



Audit and Governance Committee agenda

Date: Wednesday 10 May 2023

Time: 10.00 am

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

Membership:

R Newcombe (Chairman), L Clarke OBE (Vice-Chairman), D Anthony, R Carington, M Dormer, C Etholen, D Goss, N Hussain, W Raja, S Rouse, R Stuchbury and N Thomas

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To approve as a correct record the minutes of the meeting held on 29 March 2023.	

4	Buckinghamshire Council Statement of Accounts 2020/21 and 2021/22 Update	Verbal Report
5	Pension Fund Accounts 2021/22	To Follow
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8	Audit & Governance Committee Annual Report to Council	To Follow
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11	Date of the next meeting Wednesday 5 July 2023 at 10 a.m. (subject to Full Council approval on 17 May 2023).	
12	Exclusion of the public Resolved: that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting on the grounds that it involves the likely disclosure of exempt information as defined in the paragraph indicated in Part 1 of Schedule 12A of the Act.	
13	Confidential Minutes To approve as a correct record the confidential minutes of the meeting held on 29 March 2023.	53 - 56
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If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Leslie Ashton democracy@buckinghamshire.gov.uk



Agenda Item 3
Buckinghamshire Council
Audit and Governance
Committee

Minutes

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON WEDNESDAY 29 MARCH 2023 IN THE OCULUS, BUCKINGHAMSHIRE COUNCIL, GATEHOUSE ROAD, AYLESBURY HP19 8FF, COMMENCING AT 10.00 AM AND CONCLUDING AT 1.02 PM

MEMBERS PRESENT

R Newcombe (Chairman), L Clarke OBE (Vice-Chairman), R Carington, D Goss, N Hussain, S Rouse and R Stuchbury

OTHERS IN ATTENDANCE

J Chilver

Agenda Item

1 APOLOGIES

Apologies for absence had been received from Councillors D Anthony, M Dormer, C Etholen, W Raja and N Thomas.

2 DECLARATIONS OF INTEREST

Councillor L Clarke OBE declared a personal interest in item 5, Buckinghamshire Pension Fund Audit Plan 2021/22, in that she was in receipt of a Buckinghamshire Council administered pension.

Councillor N Hussain also declared a personal interest in item 5 as he held a Buckinghamshire Council administered pension.

Whilst not a declaration of interest, Councillor L Clarke OBE raised that within the agenda pack there were supporting papers which contained font which did not meet accessibility requirements, notably the report for item 5 and certain sections of the paper for item 16. It was requested that all future reports be supplied in at least size 12 font.

ACTION: Mr M Stocks to report back to Grant Thornton and Mr L Ashton to ensure Buckinghamshire Council provided reports met this requirement in the future.

3 MINUTES

A Member raised a point that agenda items 4 and 5 of the previous minutes read as though the debate was wholly positive, whereas the tone of the debate was constructively critical and this had not been accurately reflected within the minute text for those items.

RESOLVED:

That the minutes of the meeting held on 1 February 2023 be approved as a correct record subject to the above comment.

4 UPDATE ON BUCKINGHAMSHIRE COUNCIL STATEMENT OF ACCOUNTS 2020/21

The Committee received an update on the 2020/21 Statement of Accounts. Mr Mark Stocks, Audit Partner, Grant Thornton, External Auditor was in attendance for this item. Mr David Skinner, Section 151 Officer introduced the item. On 24 March 2023 the Committee had received a briefing on the terminology used in audit reports which also covered technical areas of the accounts, a recording of this session had been circulated to Committee Members who were unable to attend on the day.

Key points raised during the update and discussion included:

- Progress had been made on the 2020/21 accounts, with the approach and format of the working papers now agreed and the testing schedule set out in sections 1.2 to 1.6 of the report appended to the agenda pack. The external audit for the Pension Fund 2020/21 and 2021/22 were close to completion, as was the Housing Benefit 2020/21 audit. It was anticipated that the outstanding work on these would be completed in early April.
- The Committee received assurance that both the Council and External Auditors had sufficient resource to deliver the outlined plan of work. There was a commitment from the Council's Senior Management Team and Cabinet Member to ensuring adequate resourcing was in place and it was being explored whether external firms could provide additional capacity. From an external audit perspective, there was also commitment of resources with it being noted that the 2020/21 accounts audit had involved around five to six times the amount of time it ordinarily would have taken due to the issues with the previous versions of the accounts presented.
- In terms of timescales for subsequent accounts, the Committee was advised that a realistic date to catch up would be circa Christmas 2024, however this could not be guaranteed as was dependant on any issues that may arise and on retaining in house capacity. It was expected that the 2020/21 accounts would be ready to be signed in December 2023 and now that the approach to working papers had been agreed, it was hoped that the 2021/22 accounts would be a much more efficient process.
- The Committee heard that it had been the opening balances which had taken a significant amount of time, however as 2020/21 would be closed there would not be the same issues with accounts being consolidated for 2021/22. The use of multiple legacy systems had also hindered the process, which would remain an issue for 2021/22 although there was now knowledge of where issues had arisen and how they could be addressed. Quality assurance checking of the accounts prior to submission for external audit was also highlighted as being key to aid the process.
- The Committee questioned national deadlines for accounts sign off, there was a deadline of November for the previous year's accounts, however very few local authorities had their accounts signed off in that time period and the national deadline should not be a focus at this time. There were multiple issues around this deadline for complex local authority accounts which audit firms were liaising with the Financial Reporting Council

and Government on.

- Following a query, the Committee was advised that to date the Council had not been sighted on any national changes in relation to disability benefit and the housing benefit system. As such, an immediate change was not anticipated and would require a consultation period prior to any change.
- Specific to this Council, the revenues and benefits systems had consolidated from the previous legacy systems in the current financial year. The Committee heard that there was a plan to manage the audit of this and information from previous systems had been retained to assist auditors in concluding the housing benefit audit.
- It was raised that there had been discrepancies identified with property valuation, the Council used Carter Jonas to value its assets who used a valuation date of 31 December, however the external auditors had to value properties as at 31 March. The Chairman suggested that the Section 151 Officer negotiate this with Carter Jonas, to assess whether valuation dates could be brought in line with the external auditor.

ACTION: Mr D Skinner to explore the movement of the property valuation date used by Carter Jonas.

- A query on who signed off bad debt and the balances involved was raised, the Committee was informed that the approval process for bad debt was detailed in the Council's debt management strategy, with balances below £10k requiring Corporate Director and respective Head of Finance sign off, whilst those over £10k also required the approval of the Section 151 Officer. Revenues and benefits balances were also shared with the Cabinet Member for Accessible Housing and Resources.

ACTION: Mr D Skinner to circulate figures on bad debt to the Committee

RESOLVED:

That the update be noted

5 BUCKINGHAMSHIRE PENSION FUND AUDIT PLAN 2021/22

The Committee considered the Buckinghamshire Pension Fund Audit Plan 2021/22 which was introduced by Mr Skinner and presented by Mr Stocks. The report appended to the agenda pack provided an overview of the planned scope and timing of the statutory audit of the Buckinghamshire Pension Fund for those charged with governance. It was anticipated that the Pension Fund accounts for 2021/22 would be in a position to be presented at the next meeting of this Committee.

Key points raise during discussion included:

- The pension fund contained substantial assets amounting to approximately £3.9 billion so the external auditors undertook an extensive amount of work on the different levels of investments as set out in the report.
- It was noted within the report that the members of the Audit and Governance Committee were required to understand certain aspects relating to the audit, the Chairman advised that as of May 2022, the Committee membership was the same as the previous year's so no additional training was undertaken, however since then there had been changes in membership and there could be further changes following the Annual General Meeting of Council in May, as such the Chief Auditor had proposed a training session be held for all Committee Members after the AGM, it was further suggested that an item on the valuation of properties could also be covered in that session.

ACTION: Ms M Gibb, Chief Auditor to arrange Audit and Governance Committee training for a date following the Council AGM Meeting which was scheduled for 17 May 2023.

