BUCKINGHAMSHIRE COUNCIL

2023/24 DRAFT BUSINESS ASSURANCE STRATEGY and INTERNAL AUDIT PLAN

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)

June 2023

Contents

1. Introduction

1.1 This paper details the Business Assurance Strategy, including the Internal Audit plan, the resources available and how we will be delivering our service in FY2023/24.

1.2 The Business Assurance Team delivers the Council's Risk Management, Business Continuity Management, Assurance, Internal Audit and Counter Fraud services. The team operates under the Service Director for Legal and Democratic Services within the Deputy Chief Executive Directorate. A separate paper will be presented for the Risk Management and Business Continuity Management activities.

1.3 The Accounts and Audit Regulations 2015 (S5) state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance; these are defined as the Public Sector Internal Auditing Standards 2017.

1.4 The Public Sector Internal Auditing Standards defines "Internal auditing is 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."

1.5 The Chief Internal Auditor is required to provide an annual report on the system of internal control which is used to inform the Council's Annual Governance Statement. In providing this opinion, we are required to review annually the financial management, risk management and governance processes operating within the Council. This includes reviewing internal control systems for key processes on a risk basis. There is a need for robust and effective controls to be in place in order to make certain that resources are used to be best effect and deliver the authority's objectives. Internal audit helps provide independent assurance that risks are known, understood and addressed, and that systems and procedures are sound, effective and free (as far as can be) from waste, error or fraud.

1.6   It is the Chief Internal Auditor's objective to propose a plan that addresses the emerging risks and developing areas for the council, whilst still covering the material and cross cutting systems and ensuring that internal audit resources are directed in the most appropriate way.

2.   Internal Audit Strategy

2.1   The Council will continue to work towards a combined assurance model using the "three lines of defence" approach, with Internal Audit operating as the third line of defence. The first line of defence is achieved by the management controls and systems within each of the services, and the second line of defence from the professional leads responsible for monitoring the key governance frameworks such as finance, HR, technology, contract management and decision making. The model is currently in progress and will be embedded into the governance reporting process for the FY2023/24, as the Business Assurance Team will be supporting the Professional Leads and Corporate Directors in developing their assurance frameworks, by providing advice and guidance. These frameworks will be further embedded alongside the Code of Corporate Governance for Buckinghamshire Council.

2.2   To provide an opinion on the system of internal control, the Chief Internal Auditor will use the work undertaken by the Business Assurance Team:

- The Senior Business Assurance Officer focusses on the system of risk management, and the performance risks within the key services, including the major contracts, projects and transformation programmes. It is also the responsibility of this team to co-ordinate the combined assurance reporting which includes monitoring and reviewing the completeness of the management control, (first line of defence) and the professional lead statements, (second line of defence). Quarterly updates and a year-end combined assurance report will be produced for each of the Directorates.
- The Internal Audit team reviews the key control processes across the organisation, including those supporting critical service areas. The activity focusses on governance, and internal control, including financial management and fraud risk. As the third line of assurance, it is the role of Internal Audit to consider the adequacy and effectiveness of the first two lines of assurance.

3   Audit Planning Methodology

3.1   It is widely recognised across the sector that adopting more flexible audit plans enable internal audit to be more responsive to changing risks and emerging priorities, in turn maximising resource focus to meet the needs of the organisation as and when needed – Agile Auditing. The Business Assurance Team fully adopted this approach during the pandemic, where significant in year changes had to be made to the 2020/21 and 2021/22 audit plan. We continue to follow this principle as we have recognised several benefits with the ever-changing priorities and related risks. Key benefits include:

- reduction in non-productive resource planning - current pandemic circumstances require significant plan changes.

- improved opportunity to keep plan aligned to current risks within Service Areas and as a whole for the Authority.

- more effective and timely pre-audit engagement with key Service Leads.

- greater and more regular discussion with services – supporting current risk and work priorities.

- being in line with sector practices for more flexible audit plans – agile auditing.

- experience that plans change regularly.

- changes in external risk drivers are more easily picked up in audit assurance needs.

