



## **BUCKINGHAMSHIRE COUNCIL**

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

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)

November 2021

## Contents

---

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Resources.....</b>	<b>4</b>
<b>3 Risk Management.....</b>	<b>5</b>
<b>4 Internal Audit .....</b>	<b>5</b>
<b>5 Business Assurance.....</b>	<b>7</b>
<b>6 Counter Fraud .....</b>	<b>8</b>
<b>Appendix 1 – 2021/22 Internal Audit Plan .....</b>	<b>10</b>

## 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.

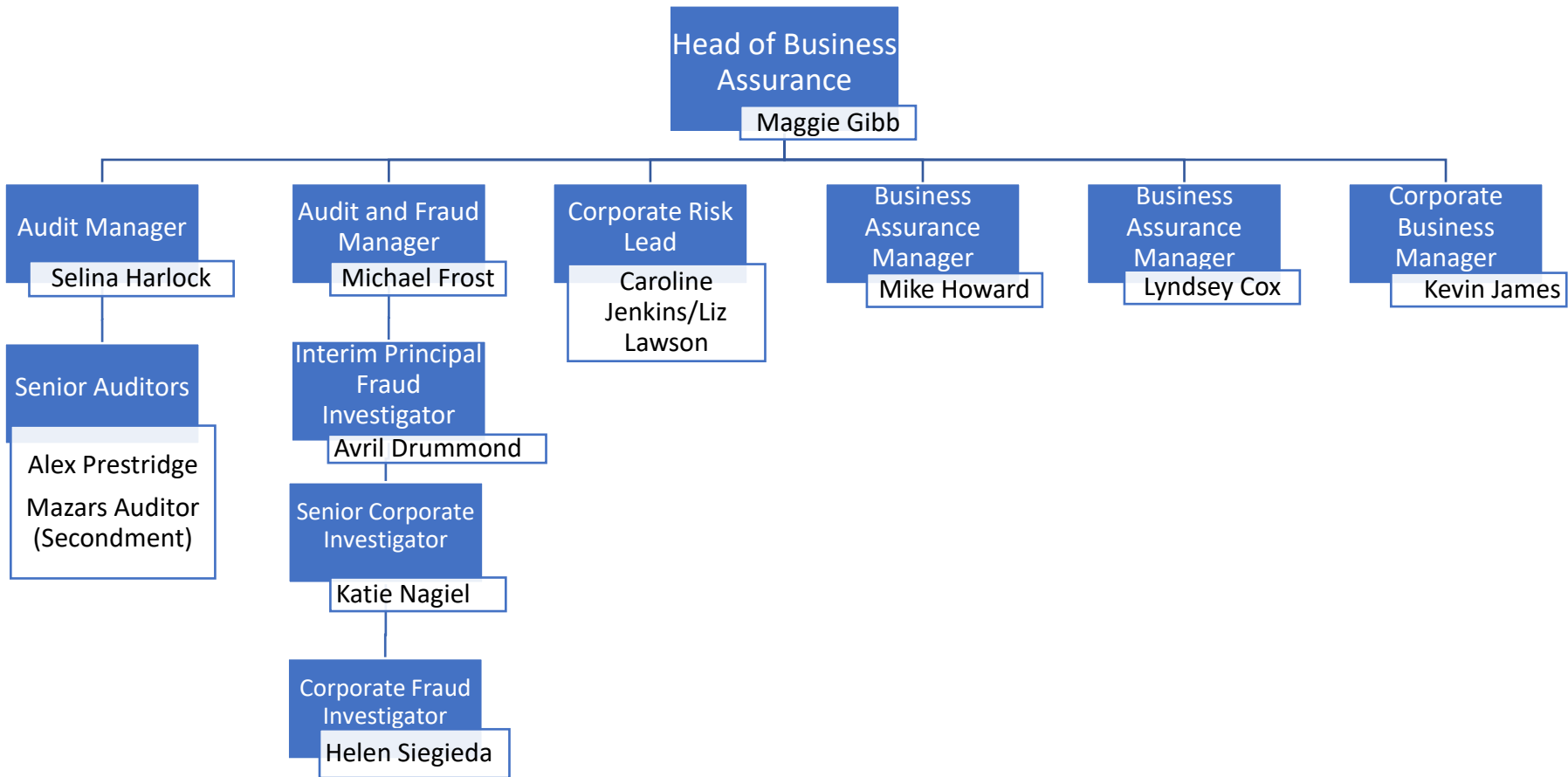
1.2 This report outlines the work being undertaken by the Business Assurance Team for the current financial year to date. The Internal Audit, Risk Management, Counter Fraud and Assurance work plans were produced with reference to the Strategic and Service Risk Registers along with consultation with Senior Leadership Teams for each Directorate. The current year plans consider activities that were scheduled for delivery in 20/21 but had to be paused due to the pandemic. However a risk-based methodology was applied in developing the plans, to ensure that assurance work remained focussed on the Councils key risks and priorities; therefore work not undertaken in 20/21 is not necessarily carried forward into this year for delivery. The planning process took these deferred activities into account and through discussions with Directorates we re-evaluated the risks to determine whether the work should be included in the current year plans.

