Audit and Governance Committee agenda supplement

Date: Tuesday 27 September 2022

Time: 10.00 am

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

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Report to Audit and Governance Committee

Date:	27 September 2022
Title:	**Chief Auditor Annual Audit Opinion 2021/22**
Relevant councillor(s):	Cllr Richard Newcombe
Author and/or contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Auditor)
Ward(s) affected:	N/A
Recommendations:	**To note the Chief Auditor's Annual Internal Audit Report for 2021/22 and the overall 'reasonable' opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control environment for 2021/22**
Reason for decision:	N/A

1. Executive summary

1.1 To present to Members the Chief Internal Auditor annual assurance opinion on the adequacy and effectiveness of the Council's internal control environment, risk management and corporate governance arrangements in place during the year.

2. Content of report

2.1 The Public Sector Internal Audit Standards (PSIAS) established in 2013 and revised in 2017 are the agreed professional standards for internal audit in local government. PSIAS was the Code under which the Internal Audit Service operated during 2021/2022. It sets out the requirement for the Chief Internal Auditor ("Chief Audit Executive") to report to Senior Management and the Audit Committee ("The Board") to help inform their opinions on the effectiveness of the Internal Control environment in operation within the Council.

2.2 This Chief Internal Auditor's annual internal audit opinion is based on an objective assessment of the framework of governance, risk management and control. Consulting services are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control but still contribute to the overall opinion however each review does not deliver individual assurance opinions.

2.3 The annual internal audit opinion contributes to the completion of the Annual Governance Statement (AGS). It is specifically scheduled to be considered as part of the Council's annual review of governance and internal control.

2.4 No system of internal control can provide absolute assurance against material misstatement or loss, nor can internal audit give absolute assurance.

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 N/A

9. Background papers

9.1 2021/22 Business Assurance Strategy and Internal Audit Plan and 2021/22 Internal Audit reports.

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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Annual Report

of the

Chief Internal Auditor 2021/22

Maggie Gibb – Head of Business Assurance (& Chief Internal Auditor)

September 2022

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1. Introduction

1.1   This report outlines the internal audit and assurance work undertaken by the Business Assurance Team for the year ending 31 March 2022 and seeks to provide an opinion on the adequacy of the control environment detailing incidences of any significant control failings or weaknesses. The overall report will then inform the Annual Governance Statement (AGS) which will be published with the Statement of Accounts in due course.

1.2   The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Council's Internal Audit Charter which is approved annually by the Audit and Governance Committee. The PSIAS note that a professional, independent, and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. The PSIAS requires the Chief Internal Auditor (CIA) to provide a written report to those charged with governance, to support the AGS, which should include an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The report should also include:

   a) any qualifications to the opinion, together with the reasons for those qualifications (including any impairment to the independence of objectivity of the internal audit);

   b) any particular control weakness judged to be relevant to the preparation of the AGS;

   c) a summary of work undertaken to support the opinion including any reliance placed on the work of other assurance bodies; and

   d) an overall summary of internal audit performance and the results of the internal audit service's quality assurance and improvement programme, including a statement on conformance with the PSIAS.

2. Responsibilities

2.1   Section 151 of the 1972 Local Government Act and the Accounts and Audit Regulations 2015 sets out the requirement for all local authorities to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The PSIAS define internal auditing as "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."

2.2   Internal Audit is not responsible for the control system. This responsibility sits with management who are accountable for maintaining a sound system of internal control and is responsible for ensuring that adequate arrangements and resources are in place for gaining assurance on the effectiveness of the overall system of control. Management should ensure that the organisation operates in accordance with the law and proper standards, that public funds are safeguarded, properly accounted for, and used economically, efficiently, and effectively.

3. Purpose and Scope of Report

3.1   The objectives and scope of internal audit are set out in the Internal Audit Charter. In accordance with the PSIAS, the Internal Audit Charter is reviewed by the Audit and Governance Committee on an annual basis. The 2021/22 Internal Audit work was performed in accordance with the Internal Audit Charter which was approved by the Audit and Governance Committee in June 2021. The Charter defines the mission, scope, roles, and responsibilities of the internal audit function.

3.2   This report:

➢   includes an opinion on the overall adequacy and effectiveness of the Council's governance arrangements, risk management and internal control environment;

➢   discloses any qualifications to that opinion, together with the reasons for the qualification;

➢   presents a summary of the audit and anti-fraud work from which the opinion is derived, including reliance placed on work by other assurance bodies; and

➢   highlights any issues the Chief Internal Auditor judges particularly relevant to the preparation of the Annual Governance Statement.

3.3   It should be noted that no system of internal control can provide absolute assurance against material misstatement or loss, nor can internal audit give absolute assurance.

4. Basis of Audit Opinion

4.1   The Public Sector Internal Audit Standards established in 2013 and revised in 2017 set out the mandatory guidance that constitutes the principles of the fundamental requirements for the professional practice of internal auditing within the public sector.

4.2   Our Internal Audit Service operates in accordance with these standards; however, during 2021/22 there was one area of non-conformance with those standards:

➢ The Chief Internal Auditor has operational management responsibility for the Risk Management and Strategic Insurance functions, so is not wholly independent. The risk of conflict of interest is managed partially through the Risk Management Group who under the direction of the Chair of the Audit and Governance Committee, monitors and reviews the adequacy and effectiveness of the risk management strategy and process; and, where audit activity is undertaken in areas where the Chief Auditor has operational responsibility, reports are sent directly to the Service Director - Finance (S151 Officer) or Monitoring Officer.

4.3   The overall opinion is based on the following:

➢ The results of all audits undertaken during 2021/22.

➢ Any follow-up action taken in respect of audits from previous periods.

➢ Whether or not management actions have been agreed for all material areas of weakness identified.

➢ On-going advice and liaison with management, including regular attendance by the Chief Internal Auditor and Audit Managers at council meetings relating to matters concerning risk, governance and internal control.

➢ The effects of any material changes in the Council's objectives or activities or risk profile.

➢ Whether any limitations have been placed on the scope of audit.

➢ The scope of the internal control environment - which comprises the Council's policies, procedures, operational systems and processes in place to:

▪ Establish and monitor the achievement of Buckinghamshire Council's objectives;

▪ Facilitate policy and decision making;

▪ Ensure economic, effective and efficient use of resources;

▪ Ensure compliance with set policies, procedures, and regulations;

▪ Safeguard the Council's assets and interests from loss, including those arising from fraud, irregularity and corruption.

➢ Consideration of third-party assurances.

4.4   The Chief Internal Auditor's opinion does not imply that Internal Audit has reviewed all risks relating to the organisation. The most that the Internal Audit Service can provide to the Accountable Officers and to the Audit and Governance Committee is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.
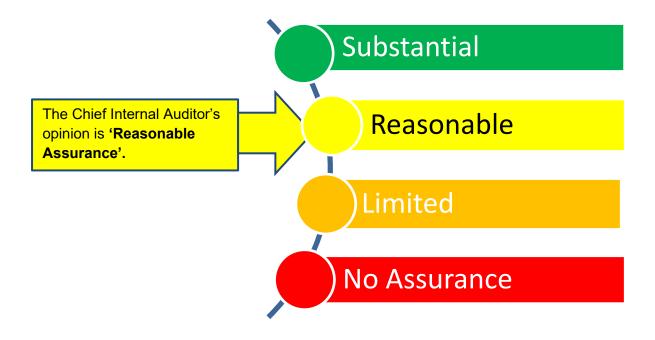
5. Background

5.1   The Chief Internal Auditor opinion in this report is based on the 2021/22 internal audit work undertaken which includes the planned and unplanned engagements that give sufficient assurance on the Council's systems of internal control.

5.2   In preparing this annual opinion, it is vital that the impact of COVID-19 on the Council's operations and priorities be acknowledged. Buckinghamshire Council has continued to respond to COVID-19 and other current and emerging external factors, such as the Ukraine humanitarian response. Being mindful of the complexity of these priorities, internal audit has been systematised to ensure that audit work did not impact on those services that are critically involved in on-going COVID-19 responses and the Homes for Ukraine scheme.

5.3   During 2021/22, we have continued to see an increase in the number of government grants that require Internal Audit certification, including pre and post assurance work for specific Covid support grants.

5.4   Notwithstanding the above, we are satisfied that we have been able to deliver sufficient audit and assurance activity within the year to enable us to form an overall annual opinion for the Council, this includes delivery of the revised program of audit activity along with investigating any allegations of fraud and other irregularities. All changes made to the audit plan were agreed with the relevant directorate, reported to the Audit Board and agreed by the Audit and Governance Committee as part of the periodic internal audit progress reports and in line with the Internal Audit Charter.

5.5   We would like to highlight that officers across the Council now follow the Work Smart hybrid working arrangement which means staff have continued to work flexibly between home and office locations. This has significantly changed the way internal audits are undertaken as the majority of the audit engagements are performed remotely, resulting in the internal audit process taking

longer than normal in some instances.

6. Chief Internal Auditor Opinion

6.1   Based on the work performed, our experience, the cumulative knowledge gained through our ongoing liaison with officers, and the current climate in which the Council is operating along with the on-going service transformation programme which is fundamental for the improvement of the organisation, in my opinion the adequacy and effectiveness of the Council's internal control, risk management and governance framework was of **reasonable assurance**. The overall system of internal control facilitated the effective exercise of the Council's functions and provided an **unqualified** opinion regarding the effective, efficient and economic exercise of the Council's functions for 2021/22.

The Chief Internal Auditor's opinion is **'Reasonable Assurance'**.

Substantial

Reasonable

Limited

No Assurance

* See Appendix 3 for definitions of the assurance opinions.

6.2   There is a robust governance framework which has continued to strengthen with the close collaborative working and accountable values that were demonstrated across all directorates as the organisation continues to respond to the pandemic and the Homes for Ukraine Scheme. However, the improved governance and the enhanced accountability culture has exposed some legacy weaknesses in key systems of control. That includes the project management framework, where adequate financial management, risk management and monitoring protocols have been lacking and left the Council exposed or too late to react to key risks.

6.3 The Chief Internal Auditor is confident that Senior Officers in the organisation take governance and internal control very seriously, as the Corporate Management Team reviews all limited assurance audit reports and progress being made to the implementation of audit actions. Whilst an assurance framework with clearly defined three lines of assurance has not been implemented due to the on-going service transformation programme across the organisation, we have been able to place reliance on the risk reporting and escalation framework which has been developed for each Directorate which has improved the robustness of the Council's risk management; and is critical for an effective assurance framework.

6.4 The unqualified opinion is evidenced by the outcomes of internal audits, including investigations into financial irregularity; the implementation of audit actions and the robustness of the Risk Management Framework.

