



**BUCKINGHAMSHIRE COUNCIL**

**Business Assurance Update**

**Progress against the Internal Audit Plan 2021/22 and Q1 2022/23**

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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 carried out by the Business Assurance Team for 2021/22 and quarter one of 2022/23. 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. A risk-based methodology was applied in developing the plans, to ensure that assurance work remained focussed on the Councils key risks and priorities.

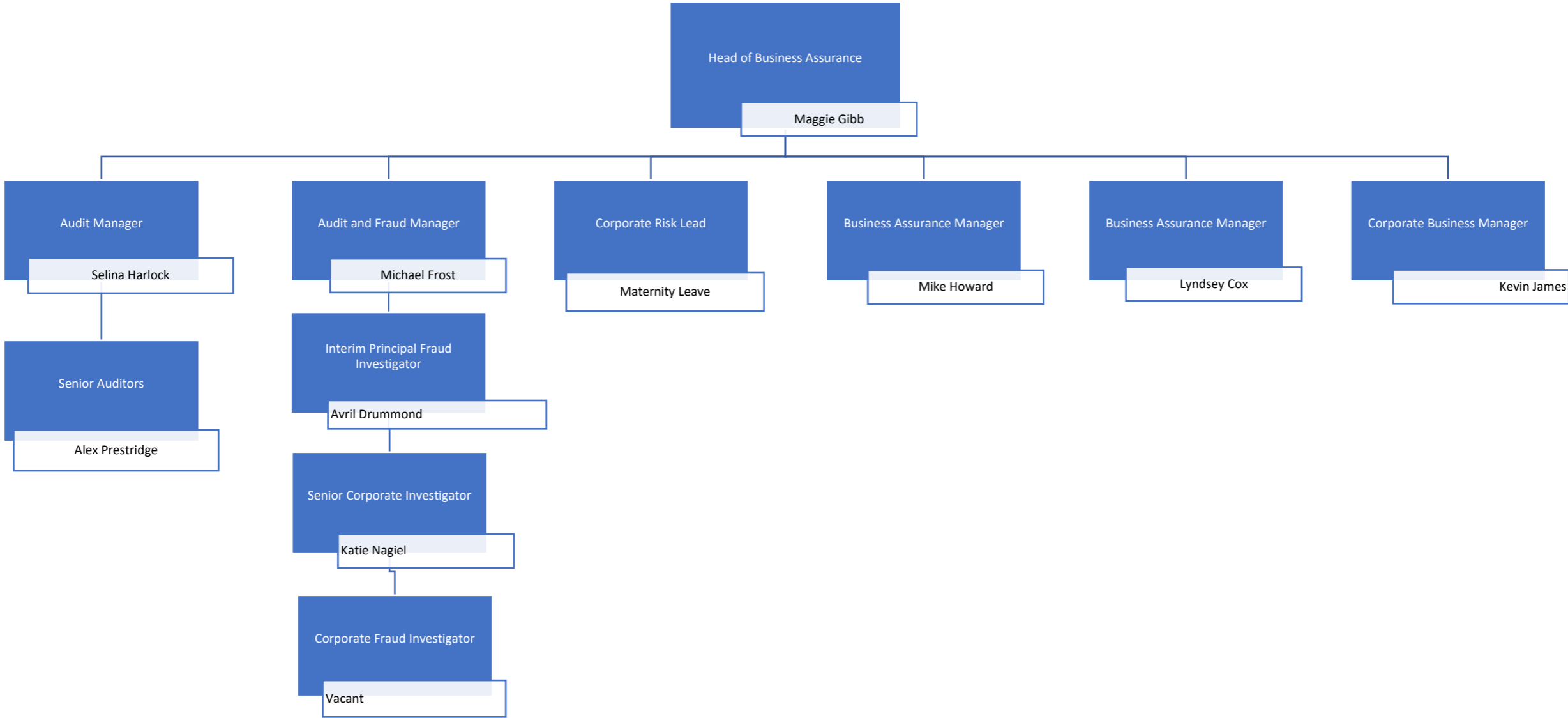
1.3 The Business Assurance work plans continue to be dynamic in nature and are reviewed on a regular basis to ensure they continuously consider any new, emerging and changing risks and priorities. Quarterly updates on Business Assurance activities have been presented to each directorate leadership team providing them with an overview of the Internal Audit activities including progress on implementation of audit actions; and a risk management update on escalated risks with status of risk reviews.

