



BUCKINGHAMSHIRE COUNCIL

Business Assurance Update and Progress against the Internal Audit Plan 2021/22

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)

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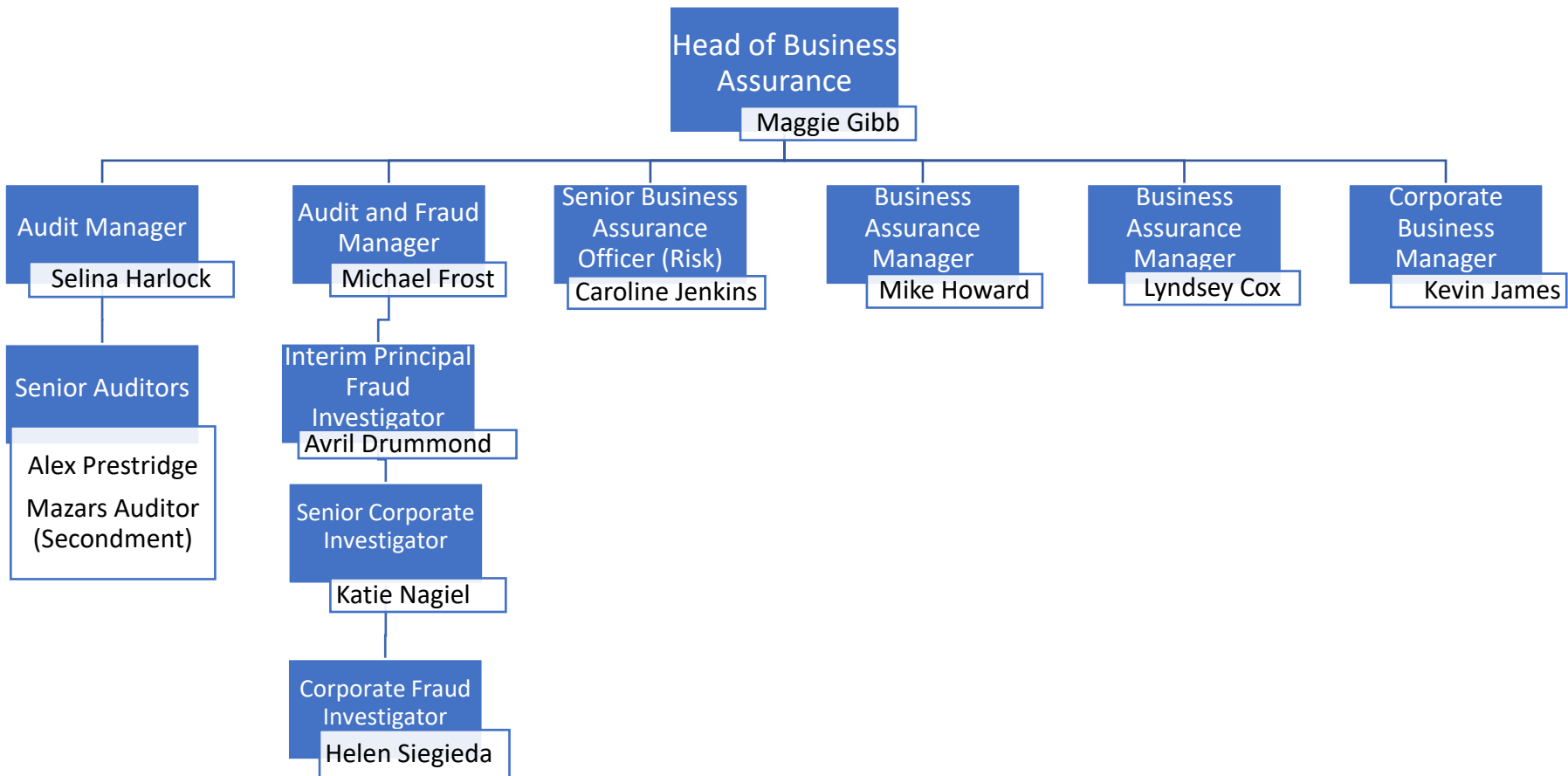
1. Introduction

