



**Annual Report  
of the  
Chief Internal Auditor 2021/22**

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## 1. Introduction

- 1.1 This report outlines the internal audit and assurance work undertaken by the Business Assurance Team for the year ending 31 March 2022 and seeks to provide an opinion on the adequacy of the control environment detailing incidences of any significant control failings or weaknesses. The overall report will then inform the Annual Governance Statement (AGS) which will be published with the Statement of Accounts in due course.
- 1.2 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Council's Internal Audit Charter which is approved annually by the Audit and Governance Committee. The PSIAS note that a professional, independent, and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. The PSIAS requires the Chief Internal Auditor (CIA) to provide a written report to those charged with governance, to support the AGS, which should include an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The report should also include:
- a) any qualifications to the opinion, together with the reasons for those qualifications (including any impairment to the independence or objectivity of the internal audit);
  - b) any particular control weakness judged to be relevant to the preparation of the AGS;
  - c) a summary of work undertaken to support the opinion including any reliance placed on the work of other assurance bodies; and
  - d) an overall summary of internal audit performance and the results of the internal audit service's quality assurance and improvement programme, including a statement on conformance with the PSIAS.

## 2. Responsibilities

- 2.1 Section 151 of the 1972 Local Government Act and the Accounts and Audit Regulations 2015 sets out the requirement for all local authorities to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The PSIAS define internal auditing as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management,

control and governance processes.”

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

### **3. Purpose and Scope of Report**

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

3.2 This report:

- includes an opinion on the overall adequacy and effectiveness of the Council’s governance arrangements, risk management and internal control environment;
- discloses any qualifications to that opinion, together with the reasons for the qualification;
- presents a summary of the audit and anti-fraud work from which the opinion is derived, including reliance placed on work by other assurance bodies; and
- highlights any issues the Chief Internal Auditor judges particularly relevant to the preparation of the Annual Governance Statement.

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

### **4. Basis of Audit Opinion**

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

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

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

4.3 The overall opinion is based on the following:

- The results of all audits undertaken during 2021/22.
- Any follow-up action taken in respect of audits from previous periods.
- Whether or not management actions have been agreed for all material areas of weakness identified.
- On-going advice and liaison with management, including regular attendance by the Chief Internal Auditor and Audit Managers at council meetings relating to matters concerning risk, governance and internal control.
- The effects of any material changes in the Council's objectives or activities or risk profile.
- Whether any limitations have been placed on the scope of audit.
- The scope of the internal control environment - which comprises the Council's policies, procedures, operational systems and processes in place to:
  - Establish and monitor the achievement of Buckinghamshire Council's objectives;
  - Facilitate policy and decision making;
  - Ensure economic, effective and efficient use of resources;
  - Ensure compliance with set policies, procedures, and regulations;
  - Safeguard the Council's assets and interests from loss, including those arising from fraud, irregularity and corruption.
- Consideration of third-party assurances.