1.4 The Business Assurance Team is currently going through a Service Review, which is part of the Better Buckinghamshire Programme. The vision for the service is to be a cohesive forward thinking multi strength team with a real focus on the needs of the service to ensure the best quality customer experience is delivered. The service is working towards creating a risk based strategic assurance plan that dynamically identifies and supports in the response and management of risks being faced by the council. The review involves an evaluation of our current service delivery and works towards designing a human-centred and future-focusses service that delivers on the needs of customers and the team (officers). The service is currently at the consultation phase of the service review whereby officers are able to provide feedback and comments on the new proposed new structure. Once the new structures is confirmed where applicable the recruitment process will commence. We expect the review to be concluded by the end of quarter two.

## 2. Resources

2.1 The Business Assurance team has remained unchanged since the last update, where we reported the departure of the Corporate Fraud Investigator, the Mazar Seconded auditor and the Interim Corporate Risk Lead. We continue to resource work plans with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. The framework is hosted by the London Borough of Croydon and the audit service is currently provided by Mazars. This arrangement allows for a flexible approach and enables us to respond swiftly to urgent requests for resource such as for investigations. The framework also enables us to request specialist resource such as IT auditors and contract auditors where the in-house team do not have the appropriate technical skills.

**Business Assurance Team Structure** (resources and structure being considered as part of service review process)



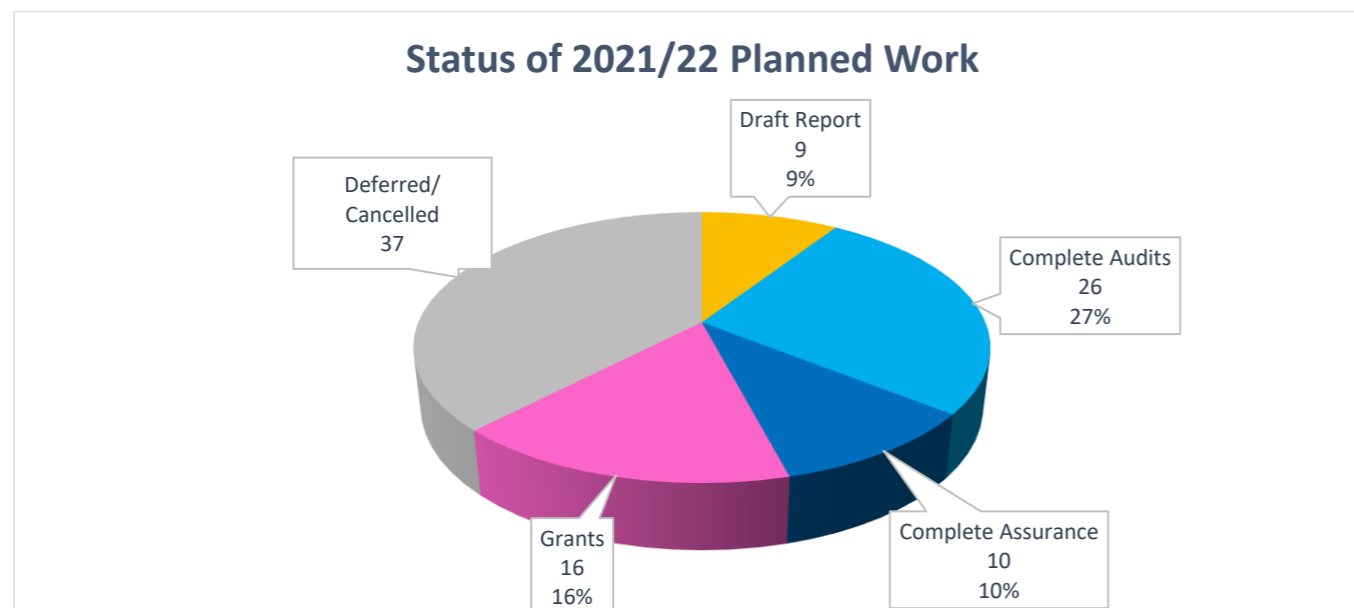
### 3 Risk Management

- 3.1 The Business Assurance Team 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 offer monthly risk management and Pentana training sessions and have reviewed our Risk Management e-learning module. We are continuing to identify and expand our training delivery methods and tailored education offerings.