- 1.1 The Business Assurance Team is responsible for implementing the Council's Assurance and Risk Strategy through delivery of work programmes covering the following areas of activity:
- Internal Audit;
 - Risk Management;
 - Counter Fraud; and
 - Assurance.
- 1.2 This report outlines the work being undertaken by the Business Assurance Team during quarter one of FY21/22. The Internal Audit, Risk Management, Counter Fraud and Assurance work plans were produced with reference to the Strategic and Service Risk Registers along with consultation with Senior Leadership Teams for each Directorate. Whilst plans were agreed for FY20/21 due to the global pandemic the team had to re-prioritise agreed activities as a number of officers were redeployed to support the Council's response to the Covid-19. As a result a number of assurance activities were deferred or cancelled as the risk priorities for the Council changed. The planning process took these deferred activities into account and through discussions with Directorates we re-evaluated the risk to determine whether the work should be included in the current year plans.
- 1.3 Our plans continue to be dynamic in nature and are reviewed and realigned on a regular basis to take account of new, emerging and changing risks and priorities. Quarterly Business Assurance updates are presented to each Directorate Leadership Team providing 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 In quarter one the team has been making good progress against plans. The audit reports from the previous year have been finalised, follow-up of audit continues with only 12 remaining outstanding for schools. One audit report is at draft reporting stage, five grant verifications have been completed and three audits are in-progress.

2. Resources

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

Business Assurance Team Structure:

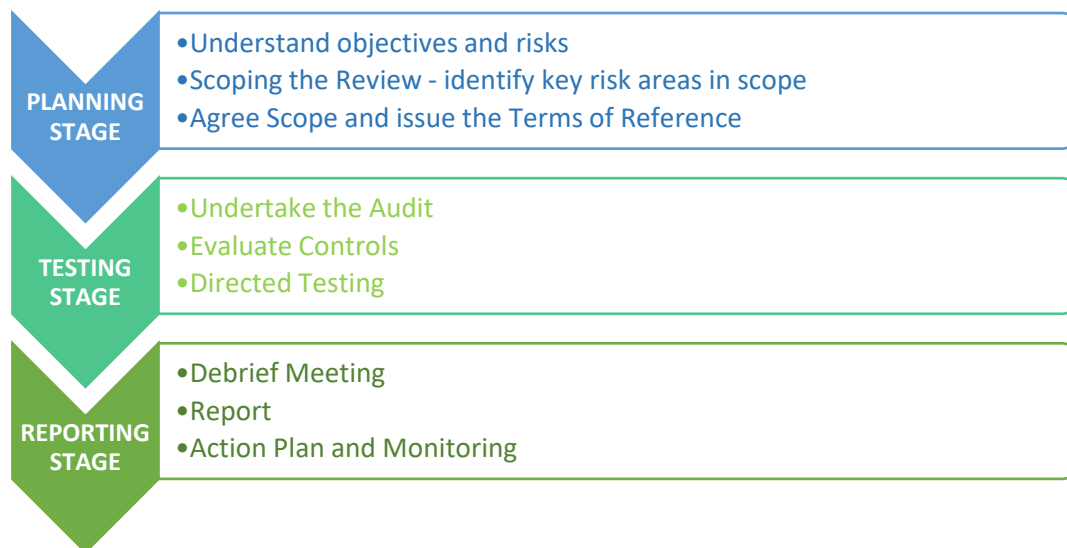


3 Risk Management

- 3.1 The Business Assurance Team has continued to embed risk management across Buckinghamshire Council. All the Directorate risks now been identified and uploaded onto Pentana, the corporate risk management system. We have begun the next phase of reviewing the risks in more detail to ensure 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. This work will continue during 2021/22.
- 3.2 We have continued to provide risk management training sessions that have been delivered across the organisation to ensure that officers are aware of their roles and responsibilities in relation to risk management. The last session was held in July and the team delivered risk management training to 64 officers in the Finance Service area.
- 3.3 Following the approval of the Risk Management Strategy by the Audit and Governance Committee, individual Risk Reporting and Escalation Frameworks for each Directorate have also been updated in line with the strategy.
- 3.4 The Corporate Management Team (CMT) agreed on 20 May 2021 that the Covid-19 risks that we had been reporting separately can now be incorporated into services risks where applicable and work has commenced on this. However, it should be noted that given the fast pace of Covid-19 developments and how Buckinghamshire Council is expected to respond to these, we may need to re-establish a separate risk reporting framework for Covid-19 in the future.
- 3.5 The last Risk Management Group meeting was held on 12 July 2021 where the Planning, Growth and Sustainability Directorate presented their key risks.

4 Internal Audit

- 4.1 The Internal Audit function supported by Mazars (through the APEX London Audit Framework) has been progressing with the delivery of the approved 2021/22 audit assignments. 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. The Internal Audit activity is continuously reviewed and amended as required and remains flexible to react to emerging issues/ risks. Quarterly reporting to Directorate SLTs are scheduled to ensure the plan is kept under continuous review. Any significant deviation from the approved Internal Audit Plan will be communicated through the periodic activity reporting process.
- 4.2 The plan and allocation of audit days is regularly reviewed by the Audit Manager and Head of Business Assurance and activities re-prioritised and days increased or decreased where necessary.
- 4.3 For each audit assignment, the Internal Auditors develop and document a plan including the objectives of the review, the scope, and timing and resource allocations. In planning the assignment, auditors consider, in conjunction with the auditees, the objectives of the activity being reviewed, significant risks to the activity and the adequacy and effectiveness of the activity's governance, risk management and control processes. Below is a summary of the steps:



- 4.4 In quarter one the team have finalised 16 audits from the previous year (these were delayed due to a number of reasons, including staff leave within the team and the services being audited) and from the current year plan we have; completed five grant verification reviews, one audit is currently at draft report stage and three audits are in-progress.
- 4.5 Internal Audit have an audit tool, 'Pentana', that is used for maintaining files and working papers and for capturing management actions (audit recommendations). Follow-up of management actions is a continuous task that is undertaken by the auditors and as at 15 July 2021 there were only 12 outstanding actions relating to schools that remain.
- 4.6 The Audit Board, chaired by the Service Director, Corporate Finance (S151), met on 16 July 2021 and reviewed 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.

5 Business Assurance

- 5.1 The Business Assurance Team continue to provide quarterly reporting to central government on specific Covid-19 grants that are administered by the Revenues and Benefits Team. Post payment assurance is required and through review of payments and the returns being submitted Business Assurance are able to provide this independent assurance each quarter.
- 5.2 Assurance is also being provided on the final reconciliations for the grants prior to the submissions to central government departments. Through these reviews, recommendations are being made for how the administration, management and reporting of the grants can be improved to reduce the risk of error and enable effective and efficient reporting.
- 5.3 Business Assurance put together a Covid-19 Grants Register that is reported to each Directorate Budget Board and then to CMT on a monthly basis. The below is an illustration of the continuous assurance process that is being undertaken to oversee the Covid grant expenditure for the Council. Key stakeholders are engaged in the process such that notification of new grants are being timely communicated to the Business Assurance Team to ensure that the grant is recorded centrally, the responsible officers are identified, and cost centers are created in preparation for the income receipt. Through this process mechanisms are in place to ensure that the grants are maximised, spent in line with the criteria, key risks are highlighted where grants maybe

over/underspend and through weekly reporting any key concerns are flagged for resolution in a timely manner. Activities/ schemes identified for delivery are subject to agreement at the respective Service/ Directorate Boards.