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

## **5. Background**

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

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

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

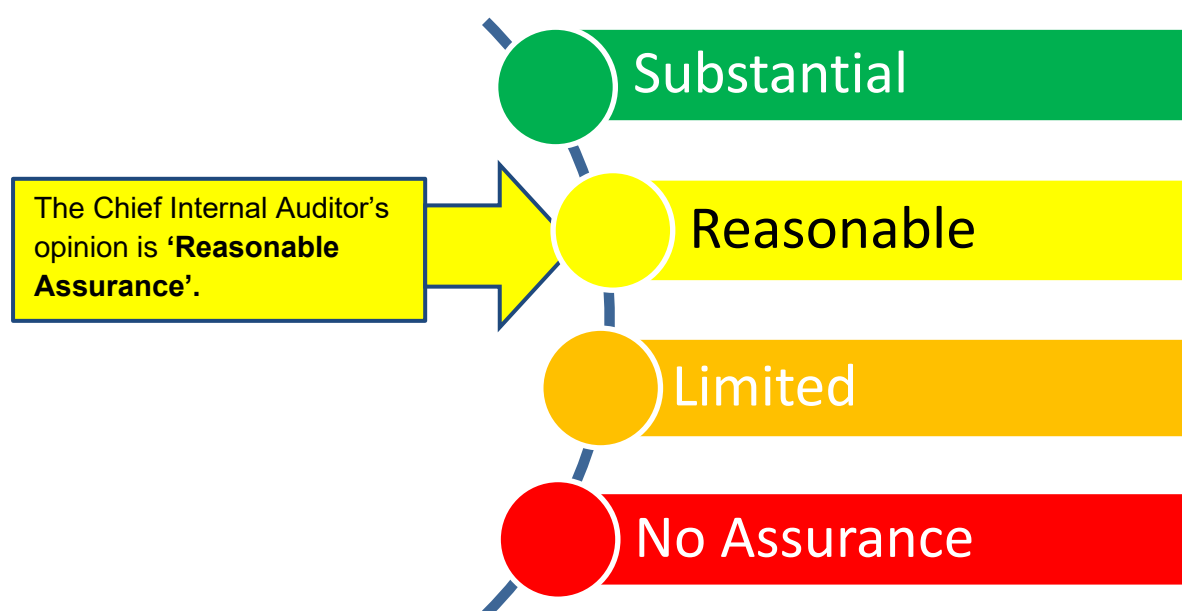
5.4 Notwithstanding the above, we are satisfied that we have been able to deliver sufficient audit and assurance activity within the year to enable us to form an overall annual opinion for the Council, this includes delivery of the revised program of audit activity along with investigating any allegations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

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

longer than normal in some instances.

## 6. Chief Internal Auditor Opinion

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



*\* See Appendix 3 for definitions of the assurance opinions.*

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

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

## 7. Commentary on my Opinion

- 7.1 The Chief Internal Auditor is satisfied that there has been adequate and effective coverage provided to enable a robust audit opinion to be given. Key areas which informed the overall **reasonable** conclusion are as follows:
- 7.2 **Internal Audit Work:** The internal audit work undertaken allowed us to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's system of internal control. Examples of good practices were noted through audit work performed this year; however, there are some areas of weakness and non-compliance in the control framework which may put some of the system objectives at risk and could potentially impact the achievement of the Council's objectives. From the control weaknesses identified none are understood to have had a material impact on the Council's affairs. It should however be noted that only 5% of the Council's maintained schools were subject to an internal audit review this year, therefore the opinion on the control environment within schools is limited to those that were evaluated. However, an annual report that summaries control weaknesses found from the 5% sample of schools are shared with all schools to enable self-evaluation and ensure that similar control weaknesses do not exist within their schools.
- 7.3 In the year ending 31 March 2022, a total of 55 engagements were undertaken by the Business Assurance Team. This comprises of 27 audit reviews which resulted in an Internal Audit opinion on the effectiveness of the control environment and two follow-up audit reviews of which an assurance opinion was not applicable. Ten assurance type reviews such as advisory/consultancy



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

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

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











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

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

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

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

**Table 1: Summary of Key Financial System Audits**

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

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

- 7.8 **Non-Financial System Audits:** These were operational audits undertaken during the year which were identified during the annual audit planning process by referencing the Strategic and Directorate Risk Registers and through discussion with the Senior Leadership Teams. However due to service transformation programmes being in-progress, resources across the Council being re-deployed to support with the Covid-19 response, the Homes for Ukraine Scheme, the Children’s Services Ofsted Inspection and the SEND Inspection; 34 audits were cancelled/ postponed with agreement from the Audit Board and approval from the Audit and Governance Committee.
- 7.9 From the service specific audits that were carried out; an overall ‘**reasonable**’ assurance has been given. Only one limited assurance report has been issued during 2021/22 and this is for the CIL/S106 audit. The report is at a draft stage and will be reported to CMT for review prior to the report being finalised. Some areas of improvement were identified across the range of audit reviews undertaken; however none were found to be material. The identified actions continue to be monitored to ensure full implementation.
- 7.10 **Risk Management:** Reporting and monitoring of risk management is fully embedded into the business management process across the Council. A Risk Management Strategy is in place (approved by the Audit and Governance Committee) which informs the Risk Management Framework consisting of a tailored Risk Reporting and Escalation Frameworks for each directorate to suit their business needs. This escalation mechanism ensured that key risks were visible to senior management to enable more effective decision making during 2021/22. The corporate risk management system (Pentana) is fully established across the council and was used to manage service, strategic, major projects and key programme risks. A risk management training programme is in place to ensure that officers are aware of their roles and responsibilities in relation to risk management and understand the Council’s Risk Management Strategy.
- 7.11 Risk management informed the planning for all internal audit work that was undertaken. A risk-based methodology was applied for the development of the annual audit plan and each audit assignment focused on the key risks in relation to system objectives, with audit work structured to direct audit resource in proportion to risk exposures.