3.2   The Internal Audit plan is produced with reference to the Strategic and Directorate Risk Registers and is prepared using a risk-based methodology that enables the provision of an independent opinion on the adequacy and effectiveness of the systems of internal control (comprising of risk management, corporate governance, financial and operational controls). The plan is also informed through discussions with the Senior Leadership Teams for each Directorate, Heads of Finance, Section 151 Officer and the Deputy Chief Executive (Monitoring Officer); these discussions provide crucial insight and intelligence into the strategic and operational priorities of the organisation. Combine assurance reports are presented to each directorate leadership team(which include the Corporate Directors) and to the Audit Board to ensure the plan is kept under continuous review and response to emerging risks and new service priorities.

3.3 The Audit Plan is dynamic and is constantly reviewed and updated to reflect the changing risks faced by the Council. The plan will continue to be influenced by external organisations and statutory bodies we work with and provide assurance to. The plan will also be reviewed quarterly in conjunction with Strategic and Directorate Risk Registers and presented to the Audit Board and Audit and Governance Committee for consideration and comment.

3.5 In order to make certain the audit efforts are focussed on those areas that are key, an audit planning model has been used on the list of audits identified from the discussion with senior management, the review of risk registers and those identified through horizon scanning. The model is predicated on the basis that all risks are relative but that they can be compared by combining three key factors: -

1. The size, importance or inherent risk in the area under review

2. The assessment of the effectiveness of the internal controls

3. The likelihood of the consequences being detected if the risk does materialise.

Each of the above factors is given an equal overall weighting to reflect the fact that audit assessment is a combination of risk and control. The risks in each function or system throughout the business are then evaluated to create a score for each of the three categories above. Included within the model are sub-categories which are given different weightings to reflect their relative importance. A formulaic calculated is applied to the derive the overall risk score. Based on the agreed scoring threshold the audit assignment is RAG rated, with those scored RED deemed to be a priority to deliver this year.

3.6 The 2023/24 Internal Audit Plan (**Appendix 2**) includes all the identified internal audit engagements that are RAG rated RED based on the Audit Planning Model score. We have also included a supplementary list of auditable areas (**Appendix 3**) that were identified as part of the 2023/24 planning process but have been RAG rated MEDIUM or LOW for delivery per the Audit Planning Model. This list will be kept under continuous review and audits that are MEDIUM rated may be added to the plan for delivery based on resource capacity and service priorities, this will be subject to discussions with the respective directorate leadership teams, Audit Board and Audit & Governance Committee approval.

4.   Counter Fraud

4.1   Counter-fraud provisions are a high priority for the Council and assist in the protection of public funds and accountability. The Counter Fraud Team procedures alone cannot guarantee the detection of fraud and corruption; however the Council has frameworks and procedures in place to detect, prevent fraud and encourage staff as well as the public to report suspicions of fraud through a number of channels. Senior Management across the authority have responsibility for ensuring that there are adequate controls in place to manage the risk of fraud and corruption. The size and complexity of the authority means that some irregularities are inevitable, and when these arise the Counter Fraud Team must deploy resources to investigate these. The team will investigate instances of potential fraud and irregularities referred to them and will also carry out pro-active anti-fraud and corruption reviews of systems and process considered to be most at risk to fraud.

4.2   The Counter Fraud Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has adequate and effective resources and controls in place to prevent and detect fraud. The Local Government Counter Fraud and Corruption Strategy – Fighting Fraud and Corruption Locally was launched in 2020 and supported by CIPFA, the LGA, SOLCACE and External Auditors provides a framework for the Council to adopt in developing its counter fraud activity. The Council's Counter-Fraud arrangements are designed to adhere to the "6 C's" Themes contained within this national Strategy, which are:

- **Culture** – creating a culture where fraud and corruption are unacceptable;
- **Capability** - assessing the full range of fraud risks and ensuring that the range of counter fraud measures deployed is appropriate;
- **Capacity** - deploying the right level of resources to deal with the level of fraud risk that is monitored by those charged with governance;
- **Competence** - having the right skills and standards commensurate with the full range of counter fraud and corruption activity;
- **Communication** - raising awareness internally and externally, deterring fraudsters, sharing information, celebrating successes; and
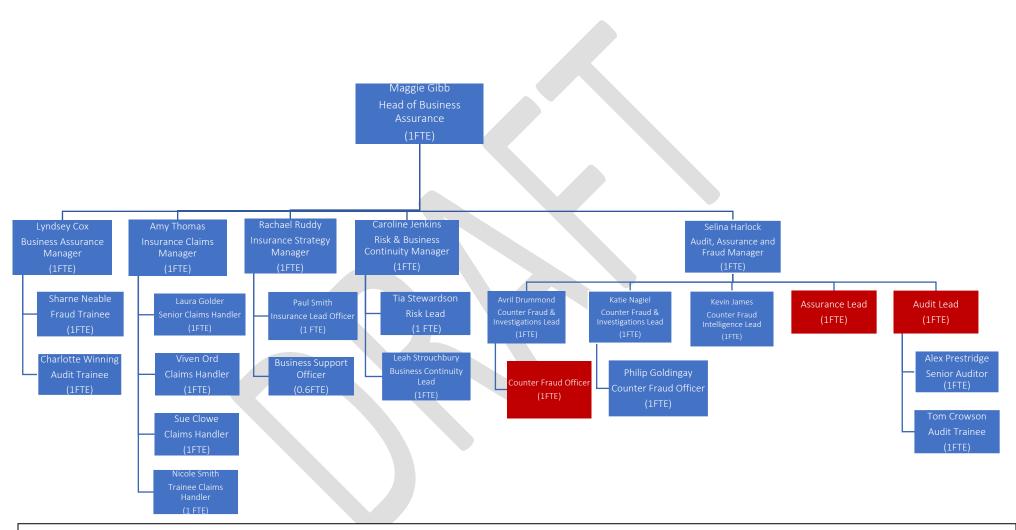
- **Collaboration** - working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information

4.3 The Council has an Anti-Fraud and Corruption Strategy which guides the Council's approach to its fraud response. The strategy states that; 'Buckinghamshire Council has a zero-tolerance stance to all forms of fraud, corruption, bribery and theft, both from within the Council and from external sources, which it recognises can:

- undermine the standards of public service that the Council is attempting to achieve;
- reduce the level of resources and services available for the residents of Buckinghamshire; and
- result in consequences which reduce public confidence in the Council.

4.4 The Counter-Fraud team's purpose is therefore to apply and to promote the zero-tolerance approach to fraud by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventive work to prevent and detect fraud through training, awareness raising, data matching and proactive reviews. For 2023/24 (**Appendix 2**) the plan will include:

- deliver fraud awareness training - hold formal sessions to groups across the Council to raise awareness of what the Counter Fraud Team's responsibilities are in relation to fraud and counter-fraud, different types of fraud, fraud risks, whistleblowing procedures etc.

- produce period internal communications - send messages across the Council to promote 'good practice' and raise awareness of potential indicators of fraud and staff responsibilities.

- The proactive probity activities to be undertaken that have been identified through a review of emerging internal risks, thematic irregularities based on previous investigations, NFI data matches and emerging fraud areas identified nationally.

- Continue to maintain the fraud risk register, includes identify emerging fraud risks and liaising with respective services to ensure that there are controls in place to prevent the fraud risks from materialising.

- Further enhance the fraud networking connections with key partners such as; neighbouring local authorities and housing associations within the county. Continue to chair the Home Counties Tenancy Fraud Forum; and bring all learnings into the team to improve ways of work.

5. Resources

5.1 The Business Assurance Team is currently resourced with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. The framework is hosted by the London Borough of Croydon and the audit service is currently provided by Mazars. 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. The chart below shows the Business Assurance structure which went 'live' from 1st November 2022; and the structure shows that we currently hold three vacant posts.