- 3.3 The Business Assurance team has established an emerging risk register which is reported to Risk Management Group and the team are sharing knowledge to directorates' Risk Champions. The last meeting of the Risk Management Group was held on 25 April 2022, an update on this meeting was reported to the Audit and Governance Committee in May.
- 3.4 The team are currently drafting the Risk Management strategy which informs the Risk Management Framework consisting of a tailored Risk Reporting and Escalation Frameworks for each directorate to suit their business needs. The strategy will be presented to this committee at the next meeting scheduled for September.

### 4. Internal Audit

- 4.1 In Q1 the Internal Audit function has been progressing with completing the remaining audit engagements from 2021/22. We have continued to follow 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.
- 4.2 From review of the plan with directorates 38% of the audits activities have been deferred or cancelled, due to on-going service reviews within the directorates, system implementation or other transformation activity on-going within services - reasons for the cancellations/ deferments are noted within Appendix 1 highlighted in blue. Since the previous Committee meeting, progress has continued, and the chart below provides a summary of the progress made in delivering the approved 21/22 plan:

**Chart 1 – Status of 2021/22 Audit plan**



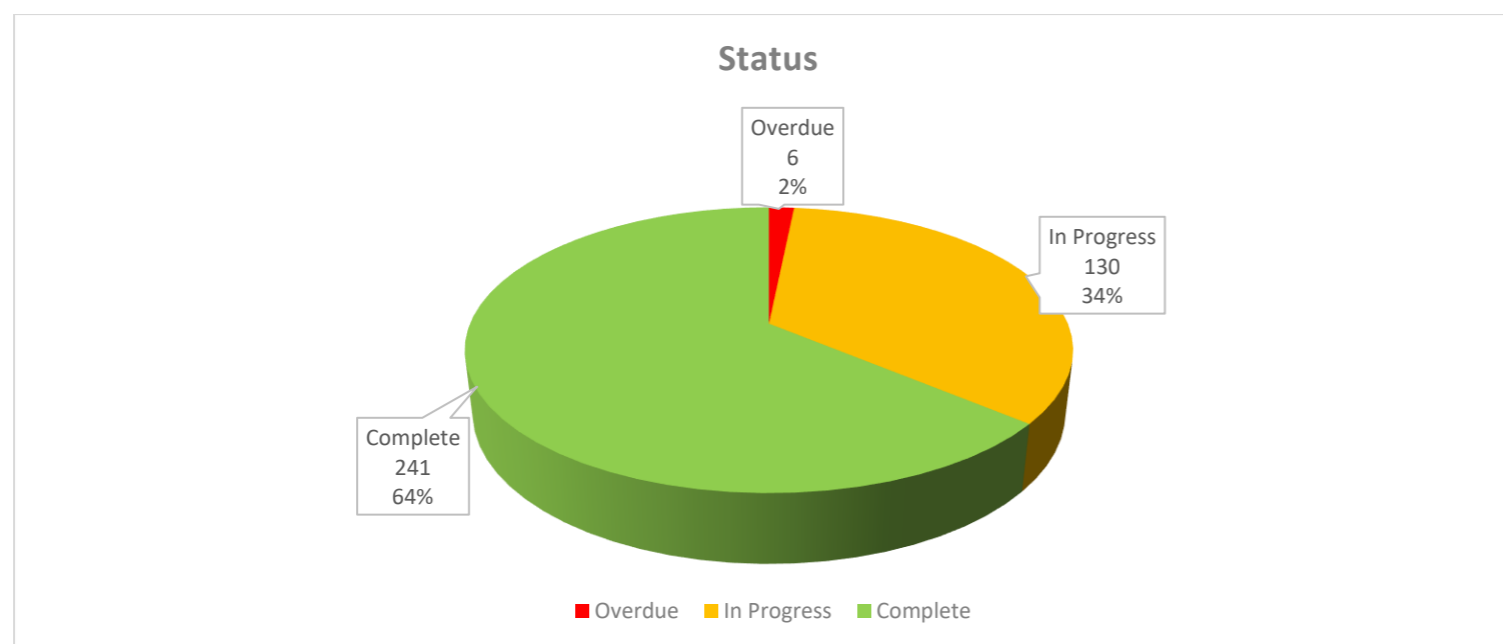
4.3 Appendix 1 outlines a summary update of the progress being made against the approved plan. There are three audits within Children’s Services that were cancelled as the audit activity needs to be focused on the findings of the Ofsted Social Care and SEND inspection findings. The Ofsted related activity is included in the 22/23 Internal Audit Plan and the team have scoped that is planned for delivery in Q3. All fieldwork for 2021/22 activity has been completed, however due to ongoing delays due to service reviews and staff availability there are current nine audit reports that are at draft reporting stage.