- 7.12 The adequacy and effectiveness of the Council's risk management system was overseen by the Audit and Governance Committee through the Risk Management Group; and the Corporate Management Team challenged and reviewed the strategic risks regularly. Based on the operation of the risk management framework observed this year, a '**reasonable**' level of assurance has been given to this area.
- 7.13 **Corporate Governance:** Internal Audit did not undertake a specific review of Corporate Governance in 2021/22. However, a number of audits considered the management oversight and decision-making processes as part of each audit assignment, and the Project Governance audit undertaken within the Planning, Growth and Sustainability directorate resulted in a Limited assurance opinion, due to the inadequate controls in place to ensure effective governance of projects that are being managed within the directorate. Additionally, an assurance review of the South East Aylesbury Link Road project was undertaken in quarter four and identified fundamental weaknesses relating to the governance and escalation arrangements for the project.
- 7.14 Internal Audit is satisfied that Senior Management have taken on board the findings from the internal audit review and a framework is being developed that will be applied across the directorate. Based on the response to the findings raised, there are no further concerns; as such a '**reasonable**' level of compliance was demonstrated based on the audit work undertaken. The Council's governance framework is clearly documented and outlines how the authority monitors the achievement of its strategic objectives and how those objectives lead to the delivery of appropriate services and value for money.
- 7.15 **Contract Management:** The Council has a Supplier Management Policy in place which forms part of the Council's Commissioning Model and provides best practice guidance on the processes that are to be followed to enable effective management of contracts entered into with suppliers or partners for the provision of goods, works or services. The policy is based on the National Audit Office (NAO) guidance and provides details of the steps that contract managers are expected to follow to ensure consistent delivery of supplier management. Contracts with suppliers where there is an ongoing relationship and who have an annual aggregated value of £50k or more must be entered on the Contract Management Application (CMA). Contracts held on CMA are segmented based on a combination of risk criticality (low, medium and high) and financial value <£250k, £250k to £2.5m and >£2.5m, from which each contract is assigned a rating: Bronze, Silver, Gold, Platinum and Platinum Plus. The Supplier Management Policy specifies the mandatory documents and data fields that should be populated on CMA for each contract.