- Page 26 of the reports pack referred to '*...our IT team has checked the progress which management has made against the recommendations made in the report issued in September 2021*'. It was clarified that this was a separate IT review which looked at general controls including areas such as password control, super user access, and changes in terms of updating the ledger. Mr Stocks agreed to check whether the report had been previously presented to the Committee, and if not would be happy to share.
ACTION: Mr Stocks to check whether a copy of the IT report had been shared with the Committee and if not, circulate this separately.
- A Member queried whether Russian investments included both direct and indirect investments and was advised that the external auditors looked as far as they could in to investments in Russia, and noted that the external audit sought assurance controls for which it would take a considerable amount of time to include reviewing investments with indirect links to Russia. Assessing the overall investment work was the responsibility of pension fund managers and The Brunel Partnership along with State Street, the custodian.
- In terms of international policy, the external auditors assessed the impact of government policy, and took in to account market issues, such as the recent issue with liability backed investments which the pension fund held none of. It was very difficult to look at all worldwide policies; however observable inputs were looked at such as whether all major investments held had a market value. Given the size and power of the US economy, market issues there which had an impact in the UK were assessed, with further work to be done on what funds were held within banks given recent issues in the banking industry and then a decision made on whether a post balance sheet disclosure would be required. The auditors would review accounts and ensure valuations were correct as at 31 March and ensure that there was supporting evidence to back these valuations up, whilst policy assurance would come from Brunel and State Street.
- It was clarified that this was the audit plan for 2021/22 and that the pension fund accounts containing the figures, along with an audit opinion would be presented to a future Committee meeting.
- In relation to the dates noted on page 27 of the reports pack, the Committee was advised that this report had initially been scheduled to be presented to the February 2023 meeting, and the audit was underway and should be completed by early April. It was accepted that the report should have said '*December 2022 to February 2023*' under the Year End Audit heading.

RESOLVED:

That the Buckinghamshire Pension Fund Audit Plan 2021/22 be noted.

6 ANTI-FRAUD AND CORRUPTION POLICY

The Committee considered the draft Anti-Fraud and Corruption Policy which was presented by Ms Selina Harlock, Audit, Assurance & Fraud Manager. The policy was reviewed on an annual basis to ensure that it reflected the latest legislation and complied with best practice. The main changes had been in relation to the inclusion of references to Social Housing related offences and the addition of a section on Sanction and Redress.

Key points raised during discussion included:

- An incorrect link was included under section E on page 51 of the reports pack, this would be updated prior to the final version being published.
- It was clarified that the local authority held powers to prosecute social housing fraud, which social housing providers did not hold. There was a corporate lead who specialised in this area who would take this forward.

- A Member raised concern that under the legal implications of the covering report there were none noted, and highlighted that this was an important part of the Council's control framework in complying with the Bribery Act and Anti-Money laundering regulations. It was clarified that this was an oversight and would be amended prior to the next meeting. The legal team were involved throughout any case that led to prosecution.
- There was a concern that the training element of the policy was inadequate and that the nature of the training, the elements of it that were mandatory and how the impact of the training was tracked were important to include in and strengthen the policy. The Committee was advised that there was a training programme as part of fraud prevention work and key teams were targeted with specific training with a generic fraud training available to all staff. There was also training available for Members. The mandatory aspect of fraud training would be taken to the Council's Corporate Management Team to agree a plan moving forward. The Committee agreed that the policy required a training section to be included.
- A further point was made that the Economic Crime and Corporate Transparency Bill was making its way through Parliament, a key part of which was the failure to prevent legislation which were commercial organisations found not to have taken reasonable preventative measures, then prison could be an ultimate sanction.
- The Policy would be amended and brought back to the Committee to ensure Members were satisfied prior to its formal approval.

ACTION: Ms M Gibb / Ms S Harlock to review and amend the draft Anti-Fraud and Corruption Policy to reflect the comments above, with a view to presenting the updated policy to the next meeting of this Committee.

RESOLVED:

That subject to the above amendments, the updated Anti-Fraud and Corruption Policy be presented to the next meeting of the Committee for approval.

7 ANTI-MONEY LAUNDERING POLICY

The Committee considered the draft Anti-Money Laundering Policy which was presented by Ms Selina Harlock, Audit, Assurance & Fraud Manager. The policy had been updated to reflect the changes in the Government's Money Laundering Regulations. Other minor updates had been made to reflect changes in job titles, contact details and web/document links.

Key points raised during discussion included:

- It was clarified that the Money Laundering Reporting Officer was the Council's Section 151 Officer.
- The Chairman noted that whilst statistics were provided on prosecution, it would also be helpful for the Committee to be provided with statistics on monies recovered through anti-money laundering procedures and requested that whilst it should not form part of the policy it be brought before the committee at a future date.
ACTION: Ms S Harlock to present statistics on monies recovered through anti-money laundering procedures at a future meeting.
- Similarly, to the Anti-Fraud and Corruption Policy, a Member highlighted that reference to training needed to be expanded upon and more detail provided as it was an important part in the Council combatting money laundering.
- The Committee was assured that a list of all Risk Champions across service areas was held and maintained and the Risk and Fraud network held this information. The Council also had its Corporate retention policy which staff were expected to comply with.

ACTION: Ms M Gibb / Ms S Harlock to review and amend the draft Anti Money Laundering Policy to reflect the comments above, with a view to presenting the updated policy to the next meeting of this Committee.

RESOLVED:

That subject to the above amendments, the updated Anti-Money Laundering Policy be presented to the next meeting of the Committee for approval.

8 2022/23 BUSINESS ASSURANCE STRATEGY UPDATE (INCL. INTERNAL AUDIT PLAN)

The Committee considered a report which outlined the Risk Management, Internal Audit, Counter Fraud, Insurance and Business Continuity work being undertaken by the Business Assurance Team for the year ending 31 March 2023. Delivery of the Business Assurance work plans helped ensure that there was an appropriate governance and control framework in place and that risk management was embedded across the council to enable the achievement of set objectives.

Key points raised during discussion included:

- The team was congratulated for the volume of audit work undertaken in the year to date.
- The new business continuity management framework was being developed and the corporate Business Continuity Plan being refreshed, this included a new template to ensure structure, readiness and consistency.
- Progress on the delivery of the audit plan continued to be made and the audit engagements were outlined on page 89 of the reports pack. Two audits had been recommended to be cancelled, these were in respect of Seeleys House, which had been subject to a Care Quality Commission inspection for which it received a good judgment and Building Control who had been subject to an external audit which evaluated process and compliance against legislation.
- In relation to open cases of housing benefit fraud, it was advised that there had been an increase in cases which could be linked to the current economic climate and this was being closely monitored.
- Assurance was sought that IT audits would not be further deferred given the significant impact IT disruption or cyber-attacks could have on the Council's operation. The Committee heard that the patch management audit was now in progress and timelines had been agreed with the relevant Service Director on the further audits. Subsequent IT audits were scheduled for May, and July respectively and nothing was expected to be deferred.
- It was highlighted that on page 100, the Southern Waste Round Re-organisation audit did not have any objective/risk/concern or RAG rating. This was an oversight and would be corrected ahead of the next meeting, Members were advised that the audit related to revisiting the operating model to provide assurance it was functioning effectively and this work was nearing conclusion.

ACTION: Ms S Harlock to update the audit information for the Southern Waste Round Re-organisation

- The Committee was advised that as part of the deep dive risk reviews, which was referenced within the report, low risk areas were also being considered and these would be sample checked and be monitored moving forward.
- It was explained that the two audits referenced on page 101 in respect of 'temporary accommodation' and 'homelessness and temporary condition' were separate audits, the first of which was an assurance review in response to the shortfall identified so was a

reactive piece of work linked to the subsidy claim process whereas the second looked at the whole end to end process and controls.

- A Member raised the importance of the emerging Local Plan and its impact on services across the Council and the associated audit work, the Committee was advised that this was the existing audit plan and that the 2023/24 forward plan would be presented at an upcoming meeting where there would be an opportunity to discuss future audits.
- A Member also raised the relatively high amount of red RAG ratings and was advised that for audits not yet started, in the time since the paper had been written many audits had commenced their scoping activities and anything that could not be delivered now would be carried forward into Q1 of the new year whilst the 2023/24 audit activity was being approved. The business assurance team now had its new structure in place with increased establishment and the same level of red rating was not anticipated moving forward.

RESOLVED:

That the report be noted.

9 RISK MANAGEMENT GROUP UPDATE

The Committee received a report which provided an update on the Risk Management Group (RMG) meetings held on 30 January 2023 and 6 March 2023. At those respective meetings the Group reviewed and commented on the Resources Risk Register and Communities Risk Register. The Group also considered the 2023 North Waste Collection Round Optimisation project at its meeting in January and received a detailed update on cyber-related risks to the Council and mitigations in March.