4.4 The team have been progressing with agreed 22/23 audits that were deferred from the previous year. Below is an outline of the status of the audits that are currently in progress:

1. Complaints – draft reporting stage
2. William Harding School Finance Audit – fieldwork complete and at draft reporting stage, expecting a delay in finalising this report due to school being closed for the summer
3. Direct Payments (A&H) – scope agreed and fieldwork commencing in August
4. Ofsted Improvement Plan assurance (Social Care) – fieldwork in progress
5. Growth Hub Grant Funding to LEPs – Grant Certification complete
6. Supported Families Programme Grant Claim 1 – Grant Certification complete

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

**Summary Status of Management Actions**



4.6 Progress against implementing audit actions is reported to each of the Directorate leadership team meetings on a regular basis, and outstanding audit actions are reported to the Corporate Management Team (CMT).

4.7 The Audit Board, chaired by the Service Director, Corporate Finance (S151), have 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 **Covid Grants:** A significant proportion of the internal audit resource has continued to provide assurance over the Covid-19 grants received from central government. The Council received an additional c.£70.0m in FY22 across directorates to provide services and support the communities, residents, and businesses, resulting in a total of c.£145.1m in COVID funding for FY21 and FY22 combined. A COVID grants governance framework was put in place which provided continuous assurance and holistic oversight of all the COVID grant expenditure across the directorates. Key stakeholders were engaged in the process such that notifications of new grants were being timely communicated to internal audit to ensure that the grant is recorded centrally, the responsible officers were identified, and cost centers were created in preparation for the income receipt. Through this process mechanisms were in place to ensure that the grants were maximised, spent in line with the criteria, key risks were highlighted where grants may be over/underspend and through weekly reporting any key concerns were flagged to the respective Heads of Finance for resolution in a timely manner. At the peak of the COVID grant assurance activities, the team were supporting 45 different grants. There are currently three COVID grants that remain open, one held in the Resources directorate where we are still waiting for guidance from central government on the required returns and reconciliations. Two grants are within the Deputy Chief Executive directorate. Internal Audit will continue to liaise with the services to ensure returns and required reconciliations are complete in line with guidelines and agreed deadlines.