1.3 The Business Assurance work 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. Update on Business Assurance activities have been presented to Directorate Leadership Teams providing them with an overview of the Internal Audit activities including progress on implementation of audit actions: and a risk management update on escalated risks with status of risk reviews.

## 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:



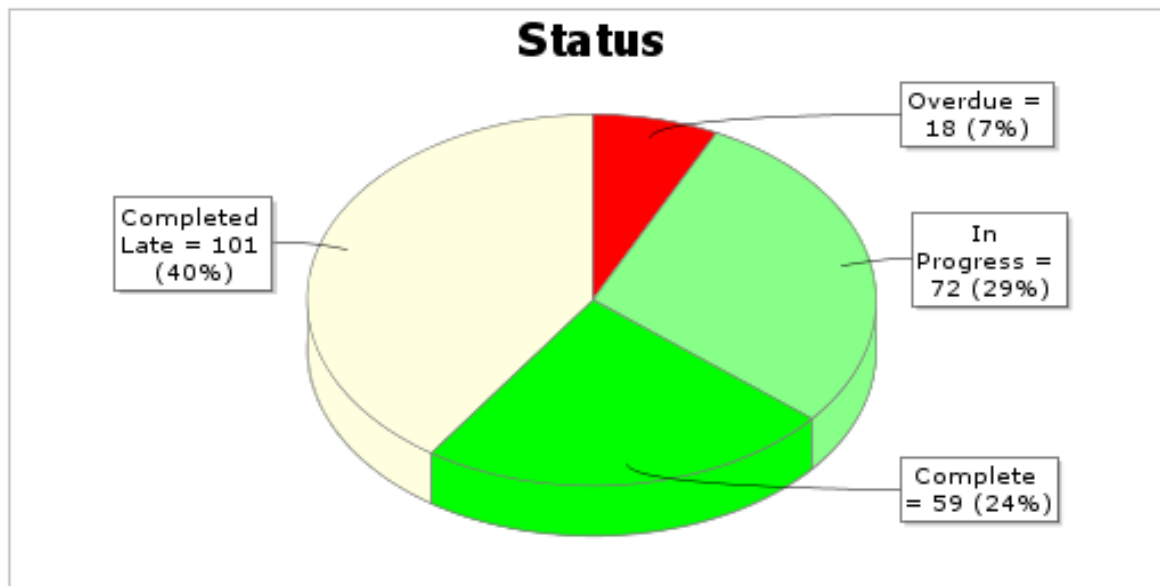
### **3 Risk Management**

- 3.1 The Business Assurance Team has continued to embed risk management across Buckinghamshire Council. We have been 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.
- 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. We have also begun looking at how we may expand our delivery methods through pre-recorded videos and e-learning.
- 3.3 A Risk Management Group (RMG) meeting was held on 8 November 2021 where the Adults and Health Directorate and the IT Service presented their key risks, as well as a detailed review of the Strategic Risk Register and Fraud Risk Register. The RMG also received a report detailing the findings from the recent 11+ Transfer Test Results system failure. A summary of the RMG meeting is presented to members in this agenda pack.
- 3.4 The Head of Business Assurance and the Risk Manager have been preparing a report to respond to a motion presented to Full Council in September relating to climate change risks. The response to the motion is included in this agenda pack.

### **4 Internal Audit**

- 4.1 The Internal Audit function 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. We regularly review the Internal Audit plan through discussions with Directorate Leadership Teams to help ensure that the assurance activities are continuously aligned and to emerging issues/ risks. Any significant deviation from the approved Internal Audit Plan will be communicated through the periodic activity reporting process. From review of the plan with directorates, eleven audits have been deferred, four have been cancelled and three new audits have been added to the plan. These are highlight in blue in Appendix 1.