One significant area flagged was the low Councillor response to cyber security training, on which the Committee agreed that the Chairman of the Committee should in the first instance write to the Leader of the Council requesting he raise the issue with Group Leaders and establish a method to remind Members of their responsibility to complete the training. This could also be referred to the Member Development Working Group chaired by Councillor Angela Macpherson. The Committee noted that the training emails themselves appeared suspicious on first view so it would be beneficial to have Group Leaders share relevant links. A Member also spoke of his opinion that the training was not particularly comprehensive, having completed it and suggested it may require reviewing.

ACTION: Councillor R Newcombe to write to the Leader of the Council, copying in the Deputy Leader (Councillor A Macpherson) to request that Group Leaders establish a method to remind and encourage members of the need to complete cyber security training.

RESOLVED:

That the report be noted

10 CONSTITUTION WORKING GROUP UPDATE

Ms Maria Damigos, Governance Lawyer and Deputy Monitoring Officer, presented a verbal update on the Constitution Working Group.

Key points raised during discussion included:

- The Constitution Working Group which was formed of the Chairman and Vice-Chairman of this Committee, along with the Chairman and Vice-Chairman of the Standards and General Purposes Committee had not met since November 2022, at which meeting a number of items were discussed in relation to the approval and in principle approval of changes to the Constitution.

- The in principle changes had been approved by Full Council, with the working group discussing the detailed wording to be included in the Constitution. A number of items had been concluded with a further meeting provisionally scheduled for 27 April 2023 to discuss the remaining items.
- Amongst the changes were changes to the contract procedural rules to tighten up the use of waivers; how Chairmen were elected and how nominations were made; the roles of Chairman and Vice-Chairman; details of the Annual General Meeting agenda and items on agendas generally; motions deferred by Full Council to other bodies sharing of information with Councillors by officers; Members questions; an update to planning site visits; scrutiny public question deadlines; Licensing and Community Board Terms of Reference; and the Channel Panel wording and update to the proper officer successor body for Public Health England.
- Any new proposals, not already agreed in principle by full Council would be brought back to this Committee as well as the Standards and General Purposes Committee prior to going to full Council for approval.
- When the changes had substantially been made to the Constitution, all Members would be notified of the Constitution having been updated.
- A Member raised the importance of public questions and sought clarity on proposed changes to the Select Committee public question deadline proposed changes.
ACTION: Ms Damigos to clarify the public question deadline for select committees proposed change and email this information to Councillor R Stuchbury.
- Confirmation was given to the Committee that the Community Board Terms of Reference had been drafted and would be presented to the Members Working Group at its next meeting for approval.
- Members welcomed greater information sharing with Councillors which was a change that had been agreed in principle and were advised of the reasoning behind this, in that it would provide Members with a greater amount of information on key areas so that they were fully prepared for queries from residents on a wide amount of topics. Further discussion was required on this update, particularly around the practicalities of how it would work.

RESOLVED:

That the update be noted

11 WORK PROGRAMME

The Committee received the latest work programme and requested that the Anti-Fraud and Corruption Policy and Anti-Money Laundering Policy be added to the work programme for the next meeting.

RESOLVED:

That the latest work programme be noted subject to the above inclusions.

12 ACTION LOG

The Committee considered the latest action log as attached to the agenda pack and agreed that the following actions could be closed: 4 – Buckinghamshire Statement of Accounts 20/21; 7 – Treasury Management Strategy 2023/24; 8 – Risk Management Group update (1); 9 – Risk Management Group update (2); and 12 – General (training session).

RESOLVED:

That the action log be noted

13 DATE OF NEXT MEETING

10 May 2023 at 10 a.m.

There was a discussion at potentially moving the meeting start time, to accommodate officer attendance at a separate meeting, however the Committee was keen to leave the date as had been scheduled when the initial calendar of meetings had been approved by Full Council.

14 EXCLUSION OF THE PUBLIC

RESOLVED:

That pursuant to Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting during consideration of Minutes No 15, 16 and 17, on the grounds that they involved the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act as defined as follows:

Minute 15 – Confidential Minutes of the Audit and Governance Committee held on 1 February 2023

Minute 16 – 2022/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report

Minute 17 – Action Log (confidential)

15 CONFIDENTIAL MINUTES

RESOLVED:

That the confidential minutes of the meeting held on 1 February 2023 be approved as a correct record.

16 22/23 BUSINESS ASSURANCE STRATEGY UPDATE: COMPLETED AUDITS AND AUDIT ACTIONS SUMMARY REPORT (CONFIDENTIAL)

The Committee held a detailed discussion on the Summary of Completed Audits and Audit Action Tracker.

RESOLVED:

That the report be noted.

17 ACTION LOG (CONFIDENTIAL)

The Committee considered the confidential action log and

RESOLVED:

That the current Action Log (confidential) be noted.

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Audit and Governance Committee

Date:	10 May 2023
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 report outlines the Risk Management, Business Continuity Management, Assurance, Internal Audit and Counter Fraud work being undertaken by the Business Assurance Team for the year 2022/23. Delivery of the council's Business Continuity Management objectives became the responsibility of the Business Assurance Service effective 1st November 2022 following the restructure of the team.
- 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 around any key service priorities.
- 1.3 Delivery of the Business Assurance work plans help ensure that there is an appropriate governance and control framework in place and that risk management is embedded across the Council to enable the achievement of set objectives.

2. Content of report

- 2.1 The Business Assurance Strategy: including the Internal Audit Plan was agreed by the Audit Board and approved by the Audit and Governance Committee in July 2022. The 2022/23 Internal Audit, Risk Management, Assurance and Counter Fraud work plans were produced with reference to the strategic and directorate risk registers; and informed through discussion with Senior Leadership Teams for each directorate.
- 2.2 Quarterly reporting to directorate leadership teams/ boards, CMT and the Audit Board continue to take place which helps to keep work plans under continuous review to reflect emerging risks and priorities across the Council. We routinely seek the views of the directorates on the work of the Business Assurance Team to enable continuous improvement and ensure that work being delivered is meeting the needs and expectations of the organisation.
- 2.3 The internal audit plan has to remain fluid to respond to new/emerging risks and priorities. Whilst some audits are deferred from the original plan, there is still adequate coverage to meet the organisations assurance requirements. Alternative assurance mechanisms (other than internal audit) are also in place to support the overall assurance framework.
- 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

Including Progress against the Internal Audit Plan 2022/23

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)

May 2023

1 Contents

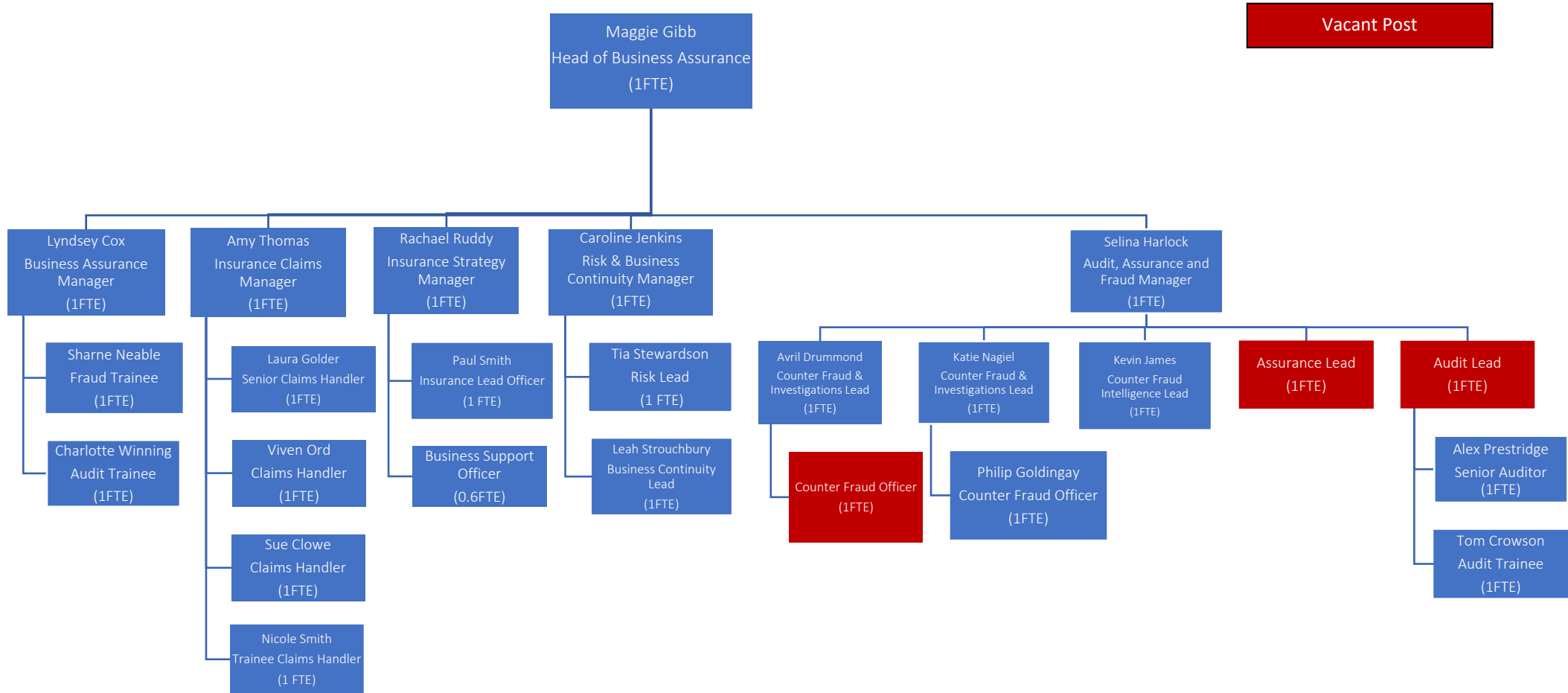
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1. Introduction