5.2 **Cash Receipting Capita Pay360 system implementation assurance:** In quarter one, the team have completed the assurance review of the Cash Receipting Capita Pay360 system upgrade was undertaken in Q4 to help ensure that the upgrade was completed successfully. The review consisted of an evaluation of Project Planning and the Control Framework. Whilst the majority of the project planning controls evaluated were deemed to be adequate, the review noted one exception:

- Progress against the project plan had been kept up to date, however completed actions were removed, making it difficult to identify where delays occurred and pre-empt them on future projects. Moreover, one of the initiatives that was delayed in January remained delayed until the end of March, indicating that escalation and prioritisation may not have been sufficient. Additionally, some initiatives whose start or even end date has passed were still marked as “Work not due to start yet”.

From a review of the Control Framework, the following areas of improvement were noted:

- Limited examples of controls are systems based and strong, e.g., automatic import of transactions.
- Most controls are manual, and therefore relatively weak, e.g. manual emailing of screenshots of unmatched transactions.
- Access to suspense accounts – these can be edited in SAP by unauthorised individuals, making reconciliation with Capita ONE more difficult.

The recommendations made have been accepted by the service. As part of the FY2022/23 Key Finance Systems audit, Internal Audit will re-evaluate the control frame to ensure that the areas of improvement identified have been addresses.

5.3 **Agile Delivery Methodology Assurance** In Q4 Internal Audit were commissioned by the Policy and Communications Service to assess how the Council uses the Agile methodology, on which projects and how it aligns with best practices. The Council have previously used the PRINCE2 project management methodology to deliver their projects using the traditional “waterfall” methodology. However, IT projects, such as the Family Information Service and notably the Web Project (which sits under the Better Buckinghamshire Programme), are now adopting Agile delivery methodologies. The effective management of projects by the Council is essential to deliver change to time, cost and scope parameters to allow for successful benefits realisation. The review was based on documentation sent over by the Digital Delivery Team and various interviews with the Team. The Web Project has been examined as an example of an agile project delivered by the Digital Delivery Team and the review specifically examined operational effectiveness concerning the following areas; Delivery alignment with best practice, Appropriateness of methodology, Resourcing, and Wider governance and stakeholder engagement.

The review concluded that:

- The Digital Delivery Team uses Agile methodologies appropriately and is aligned with best practices. There is a clear focus on the end-user.
- It is occasionally difficult to coordinate the Digital Delivery Team’s efforts and other services they depend on. However, a proposed solution is increasing the involvement of stakeholders in the development of user stories and epics.
- Reporting takes place both verbally and through reports. Various metrics can be used to measure the progress, performance, and overall benefits realisation of an Agile project. These can then be used to improve processes further.

## 6 Counter Fraud

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

Business Rate Grant applications referred to Business Assurance	49 (0 this month)
Additional Restrictive/Restart Grant applications referred to Business assurance	56 (0 this month)
Number failed risk assessment (deemed to be low risk and so not investigated, or closed after initial investigation)	33
Number investigated (BRG and ARG) to date	49
Number of potential prosecution claims	10
Number of prosecution files being prepared for legal services as of 1 July 2022.	5  One case is currently awaiting a trial (which will not be until late 2022), one case was sentenced and received a £21k fine in January 2022. A summons has been issued for a further case to be heard in Court on 6 July 2022. Two other cases have prosecution files currently being prepared.

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

The Investigations Team are undertaking daily pre-payment reviews to support the Omicron grant process.



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

- Council Tax Reduction cases received this month – two; and currently investigating six in total.
- Single Person Discount cases received this month – eight; and currently investigating nine in total.
- Blue Badge cases received this month zero; currently investigating one in total.
- Disabled Facilities Grant received this month – zero; referrals closed after risk assessment – zero, currently investigating two in total
- Housing Fraud cases received this month - two, currently investigating four in total.
- Planning application fraud cases received this month - zero, currently investigating zero.
- Insurance case received this month – zero, currently investigating one.
- School admissions cases received this month - zero, currently investigating zero.
- Adult Social Care cases received this month - zero, currently investigating one.
- Council Tax liability cases received this month – zero, investigating one.
- Identity fraud cases received this month – zero, investigating two.
- Omicron Grant cases received this month – one, investigating three in total.
- Phishing scams or attempts this month: one
- Direct payment cases received this month – one, investigating one.
- Credit card misuse case received this month – one, investigating zero.
- Building Control case received this month – one, investigating one.
- Requests for information: three.