7. Commentary on my Opinion

7.1 The Chief Internal Auditor is satisfied that there has been adequate and effective coverage provided to enable a robust audit opinion to be given. Key areas which informed the overall **reasonable** conclusion are as follows:

7.2 **Internal Audit Work:** The internal audit work undertaken allowed us to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's system of internal control. Examples of good practices were noted through audit work performed this year; however, there are some areas of weakness and non-compliance in the control framework which may put some of the system objectives at risk and could potentially impact the achievement of the Council's objectives. From the control weaknesses identified none are understood to have had a material impact on the Council's affairs. It should however be noted that only 5% of the Council's maintained schools were subject to an internal audit review this year, therefore the opinion on the control environment within schools is limited to those that were evaluated. However, an annual report that summaries control weaknesses found from the 5% sample of schools are shared with all schools to enable self-evaluation and ensure that similar control weaknesses do not exist within their schools.

7.3 In the year ending 31 March 2022, a total of 55 engagements were undertaken by the Business Assurance Team. This comprises of 27 audit reviews which resulted in an Internal Audit opinion on the effectiveness of the control environment and two follow-up audit reviews of which an assurance opinion was not applicable. Ten assurance type reviews such as advisory/consultancy

work were undertaken where an opinion was not provided but control weaknesses/management actions may have been raised; and 16 grant verifications (excluding the COVID grants) were completed where internal audit certification was a requirement of the grant conditions – see **Appendix A** for a summary of internal audit work performed**.** The team continues to receive ad-hoc advisory requests from across the authority which further demonstrates how the team can add value to the organisation through non-standard audit activity. The team also provided the Internal Audit service to Buckinghamshire and Milton Keynes Fire Authority and to a local Academy Trust.

7.4   Whilst we had an agreed Internal Audit plan which was approved by the Audit and Governance Committee, we continued to adopt a fluid approach in the delivery of the plan such that the Internal Audit activity was continuously reviewed and amended as required; remained flexible to react to emerging issues/risks; and was responsive to senior management assurance and/or consultancy requests. In accordance with the approved Audit Charter, all amendments to the plan were agreed by the Board and approved by A&G committee.

7.5   Timely implementation of agreed audit actions is fundamental to ensuring that the Council derives maximum benefit from internal audit. Progress reports on implementation of audit actions are reviewed periodically by directorate leadership teams and the Corporate Management Team. Senior Management are particularly focussed on ensuring that all actions are completed within agreed deadlines with officers held to account for failure to meet the agreed target dates. There are currently 34 actions that are past their due date and 113 are in-progress. Of the 34 outstanding audit actions, 29 relate to schools and have fallen due at the start of the new academic year so will be followed up at the end of September. See **Appendix B** for a summary status on the audit actions.

7.6   The overall '**reasonable**' opinion reflects the widening scope of the internal audit activities, the enhanced engagement from senior management in requesting assurance services and the improved focus on actively monitoring the implementation of audit actions within their directorates.

Key Financial Systems: A review of the Council's financial systems was undertaken to ensure that financial controls are robust and adequately support an effective control environment. Following a risk-based approach and in consultation with the Section 151 Officer, Internal Audit focussed on reviewing implementation of the audit actions that were raised in the previous financial year. Some of the key financial systems were not reviewed this year as the processes remained unchanged and were deemed low risk. There were audits across the directorates that included an evaluation of key financial controls; examples include: iCares Accounts Payable and Accounts

Receivable, CIL/S106, Taxi Licensing and Choice and Charging. The work undertaken identified areas that required improvement however no fundamental weakness in the systems of financial control were noted. Additionally, as part of the continuous improvement work being progressed within Finance, internal audit reviewed the key financial systems that interface with the SAP finance system. The system review identified control gaps and opportunities for improvement which were reported to the Finance Systems Improvement Group for review and action. Therefore, our opinion based on the financial systems reviewed is '**reasonable**'.

7.7 Table 1 below is a summary of the key financial systems that were evaluated, and the assurance opinions reached.

Table 1: Summary of Key Financial System Audits

Audit Title	2020/21	2021/22	
	Assurance Opinion	Assurance Opinion	Direction of Travel
Payroll	Reasonable	Reasonable	↔
Accounts Payable	Reasonable	N/A – prior audit actions have been implemented	↔
Pensions	N/A – deferred to 21/22 due to the pandemic	Substantial	↑
General Ledger	Reasonable	N/A – prior audit actions have been implemented	↔
Accounts Receivable	Reasonable	N/A – prior audit actions have been implemented	↔
Capital Programme	N/A – deferred to 21/22 due to the pandemic	N/A – deferred to 22/23	↔
Purchase Cards	Reasonable	N/A – prior audit actions have been implemented	↔
Feeder Systems	N/A – deferred to 21/22 due to the pandemic	N/A – assurance work undertaken as part of the ERP interface review	↔
Treasury Management	Reasonable	Reasonable	↔
Debt Management	Reasonable	Reasonable	↔
Council Tax and NNDR	Reasonable	N/A – assurance work undertaken as part of the system implementation	↔

iCares – Accounts Payable	N/A – deferred to 21/22 due to the pandemic	Reasonable	
iCares – Accounts Receivables	N/A – deferred to 21/22 due to the pandemic	Reasonable	

7.8 **Non-Financial System Audits:** These were operational audits undertaken during the year which were identified during the annual audit planning process by referencing the Strategic and Directorate Risk Registers and through discussion with the Senior Leadership Teams. However due to service transformation programmes being in-progress, resources across the Council being re-deployed to support with the Covid-19 response, the Homes for Ukraine Scheme, the Children's Services Ofsted Inspection and the SEND Inspection; 34 audits were cancelled/ postponed with agreement from the Audit Board and approval from the Audit and Governance Committee.

7.9 From the service specific audits that were carried out; an overall '**reasonable**' assurance has been given. Only one limited assurance report has been issued during 2021/22 and this is for the CIL/S106 audit. The report is at a draft stage and will be reported to CMT for review prior to the report being finalised. Some areas of improvement were identified across the range of audit reviews undertaken; however none were found to be material. The identified actions continue to be monitored to ensure full implementation.

7.10 **Risk Management:** Reporting and monitoring of risk management is fully embedded into the business management process across the Council. A Risk Management Strategy is in place (approved by the Audit and Governance Committee) which informs the Risk Management Framework consisting of a tailored Risk Reporting and Escalation Frameworks for each directorate to suit their business needs. This escalation mechanism ensured that key risks were visible to senior management to enable more effective decision making during 2021/22. The corporate risk management system (Pentana) is fully established across the council and was used to manage service, strategic, major projects and key programme risks. A risk management training programme is in place to ensure that officers are aware of their roles and responsibilities in relation to risk management and understand the Council's Risk Management Strategy.

7.11 Risk management informed the planning for all internal audit work that was undertaken. A risk-based methodology was applied for the development of the annual audit plan and each audit assignment focused on the key risks in relation to system objectives, with audit work structured to direct audit resource in proportion to risk exposures.

7.12   The adequacy and effectiveness of the Council's risk management system was overseen by the Audit and Governance Committee through the Risk Management Group; and the Corporate Management Team challenged and reviewed the strategic risks regularly. Based on the operation of the risk management framework observed this year, a '**reasonable**' level of assurance has been given to this area.

7.13   **Corporate Governance**: Internal Audit did not undertake a specific review of Corporate Governance in 2021/22. However, a number of audits considered the management oversight and decision-making processes as part of each audit assignment, and the Project Governance audit undertaken within the Planning, Growth and Sustainability directorate resulted in a Limited assurance opinion, due to the inadequate controls in place to ensure effective governance of projects that are being managed within the directorate. Additionally, an assurance review of the South East Aylesbury Link Road project was undertaken in quarter four and identified fundamental weaknesses relating to the governance and escalation arrangements for the project.

7.14   Internal Audit is satisfied that Senior Management have taken on board the findings from the internal audit review and a framework is being developed that will be applied across the directorate. Based on the response to the findings raised, there are no further concerns; as such a '**reasonable**' level of compliance was demonstrated based on the audit work undertaken. The Council's governance framework is clearly documented and outlines how the authority monitors the achievement of its strategic objectives and how those objectives lead to the delivery of appropriate services and value for money.

7.15   **Contract Management:** The Council has a Supplier Management Policy in place which forms part of the Council's Commissioning Model and provides best practice guidance on the processes that are to be followed to enable effective management of contracts entered into with suppliers or partners for the provision of goods, works or services. The policy is based on the National Audit Office (NAO) guidance and provides details of the steps that contract managers are expected to follow to ensure consistent delivery of supplier management. Contracts with suppliers where there is an ongoing relationship and who have an annual aggregated value of £50k or more must be entered on the Contract Management Application (CMA). Contracts held on CMA are segmented based on a combination of risk criticality (low, medium and high) and financial value <£250k, £250k to £2.5m and >£2.5m, from which each contract is assigned a rating: Bronze, Silver, Gold, Platinum and Platinum Plus. The Supplier Management Policy specifies the mandatory documents and data fields that should be populated on CMA for each contract.

7.16 There is a Supplier Management group in place that comprises of senior management representatives from each directorate and aims to: promote consistent and high-quality Supplier Relationship Management across the organisation; maximise value for money; leverage the supply chain to support corporate objectives and promote social value; and understand as well as promote supplier resilience. Whilst Procurement and the Supplier Management group provides the framework of compliance and best practice, they cannot force the service areas to comply.

7.17 Local Authorities are increasingly relying on third parties to deliver core services. Although the delivery mechanism for these services may be outsourced, responsibility for the service remains attached to the authority. The current economic climate and the continuation of reduced Council budgets have significant implications across the entire supply chain. As the configuration of supply chains changes, Local Authorities must adapt their capabilities, cultures, and processes to reflect this. As such the Council must prepare for business-critical supplier failure by identifying operational and strategic interdependencies and areas of reliance between parties. The Council must also understand the likelihood of supplier failure through market analysis, credit rating data and intelligence through less formal networks such as supplier forums. This work should be supported by a monitoring process that provides early warning of supplier stress and establishes agreed procedures for operating in the event of supplier withdrawal or failure.

7.18 Critical failures in the supply chain were identified within the Adults and Health directorate and through close monitoring, strict risk management the Council promptly put in place arrangements to minimise service disruption and safeguard the clients.

7.19 Internal Audit carried out a Supplier Viability audit within the Adults and Health directorate as part of the FY2021/22 audit plan. The audit evaluated the following risk areas:

> Strategy, Policies and Procedures
> Procurement and Contract/Supplier Management
> Council's Response to Supply Chain Failure
> Ongoing Assurance and Monitoring

7.20 The audit reviewed eight contracts and a 'reasonable' level of assurance was given based on the five findings that were raised.

7.21 Based on the continuous monitoring of compliance by the Supplier Management Group and the work carried out by Internal Audit; an overall '**reasonable**' assurance has been given for the Council's contract management.

7.22   **Counter Fraud:** The Business Assurance Team procedures alone cannot guarantee the detection of fraud and corruption, nor can we give an overall assurance opinion on counter fraud, therefore management 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 Business Assurance must deploy resources to investigate these.