- 1.1 The Business Assurance Team is responsible for delivering the Council's Risk Management, Assurance, Internal Audit, Counter Fraud, Insurance and Business Continuity services. The team operates under the Service Director for Legal and Democratic Services within the Deputy Chief Executive Directorate. The team has continued to deliver 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.
- 1.2 This report outlines the work carried out by the Business Assurance Team for FY 2022/23 to date. The Business Assurance work plans continue to be flexible in nature as they 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 and other emerging priorities. Quarterly updates on Business Assurance activities continue to be presented to each directorate leadership team providing them with an overview of the Internal Audit and other assurance activities including progress on implementation of audit actions; and a risk management update on escalated risks.

2. Resources

- 2.1 The chart below shows the Business Assurance structure which went 'live' from 1st November 2022; and the structure shows that we currently hold three vacant posts. We continue to resource work plans with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. This arrangement enables us to request specialist resource such as IT auditors and contract auditors.



3. Risk Management

- 3.1 Risk Management continues to be embedded across the Council with all Directorates ensuring that risks are identified and uploaded onto the corporate risk management system in a timely manner; as well as horizon scanning and keeping a watching brief on emerging risks.
- 3.2 Risk management training sessions for 2023/24 continued to be delivered across the organisation to ensure that officers are aware of their roles and responsibilities in relation to risk management. So far, we have had 30 officers attending the training sessions with 26 officers due to attend sessions scheduled between May and June.
- 3.3 The team continues to progress the work to gain greater visibility of how programme and project risks are being captured and escalated across the directorates. This includes ensuring that major projects and programmes are captured on the corporate risk management system and that there are consistent protocols in place in relation to project risk management. There will be greater focus on ensuring that programme and project leads have received their risk management training and are aware of how to capture, assess and monitor their identified risks.
- 3.4 There were no Risk Management Group meetings held since the last Audit & Governance Committee, therefore there is no update to report at this time.

4. Business Continuity Management (BCM)

- 4.1 Work has commenced to implement the new Buckinghamshire Council Corporate Resilience Framework and Standards, which includes taking on board some of the recent lessons learnt from Exercise Faraday.
- 4.2 Our aim with the new approach to BCM is to provide a more simple, consistent and streamlined approach across the organisation with the team in the process of developing a new BCM Framework and Policy along with a new Corporate Business Continuity Plan (BCP) and

BCP templates. This includes creating a priority list of services and systems and ensuring that key messages from instrumental operational teams, such as IT and Facilities, are known across the organisation if there was an incident.

- 4.3 An area of focus for BCM at present is cyber resilience. This includes the development of Cyber Resilience Framework to provide an overarching view of how the Council prepares for, responds to and recovers from cyber incidents that may affect the Council. High level cyber exercises have been undertaken with the Corporate Management Team and some directorates, with the rest of the organisation reviewing their Business Continuity Plans to ensure that the risk of cyber incidents have been considered and incorporated into BCM activities.
- 4.4 Following on from the Winter Readiness and Response Framework and the Winter Cell, it has been agreed that the Framework and Cell should be replicated for the summer. The Summer Readiness and Response Framework and the Summer Cell, which is due to run between June and September, will provide a forum to highlight any potential risks and ensure that service areas were prepared.

5. Internal Audit

- 5.1 The Internal Audit Function, supported by Mazars (through the APEX London Audit Framework) has been progressing with the delivery of the approved 2022/23 audit engagements. Whilst we have an agreed Internal Audit plan which was approved as part of the Business Assurance Strategy, we have adopted a more fluid approach in the delivery of the audit plan. We regularly review the Internal Audit plan through discussions with Directorate Leadership Teams to help ensure that the assurance activities are continuously aligned and focused on emerging issues/ risks. Any significant deviation from the approved Internal Audit Plan is communicated through the periodic activity reporting process.
- 5.2 The formulaic audit planning model which was applied in the development of the approved Internal Audit Plan enabled us to RAG rate each audit engagement, with those rated **HIGH** and **MEDIUM** deemed priority to deliver in the year. From the approved plan there are three audit assignments that were deemed high priority that have been deferred (IT/ Infrastructure Resilience and Disaster Recovery &

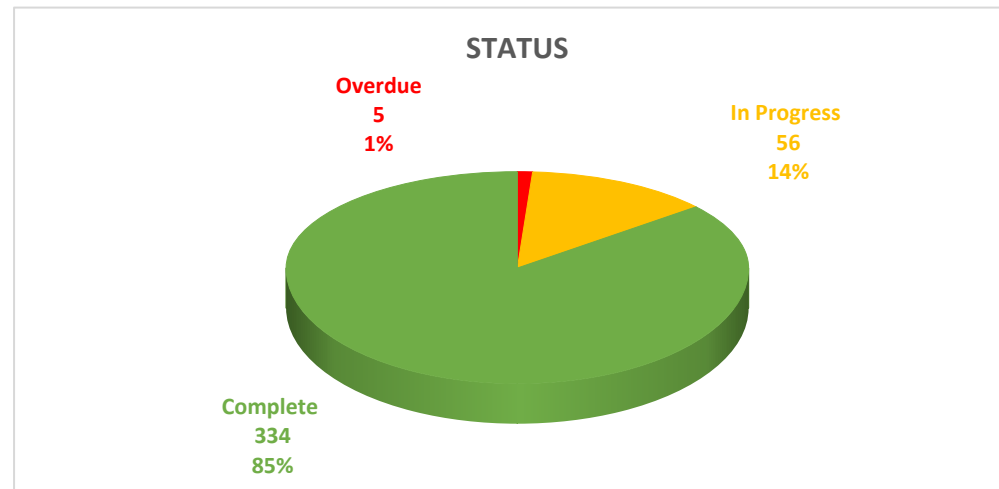
Backups), and one engagement that has not yet been started (Property Maintenance and Reactive Works). The Property Maintenance and Reactive Works audit has deferred as an internal review was undertaken by Finance which recommended some improvements that are being progressed by the service. All deferred audits will be included in the 2023/24 audit plan. The Legal Processes audit has been re-prioritised as HIGH following feedback from the last Audit and Governance Committee meeting, this audit is currently being scoped. In total that are seven **LOW** priority audit engagements that the team have not started, these will be reassessed and considered as the 2023/24 Internal Audit Plan is developed. To date the team have completed 40 engagements; 22 grants certifications and 18 audit and assurance assignments. Since the last Audit and Governance Committee meeting in March, delivery of the audit plan has continued though progress has been limited due to the Easter break and annual leave taken by officers, the table below provides a summary of the progress made in delivering the approved 22/23 plan.