Grant deep-dive	Monitoring and Reporting	Reconciliations	Interim and Final returns
New grants received are logged on the Covid Grant Register, Grant Leads identified, and expenditure monitored and reported weekly to Hof and monthly to CMT.	Weekly Covid Grant Reports per Directorate established where expenditure is closely monitored and early warning signals are in place to highlight risks of over/underspending	Monthly reconciliation of expenditure being undertaken to ensure record of spend is complete and accurate	Returns completed by Grant Leads but subject to review from Assurance Team prior to submission Return of unspent balances; subject to review from Assurance Team and S151 agreement

5.4 In quarter one Business Assurance have been progressing with the commissioned review of the key financial processes. This work will consist of walkthroughs and process mapping on key functions to ensure complete understanding of how the SAP system is being utilised. This work will feed into the continuous improvement work that is in-progress within Finance and will be crucial input for the procurement of the new ERP system.

6 Counter Fraud

6.1 The Business Assurance Team has been working closely with the Revenues and Benefits Teams to investigate any potentially fraudulent Covid-19 Business Rate Grant Claims.

Business Rate Grant applications referred to Business Assurance	49
Additional Restrictive/Restart Grant applications referred to Business assurance	55
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	48
Number of potential prosecution claims	10
Number of prosecution files being prepared for legal services as of 14 July 2021.	4 One case is currently awaiting trial with two other cases having prosecution files currently being prepared.

Cases whereby the grants were paid wrongly, but fraud was not proven, will be recovered.

Other cases currently under investigation as follows:

- Council Tax Reduction cases received 17 and investigating 12. One case issued with a financial penalty, 1 case awaiting a financial penalty to be issued.
- Single Person Discount cases received seven and investigating six.
- Discretionary grants received three and investigating three with one outcome already mentioned (case closed but no grant money paid and so the Council have been pro-active in this approach, opposed to reactive). A subject was interviewed under caution for the second case and agreed to a formal caution and a repayment of £4000 which he had falsely claimed. The full money has now been repaid.
- Disabled Facilities Grant received one but not investigated due to admission of guilt.
- Housing Fraud cases received eight and investigating seven (one of which is a house of multiple occupancy (HMO)), with two potential prosecutions.
- Planning application fraud cases received two, investigated two.
- Direct Payment case received one and investigating one with the view to invite the subject to attend an interview under caution in the next couple of weeks.
- Insurance case received one, investigated one but closed after initial investigation revealed that the claim submitted was legitimate.
- Phishing scams or attempts: 13.

6.2 A fraud awareness training plan has been developed to ensure that all service areas are provided with the appropriate level of training. Sessions have already been delivered to HR, Community Safety and Commissioning.

Appendix 1 – 2021/22 Internal Audit Plan

Directorate	Service	Audit Title	Objectives/Risk/Concerns	Progress Status
Corporate	Corporate	Governance	Deferred from 2020/21	Q4
	Corporate	Business Cases	Deferred from 2020/21	Q3/4
	Corporate	Grants	Internal Audit grant assurance returns in line with the funding conditions.	On-going
	Corporate	Covid-19 Pre and Post Payment Assurance Plan	Looking at the assurance that we have taken reasonable steps to ensure that payments are made to legitimate businesses.	On-going
	Corporate	Covid-19 Response	Continue to provide assurance on the Covid-19 grants that are received from government departments to support the Council's response to Covid-19.	On-going
Deputy Chief Executive	Policy and Comms	GDPR – Council wide audit	Deferred from 20/21	Planning
	Localities & Strategic Partnerships	Community Boards	Deferred from 20/21	Q4
	Legal/ Dem Services	Legal Process Review	Deferred from 20/21	Q2/3
	Legal/ Dem Services	Member Declarations and Member Complaints Process	End-to-end process review including completeness and accuracy of records	Fieldwork
	Service Improvement	Assurance over Service Improvement Programme	On-going Assurance in line with the Service Reviews	On-going
Deputy Chief Executive	Service Improvement	Digital	Shifting of content from legacy to new one; rationalising and redesigning, therefore need to ensure this is embedded. This is a one-year work programme, therefore audit to review the programme delivered to ensure delivery per objectives.	Q3/4