- 7.16 There is a Supplier Management group in place that comprises of senior management representatives from each directorate and aims to: promote consistent and high-quality Supplier Relationship Management across the organisation; maximise value for money; leverage the supply chain to support corporate objectives and promote social value; and understand as well as promote supplier resilience. Whilst Procurement and the Supplier Management group provides the framework of compliance and best practice, they cannot force the service areas to comply.
- 7.17 Local Authorities are increasingly relying on third parties to deliver core services. Although the delivery mechanism for these services may be outsourced, responsibility for the service remains attached to the authority. The current economic climate and the continuation of reduced Council budgets have significant implications across the entire supply chain. As the configuration of supply chains changes, Local Authorities must adapt their capabilities, cultures, and processes to reflect this. As such the Council must prepare for business-critical supplier failure by identifying operational and strategic interdependencies and areas of reliance between parties. The Council must also understand the likelihood of supplier failure through market analysis, credit rating data and intelligence through less formal networks such as supplier forums. This work should be supported by a monitoring process that provides early warning of supplier stress and establishes agreed procedures for operating in the event of supplier withdrawal or failure.
- 7.18 Critical failures in the supply chain were identified within the Adults and Health directorate and through close monitoring, strict risk management the Council promptly put in place arrangements to minimise service disruption and safeguard the clients.
- 7.19 Internal Audit carried out a Supplier Viability audit within the Adults and Health directorate as part of the FY2021/22 audit plan. The audit evaluated the following risk areas:
- Strategy, Policies and Procedures
  - Procurement and Contract/Supplier Management
  - Council's Response to Supply Chain Failure
  - Ongoing Assurance and Monitoring
- 7.20 The audit reviewed eight contracts and a 'reasonable' level of assurance was given based on the five findings that were raised.
- 7.21 Based on the continuous monitoring of compliance by the Supplier Management Group and the work carried out by Internal Audit; an overall '**reasonable**' assurance has been given for the Council's contract management.

- 7.22 **Counter Fraud:** The Business Assurance Team procedures alone cannot guarantee the detection of fraud and corruption, nor can we give an overall assurance opinion on counter fraud, therefore management have responsibility for ensuring that there are adequate controls in place to manage the risk of fraud and corruption. The size and complexity of the authority means that some irregularities are inevitable, and when these arise Business Assurance must deploy resources to investigate these.
- 7.23 For the year 2021/22, several referrals were made to the Business Assurance Team, and outcomes of investigations were reported to the Statutory Officers Group on a six-weekly basis. The service continues to see an increased number of referrals from schools and the intelligence gathered from these investigations is being fed to the Internal Audit team to help inform future school audits.
- 7.24 Due to the inherent risk of fraud and the obvious costs in countering fraud with heightened pressure on resources, the Business Assurance Team has adopted a long-term proactive strategy to raise fraud awareness and enhance prevention measures. Part of this plan is to tackle current issues and cases while simultaneously learning lessons, gathering intelligence through detailed post incident reflective risk assessments. A detailed Fraud Risk Register is maintained by the Fraud Team and is reported to the Risk Management Group on a regular basis. A fraud awareness training programme is in place and targeted sessions have been delivered to Senior Management and across key risk areas such as contract management, Human Resources, finance, and commissioning.
- 7.25 The Business Assurance Team has been working closely with the Revenues and Benefits Teams to investigate any potentially fraudulent Business Rate Grant Claims. The table below shows the number of cases reviewed by the Investigations Team as at end of 2021/22:

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

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

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

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

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

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

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

- Provide assurance on the budget forecasting methodology.
- Undertaking tender verification to ensure accuracy and completeness of contracts ended and started on the transport system Routewise; including verifying accuracy of Limit Orders raised for the live contracts.
- Monitor compliance against the new control framework that provides an end-to-end link from tender, contract management, invoice payment and account reconciliations.
- Monitoring invoice processing and utilisation of the management information on progress against invoice payment process.
- Provide system migration assurance on the new ONE system as the service decommission Routewise.

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



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

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

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

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

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

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

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

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

- Adults and Health Directorate have an annual external quality assurance audit which was established as part of the Better Lives Quality Assurance Framework. The overall conclusion from the auditor was positive indicating good continuous improvement being made by the service with evident progress from a practice perspective since the prior year audit.
- Children's Services were subject to an Ofsted visit in December 2021 which concluded that the service is no longer inadequate, however still required further improvements to be good. The report highlighted how effective the service operated to ensure that children were safeguarded during the COVID-19 pandemic, whilst also recognising the resourcing pressures which are expounded by the retention difficulties of both social workers and frontline

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

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

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

## 8. Overall Conclusion

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

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

## 9. Professional Standards

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

- Maintenance of a detailed audit procedures manual and standard operating practices
- Ongoing performance monitoring of internal audit activity
- Regular customer feedback
- Training plan and associated training and development activities
- Period self-assessment of internal audit working practices (to evaluate conformance to the standards)

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

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

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

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

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

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

- expanding the use of data analytics and work towards whole population testing;
- produce a skills, competencies and qualifications matrix for the various levels of staff being

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

- include a section in the annual report on the progress made by the service in delivering the actions on its quality assurance programme action plan;
- provide greater clarity and demonstrate the link between the internal audit plan and the Council’s risks and objectives;
- prevent internal audit reports being sent to individuals other than those on the agreed distribution list, and to deter readers from extracting parts of the audit report and using them out of context; and
- the Service should consider adding a statement to each audit report confirming that the audit has been completed in accordance with the standards.