Maggie Gibb
Head of Business Assurance
(1FTE)

- Lyndsey Cox
Business Assurance Manager
(1FTE)
  - Sharne Neable
Fraud Trainee
(1FTE)
  - Charlotte Winning
Audit Trainee
(1FTE)

- Amy Thomas
Insurance Claims Manager
(1FTE)
  - Laura Golder
Senior Claims Handler
(1FTE)
  - Viven Ord
Claims Handler
(1FTE)
  - Sue Clowe
Claims Handler
(1FTE)
  - Nicole Smith
Trainee Claims Handler
(1 FTE)

- Rachael Ruddy
Insurance Strategy Manager
(1FTE)
  - Paul Smith
Insurance Lead Officer
(1 FTE)
  - Business Support Officer
(0.6FTE)

- Caroline Jenkins
Risk & Business Continuity Manager
(1FTE)
  - Tia Stewardson
Risk Lead
(1 FTE)
  - Leah Strouchbury
Business Continuity Lead
(1FTE)

- Selina Harlock
Audit, Assurance and Fraud Manager
(1FTE)
  - Avril Drummond
Counter Fraud & Investigations Lead
(1FTE)
    - Counter Fraud Officer
(1FTE)
  - Katie Nagiel
Counter Fraud & Investigations Lead
(1FTE)
    - Philip Goldingay
Counter Fraud Officer
(1FTE)
  - Kevin James
Counter Fraud Intelligence Lead
(1FTE)
  - Assurance Lead
(1FTE)
  - Audit Lead
(1FTE)
    - Alex Prestridge
Senior Auditor
(1FTE)
    - Tom Crowson
Audit Trainee
(1FTE)

Note: The Chief Internal Auditor has operational management responsibility for the Strategic Insurance functions, so is not wholly independent. Whilst the Insurance function is part of the structure, the work they perform is managed independently from the wide assurance activities and therefore so not form part of this strategy.

6   Performance Monitoring / Reporting

6.1   The proposed Business Assurance performance indicators for 2023/24 are attached as **Appendix 1** to this report and will form part of the Deputy Chief Executive Directorate Plan monitoring.

6.2   The Audit and Governance Committee will receive a quarterly report, including the next quarters plan for approval, a status update on the approved work plans, and a summary of the outcomes of completed audits.

Appendix 1 – Business Assurance Team Key Performance Indicators

No.	Key Performance Indicator (KPI)	2023/24 Target
1	Draft internal audit reports issued within 15 working days of exit meeting (monthly)	90%
2	Final internal audit reports issued within 10 working days of management responses (monthly)	100%
3	Internal audits completed to the satisfaction of the client (quarterly)	95%
4	Audit actions in the draft internal audit report that are accepted by the client (monthly)	90%
5	Delivery of Internal Audit Plan (annual measure)	95%
6	Corporate Reporting Timelines being met (CMT/RMG/A&G) (monthly)	95%

KPI 1 Is monitored from the date of exit meeting.

KPI 2 is monitored from the date of which the last management response(s) is/are received

KPI 3 Is a Quality assessment of work done by internal audit.

KPI 4 Quality assessment which confirms the relevance and appropriateness of the work done by internal audit through the recommendations made.

KPI 4 Combined measure which requires collaboration to agree the importance of the work of internal audit and how it strengthens the whole control framework of the Council.

KPI 5 Is a performance control which confirms the annual audit plan is completed within year.

KPI 6 is monitored through the forward plans/reporting deadlines as set corporately.

Appendix 2 – 2023/24 Internal Audit and Counter Fraud Plan

Corporate			
Corporate Priority Link	• **Increasing prosperity**		
Strategic Risks Link	**CMT- 01: Governance failure:** *Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.*		
	CMT- 04: Major contract commissioning and/or market failure: *Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result and the Council will fail to act effectively as a Commissioning Authority.*		
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Cross-cutting	**Assurance Framework**	Develop a means of identify and mapping the main source of assurance across the Council and coordinating them to best effect.	**N/A**
	Project/Programme Support	To ensure that there is a framework in place to effectively and efficiently deliver projects/ programmes across the organisation.	**HIGH**
	Contract Management	To provide assurance on the management of the identified suppliers to ensure that the contract is being managed in line with Council requirements; in order to maximise their value and manage risk whilst delivering the outcomes and benefits envisaged.	**HIGH**
	MTFP	To evaluate the adequacy and effectiveness of the MTFP process, the review will consider the governance arrangements, the modelling, savings targets, business cases, risk management and delivery/ management of the MTFP.	**HIGH**

