indicators of fraud and staff responsibilities.
	Policy Reviews	Review and refresh the key fraud policies, including; Anti-Fraud and Corruption Policy.
Reactive Activity	Assess cases referred via whistleblowing channels and investigate where necessary.	
Continuous Improvement	Embed the case management system	
	Fraud networking and chairing of key networks	

External Clients

		No. of Days
BMKFA	Audit plan approved and date for audit delivery agreed with the clients. Plan to be delivered by February 2022 ahead of their external audit.	110
Academies	Audit plans approved and key days for audit delivery agreed with the Academies	30

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Audit and Governance Committee action log

Last updated: 22 July 2022

No.	Action required	Lead	Date raised	Due date	Action taken	Date resolved (grey when resolved)	Status
1	Business Continuity Management That target completion dates to be provided for the BCPs being undertaken in the Communities and PG&S areas	Maggie Gibb	30-Nov-21	30-Jun-22	Meetings have been arranged with lead officers in PGS and Communities, with BCPs to be completed end March. Update July 22: Good progress has been made in the completion of BCPs across all directorates, and this will be completed by end July. Business Continuity Management is now fully transitioned to Business Assurance.		Ongoing
2	2022/23 Internal Audit Plan Councillors be invited to submit areas which might benefit from internal review, when the plan is being put together .	Maggie Gibb	30-Nov-21	31-May-22	Audit planning in progress and key stakeholders will be asked to input. Update July 22: A&G members were requested to submit areas for audit plan. Community Boards and Waste Contract have been included as high priority.		To be closed
Page 27	Local Member Engagement That an update be provided on assessing member engagement in Cabinet and Cabinet Member decisions. This piece of work may be undertaken by the newly in post Principal Governance Advisor. Consideration should also be given to sharing this report with the Finance and Resources Select Committee.	Maggie Gibb / Governance Officer	25-Jan-22	30-Jun-22	Update July 22: Work to be progressed as part of Corporate Governance review being undertaken by Principal Governance Advisor.		Ongoing

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