## Appendix 1 - Summary of Internal Audit Activity

Directorate	Service	Audit Title	Status/Opinion
Corporate	Corporate	Governance	Cancelled - Delivered through work with Corporate Governance Manager
	Corporate	Business Cases	Cancelled – resource pressures within the Internal Audit team recommend that audit be undertaken in 22/23 as part of the Capital Programme audit
	Corporate	General Grants	On-going
	Corporate	Covid-19 Pre and Post Payment Assurance Plan	On-going; looking at assurance that we have taken reasonable steps to ensure that payments are made to legitimate clients.
	Corporate	Covid-19 Response	Continuous assurance on the Covid-19 grants that are received from government departments to support the Council's response to Covid-19.
Deputy Chief Executive	Policy and Comms	GDPR – Council wide audit	A new system is currently being implemented. Audit being deferred and will be undertaken once the system and processes are embedded in 22/23.
	Localities & Strategic Partnerships	Community Boards	A review is being undertaken by the Select Committee that highlighted areas of improvement – agreed to undertake the audit once the identified improvements have been implemented. Deferred to 22/23
	Legal/ Dem Services	Legal Process Review	Deferred to 22/23 – processes are currently being developed. Audit best placed to review once these are embedded. Recommend an audit in Q1/Q2 22/23
	Legal/ Dem Services	Member Declarations and Member Complaints Process	Final Report - Substantial
	Service Improvement	Assurance over Service Improvement Programme	Deferred – Business Assurance is currently undergoing a Service Review, therefore, to ensure objectivity the assurance is deferred to 22/23.
	Service Improvement	Digital	Final report Agile Delivery assurance.
	Service Improvement	Workstyle Strategy	Deferred to 22/23 per request from SLT – business case recently approved and strategy in early stages.
	Localities & Strategic Partnerships	Assets of Community Value	Final Report - Substantial
	Legal/ Dem Services	Elections	Final Report - Substantial
	Policy & Communication	Complaints	A new system is currently being implemented. Audit being deferred and will be undertaken once the system and processes are embedded in 22/23.
Resources	Finance	Pensions	Final Report - Substantial
	Finance	Capital Programme	Deferred to 22/23 – resource pressures within the Service due to sickness.
	Finance	Contract Management	Deferred to 22/23 – this is a Council wide audit and there are resource pressures within the services to support the audit.
	Finance	Asset Management	Cancelled per request from SLT – substantial work undertaken by external audit.
	Finance	Budget Management	Final Report - Substantial
	Finance/ HR	Expenses	Continuous review of expenses to identify suspicious transactions
	Finance	Accounts Payable	N/A follow-up of prior year actions
	Finance	Accounts Receivable	N/A follow-up of prior year actions
	Finance/ HR/ IT	Service Now Review	Deferred to 22/23 per request from SLT – the use of Service Now will be looked at as part of the service review – this is a low-risk area.
	Finance	SAP Interfaces	Mapping of systems that interface with SAP.
	Finance	Cash Receipting End-to-End Process Review	Final report assurance review of the Cash Receipting Capita Pay360 system upgrade
	Finance	Treasury Management	Final Report - Reasonable
	Finance	Debt Management	N/A follow-up of prior year actions