7.23   For the year 2021/22, several referrals were made to the Business Assurance Team, and outcomes of investigations were reported to the Statutory Officers Group on a six-weekly basis. The service continues to see an increased number of referrals from schools and the intelligence gathered from these investigations is being fed to the Internal Audit team to help inform future school audits.

7.24   Due to the inherent risk of fraud and the obvious costs in countering fraud with heightened pressure on resources, the Business Assurance Team has adopted a long-term proactive strategy to raise fraud awareness and enhance prevention measures. Part of this plan is to tackle current issues and cases while simultaneously learning lessons, gathering intelligence through detailed post incident reflective risk assessments. A detailed Fraud Risk Register is maintained by the Fraud Team and is reported to the Risk Management Group on a regular basis. A fraud awareness training programme is in place and targeted sessions have been delivered to Senior Management and across key risk areas such as contract management, Human Resources, finance, and commissioning.

7.25   The Business Assurance Team has been working closely with the Revenues and Benefits Teams to investigate any potentially fraudulent Business Rate Grant Claims. The table below shows the number of cases reviewed by the Investigations Team as at end of 2021/22:

Business Rate Grant applications referred to Business Assurance	49
Additional Restrictive/Restart Grant applications referred to Business assurance	56
Number failed risk assessment (deemed to be low risk and so not investigated, or closed after initial investigation)	33
Number investigated (BRG and ARG) to date	49
Number of potential prosecution claims	10
Number of prosecution files being prepared for legal services as of September 2022.	5 One case is currently awaiting a trial (which will not be until late 2022), one case was sentenced and received a £21k fine in January 2022 with three other cases having prosecution files currently being prepared.

7.26   In cases whereby the grants were paid wrongly, but fraud was not proven, the team continue to work closely with the debt management team to ensure that these are recovered.

7.27   The organisation has been working to strengthen its responses to counter fraud, however whilst not all matters reported were frauds, the improved practice of reporting suspected activity provides '**reasonable**' assurance that the organisation is fraud aware.

7.28   **Other Assurance Work: Covid Grants** A significant proportion of the internal audit resource has continued to provide assurance over the Covid-19 grants received from central government. The Council received an additional c.£70.0m in FY22 across directorates to provide services and support the communities, residents, and businesses, resulting in a total of c.£145.1m in COVID funding for FY21 and FY22 combined. A COVID grants governance framework was put in place which provided continuous assurance and a holistic oversight of all the COVID grant expenditure across the directorates. Key stakeholders were engaged in the process such that notifications of new grants

were being timely communicated to internal audit to ensure that the grant is recorded centrally, the responsible officers were identified, and cost centres were created in preparation for the income receipt. Through this process mechanisms were in place to ensure that the grants were maximised, spent in line with the criteria, key risks were highlighted where grants may be over/underspend and through weekly reporting any key concerns were flagged to the respective Heads of Finance for resolution in a timely manner. At the peak of the COVID grant assurance activities, the team were supporting 45 different grants.

7.29 **Cash Receipting Capita Pay360 system implementation assurance** An assurance review of the Cash Receipting Capita Pay360 system upgrade was undertaken in quarter four to help ensure that the upgrade was completed successfully. The review consisted of an evaluation of Project Planning and the Control Framework. Whilst the majority of the project planning controls evaluated where deemed to be adequate, the review noted some minor exceptions which were highlighted to management for resolution. All recommendations made were accepted by the service. As part of the FY2022/23 Key Finance Systems audit, Internal Audit will re-evaluate the control framework to ensure that the areas of improvement identified have been addresses.

7.30 **Client Transport Services Financial Controls Assurance** Throughout 2021/22 Internal Audit worked closely with Client Transport Services providing assurance over the financial controls and contract management processes. Work undertaken included:

➤ Provide assurance on the budget forecasting methodology.

➤ Undertaking tender verification to ensure accuracy and completeness of contracts ended and started on the transport system Routewise; including verifying accuracy of Limit Orders raised for the live contracts.

➤ Monitor compliance against the new control framework that provides an end-to-end link from tender, contract management, invoice payment and account reconciliations.

➤ Monitoring invoice processing and utilisation of the management information on progress against invoice payment process.

➤ Provide system migration assurance on the new ONE system as the service decommission Routewise.

7.31 **Revenues and Benefits System Migration Assurance** During quarter three, the team provided assurance on the Revenues and Benefits System Northgate. The objective for this review was to provide assurance on whether data migration from legacy systems (AVDC and WDC) into

Northgate and Info@Work is completed accurately and on time. This included reviewing data from all affected legacy systems following each migration and their reconciliation against data in the systems being implemented. The review was intended to provide confidence that all data was successfully migrated on time and with no integrity issues to mitigate the risk of data in the new systems being missing or incorrect ahead of Go-Live. Assurance outputs were summarised on completion of each task to ensure that any weaknesses or gaps are addressed in a timely manner. Continuous assurance was provided, such that issues identified are timely reported and rectified.

7.32   The system has now been implemented and is in operation for Aylesbury and Wycombe, the next phase began in January as Chiltern and South Bucks will be migrated onto the new system. A lessons learnt report was presented to management on completion of the implementation for AVDC and WDC, these learnings were for management to take on board as they start making plans to migrate Chiltern and South Bucks onto the new system.

7.33   **SEALR Project Assurance** In quarter four, the team was commissioned by the Deputy Chief Executive (Monitoring Officer) and Corporate Director for Planning, Growth and Sustainability to undertake an independent 'rapid' review of the South East Aylesbury Link Road (SEALR) project. The review provided an understanding of the cost position, and the governance arrangements including providing clarity on the reporting and decision-making arrangements along with the mechanisms in place for the escalation of any issues or cost increases/ pressures. Due to the urgency of the review, the work was undertaken as a desktop exercise consisting of a review of project documentation financial data and board papers. A report was produced for senior management, which identified a number of weaknesses and recommendations were made to improve the processes in place for delivering this project. All findings raised were accepted by management and action is being taken to make the required improvements.

7.36   **Agile Deliver Methodology Assurance** Internal Audit were commissioned by the Policy and Communications Service to assess how the Council uses the Agile methodology, on which projects and how it aligns with best practices. The Council previously used the PRINCE2 project management methodology to deliver their projects using the traditional "waterfall" methodology. However, IT projects, such as the Family Information Service and notably the Web Project (which sits under the Better Buckinghamshire Programme), are now adopting Agile delivery methodologies. The effective management of projects by the Council is essential to deliver change to time, cost and scope parameters to allow for successful benefits realisation. The review was based on documentation sent over by the Digital Delivery Team and various interviews with the

Team. The review specifically examined operational effectiveness concerning the following areas: Delivery alignment with best practice, Appropriateness of methodology, resourcing, and wider governance and stakeholder engagement. The review concluded that:

➢ The Digital Delivery Team uses Agile methodologies appropriately and is aligned with best practices. There is a clear focus on the end-user.

➢ It is occasionally difficult to coordinate the Digital Delivery Team's efforts and other services they depend on. However, a proposed solution is increasing the involvement of stakeholders in the development of user stories and epics.

➢ Reporting takes place both verbally and through reports. Various metrics can be used to measure the progress, performance, and overall benefits realisation of an Agile project. These can then be used to improve processes further.

7.37 **Client Transport Contracts Assurance** Internal Audit were commissioned by the Service Director for Transport Services to undertake an independent review to provide an opinion on the consistency of the onboarding process of operators onto the DPS (Dynamic Purchasing System) and subsequent awarding of contracts. Based on the work undertaken, five key recommendations were made which are being addressed as part of the service's improvement plan and progress is reported to the Improvement Board on a monthly basis.

7.38 **Other (External) Sources of Assurance:** Whilst the key source of assurance which informs the annual opinion is the independent audits undertaken by the Internal Audit team, there are other sources of assurance which are helpful to provide support for the opinion on the Council's Governance, Risk Management, and Internal Control. For 2021/22 these have included the following:

➢ Adults and Health Directorate have an annual external quality assurance audit which was established as part of the Better Lives Quality Assurance Framework. The overall conclusion from the auditor was positive indicating good continuous improvement being made by the service with evident progress from a practice perspective since the prior year audit.

➢ Children's Services were subject to an Ofsted visit in December 2021 which concluded that the service is no longer inadequate, however still required further improvements to be good. The report highlighted how effective the service operated to ensure that children were safeguarded during the COVID-19 pandemic, whilst also recognising the resourcing pressures which are expounded by the retention difficulties of both social workers and frontline

managers. An improvement plan has been developed to ensure that all areas of improvement are addressed by.

➢ A Special Educational Needs and Disabilities (SEND) inspection took place between February and March 2022 and was undertaken by Ofsted and the Care Quality Commission (CQC). The inspection raised significant concerns about the effectiveness of the area. As a result of the inspection findings, the local area was required to submit a Written Statement of Action (WSOA) to address significant areas of weakness. These relate to the provision of specific health services for children and young people with SEND. The local authority and the area's Clinical Commissioning Group (CCG) are jointly responsible for submitting the written statement to Ofsted. The Service is continuing with the wider improvement journey across the service to ensure the support children with SEND received across the county is high quality and effective. Efforts are being focused on improving the areas of significant weakness as highlighted by the inspection.

➢ IT services maintained their external accreditation for the following:

- Public Services Network Code of Connection (PSN Coco)

- NHS Data Security & Protection (DSP Toolkit)

Email assurance has been obtained for the authority using a companion reporting product (zED) together with National Cyber Security Centre (NCSC) Mailcheck tool. The use of zED is actively promoted by CTAG (the UK Cyber Technical Advisory Group) and is widely used in the UK Public Sector. zED is a purpose-written product for the broader UK Public Sector producing risk data and a rating (Buckinghamshire Council are 7th nationally). This data and rating show how Buckinghamshire meet the NCSC secure email guidance and the risk to us from other organisations.

8. Overall Conclusion

8.1 In providing the overall conclusion, it should be noted that assurance can never be absolute. The most that can be provided is a '**reasonable'** level of assurance that there are no major weaknesses in risk management, governance and systems of control. The Internal Audit function has maintained its independence and objectivity in the administration of its activities in accordance with the Internal Audit Charter and Public Sector Internal Audit Standards.

8.2   The Council, through the leadership of the Corporate Management Team and the challenge and scrutiny of the Audit and Governance Committee have actively promoted a strong culture of accountability, good governance, anti-fraud and established a robust process for monitoring the implementation of actions. Some areas of improvement have been identified from the risk-based audits, the assurance work and fraud investigations carried out in the year, however the Corporate Management Team continued to react quickly to put actions in place to mitigate the risks.