Table 1 – Status of 2022/23 Audit plan

Status	Number of Engagements	%
Not Started	7	8%
Planning	2	2%
Fieldwork	19	20%
Draft Report	16	17%
Complete	18	19%
Grants <i>(excluding covid grants)</i>	22	24%
Deferred/ Cancelled	9	10%
Total	93	

5.4 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:

Chart 1 - Summary Status of Management Actions



5.4 There are only **five out of 395 (1%)** audit management actions which are overdue for implementation. From the 56 actions that are in-progress, 40 of these relate to schools. Of the 5 actions overdue:

- **three** are held within Resources and are finance related actions,
- **one** action is for PGS and relate to the Flood Management audit, and
- **one** action is owned by Children's Services and relate to SEND.

Management are aware of the actions and progress updates are being provided to Internal Audit on a regular basis. Progress against implementing audit actions is reported to each of the directorate leadership team on a regular basis, and outstanding audit actions were reported to the Corporate Management Team (CMT) on 21 March 2023.

- 5.5 The Internal Audit Team have also been progressing with the implementation of the new audit system which was a key action from the CIPFA External Assessment. All audit actions from previous years have been migrated to the new system, however work is still in progress to capture all the completed audits from this year. As such the table above does not include all the completed audits that have management actions. This task will be completed by end of May ahead of the Chief Auditor's annual opinion being produced.
- 5.6 We have two Service Level Agreements in place to deliver the internal audit services for Buckinghamshire Milton Keynes Fire Authority (BMKFA) and Insignis Trust Academy (IAT). The team has fully delivered all the agreed audit activity for 2022/23 for the two clients and work is in progress to agree the work to be undertaken in FY2023/24. Other adhoc audit assignments have been completed on request from academies – these have been delivered on a case by case basis and depending on capacity available within the team.
- 5.7 The Audit Board, chaired by the Service Director of Finance (S151), reviews progress against the Business Assurance Strategy, in particular delivery of the Internal Audit Plan. Appendix 1 shows the current progress updated against the Internal Audit Plan.

6. Business Assurance

- 6.1 The Business Assurance Team continues 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. Excluding the COVID grants, the team have completed 19 grant assurance reviews or claim verifications, whereby the expenditure activity is evaluated to ensure that it is accurate and in line with the grant conditions.

Since the last committee update, the team have finalised one assurance engagement summarised below:

6.2 New Highways Contract Assurance - Phase 2:

To support the strategic transition from a single major highways' contractor to multiple service providers, the Business Assurance Team will perform a three-phased advisory review of the programme ahead of the April 1st, 2023, go-live date.

Phase 2 builds on the review builds on the first report to provide assurance on the programme's current state ahead of the April 1st Go-Live. The scope of work was completed through eight stakeholder interviews and documentation review to report on:

- transition plans, governance arrangements, contracts, and monitoring arrangements during the decommissioning stage.
- risk and change management.

6.3 From the review the following areas of good practice were observed:

- Governance and reporting has been adapted to meet the current programme needs with greater visibility of actions and plans.
- The original business case is still being adhered with clear instruction from leadership to instil better ways of working
- The Alliance has been formally established which was evidenced through meetings with the two contractors
- Decision making has been significantly improved since Phase 1 with key decision points involving relevant stakeholders (a further enhancement would be to introduce a decision log to give greater visibility to relevant audiences of decisions made).
- A culture workshop has been conducted ahead of the Go-Live and there is transparency on the people related issues which are likely to be encountered with plans in place to provide necessary support.
- Workstreams have been condensed since Phase 2 which has led to clearer lines of accountability within the programme structure
- Both contractors remain robust in their delivery approach with a clear grasp on resourcing, requirements and expectations.
- As the Go Live date approaches, those interview remain positive and have displayed good working practices, indicating a positive culture within the programme.

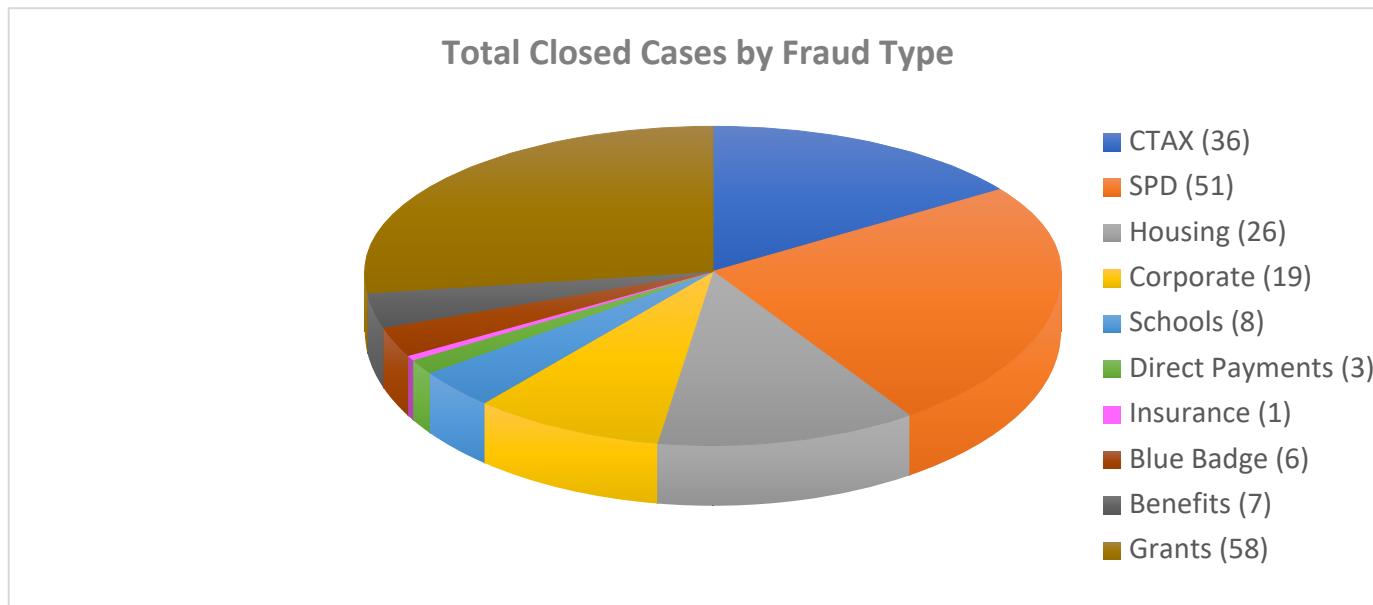
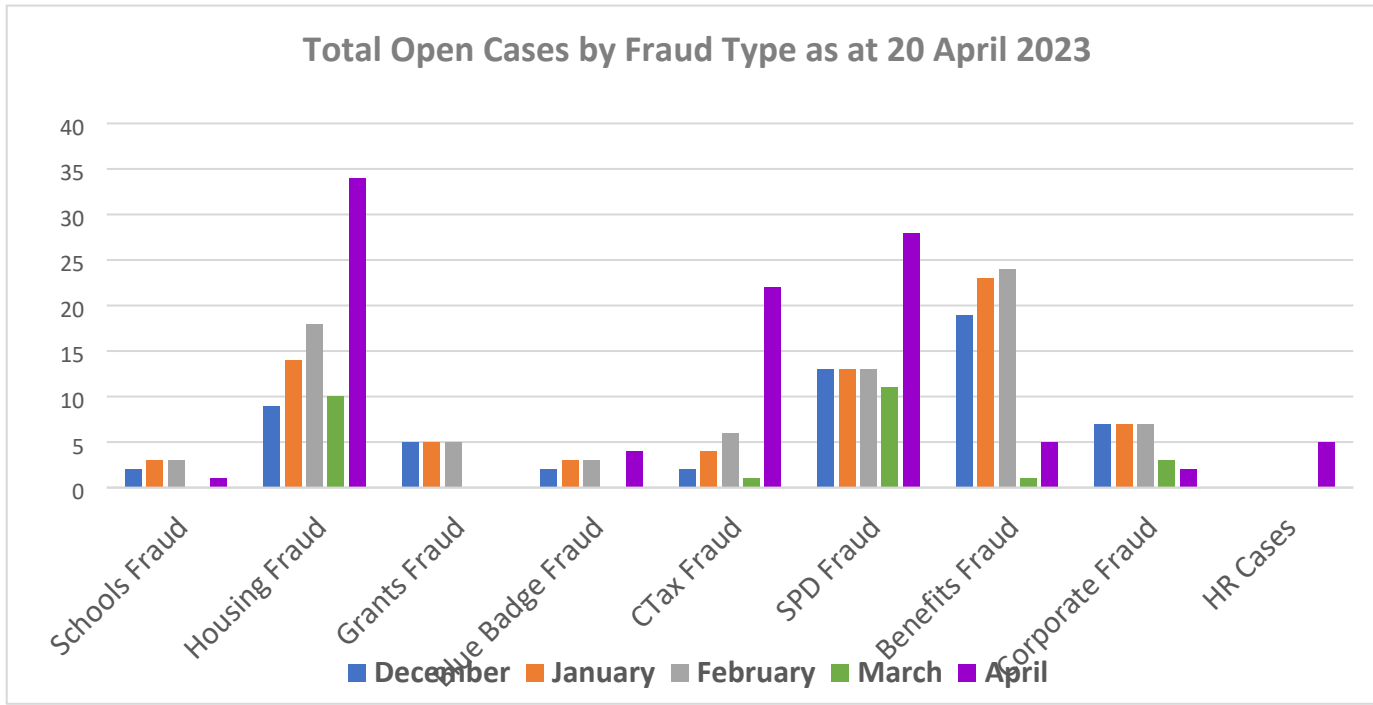
6.4 The review has raised a number of recommendations for management to take consider as part of the early phase of this contract. The recommendations are centred around the following key headers:

- Strategic Direct & Programme Design
- Governance
- Processes & Controls
- People, Systems & Toolkits
- Risk & Performance Management; and
- Change Management & Communication

Further assurance reviews are planned for FY 2023/24.

7. Counter Fraud

7.1 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 the Fraud Team deploy resources to investigate these. Whilst responding to fraud allegations raised internally and externally, the team also had a proactive schedule of activity the includes Fraud Awareness Training and probity reviews. Progress on all counter fraud cases is reported to the Statutory Officers monthly, reported quarterly to directorate leadership teams and to CMT. However Corporate Directors and Service Directors are made aware of all cases as they arise in their respective directorates. The tables below provides a summary of the fraud cases that the team have been managing this year:



7.2 The Fraud Team supports the Council in its participation of the National Fraud Initiative (NFI), which is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. There is a statutory frameworks under which Cabinet Office carries out the data matching exercises. Following a risk based methodology the team work with services to investigate matches; and the current focus is on reviewing creditors and payroll matches. From the payroll matches, there is one case that is under investigation in collaboration with another local authority. From the creditors matching the team has successfully recovered over £100k, the table below is a summary of the successful invoice payments recovered:

Table 2: NFI Exercise: Invoice Payments Recovery as at 21 April 2023

Vendor	Amount	Reason	Directorate
1	41,633.40	Duplicate payment of invoice	P&GS
2	30,000.00	Duplicate payment of invoice	Communities
3	3,902.54	Vendor paid in error	Adults & Health
4	16,286.60	Vendor paid in error	Adults & Health
5	13,275.00	Duplicate payment of invoice	Children's Services
6	£4,240.00	Invoice paid 3 times	P&GS
Total	£109,337.54		

Appendix 1 - Summary of Internal Audit Activity

Corporate				
Service	Audit Title/ Activity	Objectives/Risk/Concerns		Status Update
Cross-cutting	Assurance Framework	Identify and map the main source of assurance across the Council and coordinating them to best effect.		On-going
	Covid-19 Pre and Post Payment Assurance Plan	Undertake require assurance reviews and returns in line with government requirements.		On-going
	Grants	Undertake grant certification in line with grant conditions		On-going
Deputy Chief Executive				
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	Completed
Policy & Communications	Complaints	Deferred from 21/22 plan. To ensure that there are rrobust 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	Completed
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. Changed to HIGH following A&G comments noting budget scrutiny discussions regarding overspends.	HIGH	Audit scoping in-progress
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	Draft Report
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.	MEDIUM	Draft Report
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	Draft Report
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	Completed
Service Improvement	Homes for Ukraine	New – End to end review of the process; including the administration of payments	HIGH	Fieldwork in-progress

Adults & Health

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	Draft Report
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).	HIGH	Defer to 2023/24
Adult Social Care	Seeleys Establishment Audit	Seeleys was recently subject to a CQC inspection which resulted in a 'Good' rating. We recommend that this audit be cancelled as we can place reliance on the external CQC inspection.	MEDIUM	Cancel
Integrated Commissioning	Disability Facilities Grant	Grant verification in line with the terms and conditions.	N/A	Fieldwork in-progress
Integrated Commissioning	Commissioning and Financial Management of Spot Contracts	End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Fieldwork in-progress
Integrated Commissioning	E-brokerage	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM	Fieldwork in-progress
Public Health	Joint Strategic Assessment.	Focus of review to be agreed with the service	LOW	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	Fieldwork in-progress
Children's Services				
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	Four Schools Completed Two at draft report
Education	The Downley School Audit	New - Audit commissioned by the School Improvement Team following concerns of financial mismanagement.	HIGH	Completed
Social Care	Direct Payments (including clawbacks)	End to end process reviewing adequacy and effectiveness of controls in place	HIGH	Draft Report
Social Care	Placement and Panel Decisions	New There is an increase in spend within placements and assurance is required that controls are adequate. Requested by the Corporate Director.	HIGH	Fieldwork 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	Fieldwork in-progress
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	Completed
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	Fieldwork in-progress
Social Care	Section 17 Payments	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM	Draft Report
Social Care	Supported Families Programme	Grant Verification	N/A	Completed
Education	Related Party Transaction Assurance (SFVS)	Verification work in line with DfE guidance	N/A	Not Yet Due
Communities				

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	Draft Report
Highways & Technical Services	Streetworks	New – Review was requested by the Service Director in response on a number of complaints being received from	HIGH	Draft Report
Transport Services	Home to School Transport	End to end review of processes and evaluation of controls on the new system.	HIGH	Draft Report
Neighbourhood Services	Household Recycling Centres	New contract in place, review of processes at the HRC; and contract management with new contractor.	MEDIUM	Fieldwork in-progress
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	Southern Waste Round Re-organisation	Review of the service following the re-organisation to evaluate operating model along with key learnings from the assurance review.	HIGH	Draft Report
Neighbourhood Services	Southern Waste Round Re-organisation	Assurance review following increase complaints and waste collection performance following the re-organisation	HIGH	Completed
Culture, Sports & Leisure	Higginson Park	Financial Controls Audit	LOW	Fieldwork in-progress
Culture, Sports & Leisure	Farnham Park	Financial Controls Audit	LOW	Fieldwork in-progress
Highways & Technical Services	New Highways Contract Assurance	Provide assurance on the processes being proposed for the new contract arrangement	HIGH	Phase 1 – Complete Phase 2 – Complete

Planning, Growth & Sustainability

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Housing & Regulatory Services	Temporary Accommodation Assurance	NEW – Review commissioned by the Corporate Director and Monitoring Officer to understand the root cause of the estimated shortfall for FY22/23 of c.£3m.	HIGH	Completed
Housing & Regulatory Services	Enforcement (Housing)	Audit deferred from 21/22 audit plan. End to end process reviewing adequacy and effectiveness of controls in place.	LOW	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 is 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	Completed
Planning & Environment	Building Control	Building control is subject to an external audit by the Local Authority Building Control. We recommend that this audit be cancelled as we can place reliance on the external audit.	MEDIUM	Cancel
Property & Assets	Property – Maintenance and Reactive Works	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Defer to 2023/24
Housing & Regulatory Services	Disability Facilities Grant (Use of the funding)	Review the process for commissioning housing adaptations and the use of the DFG fund. To include review of contractors used, VfM.	LOW	Not started
LEP	LEP Financial Controls Assurance	Evaluation of key financial controls	LOW	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	Completed
Finance	K2 Systems Audit	Large volume and value of transactions processed; therefore, an evaluation of key controls will be undertaken.	HIGH	Defer to 2023/24