	Finance	General Ledger	Actions from the previous year have been followed up and an Assurance Pack within Corporate Finance has been developed that is continuously monitoring compliance. Audit cancelled for this year.	
<b>Directorate</b>	<b>Service</b>	<b>Audit Title</b>	<b>Objectives/Risk/Concerns</b>	
<b>Resources</b>	Finance	Revs & Bens System Implementation Assurance	Phase 1 system implementation assurance completed. Phase 2 of the system implementation has commenced, and assurance is being provided throughout the project delivery.	
	Finance	CTAX	Deferred to 22/23. New Revenues and Benefits system being implemented. Full audit to be undertaken once all legacies are migrated onto the new platform. Internal Audit are providing assurance on the system implementation.	
	Finance	NNDR		
	Finance	CTRS/HB		
	Finance	Procurement	New procurement regulations being introduced – deferred to 22/23 once implemented.	
	Finance	iCares Accounts Payable	Final Report - Reasonable	
	Finance	iCares Accounts Receivable	Final Report - Reasonable	
	HR	Payroll	Final Report - Reasonable	
	HR	Apprenticeship Levy	Deferred to 22/23 per request from SLT – low risk.	
	HR	IR35	Deferred to 22/23 – regular reporting on high-cost interims undertaken.	
	IT	IT Asset Management	Final Report - Reasonable.	
	IT	Cyber Security	Final Report - Reasonable	
	IT	Audit needs assessment. Review to determine IT audit work to be undertaken.		
	<b>Planning, Growth &amp; Sustainability</b>	Property & Assets	Wycombe Old Library	Cancelled per request from SLT – project complete and value needed in service project governance assurance
		Property & Assets	Project Governance	TBC – DRAFT Report
Housing & Regulatory Service		Enforcement (Housing)	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1	
Housing & Regulatory Service		Grant verification	Disability Facilities Grant - Completed	
Planning & Environment		Building Control	Deferred to 22/23 – Service review in progress.	
Planning & Environment		CIL/Section 106	Final Report - Limited	
LEP		LEP Audit	New white paper released other areas to consider – additionally due to staff changes within LEP audit is being deferred to Q1.	
LEP		Grant Verification	Growth Hub Funding to LEPs – claim verification for FY20/21 funding. Completed	
Housing & Regulatory Service		Homelessness	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1.	
Strategic Transport & Infrastructure		SEALR	Project assurance in year request.	
Housing & Regulatory Service		Temporary Accommodation	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1	
Property & Assets		Property Maintenance	Deferred to 22/23 – Service review in progress.	
Planning & Environment		Climate Change	Separate assurance programme being developed that will be aligned to the Climate Change Strategy. Commence assurance delivery in 22/23.	
Property & Assets		Property Repairs and Renewals	Deferred to 22/23 – Service review in progress.	
Property & Assets		Health & Safety	Cancelled per request from SLT – assurance process in place to ensure adequate arrangements are in place and mechanism for reporting agreed.	
LEP	Grant Verification	EU Transition Business Readiness Growth Hub Funding to LEPs FY20/21. Completed		