9. Professional Standards

9.1   In order to comply with Public Sector Internal Audit Standards (PSIAS) the Head of Internal Audit is required to develop and maintain an ongoing quality assurance and improvement programme (QAIP). The objective of the QAIP is to ensure that working practices continue to conform to professional standards. The results of the QAIP are reported to the committee each year as part of the annual report. The QAIP consists of various elements, including:

➤   Maintenance of a detailed audit procedures manual and standard operating practices

➤   Ongoing performance monitoring of internal audit activity

➤   Regular customer feedback

➤   Training plan and associated training and development activities

➤   Period self-assessment of internal audit working practices (to evaluate conformance to the standards)

9.2   The PSIAS require an external assessment of the service at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The Buckinghamshire Council Internal Audit Service was subject to its first external quality assessment of conformance to the PSIAS in quarter three/four of 2021/22. The assessment was conducted by CIPFA, and the review concluded that:

'It is our opinion that Buckinghamshire Internal Audit Service's self-assessment is accurate and as such we conclude that they **FULLY CONFORM** *to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.'*

9.3   The table below shows Buckinghamshire Internal Audit Service's level of conformance to the individual standards assessed during this external quality assessment:

Standard/ Area Assessed	Level of Conformance
Mission Statement The Mission of Internal Audit articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the Mission.	**Fully Conforms**
Core principles The Core Principles, taken as a whole, articulate internal audit effectiveness. For an internal audit function to be considered effective, all Principles should be present and operating effectively. How an internal auditor, as well as an internal audit activity, demonstrates achievement of the Core Principles may be quite different from organisation to organisation, but failure to achieve any of the principles would imply that an internal audit activity was not as effective as it could be in achieving internal audit's mission (see Mission of Internal Audit).	**Fully Conforms**
Code of ethics The purpose of The Institute's Code of Ethics is to promote an ethical culture in the profession of internal auditing. A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control and governance.	**Fully Conforms**
Attribute standard 1000: Purpose, Authority and Responsibility The purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.	**Fully Conforms**
Attribute standard 1100: Independence and Objectivity The internal audit activity must be independent and internal auditors must be objective in performing their work.	**Fully Conforms**
Attribute standard 1200: Proficiency and Due Professional Care Engagements must be performed with proficiency and due professional care.	**Fully Conforms**
Attribute standard 1300: Quality Assurance and Improvement Programme The chief audit executive must develop and maintain a quality assurance and improvement	**Fully Conforms**

programme that covers all aspects of the internal audit activity.	
Performance standard 2000: Managing the Internal Audit Activity The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organisation.	**Fully Conforms**
Performance standard 2100: Nature of Work The internal audit activity must evaluate and contribute to the improvement of the organisation's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive and their evaluations offer new insights and consider future impact.	**Fully Conforms**
Performance standard 2200: Engagement Planning Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations. The plan must consider the organisation's strategies, objectives and risks relevant to the engagement.	**Fully Conforms**
Performance standard 2300: Performing the Engagement Internal auditors must identify, analyse, evaluate, and document sufficient information to achieve the engagement's objectives.	**Fully Conforms**
Performance standard 2400: Communicating Results Communications must include the engagement's objectives, scope, and results.	**Fully Conforms**
Performance standard 2500: Monitoring Progress The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.	**Fully Conforms**
Performance standard 2600: Communicating the Acceptance of Risks When the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organisation, the chief audit executive must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the board.	**Fully Conforms**

9.4   Whilst there were no areas of non-conformance to the standards, the CIPFA assessment identified some opportunities to enhance the way that the service operates in the following areas:

➢   expanding the use of data analytics and work towards whole population testing;

➢   produce a skills, competencies and qualifications matrix for the various levels of staff being

considered for the new structure, based on the guidance set out in the CIPFA publication "The Excellent Internal Auditor; Good Practice Guide to Skills and Competencies;

➢ include a section in the annual report on the progress made by the service in delivering the actions on its quality assurance programme action plan;

➢ provide greater clarity and demonstrate the link between the internal audit plan and the Council's risks and objectives;

➢ prevent internal audit reports being sent to individuals other than those on the agreed distribution list, and to deter readers from extracting parts of the audit report and using them out of context; and

➢ the Service should consider adding a statement to each audit report confirming that the audit has been completed in accordance with the standards.

9.5   The QAIP has been updated to ensure that it captures the opportunities for improvement that were identified from the external assessment. Full details of the QAIP are given in **Appendix D**.

Appendix A - Summary of Internal Audit Activity

Directorate	Service	Audit Title	Status/Opinion
Corporate	**Corporate**	Governance	Cancelled - Delivered through work with Corporate Governance Manager
	Corporate	Business Cases	Cancelled – resource pressures within the Internal Audit team recommend that audit be undertaken in 22/23 as part of the Capital Programme audit
	Corporate	General Grants	On-going
	Corporate	Covid-19 Pre and Post Payment Assurance Plan	On-going; looking at assurance that we have taken reasonable steps to ensure that payments are made to legitimate clients.
	Corporate	Covid-19 Response	Continuous assurance on the Covid-19 grants that are received from government departments to support the Council's response to Covid-19.
Deputy Chief Executive	**Policy and Comms**	GDPR – Council wide audit	A new system is currently being implemented. Audit being deferred and will be undertaken once the system and processes are embedded in 22/23.
	Localities & Strategic Partnerships	Community Boards	A review is being undertaken by the Select Committee that highlighted areas of improvement – agreed to undertake the audit once the identified improvements have been implemented. Deferred to 22/23
	Legal/ Dem Services	Legal Process Review	Deferred to 22/23 – processes are currently being developed. Audit best placed to review once these are embedded. Recommend an audit in Q1/Q2 22/23
	Legal/ Dem Services	Member Declarations and Member Complaints Process	Final Report - Substantial
	Service Improvement	Assurance over Service Improvement Programme	Deferred – Business Assurance is currently undergoing a Service Review, therefore, to ensure objectivity the assurance is deferred to 22/23.
	Service Improvement	Digital	Final report Agile Delivery assurance.

Directorate	Service	Audit Title	Status/Opinion
Deputy Chief Executive	**Service Improvement**	Workstyle Strategy	Deferred to 22/23 per request from SLT – business case recently approved and strategy in early stages.
	Localities & Strategic Partnerships	Assets of Community Value	Final Report - Substantial
	Legal/ Dem Services	Elections	Final Report - Substantial
	Policy & Communication	Complaints	A new system is currently being implemented. Audit being deferred and will be undertaken once the system and processes are embedded in 22/23.
Resources	**Finance**	Pensions	Final Report - Substantial
	Finance	Capital Programme	Deferred to 22/23 – resource pressures within the Service due to sickness.
	Finance	Contract Management	Deferred to 22/23 – this is a Council wide audit and there are resource pressures within the services to support the audit.
	Finance	Asset Management	Cancelled per request from SLT – substantial work undertaken by external audit.
	Finance	Budget Management	Final Report - Substantial
	Finance/ HR	Expenses	Continuous review of expenses to identify suspicious transactions
	Finance	Accounts Payable	N/A follow-up of prior year actions
	Finance	Accounts Receivable	N/A follow-up of prior year actions
	Finance/ HR/ IT	Service Now Review	Deferred to 22/23 per request from SLT – the use of Service Now will be looked at as part of the service review – this is a low-risk area.
	Finance	SAP Interfaces	Mapping of systems that interface with SAP.
	Finance	Cash Receipting End-to - End Process Review	Final report assurance review of the Cash Receipting Capita Pay360 system upgrade
	Finance	Treasury Management	Final Report - Reasonable
	Finance	Debt Management	N/A follow-up of prior year actions

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Resources	**Finance**	General Ledger	Actions from the previous year have been followed up and an Assurance Pack within Corporate Finance has been developed that is continuously monitoring compliance. Audit cancelled for this year.
	Finance	Revs & Bens System Implementation Assurance	Phase 1 system implementation assurance completed.
			Phase 2 of the system implementation has commenced, and assurance is being provided throughout the project delivery.
	Finance	CTAX	Deferred to 22/23. New Revenues and Benefits system being implemented. Full audit to be undertaken once all legacies are migrated onto the new platform. Internal Audit are providing assurance on the system implementation.
	Finance	NNDR	
	Finance	CTRS/HB	
	Finance	Procurement	New procurement regulations being introduced – deferred to 22/23 once implemented.
	Finance	iCares Accounts Payable	Final Report - Reasonable
	Finance	iCares Accounts Receivable	Final Report - Reasonable
	HR	Payroll	Final Report - Reasonable
	HR	Apprenticeship Levy	Deferred to 22/23 per request from SLT – low risk.
	HR	IR35	Deferred to 22/23 – regular reporting on high-cost interims undertaken.
	IT	IT Asset Management	Final Report - Reasonable.
	IT	Cyber Security	Final Report - Reasonable
	IT	Audit needs assessment. Review to determine IT audit work to be undertaken.	

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Planning, Growth & Sustainability	**Property & Assets**	Wycombe Old Library	Cancelled per request from SLT – project complete and value needed in service project governance assurance
	Property & Assets	Project Governance	TBC – DRAFT Report
	Housing & Regulatory Service	Enforcement (Housing)	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1
	Housing & Regulatory Service	Grant verification	Disability Facilities Grant - Completed
	Planning & Environment	Building Control	Deferred to 22/23 – Service review in progress.
	Planning & Environment	CIL/Section 106	Draft Report - Limited
	LEP	LEP Audit	New white paper released other areas to consider – additionally due to staff changes within LEP audit is being deferred to Q1.
	LEP	Grant Verification	Growth Hub Funding to LEPs – claim verification for FY20/21 funding. Completed
	Housing & Regulatory Service	Homelessness	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1.
	Strategic Transport & Infrastructure	SEALR	Project assurance in year request.
	Housing & Regulatory Service	Temporary Accommodation	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1
	Property & Assets	Property Maintenance	Deferred to 22/23 – Service review in progress.
	Planning & Environment	Climate Change	Separate assurance programme being developed that will be aligned to the Climate Change Strategy. Commence assurance delivery in 22/23.
	Property & Assets	Property Repairs and Renewals	Deferred to 22/23 – Service review in progress.