Directorate	Service	Audit Title	Objectives/Risk/Concerns	No. of Days
Deputy Chief Executive	Service Improvement	Workstyle Strategy	Two-year programme which is currently at the mid-point. Review that the objectives and expected outcomes are on track to be delivered with next steps recommendations.	Q4
	Localities & Strategic Partnerships	Assets of Community Value	Ensuring there is a robust process behind the decisions and the Localism Act is adhered to. High cost (potential legal challenges if process not adhered to) and reputational risk to the council.	Q3/4
	Legal/ Dem Services	Elections	Deferred from 20/21	Planning
Resources	Finance	Pensions	Deferred from 20/21	Planning
	Finance	Capital Programme	Deferred from 20/21	Q2/3
	Finance	Contract Management	Deferred from 20/21	Q2/3
	Finance	Asset Management	Deferred from 20/21	Planning
	Finance	Budget Management	Deferred from 20/21	Draft Report
	Finance/ HR/ IT	Service Now Review	Deferred from 20/21	Q3
	Finance	Cash Receipting End-to - End Process Review	New system and process end-to-end assurance required to understand controls	Q3/4
	Finance/ HR	Expenses	New process being followed from the legacy districts, risk of receipts not being retained due to remote working	Planning
	Finance	Accounts Payable	Key Financial System: High volume and value activity	Q4
	Finance	Accounts Receivable and Income Management	Key Financial System: High volume and value activity. To ensure roles and responsibilities are understood with services clear about expectations	Q4
Finance	General Ledger	Key Financial System	Q3/4	

Directorate	Service	Audit Title	Objectives/Risk/Concerns	No. of Days
Resources	Finance	Treasury Management	Key Financial System: High value activity, review process with Logotech system.	Q3/4
	Finance	Debt Management	Key Financial System: High volume and value activity	Q4
	Finance	Revs & Bens System Assurance Review	Major project and decommissioning assurance will be required	Planning
	Finance	CTAX	New system and process end-to-end assurance required to understand controls	Q3
	Finance	NNDR	New system and process end-to-end assurance required to understand controls	Q3
	Finance	Procurement	Evaluate implementation of the Procurement Strategy	Q2/3
	Finance	CTRS/HB	New system and process end-to-end assurance required to understand controls	Q3
	Finance	iCares Accounts Payable and Accounts Receivable	New system and process end-to-end assurance required to understand controls	Fieldwork
	HR	Apprenticeship Levy	Deferred from 20/21	Q2/3
	HR	IR35	Deferred from 20/21	Q2/3
	HR	Payroll	Key Financial System	Q2/3
	IT	IT Asset Management	End to End Process Review	Planning
	IT	Audit work based on needs assessment review (to be confirmed)		
Planning, Growth & Sustainability	Property & Assets	Wycombe Old Library	Deferred from 20/21	Q3
	Property & Assets	Project Governance	Deferred from 20/21	Q3
	Property & Assets	Health & Safety	Deferred from 20/21	Q2/3

Directorate	Service	Audit Title	Objectives/Risk/Concerns	No. of Days
Planning, Growth & Sustainability	Housing & Regulatory Service	Enforcement (Housing)	Deferred from 20/21	Q2
	Housing & Regulatory Service	Homelessness	Deferred from 20/21	Planning
	Housing & Regulatory Service	Temporary Accommodation	Deferred from 20/21	Planning
	Housing & Regulatory Service	Disability Facilities Grant	Link with Adults & Health	Q3
	Property & Assets	Property Maintenance	End-to-end review	Q2/3
	Planning & Environment	Climate Change	Big initiative for the Council linked to our strategy objectives.	Q3/4
	Property & Assets	Property Repairs and Renewals	End-to-end review	Q3/4
	Planning & Environment	Building Control	End-to-end review	Q3/4
	Planning & Environment	CIL/Section 106	Deferred to 21/22	Planning
	LEP	LEP Audit	Deferred to 21/22	Q2/3
	LEP	Grant Verification	Growth Hub Funding to LEPs – claim verification for FY20/21 funding.	Completed
	LEP	Grant Verification	EU Transition Business Readiness Growth Hub Funding to LEPs FY20/21	Completed
LEP	Grant Verification	Peer Network Funding to LEPs FY 20/21	Completed	