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

## Appendix A - Summary of Internal Audit Activity

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



Directorate	Service	Audit Title	Status/Opinion
<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	Final Report - Substantial
	<b>Legal/ Dem Services</b>	Elections	Final Report - Substantial
	<b>Policy &amp; Communication</b>	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.
<b>Resources</b>	<b>Finance</b>	Pensions	Final Report - Substantial
	<b>Finance</b>	Capital Programme	Deferred to 22/23 – resource pressures within the Service due to sickness.
	<b>Finance</b>	Contract Management	Deferred to 22/23 – this is a Council wide audit and there are resource pressures within the services to support the audit.
	<b>Finance</b>	Asset Management	Cancelled per request from SLT – substantial work undertaken by external audit.
	<b>Finance</b>	Budget Management	Final Report - Substantial
	<b>Finance/ HR</b>	Expenses	Continuous review of expenses to identify suspicious transactions
	<b>Finance</b>	Accounts Payable	N/A follow-up of prior year actions
	<b>Finance</b>	Accounts Receivable	N/A follow-up of prior year actions
	<b>Finance/ HR/ IT</b>	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.
	<b>Finance</b>	SAP Interfaces	Mapping of systems that interface with SAP.
	<b>Finance</b>	Cash Receipting End-to - End Process Review	Final report assurance review of the Cash Receipting Capita Pay360 system upgrade
	<b>Finance</b>	Treasury Management	Final Report - Reasonable
	<b>Finance</b>	Debt Management	N/A follow-up of prior year actions

Directorate	Service	Audit Title	Objectives/Risk/Concerns
<b>Resources</b>	<b>Finance</b>	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>Finance</b>	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.
	<b>Finance</b>	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.
	<b>Finance</b>	NNDR	
	<b>Finance</b>	CTRS/HB	
	<b>Finance</b>	Procurement	New procurement regulations being introduced – deferred to 22/23 once implemented.
	<b>Finance</b>	iCares Accounts Payable	Final Report - Reasonable
	<b>Finance</b>	iCares Accounts Receivable	Final Report - Reasonable
	<b>HR</b>	Payroll	Final Report - Reasonable
	<b>HR</b>	Apprenticeship Levy	Deferred to 22/23 per request from SLT – low risk.
	<b>HR</b>	IR35	Deferred to 22/23 – regular reporting on high-cost interims undertaken.
	<b>IT</b>	IT Asset Management	Final Report - Reasonable.
	<b>IT</b>	Cyber Security	Final Report - Reasonable
<b>IT</b>		Audit needs assessment. Review to determine IT audit work to be undertaken.	