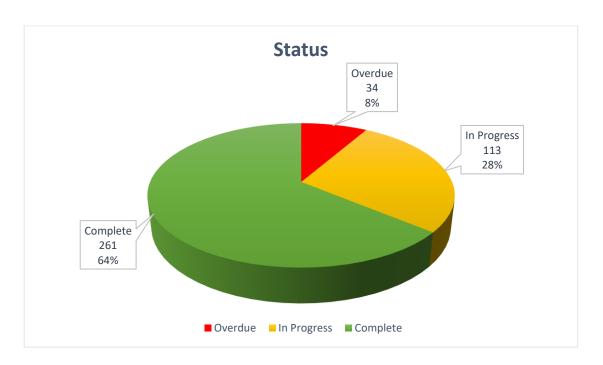| Directorate	Service	Audit Title	Objectives/Risk/Concerns
Planning, Growth & Sustainability	**Property & Assets**	Health & Safety	Cancelled per request from SLT – assurance process in place to ensure adequate arrangements are in place and mechanism for reporting agreed.
	LEP	Grant Verification	EU Transition Business Readiness Growth Hub Funding to LEPs FY20/21. Completed
	LEP	Grant Verification	Supplemental Growth Hub Funding to LEPs FY20/21. Completed
	LEP	Grant Verification	Peer Network Funding to LEPs FY 20/21. Completed
Communities	**Highways & Technical Services**	Flood Management	Final Report - Reasonable
	Neighbourhood Services	Taxi Licensing	Final Report - Reasonable
	Neighbourhood Services	Crematorium	TBC – DRAFT Report
	Neighbourhood Services	Waste – Procurement and Disposal of Assets	Deferred to 22/23 due to the responsible team being subject to a Service Review.
	Highways & Technical Services	Parking	Deferred to 22/23 per request from SLT – new system and structure, need to embed processes. Recommend Q1/2
	Highways & Technical Services	Transport for Bucks	Service currently undertaking a large tender exercise – assurance work on-going.
	Transport Services	Home to School Transport – Contract Assurance	Contract Management assurance. Internal Audit were commissioned to undertake an independent review to provide an opinion on the consistency of the onboarding process of operators onto the DPS (Dynamic Purchasing System) and subsequent awarding of contracts.
	Transport Services	Home to School Transport	Deferred to 22/23 per request from SLT – new system will need to be embedded. Recommend Q2
	Transport Services	Grant Verification	Bus Subsidy Ring-Fenced (Revenue) Grant. Complete

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Communities	Neighbourhood Services	Household Recycling Centres	Deferred to 22/23 – new procurement in progress. Recommend review once new arrangements are in place
	Neighbourhood Services	Energy for Waste	Final Report - Reasonable.
	Highways & Technical Services	Grant verification	Highways Maintenance Challenge Fund Grant. Complete
Adults & Health	Quality Standards & Performance	iCares System – IT Application Controls Audit	Final Draft- Reasonable
	Integrated Commissioning	Direct Payments	Service currently undertaking improvement work – agreed to defer review to Q2/3
	Integrated Commissioning	Supplier Viability	Final Report - Reasonable.
	Adult Social Care	Implementation of Medications Policy – In-house services	Final Report - Reasonable
	Adult Social Care	Interface – Hospital Discharges and Social Care	Deferred from 21/22 per request from SLT – process is weak and social care are currently working to develop and improve process. Plan for Q1/2
	Quality Standards & Performance	Quality Assurance Framework (QAF)	Cancelled per request from SLT – framework is fully operational, and an annual external audit arrangement is in place. No concerns in this area.
	Integrated Commissioning	Choice and Charging Policy	Final Report - Reasonable
	Adult Social Care	Implementation of Medications Policy – Commissioned services (Follow-up)	Actions were implemented per the agreed actions, however at time of follow-up it was determined that actions are not being followed as there were superseded by COVID arrangements.
	Adult Social Care	Deprivation of Liberty Standards (DoLs) (Follow-up)	No opinion – All actions from the 19/20 audit were fully implemented.

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Children's Services	**Education (Schools)**	Booker Park	Final Report - Reasonable
		Speen School	Final Report - Reasonable
		Buckingham School	Final Report - Reasonable
		Cedar Park	Final Report - Reasonable
		Radnage CoE Infant School	Final Report - Reasonable
		Hazlemere CoE School	Final Report - Reasonable
	Social Care	Children's Homes	Final Report - Reasonable.
	Social Care	Social Work England Information Requests	Deferred to 22/23 per request from SLT – service currently developing a process. Assurance needed when process is embedded.
	Social Care	Care Leavers	Audit cancelled, need to be considered in light of the Ofsted findings.
	Social Care	Fostering Services	Audit cancelled, need to be considered in light of the Ofsted findings.
	Education	SEND – Complaints & SARs	Audit cancelled, need to be considered in light of the inspection findings.
	Education	Early Years - Entitlement for 2/3/4 yrs. and Claims Payment	Final Report - Reasonable
	Social Care	Commissioning of Residential placements	Final Draft- Reasonable
	Education	SEND Transport Eligibility	New audit requested by service – deferred to 22/23 due to SEND inspection
	Education	Grant Verification	DfT – Travel Demand Grant. Complete
			Schools Direct Salaried Grant (Ashmead Combined School). Complete
			Schools Direct Salaried Grant (Bedgrove Infant School). Complete
	Social Care	Supported Families Programme Grant Verification	Completed in June for 65 families under Sustained and Significant Progress

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Children's Services	**Social Care**	Supported Families Programme Grant Verification	Claim made for 77 families under Sustained and Significant Progress
			Completed in June for 65 families under Sustained and Significant Progress
			Claim made for 77 families under Sustained and Significant Progress
			Claim made for 71 families under Sustained and Significant Progress
			Claim made for 84 families under Sustained and Significant Progress

A summary of the findings from the internal audit activity can be found in the confidential part of the report.

Appendix B – Summary Status of Audit Actions

Status

- Overdue: 34, 8%
- In Progress: 113, 28%
- Complete: 261, 64%

Legend: ■ Overdue ■ In Progress ■ Complete

Details on the overdue actions can be found in the confidential part of the report. It should be noted that 30 of the 35 audit actions which are highlighted as overdue relate to schools and will be followed up in September to allow schools to settle into the new academic year.

Appendix C – Definition of Opinions

Definition	Rating Reason
Substantial A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	The controls tested are being consistently applied and risks are being effectively managed. Actions are of an advisory nature in context of the systems, operating controls and management of risks. Some medium priority matters may also be present.
Reasonable There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Majority of actions are of medium priority, but some high priority actions may be present.
Limited Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	There is an inadequate level of internal control in place and/or controls are not being operated effectively and consistently. Actions may include high and medium priority matters to be addressed.
No Assurance Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	The internal control is generally weak/does not exist. Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Actions will include high priority matters to be actioned. Some medium priority matters may also be present.
Other Assurance – No Opinion	

Appendix D – Internal Audit – Quality Assurance and Improvement Programme

The Buckinghamshire Internal Audit Team maintains appropriate ongoing quality assurance arrangements designed to ensure that internal audit work is undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS). These arrangements include:

- ➢ the maintenance of a detailed audit procedures manual;

- ➢ the requirement for all audit staff to conform to the Code of Ethics and Standards of Conduct Policy;

- ➢ regular performance appraisals;

- ➢ regular 1:2:1 meetings to monitor progress with audit engagements;

- ➢ induction programmes, training plans and associated training activities;

- ➢ attendance on relevant courses and access to e-learning material;

- ➢ the maintenance of training records and training evaluation procedures;

- ➢ membership of professional networks;

- ➢ agreement of the objectives, scope and expected timescales for each audit engagement with the client before detailed work commences (audit specification);

- ➢ file review by senior auditors and audit managers and sign-off at each stage of the audit process;

- ➢ the ongoing investment in tools to support the effective performance of internal audit work (for example data interrogation software);

- ➢ performance against agreed quality targets monitored and reported to each client on a regular basis; and

- ➢ regular client liaison meetings to discuss progress, share information and evaluate performance.

The table below details the areas of improvement that the team are working on as identified from internal performance reviews, the self-assessment against the CIPFA checklist of conformance against the PSIAS and the Local Government Application Note, and from the opportunities identified from the external assessment. The improvement plan is reviewed by the Head of Business Assurance periodically to ensure that progress is being made and form part of the team's individual performance objectives.

Improvement Activity	Status
Self- Assessment against PSIAS	COMPLETE
Update Pentana guidance and IA Procedures on closing audit management actions	NOT STARTED
Update the audit manual to link in with Pentana - currently out of date	NOT STARTED
Develop standard annual reports for schools, including lessons learnt from fraud cases	NOT STARTED
Develop annual calendar of key dates for IA papers - forward plan	COMPLETE
Develop audit universe that we can refer to each year as part of planning - need to know gaps in our coverage	ON-GOING
Clarify process for managing audit actions with clear auditor responsibility	COMPLETE
DBS checks to be completed for all auditors	COMPLETE
Identify Pentana improvement - opportunities to have all docs driven from Pentana	ON-GOING
Develop progress reports for reporting on deliver of the plan, including changes made to the plan - monthly or quarterly into CIA	COMPLETE
Develop closer links with the fraud team - i.e., better use of the fraud risk register into IA work and development of annual plan	COMPLETE
NFI - develop a clear process/ timetable for managing exercise based on data sets to key service contacts	ON-GOING
Benchmark audit coverage for BMKFA against other FA to find opportunities for future audit work	COMPLETE
Develop the assurance framework and ensure three lines of assurance are fully understood by all	NOT STARTED
Update Grant Register and review progress as part of IA plan monitoring	COMPLETE
Develop Business Assurance Intranet page/ SharePoint space with key policies/ strategies and procedures	ON-GOING
Update Schools Web for IA and Fraud	NOT STARTED
Consultancy/ assurance engagements to be included as part of the plan and reported in annual report	COMPLETE
Develop customer satisfaction questionnaire - forms per Directorate and Client	NOT STARTED
Create a tracker for advice being given to services on an ad hoc basis - should note any new recommended controls	NOT STARTED
CPD tracker to be put in place for each auditor and Audit Manager to review as part of C4P	COMPLETE
Declarations of interest to be completed for each auditor and to be re-confirmed annually	NOT STARTED
Produce a skills, competencies, and qualifications matrix for the various levels of staff	ON-GOING
Include a section in the annual report on the progress made by the service in delivering the actions on its quality assurance programme action plan	COMPLETE
Expanding the use of data analytics and work towards whole population testing	ON-GOING
Provide greater clarity and demonstrate the link between the internal audit plan and the Council's risks and objectives,	COMPLETE
Prevent internal audit reports being sent to individuals other than those on the agreed distribution list	NOT STARTED

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Audit and Governance Committee

Date:	27 September 2022
Reference number:	N/A
Title:	2022/23 Business Assurance Strategy Update (incl. Internal Audit Plan)
Cabinet Member(s):	N/A
Contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Auditor)
Ward(s) affected:	N/A
Recommendations:	**Members are recommended to note the report**
Reason for decision:	N/A

1.   Executive summary

1.1   The purpose of the report is to present the 2022/23 Business Assurance Strategy update, including progress against the Internal Audit Plan.

1.2   The 2022/23 Internal Audit Plan has been reviewed to identify the key audit activities to be delivered considering the priorities within the Directorates and working with consuideration the service reviews that are currently in progress.

2.   Content of report

2.1   The Business Assurance Strategy; including the Internal Audit Plan was agreed by the Audit Board and by the Audit and Governance Committee in July 2022. The Internal Audit Plan was produced with reference to the Strategic and Directorate Risk Registers; and informed through discussion with the Senior Leadership Teams for

each Directorate, Heads of Finance, Section 151 Officer and the Deputy Chief Executive.