	LEP	Grant Verification	Supplemental Growth Hub Funding to LEPs FY20/21. Completed
	LEP	Grant Verification	Peer Network Funding to LEPs FY 20/21. Completed
Directorate	Service	Audit Title	Objectives/Risk/Concerns
Communities	Highways & Technical Services	Flood Management	Final Report - Reasonable
	Neighbourhood Services	Taxi Licensing	Final Report - Reasonable
	Neighbourhood Services	Crematorium	TBC – DRAFT Report
	Neighbourhood Services	Waste – Procurement and Disposal of Assets	Deferred to 22/23 due to the responsible team being subject to a Service Review.
	Highways & Technical Services	Parking	Deferred to 22/23 per request from SLT – new system and structure, need to embed processes. Recommend Q1/2
	Transport Services	Home to School Transport	Deferred to 22/23 per request from SLT – new system will need to be embedded. Recommend Q2
	Transport Services	Grant Verification	Bus Subsidy Ring-Fenced (Revenue) Grant. Complete
	Highways & Technical Services	Transport for Bucks	Service currently undertaking a large tender exercise – assurance work on-going.
	Transport Services	Home to School Transport – Contract Assurance	Contract Management assurance. Internal Audit were commissioned to undertake an independent review to provide an opinion on the consistency of the onboarding process of operators onto the DPS (Dynamic Purchasing System) and subsequent awarding of contracts.
	Neighbourhood Services	Household Recycling Centres	Deferred to 22/23 – new procurement in progress. Recommend review once new arrangements are in place
	Neighbourhood Services	Energy for Waste	Final Report - Reasonable.
	Highways & Technical Services	Grant verification	Highways Maintenance Challenge Fund Grant. Complete
	Adults & Health	Quality Standards & Performance	iCares System – IT Application Controls Audit
Integrated Commissioning		Direct Payments	Service currently undertaking improvement work – agreed to defer review to Q2/3
Integrated Commissioning		Supplier Viability	Final Report - Reasonable.
Adult Social Care		Implementation of Medications Policy – In-house services	Final Report - Reasonable
Adult Social Care		Interface – Hospital Discharges and Social Care	Deferred from 21/22 per request from SLT – process is weak and social care are currently working to develop and improve process. Plan for Q1/2
Quality Standards & Performance		Quality Assurance Framework (QAF)	Cancelled per request from SLT – framework is fully operation and an annual external audit arrangement is in place. No concerns in this area.
Integrated Commissioning		Choice and Charging Policy	Final Report - Reasonable
Adult Social Care		Implementation of Medications Policy – Commissioned services (Follow-up)	Actions were implemented per the agreed actions, however at time of follow-up it was determined that actions are not being followed as there were superseded by COVID arrangements.
Adult Social Care		Deprivation of Liberty Standards (DoLs) (Follow-up)	No opinion – All actions from the 19/20 audit were fully implemented.
	Social Care	Social Work England Information Requests	Deferred to 22/23 per request from SLT – service currently developing a process. Assurance needed when process is embedded.

	<b>Social Care</b>	Care Leavers	Audit cancelled, need to be considered in light of the Ofsted findings.
	<b>Social Care</b>	Fostering Services	Audit cancelled, need to be considered in light of the Ofsted findings.
<b>Directorate</b>	<b>Service</b>	<b>Audit Title</b>	<b>Objectives/Risk/Concerns</b>
<b>Children's Services</b>	<b>Education (Schools)</b>	Booker Park	Final Report - Reasonable
		Speen School	Final Report - Reasonable
		Buckingham School	Final Report - Reasonable
		Cedar Park	Final Report - Reasonable
		Radnage CoE Infant School	Final Report - Reasonable
		Hazlemere CoE School	Final Report - Reasonable
	<b>Social Care</b>	Children's Homes	TBC – DRAFT Report
	<b>Education</b>	SEND – Complaints & SARs	Audit cancelled, need to be considered in light of the inspection findings.
	<b>Education</b>	Early Years - Entitlement for 2/3/4 yrs. and Claims Payment	Final Report - Reasonable
	<b>Social Care</b>	Commissioning of Residential placements	TBC – DRAFT Report
	<b>Education</b>	SEND Transport Eligibility	New audit requested by service – deferred to 22/23 due to SEND inspection
	<b>Education</b>	Grant Verification	DfT – Travel Demand Grant. Complete
			Schools Direct Salaried Grant (Ashmead Combined School). Complete
<b>Social Care</b>	Supported Families Programme Grant Verification	Schools Direct Salaried Grant (Bedgrove Infant School). Complete	
		Completed in June for 65 families under Sustained and Significant Progress	
<b>Children's Services</b>	<b>Social Care</b>	Supported Families Programme Grant Verification	Claim made for 77 families under Sustained and Significant Progress
			Completed in June for 65 families under Sustained and Significant Progress
			Claim made for 77 families under Sustained and Significant Progress
			Claim made for 71 families under Sustained and Significant Progress
			Claim made for 84 families under Sustained and Significant Progress