- 4.2 The plan and allocation of audit days is regularly reviewed by the Audit Manager and Head of Business Assurance (& Chief Auditor) and activities re-prioritised and days increased or decreased where necessary.
- 4.3 The Internal Audit Team has continued to make good progress against plans. To date the team have finalised 12 reports carried forward from 20/21; two final reports for 21/22 have been issued, seven audits are at draft reporting stage, seven are at fieldwork stage and 27 at planning. Nine grant verifications have been completed to date. See Appendix 1 for a summary update against the plan.
- 4.4 Using the audit tool, 'Pentana', Internal Audit have been monitoring implementation of audit actions. Follow-up of management actions is a continuous task that is undertaken by the auditors alongside their assigned audit engagements. Below is a summary status of the audit actions:



- 4.5 There are currently 10 outstanding actions relating to schools, seven for Children's Services and one for Communities. Deadlines for the key financial system audits have been extended as officers have been prioritising year-end close and addressing external audit requirements which are more complex this year. All actions raised for key financial systems will be followed up and retested as part of the current year planned audits. Details on the overdue actions can be found in part two – as a confidential item.

4.6 The Audit Board, chaired by the Service Director, Corporate Finance (S151), met on 18 November 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 work within Client Transport Services providing assurance over the financial controls and contract management processes. Current work in progress includes:

- Continuous monitoring of the developed control framework.
- Monitoring invoice processing and utilisation of the management information on progress against invoice payment process.
- Undertaking tender verifications to ensure accuracy and completeness of contracts ended and started on Routewise; including verifying accuracy of Limit Orders raised for the live contracts.
- Provide assurance on the new ONE system as the service decommission Routewise.

5.2 We continue to provide assurance to CMT on the Covid-19 related grants. The grant returns and final reconciliations are reviewed 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 We continue to review the key financial processes with particular focus on systems that interface with our SAP finance system. To date; four system reviews has been completed and two are in-progress. This work consists 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 possible 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	56
Number failed risk assessment (deemed to be low risk and so not investigated, or closed after initial investigation)	33
Number investigated (BRG and ARG) to date	72
Number of potential prosecution claims	10
Number of prosecution files being prepared for legal services as of 31 October 2021	5  One case is currently awaiting a trial (which will not be until 2022), one case was scheduled for sentencing on 5 November 2021 but deferred with three other cases having prosecution files prepared.



**Other cases currently under investigation are as follows:**

- Council Tax Reduction cases received 17 and investigating 12. One case issued with a financial penalty, one case awaiting a financial penalty to be issued.
- Single Person Discount cases received eight and investigating seven.
- 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 they 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 and investigating seven - one of which is a house of multiple occupancy (HMO), with two potential prosecutions.
- Planning application fraud cases received one, investigated one.
- Direct Payment case received one and investigating one. Client failed to attend the scheduled interview under cautions and so the case has been referred to Legal Services with a full prosecution file in preparation.
- Insurance case received two, investigated one but closed after initial investigation revealed that the claim submitted was legitimate. The second case is being investigated.
- School admissions cases received one, investigated one.
- Phishing scams or attempts: 13.

## Appendix 1 – 2021/22 Internal Audit Plan

Directorate	Service	Audit Title	Objectives/Risk/Concerns	Status
<b>Corporate</b>	<b>Corporate</b>	Governance	Deferred from 2020/21	Q4
	<b>Corporate</b>	Business Cases	Deferred from 2020/21	Q4
	<b>Corporate</b>	Grants	Internal Audit grant assurance returns in line with the funding conditions.	On-going
	<b>Corporate</b>	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
	<b>Corporate</b>	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
<b>Deputy Chief Executive</b>	<b>Policy and Comms</b>	GDPR – Council wide audit	Draft scope includes the following risk areas: Compliance, Roles and Responsibilities, Records of Processing Activities, Third Party Management, Retention and Destruction, Management Information and Data Breaches. This is a Council wide audit and the fieldwork will commence in Q4.	Planning
	<b>Localities &amp; Strategic Partnerships</b>	Community Boards	Q4	Planning
	<b>Legal/ Dem Services</b>	Legal Process Review	Q4	Planning
	<b>Legal/ Dem Services</b>	Member Declarations and Member Complaints Process	Complete - One medium priority finding raised.	Final Report - Substantial
	<b>Service Improvement</b>	Assurance over Service Improvement Programme	On-going Assurance in line with the Service Reviews	On-going
	<b>Service Improvement</b>	Digital	Deferred to 22/23 per request from SLT – early stages of the programme	