2.2 The Internal Audit Plan will continue to be dynamic in nature with activity reviewed and realigned on a regular basis to take account of new, emerging and changing risks and priorities.

2.3 Quarterly Business Assurance updates are presented to each Directorate Leadership Team providing updates on the planned audit and assurance activity, which are 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 and expectations of the organisation as best we can.

2.4 Progress against the approved Business Assurance 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   2022/23 Business Assurance Strategy and Internal Audit Plan.

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 Update

Progress against the Internal Audit Plan 2022/23

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)

September 2022

Contents

1. Introduction

1.1 The Business Assurance Team is responsible for delivering 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. The team continues to work towards implementing the Council's Assurance and Risk Strategy through delivery of work programmes which include; 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).

1.2 This report outlines the work carried out by the Business Assurance Team for quarters one and two of 2022/23. The Internal Audit, Risk Management, Counter Fraud and Assurance work plans were 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 plans were also informed through discussions with the Senior Leadership Teams for each Directorate, Heads of Finance, Section 151 Officer and the Deputy Chief Executive (Monitoring Officer). Plans are also be reviewed quarterly in conjunction with Strategic and Directorate Risk Registers and presented to the Audit Board for consideration and comment prior to being reported to this committee.

1.3 The Business Assurance work plans continue to be dynamic in nature as they remain flexible and evolve throughout the year to reflect; the changing risks faced by the Council, the maturity of the assurance framework and to meet the needs of unplanned demands, especially in the
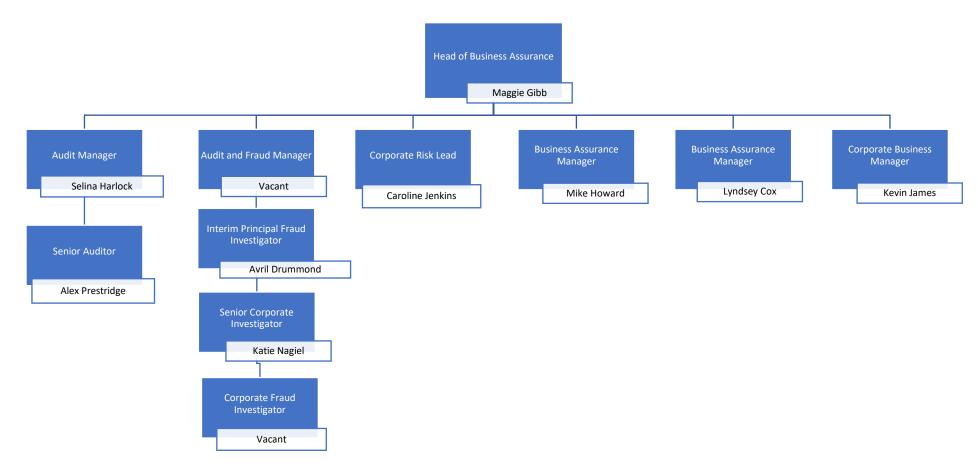
context of the response to and recovery from the Covid-19 pandemic; and other emerging priorities. Quarterly updates on Business Assurance activities have been presented to each directorate leadership team providing them with an overview of the Internal Audit activities including progress on implementation of audit actions; and a risk management update on escalated risks with status of risk reviews.

1.4   The Business Assurance Team is entering into the final phase of their Service Transformation Review, which is part of the Better Buckinghamshire Programme. The review has consisted of an ongoing evaluation of our current service delivery and is working towards designing a human-centred and future-focusses service that delivers on the needs of customers and the team (officers). The consultation phase concluded on 1st September where the new structures were confirmed and will go live on 1st November. The next phase involves appointing officers to posts and where applicable the recruitment process will commence.

2.   Resources

2.1   There have been some recent resourcing changes to the Business Assurance team with the departure of the Audit and Fraud Manager and the return of the Corporate Risk Lead from maternity leave. We continue to resource work plans 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.

Current Business Assurance Team Structure (new structure to be published on 1 November 2022)

- **Head of Business Assurance**
  - Maggie Gibb
    - **Audit Manager**
      - Selina Harlock
        - **Senior Auditor**
          - Alex Prestridge
    - **Audit and Fraud Manager**
      - Vacant
        - **Interim Principal Fraud Investigator**
          - Avril Drummond
            - **Senior Corporate Investigator**
              - Katie Nagiel
                - **Corporate Fraud Investigator**
                  - Vacant
    - **Corporate Risk Lead**
      - Caroline Jenkins
    - **Business Assurance Manager**
      - Mike Howard
    - **Business Assurance Manager**
      - Lyndsey Cox
    - **Corporate Business Manager**
      - Kevin James

3   Risk Management

3.1   The Business Assurance Team has continued to embed risk management across Buckinghamshire Council with all Directorates ensuring that risks are identified and uploaded onto Pentana, the corporate risk management system. We have also continued the review of risks ensuring that the magnitude of risks is understood and that there are appropriate internal controls and/or actions undertaken to mitigate risks and address some of the risk gaps identified.

3.2   The Business Assurance team has established an emerging risk register which is reported to Risk Management Group and the team are sharing knowledge to directorates' Risk Champions. The last meeting of the Risk Management Group was held on 5 September 2022, an update on this meeting will be provided in a separate report.

3.3   The team are currently drafting the Risk Management strategy which informs the Risk Management Framework consisting of a tailored Risk Reporting and Escalation Frameworks for each directorate to suit their business needs. The strategy will be presented to this committee at the next meeting scheduled for November.

3.4   The Business Continuity Management (BCM) function is now being delivered alongside the Risk Management function, and regular assurance reporting on BCM will be included in the Business Assurance Strategy update from November 2022.

4.   Internal Audit

4.1   In order to make certain the audit efforts are focussed on those areas that are key, an audit planning model was 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: -

- The size, importance or inherent risk in the area under review;

- The assessment of the effectiveness of the internal controls; and

- The likelihood of the consequences being detected if the risk does materialise.

Following this formulaic assessment, each audit engagement identified for inclusion in the 2022/23 Internal Audit Plan was 'RAG' rated and those that scored RED were deemed to be priority for delivery this year. The audit planning methodology is in line with the approach being taken by other authorities with the sector widely working 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.
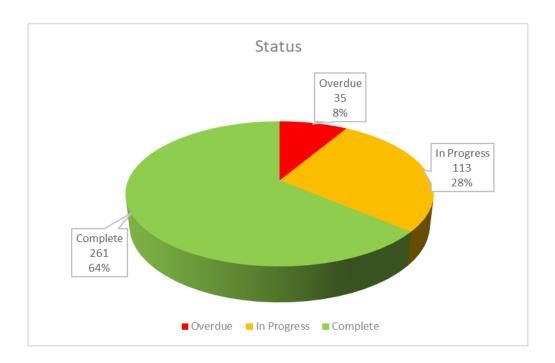
4.2   The 2022/23 Internal Audit Plan was approved by the committee at the July meeting and during quarter one and two the Internal Audit function has progressed with the audit and assurance activity that was carried over from the previous financial year and commenced the delivery of engagements from the current year's plan. Since the last update Internal Audit delivery has progressed as follows;

- for 2021/22 the carried forward activity has been completed and four final reports have been issued and two are at draft;

- from the 2022/23 the team have issued final reports for two engagements, one engagement is at draft reporting stage, two grant certifications have been completed and 11 audits are at the scoping stage; and

- from the assurance activity, four final reports have been issued and one is at draft reporting stage.

4.3   In quarter two the team has been developing the Schools' Audit Programme which identifies a schedule of schools to visit and audit during the current year. Through review of financial reports, complaints, Ofsted results and quarterly consultation with the Schools Improvement Team and Schools Finance; each maintained school is risk assessed based on this information and those with a high 'RAG' rating are selected for an audit. The schools identified for review along with the rationale for selection are detailed in the confidential part of the meeting.

The scope for the audit visit is standard across all the schools and will be looking and the following key risks areas; Governance and Leadership, Financial Management, Procurement, Income, Human Resources and Payroll, Business Continuity and Health and Safety.

An audit of William Harding School was conducted during quarter one, this audit was scheduled last year due to large number of audit actions that remained incomplete for a long period of time. The report is currently at the draft reporting stage and will be shared with the committee once it has been finalised.

4.4   Using the audit tool, 'Pentana', Internal Audit have been monitoring implementation of audit actions. Follow-up of management actions is a continuous task that is undertaken by the auditors alongside their assigned audit engagements. The chart below provides a summary on the implementation status of the audit actions:

Summary Status of Management Actions

Status

Overdue
35
8%

In Progress
113
28%

Complete
261
64%

■ Overdue   ■ In Progress   ■ Complete

4.5   Progress against implementing audit actions is reported to each of the Directorate leadership team meetings on a regular basis, and outstanding audit actions are reported to the Corporate Management Team (CMT). Of the 34 actions overdue, 30 are owned by schools and fell due at the start of the academic year, Internal Audit are giving schools a grace period as they settle into the new year and the auditors will begin liaising

with the schools at the end of September. An update on progress of implementing school audit actions will be presented to the committee in November.

4.6   The Audit Board, chaired by the Service Director of Finance (S151), reviewed progress against the Business Assurance Strategy, in particular delivery of the Internal Audit Plan at a meeting held on 21 September 2022. Appendix 1 shows the current progress updated against the Internal Audit Plan.

5.   Business Assurance

5.1   **Covid Grants**: The Business Assurance Team continue to progress with the COVID grant assurance as the requirements from central government for returns, reconciliations and pre/post assurance checks continue. The team liaise with the services and support in the collation of the required returns, reconciliations and certification where required. Since the last update to this committee three returns have been completed in line with guidelines and agreed deadlines. One grant reconciliation return is currently in progress and one post- payment assurance return is being completed.

There are currently two COVID grants that remain open and both grants are within the Deputy Chief Executive directorate. Internal Audit will continue to liaise with the services to ensure returns and required reconciliations are complete in line with guidelines and agreed deadlines.

5.2   **Children's SEND Payments Process Assurance:** In quarter one, the team have been progressing with an assurance review within Children's Services SEND team, which was commissioned due to a number of problems having been identified, including a significant backlog of queries received from schools and parents, inaccuracies of data within the ONE system, and inconsistent roles and responsibilities. The scope of work included:

- Detailed review of processes involved within Children's Services SEND provisions.
- Completion of process maps to show current roles and responsibilities, systems and documentation involved in each step.
- Observations outlining the pain points involved within key stages of the processes.
- Improvements to address pain points.

- An outline of the impact, difficulty and priority of the improvements provided.

The review found a number of issues which were classified under six key headers: Unclear Roles and Responsibilities, Query Backlog, Unreliable Data, Lack of Management Information, Lack of Key Performance Indicators and Excess of Spreadsheets. Recommendations on improvement initiatives have been made to the service and Business Assurance continue to support the team in the development of some of the improvement opportunities highlighted in the report.