Directorate	Service	Audit Title	Objectives/Risk/Concerns	No. of Days
Planning, Growth & Sustainability	LEP	Grant Verification	Supplemental Growth Hub Funding to LEPs FY20/21	Completed
	Strategic Transport & Infrastructure	HIF Grant	Due to the value and the bid requirement to have IA continuous assurance	Q3/4
	Highways & Technical Services	Flood Management	20/21 floods resulted in a number of residents requiring support, audit will evaluation the strategic management and reactive response/ support to local floods.	Planning
Communities	Neighbourhood Services	Taxi Licensing	Deferred from 20/21	Q3/4
	Neighbourhood Services	Crematorium	Deferred from 20/21	Q3/4
	Highways & Technical Services	Parking	Deferred from 20/21	Planning
	Highways & Technical Services	Transport for Bucks	Scope to be agreed in consultation with the service	Q3/4
	Transport Services	Home to School Transport	End to end review to evaluate processes and controls in place for the new ONE system.	Q4
	Neighbourhood Services	Household Recycling Centres	Includes the income management at the centres.	Q3/4
	Neighbourhood Services	Energy for Waste	Significant income levels generated - will include contract management.	Planning
Adults & Health	Adult Social Care	Implementation of Medications Policy - In-house services	Deferred from 20/21	Q4

Directorate	Service	Audit Title	Objectives/Risk/Concerns	No. of Days
Adults & Health	Adult Social Care	Interface - Hospital Discharges and Social Care	Deferred from 20/21	Q4
	Quality Standards & Performance	Quality Assurance Framework (QAF)	Deferred from 20/21	Q3
	Integrated Commissioning	Choice and Charging Policy	Deferred from 20/21	Q4
	All	Follow-Up Audits	Follow-up all the findings raised in the following audits: Implementation of Medications Policy – Commissioned services, Seeley’s Respite, DoLS	Planning
	Quality Standards & Performance	iCares System - IT Application Controls Audit	Deferred from 19/20 & 20/21	Planning
	Integrated Commissioning	Direct Payments	End-to-end process review	Q3
	Integrated Commissioning	Supplier Viability	Evaluate the process in place to enable timely identification of suppliers under pressure and mechanisms in place to manage resilience.	Q3/4
Children's Services	Social Care	Fostering Services	Deferred from 20/21	Q4
	Social Care	Social Work England Information Requests	Deferred to 21/22	Planning
	Social Care	Care Leavers	Deferred from 20/21	Q4
	Education	SEND – Complaints & SARs	Deferred from 20/21	Q4
	Education	Early Years - Entitlement for 2/3/4 yrs. and Claims Payments	Deferred from 20/21	Q2

Directorate	Service	Audit Title	Objectives/Risk/Concerns	No. of Days
	Social Care	Commissioning of Residential placements	Deferred from 19/20 & 20/21	Planning
	Social Care	Children's Homes	Each home to be audited and reported on separately.	Q2-3
	Social Care	Supported Families Programme Grant Verification	First Claim completed in June for 65 families under Sustained and Significant Progress	Claim 1 - Completed
	Education	Schools - Thematic Review	Deferred from 20/21 – schools to be reviewed will be agreed in consultation with the service.	Q3-4
All Directorates	Follow-Ups			On-going
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.			On-going
Academies	Audit activity at planning stage and timings being agreed for delivery in Q3-4			On-going