Directorate	Service	Audit Title	Objectives/Risk/Concerns	Status
<b>Deputy Chief Executive</b>	<b>Service Improvement</b>	Workstyle Strategy	Deferred to 22/23 per request from SLT – business case recently approved and strategy in early stages.	
	<b>Localities &amp; Strategic Partnerships</b>	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.	Q4
	<b>Legal/ Dem Services</b>	Elections	Q4	Planning
	<b>Policy &amp; Communication</b>	Complaints	<b>New</b> audit requested by SLT –Q4	Planning
<b>Resources</b>	<b>Finance</b>	Pensions	Fieldwork in progress	Fieldwork
	<b>Finance</b>	Capital Programme	Deferred from 20/21	Planning
	<b>Finance</b>	Contract Management	Fieldwork in progress	Fieldwork
	<b>Finance</b>	Asset Management	Cancel per request from SLT – substantial work undertaken by external audit.	
	<b>Finance</b>	Budget Management	Reporting stage	Draft Report
	<b>Finance/ HR/ IT</b>	Service Now Review	Deferred from 21/22 per request from SLT - the use of Service Now will be looked at as part of the service review – this is a low-risk area.	
	<b>Finance</b>	Cash Receipting End-to - End Process Review	New system and process end-to-end assurance required to understand controls	Planning
	<b>Finance/ HR</b>	Expenses	New process being followed from the legacy districts, risk of receipts not being retained due to remote working – Q4	Planning
	<b>Finance</b>	Accounts Payable	Key Financial System: High volume and value activity – Q4	Q4
	<b>Finance</b>	General Ledger	Key Financial System – Q4	Q3/4

Directorate	Service	Audit Title	Objectives/Risk/Concerns	Status
<b>Resources</b>	<b>Finance</b>	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	Q4
	<b>Finance</b>	Treasury Management	Key Financial System: High value activity, review process with Logotech system.	Draft Report
	<b>Finance</b>	Debt Management	Key Financial System: High volume and value activity	Q4
	<b>Finance</b>	Revs & Bens System Assurance Review	Fieldwork in progress	Fieldwork
	<b>Finance</b>	CTAX	New system and process end-to-end assurance required to understand controls – Q4	Q3/4
	<b>Finance</b>	NNDR	New system and process end-to-end assurance required to understand controls– Q4	Q3/4
	<b>Finance</b>	Procurement	Evaluate implementation of the Procurement Strategy – Q4	Q3/4
	<b>Finance</b>	CTRS/HB	New system and process end-to-end assurance required to understand controls – Q4	Q3/4
	<b>Finance</b>	iCares Accounts Payable	New system and process end-to-end assurance required to understand controls	Draft Report
	<b>Finance</b>	iCares Accounts Receivable	New system and process end-to-end assurance required to understand controls – scope being developed.	Planning
	<b>HR</b>	Apprenticeship Levy	Deferred from 21/22 per request from SLT – low risk. Report to CMT on options to be consider for the levy.	
	<b>HR</b>	IR35	Deferred from 20/21	Q3/4
	<b>HR</b>	Payroll	Key Financial System -- Q4	Q3/4

Directorate	Service	Audit Title	Objectives/Risk/Concerns	Status
<b>Resources</b>	IT	IT Asset Management	Fieldwork in-progress	Fieldwork
	IT	Audit needs assessment. Review to determine IT audit work to be undertaken.		Final Report
<b>Planning, Growth &amp; Sustainability</b>	<b>Property &amp; Assets</b>	Wycombe Old Library	Cancelled per request from SLT – project complete and value needed in service project governance assurance	
	<b>Property &amp; Assets</b>	Project Governance	Deferred from 20/21	Planning
	<b>Housing &amp; Regulatory Service</b>	Enforcement (Housing)	Deferred from 21/22 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1	
	<b>Property &amp; Assets</b>	Health & Safety	Cancelled per request from SLT – assurance process in place to ensure adequate arrangements are in place and mechanism for reporting agreed. Service currently going through recruitment.	
	<b>Housing &amp; Regulatory Service</b>	Homelessness	Deferred from 21/22 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1	
	<b>Housing &amp; Regulatory Service</b>	Temporary Accommodation	Deferred from 21/22 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1	
	<b>Housing &amp; Regulatory Service</b>	Grant verification	Disability Facilities Grant	Complete
	<b>Property &amp; Assets</b>	Property Maintenance	End-to-end review – Q4	Planning
	<b>Planning &amp; Environment</b>	Climate Change	Big initiative for the Council linked to our strategy objectives. – Q4	Q4
	<b>Property &amp; Assets</b>	Property Repairs and Renewals	End-to-end review – Q4	Planning