Deputy Chief Executive			
Corporate Priority Link	• **Increasing prosperity** • **Strengthening our communities** • **Protecting the vulnerable**		
Strategic Risks Link	**CMT- 01: Governance failure:** *Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.*		
	CMT -05: Changes in national & local policy landscape: *Government policy - If the Government introduces new policies that affect Buckinghamshire residents such as Domestic Abuse, Education Reforms, Planning Reforms, Business Rate Retention & Health & Social Care Integration then these may place additional pressures on Council services.*		
	CMT- 07: Increased external financial pressures: *Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.*		
	CMT - 06: Technology breaches/ failures: *Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost, or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.*		
	CMT - 08: Failure to deliver financial plans: *Challenging MTFP process and poor budget forecasting leading to an inability to know where the authority is financially; putting considerable pressure on reserves leading to inappropriate management action.*		
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Policy, Partnerships & Communications	**Partnership Arrangements**	Partnerships are an effective way for the Council to achieve its objectives, but they give rise to new and different risks, which need to be recognised, evaluated and effectively managed. The review will assess the partnership arrangements in place and ensure they contribute towards the achievement of the Council's objectives.	**HIGH**
Legal & Dem Services	**Legal Processes**	Deferred from 21/22 plan. To ensure that there are adequate arrangements in place for the services to engage with the legal team, cases are recorded, monitored and costs tracked appropriately.	**HIGH**
Major Projects	**Companies Governance**	To ensure that there are adequate governance arrangements in place to monitor the performance of the Council's companies, to make certain that risks are effectively managed, and objectives are being achieved.	**HIGH**

Adults & Health			
Corporate Priority Link	• **Protecting the vulnerable** • **Strengthening our communities** • **Increasing prosperity**		
Strategic Risks Link	**CMT- 01: Governance failure:** *Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.*		
	CMT- 04: Major contract commissioning and/or market failure: *Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.*		
	CMT – 05: Changes in the national & local policy landscape: Government policy - *If the Government introduces new policies that affect Buckinghamshire residents such as Domestic Abuse, Education Reforms, Planning Reforms, Business Rate Retention & Health & Social Care Integration then these may place additional pressures on Council services.*		
	CMT- 07: Increased external financial pressures: *Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.*		
	CMT - 10: Fraud and Corruption: *Lack of controls, awareness, policies, procedures, and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.*		
	CMT – 14: Adult Social Care Statutory Services: *Budget reductions, increased demand/insufficient capacity - If budgets and capacity are not sufficient to deliver statutory responsibilities Then there may be unintentional adverse consequences to vulnerable adults.*		
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Adult Social Care	**Charging Policy**	To provide assurance that the Council's Charging Policy is being effectively applied, this will include evaluating income maximisation.	**HIGH**
Adult Social Care/ Integrated Commissioning	**Continuing Health Care:**	Review effectiveness of updated process following outcomes of the review of CHC function across the whole BOB. Audit to consider policies and procedures, client assessments/ eligibility and financial controls. This audit has been deferred for the last two years.	**HIGH**
Adult Social Care	**Direct Payments**	Review of financial controls (monitoring protocols) for all the payment methods within the Direct Payments, including use of virtual wallet.	**HIGH**
Integrated Commissioning	**Commissioning and Financial Management of Spot Contracts**	End to end process reviewing adequacy and effectiveness of controls in place – Carry Forward	**HIGH**

Integrated Commissioning	E-brokerage	End to end process reviewing adequacy and effectiveness of controls in place – Carry Forward	HIGH
Finance	A&H Debt Recovery (Secured Debt)	As debt recovery was paused during the pandemic and the debt recovery process has been moved to Finance Operations team, the audit will be reviewing adequacy and effectiveness of controls.	HIGH
Finance	Financial Controls Review	Evaluation of the Scheme of Delegation to ensure that these are understood by all and effectively and consistently complied with, and decisions are taken with those with approved authority.	HIGH