5.3 **Southern Waste- Round Reorganisation Review:** During quarter two a review was commissioned of the issues and challenges faced as a result of the waste round reorganisation involving the delivery of waste bin collection services in the south of the county. Veolia are responsible for all of the waste collections in the south of the county and since May 2022 they commenced the new collection arrangements which were introduced following a round reorganisation of routes and collections. The reorganisation is aimed at delivering more efficient rounds, more robust collections, and a better waste collection service. Although disruptions were expected, this had proven to be a very challenging change (with 90% of residents impacted by a day or week change to their collection date), with issues far exceeding planned mitigations. The review considered:

- The operational planning arrangements in place prior to the commencement of the round reorganization.
- The key issues that led to the significant increase in the number of missed bins and complaints including when the influx of complaints started to increase.
- The governance structure in place to manage escalation as a result of the large influx of complaints, who was involved between both Veolia as well as Buckinghamshire Council, what escalation routes were in place and how key performance indicators were measured.
- The overall team structure that was in place as per the Veolia contract to service the south of the county. The team structure internal to the council that support Veolia in ensuring services are delivered, including the call centre team structure.
- The communication plans that were put in place to both internally and externally.
- The record and types of complaints received from the resident, the process to capture the complaints; the complaints resolution process and the types of response provided.

From the work undertaken a number of findings were raised with regard to the following key areas:

- Data and Round Design

- People and Resourcing

- Governance and Responsibilities

- Tools and Assets

- Stakeholders and Communications; and

- Processes and Controls.

The outcomes of the review have been reported to management and highlighted core areas which hampered the reorganisation, many of which had been the result of resource challenges. This impacted knowledge transfer, consistency of staff, staffing numbers and supervisory management. Through the interviews conducted during the review Business Assurance noted that there is a good working relationship between the Council and Veolia, further evidenced by the recovery attempts put in a place and commitment to achieving a long term, sustainable waste management operation. The overall success of this project will be derived over a much longer period of time and the coming weeks are crucial to restore trust across households and in the council. The service has developed a recovery plan and through regular review and reporting there is greater visibility of progress. The review of this major change project will be reported in detail to the Risk Management Group on 7 November 2022.

5.4 **SEND Eligibility Review:** Business Assurance are currently undertaking a review of Home to School Transport for SEND students. The objective of this review is to provide an evaluation of the adequacy and effectiveness of the process currently in place to assess the eligibility of students for travel assistance. The evaluation will include sample or population testing of students currently deemed eligible to confirm any instances of incorrect assessment. The review will culminate in the provision of improvement opportunities to facilitate effective and efficient adherence to the policies and relevant legislation going forward, as well as a high-level implementation plan. The review is evaluating the following key areas:

- Policies, Procedures and Training

- Claims Assessment and Approval

- Monitoring/Reviewing Changes in Circumstances

- Budget Monitoring

- Performance Monitoring and Reporting

5.5   **Project Assurance:** Following the findings raised from the South East Aylesbury Link Road (SEALR) review undertaken in quarter four, Business Assurance performed a project assurance review across all the teams within the Strategic Transport and Infrastructure Service. The objective of the review was to provide assurance on the arrangements in place that allow senior management to have complete, accurate and timely information on the progress of projects that are being delivered within the Strategic Transport and Infrastructure Service. A sample of projects was evaluated for each team and specific weaknesses or project gaps identified from the review were reported to the respective Head of Service to ensure that the weaknesses were addressed in a timely manner. The work undertaken focussed on six fundamental aspects of project and programme management; project planning, governance structure and control, project delivery, risk management and contract management, reporting/ management information and lessons learnt/continuous improvement. From the sample of projects evaluated, 44 findings were reported all identified from a thorough review of records held for the respective projects and interviews with key project officers.

The Strategic Transport and Infrastructure Service are currently going through their service review and the findings from this assurance activity will form part of the improvement programme for the service.

6 Counter Fraud

6.1 The Business Assurance Team has been working closely with the Revenues and Benefits Teams to investigate any potentially fraudulent Business Rate Grant Claims.

Business Rate Grant applications referred to Business Assurance	49 (0 this month)
Additional Restrictive/Restart Grant applications referred to Business assurance	56 (0 this month)
Number failed risk assessment (deemed to be low risk and so not investigated, or closed after initial investigation)	33
Number investigated (BRG and ARG) to date	49
Number of potential prosecution claims	10
Number of prosecution files being prepared for legal services as of 1 September 2022.	5 One case is currently awaiting a trial (which will be held w/c 26 September 2022), one case was sentenced and received a £21k fine in January 2022. A further case was heard in Court on 8 August 2022, the defendant pleaded not guilty and so the case will go to trial in January 2023. Two other cases have prosecution files currently being prepared.

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Other cases currently under investigation are as follows:

- Council Tax Reduction cases received this month – three; and currently investigating nine in total.

- Single Person Discount cases received this month – one; and currently investigating nine in total.

- Blue Badge cases received this month one; currently investigating one in total.

- Disabled Facilities Grant received this month – zero; referrals closed this month – two, currently investigating zero in total

- Housing Fraud cases received this month - two, currently investigating eight in total.

- Planning application fraud cases received this month - zero, currently investigating zero.

- Insurance case received this month – zero, currently investigating one.

- School admissions cases received this month - zero, currently investigating one.

- Adult Social Care cases received this month - zero, currently investigating one.

- Council Tax liability cases received this month – zero, investigating one.

- Identity fraud cases received this month – zero, investigating zero.

- Omicron Grant cases received this month – zero, investigating three in total.

- Phishing scams or attempts this month: zero

- Direct payment cases received this month – zero, investigating one.

- Credit card misuse case received this month – zero, investigating zero.

- Building Control case received this month – zero, investigating zero.

- Requests for information: one.

- Several early morning visits have been completed with different Registered Housing Providers recently – namely Paradigm, Fairhive (previously Vale of Aylesbury), and Thrive Homes, to assist with reports of housing fraud, forging stronger links with the housing providers in the area. Furthermore, a newly formed Tenancy Fraud Forum has been organised for 14 September, to be held in Wycombe Council offices. Housing providers and Local Authorities have been invited to attend - this has been arranged in partnership with Hertfordshire and Oxfordshire Councils.

Appendix 1 - Summary of Internal Audit Activity

Corporate			
Corporate Priority Link	• **Increasing prosperity**		
Strategic Risks Link	**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*.		
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	• **Increasing prosperity** • **Strengthening our communities**		
Strategic Risks Link	**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.* **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.* **CMT- 07: Increased external financial pressures:** *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.* **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.* **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.*		
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model** / **Status Update**
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** Not started

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
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	Final Report - Reasonable
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	Not started
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	Audit scoping in-progress
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	Not started
Service Improvement	Corporate Performance Framework	To assess the adequacy of the Council's performance and reporting arrangements.	LOW	Not started
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	Not started
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	Not started

Adults & Health

Corporate Priority Link	• **Protecting the vulnerable** • **Strengthening our communities** • **Increasing prosperity**
Strategic Risks Link	**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.* **CMT- 04: Major contract commissioning and/or market failure:** *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.* **CMT – 05: Changes in the 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.* **CMT- 07: Increased external financial pressures:** *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.* **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.* **CMT – 14: Adult Social Care Statutory Services:** *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.*

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update

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	Audit scoping in-progress	
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	Not started	
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	Not started	
Integrated Commissioning	Disability Facilities Grant	Grant verification in line with the terms and conditions.	N/A	Not started	
Integrated Commissioning	Commissioning and Financial Management of Spot Contracts	End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Not started	
Integrated Commissioning	E-brokerage	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM	Not started	
Public Health	Joint Strategic Assessment.	focus of review to be agreed with the service	TBC	Not started	
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	Not started	

Children's Services	
Corporate Priority Link	• **Protecting the vulnerable** • **Strengthening our communities** • **Increasing prosperity**
Strategic Risks Link	**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.* **CMT – 02: Ofsted/ Improvement Plan:** *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.* **CMT- 04: Major contract commissioning and/or market failure:** *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.* **CMT- 07: Increased external financial pressures:** *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.* **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.* **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.* **CMT – 13: SEND:** *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.*

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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.*

CMT – 02: Ofsted/ Improvement Plan: *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.*

CMT- 04: Major contract commissioning and/or market failure: *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.*

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Education	Schools Thematic Review	Review of key controls for sample of schools selected per the risk assessment.	HIGH	Audit scoping in-progress
Social Care	Direct Payments (including clawbacks)	End to end process reviewing adequacy and effectiveness of controls in place	HIGH	Audit scoping in-progress
Education	SEND Ofsted Improvement Plan Assurance	Evaluate the completeness adequacy of the improvement plan against the findings raised in the Ofsted report.	MEDIUM	Not started
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	Draft Report
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	Not started
Social Care	Section 17 Payments	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM	Not started
Social Care	Supported Families Programme	Grant Verification	N/A	Not started
Education	Related Party Transaction Assurance (SFVS)	verification work in line with DfE guidance	N/A	Not started

Communities

Corporate Priority Link	• **Protecting the vulnerable** • **Improving our environment**
Strategic Risks Link	**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.* **CMT- 04: Major contract commissioning and/or market failure:** *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.*

	CMT- 07: Increased external financial pressures: *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.*			
	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.*			
	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.*			

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Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Highways & Technical Services	Parking On/Off Street	End to end review of processes and evaluation of controls on the new system.	HIGH	Audit scoping in-progress
Transport Services	Home to School Transport	End to end review of processes and evaluation of controls on the new system.	HIGH	Audit scoping in-progress
Neighbourhood Services	Household Recycling Centres	New contract in place, review of processes at the HRC; and contract management with new contractor.	MEDIUM	Not started
Neighbourhood Services	Business Licenses and Permits – Process review	End to end review of processes and evaluation of controls on the new system.	LOW	Not started
Neighbourhood Services	Waste Management	End to end review of processes and evaluation of controls on the new system.	HIGH	Not started
Culture, Sports & Leisure	Higginson Park	Financial Controls Audit	LOW	Not started
Culture, Sports & Leisure	Farnham Park	Financial Controls Audit	LOW	Not started
Highways & Technical Services	New Highways Contract Assurance	Provide assurance on the processes being proposed for the new contract arrangement	HIGH	Not started
Planning, Growth & Sustainability				
Corporate Priority Link	- Strengthening our communities - Increasing prosperity - Improving our environment - Protecting the vulnerable			
Strategic Risks Link	**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.*			

	CMT- 04: Major contract commissioning and/or market failure: *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.*
	CMT – 05: Changes in the 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.*
	CMT- 07: Increased external financial pressures: *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.*
	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.*
	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.*
	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.*