Resources				
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.	MEDIUM	Fieldwork in-progress
Business Operations	Business Support – Accounts Payable and Accounts Receivables	Review of financial controls and compliance to corporate procedures.	HIGH	Fieldwork in-progress
Business Operations	Shop4Support	End to end sales process review	MEDIUM	Defer to 2023/24
Business Operations	CRM Programme Assurance	New - The transition from multiple CRMs to a single unified one is a strategic change which is expected to deliver cost and operational benefits. Phase 1 is to provide assurance across multiple pillars in the transition for the Waste Service, identifying practical recommendations which can feed into the next phases of the review.	HIGH	Completed
HR & OD	Teachers Pensions – new system in place	New system in place, review process and controls in place	MEDIUM	Defer to 2023/24
HR & OD	Payroll Follow-up	Ensure that the actions from the 2021/22 audit have been fully implemented.	MEDIUM	Completed
HR & OD	Learning and Development	New - To review organisational, spend on learning and development to ensure consistency and quality of training.	HIGH	Fieldwork in-progress
Finance	Capital Programme	To ensure business cases are adequate, approved and projects on the programme are sufficiently monitored.	HIGH	Draft Report
Finance	Procurement Compliance	Ensure that procurement rules are clearly documented and followed in all procurement exercises.	MEDIUM	Fieldwork in-progress
Finance	Year End Assurance - Journals and Accruals	Compliance with financial controls	LOW	Fieldwork in-progress
Finance	Pensions	Evaluation of key controls	LOW	Not started
Finance	Completeness and Effectiveness of the	Evaluation of the adequacy of controls monitoring and assessment on the effectiveness of the assurance pack.	MEDIUM	Fieldwork in-progress

	Finance Assurance Pack			
Finance	Key Financial Systems	Evaluation of key financial controls	MEDIUM	Fieldwork in-progress
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	Audit scoping in-progress
Finance	Council Tax	Evaluation of key financial controls	HIGH	Draft Report
Finance	National Non-domestic Rates	Evaluation of key financial controls	HIGH	Draft Report
Finance	Council Tax Reduction Scheme/ Housing Benefits	Evaluation of key financial controls	HIGH	Draft Report
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	Defer to 2023/24
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	Defer to 2023/24
IT	Change/Patch Management	This audit will consider the following: 1. Change to infrastructure and applications are governed through a consistent policy/process; 2. The change process addresses the request, impact, authorisation, testing, deployment of changes; 3. Comparison with LG peers concerning good change control practice commonly identified; 4. Patch management is undertaken across the estate in a complete, accurate and timely manner.	HIGH	Fieldwork 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.		
Continuous Improvement	Embed the case management system		
	Fraud networking and chairing of key networks		
		External Clients	No. of Days
BMKFA	Audit plan approved and date for audit delivery agreed with the clients. Plan to be delivered by February 2022 ahead of their external audit.		110
Academies	Audit plans approved and key days for audit delivery agreed with the Academies		30

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Audit and Governance Committee

Date:	10 May 2023
Reference number:	N/A
Title:	23/24 Internal Audit Plan Update
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 Members will be aware that the Business Assurance Team was impacted by the absence of the Head of Business Assurance during quarter four. Due to the capacity constraints within the management team, some activity has not progressed in line with planned timelines.
- 1.2 The Internal Audit function are currently working to complete the 2022/23 approved engagements. As at 20 April there were 16 audits at draft reporting stage, 19 at fieldwork stage and two at planning stage (Appendix 1). These audits will be reported to the committee in July 2023.
- 1.3 The 2023/24 Internal Audit planning process is in progress. The Audit, Assurance and Fraud Manager has met with all senior management teams (Service Directors and their direct reports) for each directorate. A schedule of audits has been developed which is now being discussed and agreed with the senior leadership teams (Corporate Directors and their direct reports). Once a draft plan has been composed this will be presented to the Corporate Management Team and Audit Board for agreement.

- 1.4 The 2023/24 Internal Audit Plan will be presented to the Audit and Governance Committee for approval at the July meeting.
- 1.5 During Q1, we will progress with delivering the audits that are at planning stage, those already in progress and re-prioritise the 2022/23 deferred audits. In consultation with the relevant Service Director, the low priority audits that have not been started will be reassessed and be considered for delivery during quarter one.
- 1.6 Despite some audits being deferred from the 2022/23 plan, a number of additional audit and assurance reviews were added to respond to emerging risks and changes in priorities. This enabled sufficient coverage of the key risk areas to provide assurance to the Audit and Governance Committee.
- 1.7 As the audit plan is still in development; members are requested to propose any audit areas to be considered for inclusion in the plan.

2. Other options considered

- 2.1 N/A.

3. Legal and financial implications

- 3.1 None.

4. Corporate implications

- 4.1 None.

5. Local councillors & community boards consultation & views

- 5.1 N/A

6. Communication, engagement & further consultation

- 6.1 N/A.

7. Next steps and review

- 7.1 The full Business Assurance Strategy, including the Internal Audit Plan will be presented to the Audit and Governance Committee for approval in July 2023.

8. Background papers

- 8.1 2022/23 Business Assurance Strategy and Internal Audit Plan.

APPENDIX 1 - 2022/23 Internal Audit Plan – Deferred/Carried Forward Audits

Page 41

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Deputy Chief Executive				
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. Changed to HIGH priority following A&G comments noting budget scrutiny discussions regarding overspends.	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	Homes for Ukraine	New – End to end review of the process; including the administration of payments	HIGH	Fieldwork in-progress
Adults & Health				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
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).	HIGH	Defer to 2023/24
Integrated Commissioning	Disability Facilities Grant	Grant verification in line with the terms and conditions.	N/A	Fieldwork in-progress
Integrated Commissioning	Commissioning and Financial Management of Spot Contracts	End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Fieldwork in-progress
Integrated Commissioning	E-brokerage	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM	Fieldwork in-progress
Public Health	Joint Strategic Assessment.	Focus of review to be agreed with the service	LOW	Not started

Appendix 1

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	Fieldwork in-progress
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Children's Services

Status Update	Status Update	Status Update	Status Update	Status Update
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Social Care	Placement and Panel Decisions	New There is an increase in spend within placements and assurance is required that controls are adequate. Requested by the Corporate Director.	HIGH	Fieldwork in-progress
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Education	SEND Ofsted Improvement Plan Assurance	Evaluate the completeness adequacy of the improvement plan against the findings raised in the Ofsted report.	MEDIUM	Fieldwork in-progress
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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	Fieldwork in-progress
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Communities

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
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Neighbourhood Services	Household Recycling Centres	New contract in place, review of processes at the HRC; and contract management with new contractor.	MEDIUM	Fieldwork in-progress
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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
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Culture, Sports & Leisure	Higginson Park	Financial Controls Audit	LOW	Fieldwork in-progress
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Culture, Sports & Leisure	Farnham Park	Financial Controls Audit	LOW	Fieldwork in-progress
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Planning, Growth & Sustainability

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
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Property & Assets	Property – Maintenance and Reactive Works	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Defer to 2023/24
Housing & Regulatory Services	Disability Facilities Grant (Use of the funding)	Review the process for commissioning housing adaptations and the use of the DFG fund. To include review of contractors used, VfM.	LOW	Not started
LEP	LEP Financial Controls Assurance	Evaluation of key financial controls	LOW	Not started
Finance	K2 Systems Audit	Large volume and value of transactions processed; therefore, an evaluation of key controls will be undertaken.	HIGH	Defer to 2023/24
Resources				
Service	Service	Service	Service	Service
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.	MEDIUM	Fieldwork in-progress
Business Operations	Accounts Payable and Accounts Receivables	Review of financial controls and compliance to corporate procedures.	HIGH	Fieldwork in-progress
Business Operations	Shop4Support	End to end sales process review	MEDIUM	Defer to 2023/24
HR & OD	Learning and Development	To review organisational, spend on learning and development to ensure consistency and quality of training.	HIGH	Fieldwork in-progress
Finance	Procurement Compliance	Ensure that procurement rules are clearly documented and followed in all procurement exercises.	MEDIUM	Fieldwork in-progress
Finance	Year End Assurance - Journals and Accruals	Compliance with financial controls	LOW	Fieldwork in-progress
Finance	Pensions	Evaluation of key controls	LOW	Not started
Finance	Completeness and	Evaluation of the adequacy of controls monitoring and assessment on the	MEDIUM	Fieldwork in-

	Effectiveness of the Finance Assurance Pack	effectiveness of the assurance pack.		progress
Finance	Key Financial Systems	Evaluation of key financial controls	MEDIUM	Fieldwork in-progress
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	Audit scoping in-progress
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	Defer to 2023/24
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	Defer to 2023/24
IT	Change/Patch Management	This audit will consider the following: 1. Change to infrastructure and applications are governed through a consistent policy/process; 2. The change process addresses the request, impact, authorisation, testing, deployment of changes; 3. Comparison with LG peers concerning good change control practice commonly identified; 4. Patch management is undertaken across the estate in a complete, accurate and timely manner.	HIGH	Fieldwork in-progress