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

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

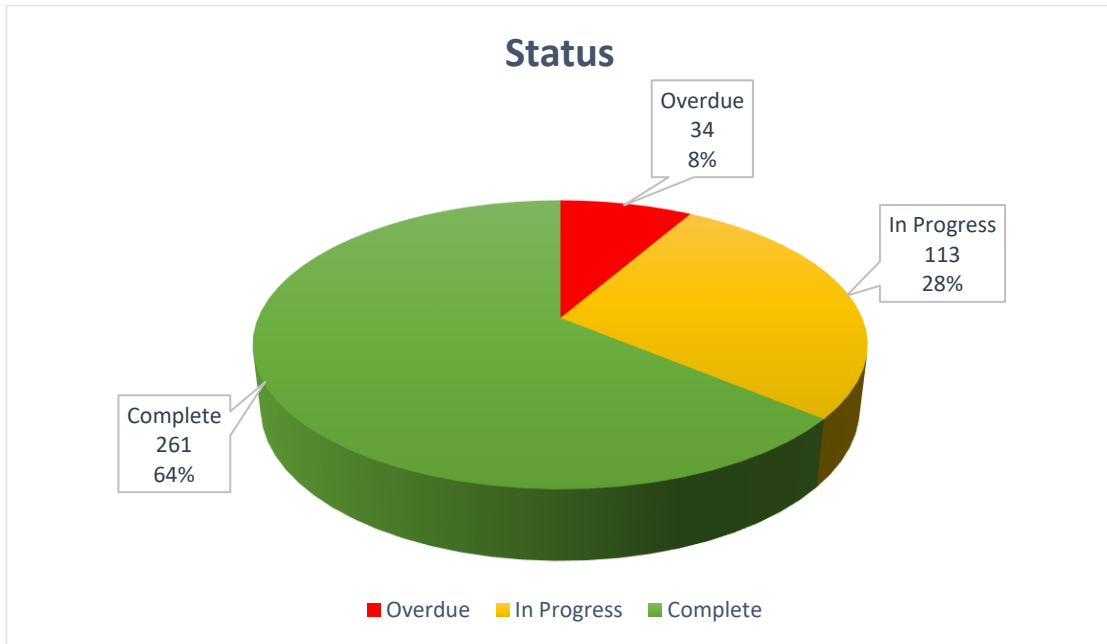
Directorate	Service	Audit Title	Objectives/Risk/Concerns
<b>Communities</b>	<b>Neighbourhood Services</b>	Household Recycling Centres	Deferred to 22/23 – new procurement in progress. Recommend review once new arrangements are in place
	<b>Neighbourhood Services</b>	Energy for Waste	Final Report - Reasonable.
	<b>Highways &amp; Technical Services</b>	Grant verification	Highways Maintenance Challenge Fund Grant. Complete
<b>Adults &amp; Health</b>	<b>Quality Standards &amp; Performance</b>	iCares System – IT Application Controls Audit	Final Draft- Reasonable
	<b>Integrated Commissioning</b>	Direct Payments	Service currently undertaking improvement work – agreed to defer review to Q2/3
	<b>Integrated Commissioning</b>	Supplier Viability	Final Report - Reasonable.
	<b>Adult Social Care</b>	Implementation of Medications Policy – In-house services	Final Report - Reasonable
	<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)	Cancelled per request from SLT – framework is fully operational, and an annual external audit arrangement is in place. No concerns in this area.
	<b>Integrated Commissioning</b>	Choice and Charging Policy	Final Report - Reasonable
	<b>Adult Social Care</b>	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.
	<b>Adult Social Care</b>	Deprivation of Liberty Standards (DoLs) (Follow-up)	No opinion – All actions from the 19/20 audit were fully implemented.

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

Directorate	Service	Audit Title	Objectives/Risk/Concerns
<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

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

## Appendix B – Summary Status of Audit Actions



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



## Appendix C – Definition of Opinions

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

## Appendix D – Internal Audit – Quality Assurance and Improvement Programme

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

- the maintenance of a detailed audit procedures manual;
- the requirement for all audit staff to conform to the Code of Ethics and Standards of Conduct Policy;
- regular performance appraisals;
- regular 1:2:1 meetings to monitor progress with audit engagements;
- induction programmes, training plans and associated training activities;
- attendance on relevant courses and access to e-learning material;
- the maintenance of training records and training evaluation procedures;
- membership of professional networks;
- agreement of the objectives, scope and expected timescales for each audit engagement with the client before detailed work commences (audit specification);
- file review by senior auditors and audit managers and sign-off at each stage of the audit process;
- the ongoing investment in tools to support the effective performance of internal audit work (for example data interrogation software);
- performance against agreed quality targets monitored and reported to each client on a regular basis;  
and
- regular client liaison meetings to discuss progress, share information and evaluate performance.

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

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