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
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**	Not started
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**	**Audit scoping in-progress**
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**	Not started
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**	Not started
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**	Not started
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 adaptions and the use of the DFG fund. To include review of contractors used, VfM.	**MEDIUM**	Not started
LEP	**LEP & BBF Assurance**	Evaluation of key financial controls	**MEDIUM**	Not started
Strategic Transport & Infrastructure	**Project Assurance**	Strategic Transport & Infrastructure review of project management controls include reporting and escalation arrangements in place within the service.	**HIGH**	**Final Report**

Finance	K2 Systems Audit	Large volume and value of transactions processed, therefore an evaluation of key controls will be undertaken.	HIGH	Not started

Resources				
Corporate Priority Link	• **Strengthening our communities** • **Increasing prosperity**			
Strategic Risks Link	**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.*			
	CMT- 04: Major contract commissioning and/or market failure: *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.*			
	CMT- 07: Increased external financial pressures: *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.*			
	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.*			
	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.*			

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
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	Not started
Business Operations	Business Support – Accounts Payable and Accounts Receivables	Review of financial controls and compliance to corporate procedures.	HIGH	Not started
Business Operations	Shop4Support	End to end sales process review	MEDIUM	Not started
HR & OD	Teachers Pensions – new system in place	New system in place, review process and controls in place	MEDIUM	Not started
HR & OD	Payroll Follow-up	Ensure that the actions from the 2021/22 audit have been fully implemented.	MEDIUM	Not started
HR & OD	Learning and Development	To review organisational spend on learning and development to ensure consistency and quality of training.	HIGH	Not started
Finance	Capital Programme	To ensure business cases are adequate, approved and projects on the programme are sufficiently monitored.	HIGH	Audit scoping in-progress
Finance	Procurement Compliance	Ensure that procurement rules are clearly documented and followed in all procurement exercises.	MEDIUM	Not started

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Finance	Year End Assurance - Journals and Accruals	Compliance with financial controls		**LOW**	Not started
Finance	Pensions	Evaluation of key controls		**LOW**	Not started
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**	Not started
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**	Not started
Finance	Council Tax	Evaluation of key financial controls		**HIGH**	Not started
Finance	National Non-domestic Rates	Evaluation of key financial controls		**HIGH**	Not started
Finance	Council Tax Reduction Scheme/ Housing Benefits	Evaluation of key financial controls		**HIGH**	Not started
Finance	Key Financial Systems	Evaluation of key financial controls		**MEDIUM**	Not started
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**	**Audit scoping in-progress**
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**	**Audit scoping in-progress**
IT	Change/Patch Management	This audit will consider the following: - 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**	**Audit scoping in-progress**
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.				
	Embed the case management system				

Continuous Improvement	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

Audit and Governance Committee

Date:	27 September 2022
Reference number:	N/A
Title:	**Risk Management Group Update**
Cabinet Member(s):	N/A
Contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Internal Auditor)
Ward(s) affected:	N/A
Recommendations:	Members are recommended to **note** the report.
Reason for decision:	summarise why the recommended option is preferred

1.   Executive summary

1.1   The purpose of the report is to provide an update on the Risk Management Group (RMG) meeting held on 5 September 2022.

1.2   The Council's Risk Management Framework including the Terms of Reference for the Risk Management Group was approved by the Audit and Governance Committee in June 2021.

2.   Content of report

2.1   The Deputy Chief Executive (DCE) attended the meeting along with the Service Directors for Partnerships, Policy and Communications, Legal and Democratic Services, Major Projects and Service Improvement. The Head of Finance for the DCE directorate was also in attendance.

2.2   The DCE directorate has a well-established Risk Escalation Framework, with risk being a standing item at the senior leadership team meetings. All Risk Escalation

Frameworks are due for review and update during Q3 of 2022/23 to ensure they remain fit for purpose.

2.3   The key risk themes were as follows:

- **UKR-10 Future accommodation options for Ukraine Guests -** IF future accommodation options for Ukraine guests are not planned and communicated in advance of the initial six month sponsorship term, then sponsors and guests will be unable to plan effectively and demand for temporary accommodation may increase.

- **DCE-SI-08 Managing the demand for Community Support Provision -** IF the Welfare/Economic impacts of COVID and cost of living crisis continue to develop THEN there will be an increasing Financial Vulnerability issues faced by residents which is likely to result in increasing demand for Community Support / Local Emergency Support (LES) provision and if not effectively managed and resourced could result in increased demand and costly intervention from other LA support services.

- **DCE-Si-10 Utilisation of Government Grants-** IF there are not robust procedures to ensure effective utilisation of Government Grants THEN a significant financial risk will develop within the Community Support Service which will impact on its ability to provide the necessary support required.

- **DCE-SI-13 - Engagement with the Opportunity Bucks programme** - IF there is insufficient senior-level support for the programme across the Council and partners, and collective resources are not used to drive and deliver the programme in target areas, including the alignment of existing initiatives THEN the impact of the programme will be reduced, outcomes for residents in these areas will not be sufficiently improved and demand on Council and partner services will continue to increase.

- **DCE-MP-01 - External Companies Governance** - IF we don't have proper Governance arrangements in place and transparent reporting THEN this could lead to adverse financial implications and reputational damage.

- **DCE-LD-17** – Democratic and Electoral Services – Elections Act 2022 – IF there is any further delay in guidance/statutory instruments on the Elections Act changes THEN there is a high risk that some/all of the new requirements cannot be delivered to the standard electors deserve due to the need to train staff and allocate sufficient resources.

   IF there is insufficient awareness of the new requirement for electors to show an acceptable form of ID at the polling station from May 2023 THEN there is a high risk

that electors are disenfranchised. No elections are due locally in May 2023, but Parliamentary Elections can now be called at any time of the Government's choosing which places significant pressure to deliver the 5/6 parliamentary constituency elections in Buckinghamshire within the very short 25 day timescale. There is a high risk of increased difficulties recruiting sufficient staff for polling duties due to increased responsibilities arising from Voter ID and the handling of postal votes at polling stations. There is a high risk of increased volumes of overseas registrations and absent votes placing greater pressure on the electoral core team during the already very short election timetable.

IF there is insufficient awareness of the changing voting and candidacy rights of European Citizens from June 2023 THEN there is a risk of increased pressure on electoral services and polling staff arising from newly disenfranchised electors attempting to vote. IF there is insufficient awareness of the strengthened laws on intimidation, undue influence, postal vote handling by electors and campaigners THEN there is a risk of electoral offences being committed.

2.4   The risks were discussed in detail, as well as the mitigating actions being challenged by the RMG.

2.5   Risks which had been de-escalated or closed were included in the report from the DCE directorate.

2.6   The Group considered the latest version of the Fraud Risk Register and were advised that it was broadly similar to the previous year. The risks had been reviewed and actions updated by the Fraud Team, and this will be subject to a "deep dive" review once the new Audit, Assurance and Fraud Manager is appointed.

2.7   The Group also considered the latest version of the Strategic Risk Register which had been discussed by CMT the previous week. The cost of living crisis and energy price rises were highlighted and work was ongoing with CMT to scope the level of risks this posed.

2.8   A "horizon scanning" paper was presented to RMG which included new and emerging risks for discussion, including displaced persons, inflation and the introduction of care costs cap.

2.9   The emerging risks document is updated on a regular basis by the Corporate Risk Lead and is discussed with the Risk Champions.

3.   Other options considered

3.1   This should include information on the pros and cons of each option.

4.   Legal and financial implications

4.1   None.

5.   Corporate implications

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   The next meeting of the Risk Management Group is to be held on 7 November 2022.

9.   Background papers

None

Date	Items
28 July 22	1. Action log 2. Appointments to the Risk Management Group Verbal Report 3. 20/21 Accounts Verbal Update 4. Treasury Management Annual Report 2021/2022 5. Annual Governance Statement Verbal Update 6. Internal Audit Charter 7. Work programme 8. 2022/23 Business Assurance Strategy (including Internal Audit Plan) 9. Business Assurance Strategy Update (Q1) 10. Contract Procedure Rules - Waivers & Breaches (part confidential) 11. 21/22 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
27 September 22	1. Action log 2. Buckinghamshire Council Statement of Accounts 20/21 3. Farnham Park Sports Fields Charity Annual Report and Financial Statements 21/22 4. Higginson Park Trust Fund Accounts 21/22 5. 21/22 Annual Report of the Chief Internal Auditor 6. 22/23 Business Assurance Strategy Update 7. Audit Committee – Review of Effectiveness 8. Annual Governance Statement – Process 9. Risk Management Group Update 10. Work Programme 11. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential) 12. 21/22 Annual Report of the Chief Internal Auditor - Summary of Completed Audits and Audit Action Tracker (confidential)

23 November 22	1. Buckinghamshire Council Statement of Accounts 21/22 Update 2. Buckinghamshire Council Pension Fund Accounts 21/22 Update 3. Annual Business Continuity Management Update 4. Risk and Business Continuity Management Strategy 5. Whistleblowing Policy 6. Anti-Fraud and Corruption Policy 7. Anti-Money Laundering Policy 8. Business Assurance team structure update 9. Risk Management Group update 10. 2022/23 Business Assurance Strategy Update (incl. Internal Audit Plan) 11. Work programme 12. Action log 13. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
1 February 23	*Items TBC* 1. Audit Committee – Review of Effectiveness
29 March 23	*Items TBC*
10 May 23	*Items TBC*

	Audit and Governance Committee action log						

Last updated: 22 September 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. **Update Sept 22**: BCPs in place for all dictorates, next steps on critical services testing is being developed to identify gaps/ weaknesses for improvement.		**Ongoing**
2	**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 Sept 22:** Work to be progressed as part of Corporate Governance review being undertaken by Principal Governance Advisor.		**Ongoing**
3	**Treasury Management Annual Report** That a table be circulated to provide greater context to borrowing costs and financial performance referred to within the officer report presented to the meeting on 28 July	Julie Edwards	28-Jul-22	01-Sep-22	**Update Sept 22**: The table has been drafted and will be issued to members by 23/09		**Ongoing**
4	**Treasury Management Member Refresh** To liaise with LINK Treasury Management Advisors to set up a refresher session for Members on Treasury Management	Julie Edwards / Richard Ambrose	28-Jul-22	27-Sep-22	**Update Sept 22**: Link session arranged for next audit committee in November.		Completed
5	**Draft Annual Governance Statement** To seek views from Committee Members on the contents of the Annual Governance Statement 2021/22	Glenn Watson	28-Jul-22	27-Sep-22	**Update Sept 22:** Committee member views sought 10/08/22. Two responses received from the Chairman & Vice Chairman. Comments included in the draft AGS 2021/22 for Committee on 27/09/22. Action complete.		Completed
6	**Business Assurance new team structure** To present the new team structure, following service review to the Committee at its meeting on 27 September	Maggie Gibb	28-Jul-22	27-Sep-22	**Update Sept 22:** Consultation completed and agreed structure goes live 1st November. This will be presented at the next committee in November.		**Ongoing**

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Appendix B

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