Date	Items
28 July 22	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts 20/21 and 21/22 Update 2. External Audit Risk Assessment 3. Buckinghamshire Council Pension Fund Accounts 21/22 Update 4. Treasury Management Mid-Year update 5. Treasury Management loans to other local authorities 6. Annual Governance Statement 7. Business Assurance team structure update 8. Risk Management Group update 9. 2022/23 Business Assurance Strategy Update (incl. Internal Audit Plan) 10. Work programme 11. Action log 12. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
1 February 23	<ol style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts 20/21 and 21/22 Update 2. Treasury Management Strategy 3. External Auditors Annual Report 4. Risk Management Group update 5. 2022/23 Business Assurance Strategy Update (incl. Internal Audit Plan) 6. Contract Procedure Rules - Waivers & Breaches (part confidential) 7. Work Programme 8. Action Log 9. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
29 March 23	<ol style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts 20/21 and 21/22 Update 2. Buckinghamshire Pension Fund Audit Plan 21/22 3. Constitution Working Group Update 4. Anti-Fraud and Corruption Policy 5. Anti-Money Laundering Policy 6. 2022/23 Business Assurance Strategy Update (incl. Internal Audit Plan) 7. Risk Management Group update

	<ul style="list-style-type: none"> 8. Work Programme 9. Action Log 10. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
10 May 23	<ul style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts 20/21 and 21/22 Update 2. Pension Fund Accounts 21/22 3. 2023/24 Internal Audit Plan Update 4. 2022/23 Business Assurance Strategy Update (incl. Internal Audit Plan) 5. Audit & Governance Committee Annual Report to Council 6. Action Log 7. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential) 8. 22/23 Fraud Cases Update (confidential)

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Audit and Governance Committee action log

Last updated: 22 February 2023

No.	Action required	Lead	Date raised	Due date	Action taken	Date resolved (grey when resolved)	Status
1	<p>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.</p>	Maggie Gibb / Governance Officer	25-Jan-22	30-Jun-22	<p>Update Sept 22: Work to be progressed as part of Corporate Governance review being undertaken by Principal Governance Advisor.</p> <p>Update Nov 22: Work to be achieved by end of March 2023; initial scoping taking place with Deputy Monitoring Officer and to be taken forward by Principal Governance Officer.</p>		Ongoing
Page 49	<p>Farnham Park Sports Field Charity and Higginson Park Trust To ensure that the 22/23 accounts, and subsequent years are signed by a separate officer to the S151 officer on behalf of the Council as Trustee</p>	Dave Skinner	27-Sep-22	01-Apr-23	<p>Update Nov 22: Alternative officer being considered</p> <p>Update Jan 23: Proposal is that one of the Assistant Directors will sign off FPT and HPT accounts and they have sufficient seniority as Deputy S151's. Will need to think about how this works with preparation and separation of duties but that will be the working premise.</p> <p>Update March 23: The Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) will sign the 2022/23 accounts for the Farnham Park Sports Field Charity and Higginson Park Trust as a deputy s151 officer and who is completely independent of the 2 organisations.</p>		Ongoing
3	<p>2022/23 Business Assurance Strategy Update To clarify whether there were any proceeds of crime orders or compensation ordered by the Court for the counter fraud offence sentence referred to in the November meeting papers</p>	Maggie Gibb	23-Nov-22	01-Feb-23	<p>Update Jan 23: Will provide update on recovery of fraud cases for 22/23 at March A&G meeting</p> <p>Update March 23: 1 case went to court and was successfully prosecuted. The costs as at 18/1/2022 which were paid by Milegate Ltd are set out below.</p> <ul style="list-style-type: none"> •Count 1 – Fine £21,000 (25% credit allowed for guilty plea) •Count 3 – No separate penalty •Costs - £7,410 (50% of total costs thus far for all defendants) •Statutory surcharge applies 		Ongoing
5	<p>Buckinghamshire Statement of Accounts 20/21 A comprehensive lessons learned report to be produced and presented to the Committee at the appropriate time.</p>	Dave Skinner	01-Feb-23	31-Dec-23	<p>Update March 23: A comprehensive list of lessons learnt is being compiled as the audit of the 2020/21 accounts progresses and considered in preparation for the audit of the 2021/22 and 2022/23 accounts.</p>		Ongoing

Agenda Item 10

No.	Action required	Lead	Date raised	Due date	Action taken	Date resolved (grey when resolved)	Status
6	External Auditors Annual Report To establish what would be most appropriate for the Committee to review in terms of the Council's subsidiary companies, whether there would require a change to the terms of reference of this committee and produce an annual report on companies' governance.	Dave Skinner / Glenn Watson	01-Feb-23	01-Sep-23	Update March 23: The Audit & Governance Committee's remit for considering the Council's governance arrangements are deliberately widely drawn. They include the remit to: "Consider the Council's corporate governance arrangements and make recommendations to ensure compliance best practice". This includes the arrangements for the governance of the Council's subsidiary companies. As such, it is intended later in the 2023/24 council year to bring forward an annual report on company governance to this Committee. This is consistent with the Annual Governance Statement 2021/22 which included an action for bringing company governance to the attention of the Committee as part of its existing remit. No change to the existing terms of reference is needed to achieve this. Any wish for a separate reference to company governance could be made to the Monitoring Officer and Constitution Review Group.		Ongoing
Page 50	Contract Procedure Rules - Waivers and Breaches (1) To inform the Committee of the governance process for reporting for waivers and breaches and whether these were reported to the Finance and Resources Select Committee	Simon Davis	01-Feb-23	29-Mar-23	Update March 23: The waivers and breaches report are not required to be sent to the Finance and Resources Select Committee. Governance process for waivers: 1. The Officer completes the Waiver Report and sends to the Procurement Team for registration 2. Procurement reviews the Waiver and completes the commercial section, obtains Finance and Legal advice where appropriate 3. Procurement sends to Section 151 Officer or Head of Procurement for approval 4. The Officer obtains signatures and comments from their Corporate Director and Cabinet Member or Portfolio Holder		Ongoing
11	Contract Procedure Rules - Waivers and Breaches (2) To review how training statistics were presented in future reports to give a wider	Simon Davis	01-Feb-23	01-Sep-23	Update March 23: Training delivery statistics are being reviewed with further contextual data being considered.		Ongoing
12	General To arrange a session open to all Committee Members to cover the different technical areas and terms dealt with by the Committee.	Maggie Gibb / Dave Skinner / Leslie Ashton	01-Feb-23	29-Mar-23	Update March 23: Planning for this session is underway and session will be scheduled in April/May. Update 29 March 23: This training will be arranged for a date after the Council AGM in May so that any Membership changes can be picked up		Ongoing
13	General (accessibility) To ensure reports contained within reports are of at least font size 12	Mark Stocks / Leslie Ashton / report authors	29-Mar-23	10-May-23	Update April 23: Buckinghamshire reports are being checked for font size. This has been raised with the Committee Services team to cover all Council Committee papers.		
14	Statement of Accounts 2020/21 To explore with Carter Jonas the possibility of moving the Council's property valuation date in line with external auditor's valuation date.	Dave Skinner	29-Mar-23	10-May-23	Verbal update to be provided		

No.	Action required	Lead	Date raised	Due date	Action taken	Date resolved (grey when resolved)	Status
15	Statement of Accounts 2020/21 To circulate figures of bad debt to the Committee	Dave Skinner	29-Mar-23	10-May-23	Verbal update to be provided		
16	Pension Fund Audit Plan 2021/22 To check whether the IT report referenced in the report has been shared with the Committee	Mark Stocks	29-Mar-23	10-May-23	Verbal update to be provided		
17	Anti-Fraud & Corruption Policy and Anti Money Laundering Policy To be updated and brought back to the next Committee	Maggie Gibb / Selina Harlock	29-Mar-23	10-May-23	Update April 23: Due to short period of time between committee meetings and the Easter break, the policies have not yet been through the required sign off process ahead of this meeting. The revised due date is July 23.		
18	Anti-Money Laundering Policy To present statistics on funds recovered at a future meeting	Maggie Gibb / Selina Harlock	29-Mar-23	10-May-23	Update April 23: To be included in Head of Audit's Annual Report due to be presented in July 23.		
19	RMG Update Chairman to write to the Leader of the Council re. Councillor Cyber Security training uptake	Richard Newcombe / Leslie Ashton	29-Mar-23	10-May-23	Update April 23: Letter sent to the Leader on 25 April		

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