Directorate	Service	Audit Title	Objectives/Risk/Concerns	Status
Planning, Growth & Sustainability	Planning & Environment	Building Control	End-to-end review – Q4	Planning
	Planning & Environment	CIL/Section 106	Fieldwork in - progress	Fieldwork
	LEP	LEP Audit	Scope being developed.	Planning
	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	Supplemental Growth Hub Funding to LEPs FY20/21	Completed
	LEP	Grant Verification	Peer Network Funding to LEPs FY 20/21	Completed
	Strategic Transport & Infrastructure	HIF Grant	Due to the value and the bid requirement to have IA continuous assurance – Q4	Q4
	Highways & Technical Services	Flood Management	Quality Assurance review and Reporting	Draft Report
Communities	Neighbourhood Services	Taxi Licensing	Deferred from 20/21	Q4
	Neighbourhood Services	Crematorium	Scope agreed.	Q3
	Neighbourhood Services	Waste - Procurement and Disposal of Assets	<b>New</b> audit requested from service – scope being developed	Q3/4
	Highways & Technical Services	Parking	Deferred from 21/22 per request from SLT – new system and structure, need to embed processes. Recommend Q1/2	

Directorate	Service	Audit Title	Objectives/Risk/Concerns	Status
<b>Communities</b>	<b>Highways &amp; Technical Services</b>	Transport for Bucks	Scope to be agreed in consultation with the service	Q4
	<b>Transport Services</b>	Home to School Transport	Deferred from 21/22 per request from SLT – new system will need to be embedded. Recommend Q1/2	
	<b>Transport Services</b>	Grant Verification	Bus Subsidy Ring-Fenced (Revenue) Grant	Complete
	<b>Neighbourhood Services</b>	Household Recycling Centres	Includes the income management at the centres.	Q4
	<b>Neighbourhood Services</b>	Energy for Waste	Quality Assurance review and Reporting	Draft Report
	<b>Highways &amp; Technical Services</b>	Grant verification	Highways Maintenance Challenge Fund Grant	Complete
	<b>Adult Social Care</b>	Implementation of Medications Policy - In-house services	Scope being developed.	Planning
<b>Adults &amp; Health</b>	<b>Adult Social Care</b>	Interface - Hospital Discharges and Social Care	Deferred from 21/22 per request from SLT - process is weak and social care are currently working to develop and improve process. Plan for Q1/2	
	<b>Quality Standards &amp; Performance</b>	Quality Assurance Framework (QAF)	Cancel per request from SLT – framework is fully operation and an annual external audit arrangement is in place. No concerns in this area.	
	<b>Integrated Commissioning</b>	Choice and Charging Policy	Quality Assurance review and Reporting	Draft Report
	<b>All</b>	Follow-Up Audits	Follow-up all the findings raised in the following audits: Implementation of Medications Policy – Commissioned services, Seeley’s Respite, Deprivation of Liberty Standards.	Fieldwork

Directorate	Service	Audit Title	Objectives/Risk/Concerns	Status
Adults & Health	Quality Standards & Performance	iCares System - IT Application Controls Audit	Scope agreed – Q4	Planning
	Integrated Commissioning	Direct Payments	End-to-end process review – Q4	Planning
	Integrated Commissioning	Supplier Viability	Evaluate the process in place to enable timely identification of suppliers under pressure and mechanisms in place to manage resilience. Q4	Planning
Children's Services	Social Care	Fostering Services	Q4	Planning
	Social Care	Social Work England Information Requests	Deferred from 21/22 per request from SLT – service currently developing a process. Assurance needed when process is embedded	
	Social Care	Care Leavers	Q4	Planning
	Education	SEND – Complaints & SARs	Q4	Planning
	Education	Early Years - Entitlement for 2/3/4 yrs. and Claims Payment	Q4	Planning
	Social Care	Commissioning of Residential placements	Reporting stage	Draft Report
	Social Care	Children's Homes	Each home to be audited and reported on separately.	Planning
	Education	SEND Transport Eligibility	<b>New</b> audit requested by service – scope being developed	Planning
	Social Care	Supported Families Programme Grant Verification	Completed in June for 65 families under Sustained and Significant Progress	Claim 1 - Complete
Claim made for 77 families under Sustained and Significant Progress			Claim 2 - Complete	



Directorate	Service	Audit Title	Objectives/Risk/Concerns	Status
<b>Children's Services</b>	<b>Education</b>	Schools - Thematic Review	Deferred from 20/21 – schools to be reviewed will be agreed in consultation with the service.	Fieldwork
<b>All Directorates</b>	Follow-Ups			On-going
<b>BMKFA</b>			Audit plan approved and date for audit delivery agreed with the clients. Plan to be delivered by February 2022 ahead of their external audit.	In-progress
<b>Academies</b>			Audit activity at planning stage and timings being agreed for delivery in Q3-4	In-progress