Children's Services	
Corporate Priority Link	• **Protecting the vulnerable** • **Strengthening our communities** • **Increasing prosperity**
Strategic Risks Link	**CMT- 01: Governance failure:** *Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.*
	CMT – 02: Children's Services Ambition to be Good: *If we fail to successfully embed our improvement activity and transformation plans for the service THEN we are unlikely to deliver upon the Council's vision to provide consistently good services to Buckinghamshire's children and young people.*
	CMT- 04: Major contract commissioning and/or market failure: *Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result and the Council will fail to act effectively as a Commissioning Authority.*
	CMT- 07: Increased external financial pressures: *Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.*
	CMT - 06: Technology breaches/ failures: *Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.*
	CMT - 10: Fraud and Corruption: *Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.*
	CMT – 13: SEND: *IF we do not ensure our SEND service is compliant with the objectives of the SEND reforms introduced in 2014 THEN we will not improve outcomes for children. In turn, this will impact on the outcome of our SEND inspection creating a reputational risk for the Council.*
	CMT- 01: Governance failure: *Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.*
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Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Education	**Schools Thematic Review**	Schools Thematic Review – Sample of schools to be selected for review through consultation with the School Finance Team and the School Improvement Team. (8 schools planned)	**HIGH**
Finance	**Schools Financial Assurance**	Lessons learnt from previous year audits – evaluate the arrangements in place that enable effective oversight of school's financial controls and management.	**HIGH**
Social Care	**Personal Budgets**	End to end process reviewing adequacy and effectiveness of controls in place for the administration and management of personal budgets	**HIGH**
Education	**School Commissioning**	To ensure that there is a framework in place to commission schools that meet the needs of the children in a cost-effective manner.	**HIGH**
Education	**SEND Process Review –**	End to end review of processes and evaluation of controls to identify inefficiencies in process and improvements to data quality. Deferred from 22/23 due an on-going consultation.	**HIGH**
Social Care	**Supported Families Programme**	Undertake grant certification in line with grant conditions	**N/A**
Education	**Related Party Transaction Assurance (SFVS)**	Verification work in line with DfE guidance	**N/A**

Communities			
Corporate Priority Link	• **Protecting the vulnerable** • **Improving our environment**		
Strategic Risks Link	**CMT- 01: Governance failure:** *Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.*		
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Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Neighbourhood Services	**Waste Fees & Charges**	Review will consider all cash and income collection income financial control arrangements across waste management.	**HIGH**
Integrated Transport	**Commercial Licensing**	End to end review of processes and evaluation of controls on the new system.	**HIGH**
Highways & Technical Services	**Major Infrastructure Projects**	Review the adequacy and effectiveness of the governance and risk management framework in place to manage major infrastructure projects.	**HIGH**
Highways & Technical Services	**Streetworks**	To provide post TUPE assurance and ensure that key issues faced by the team prior to the TUPE have been addressed and processes are operating effectively and efficiently.	**HIGH**
Culture, Sports & Leisure	**Tree Management**	To provide assurance that the Council has an appropriate governance arrangements, strategies and underlying systems to assess the condition of trees and undertake necessary treatment or works based on the outcomes of such assessments.	**HIGH**

Highways & Technical Services	New Highways Contract Assurance	Post go-live assurance on the new contract arrangements, ensuring there are adequate financial management, contract management, risks management and governance controls in place.	HIGH
N/A	Grant Certification	Grant Certification Work within Public Transport Services and Highways	N/A

Planning, Growth & Sustainability			
Corporate Priority Link	• **Strengthening our communities** • **Increasing prosperity** • **Improving our environment** • **Protecting the vulnerable**		
Strategic Risks Link	**CMT- 01: Governance failure:** *Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.*		
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	CMT – 08: Failure to Deliver Financial Plans: *Challenging MTFP process and poor budget forecasting leading to an inability to know where the authority is financially; putting considerable pressure on reserves leading to inappropriate management action.*		
	CMT – 09: Insufficient Capacity: *Reduced capacity and increased levels of stress If there continues to be an increase in volume of activity at the same time as resource in the organisation decreases Then there may be an impact on the wellbeing of the workforce and increased levels of stress, and a failure to deliver services.*		
	CMT - 10: Fraud and Corruption: *Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.*		
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Housing & Regulatory Services	**Management of the Housing Waiting list**	New management structure in this area. Audit will include a review of the application, assessment and allocation process.	**HIGH**
Housing & Regulatory Services	**Homelessness and Temporary Accommodation**	Re-visit following the work from the assurance review, the 22/23 audit that identified a number of control gaps and any outcomes from the Task & Finish group. Q4	**HIGH**

Property & Assets	Property Maintenance and Reactive Works	Audit deferred from previous audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH
Planning & Environment	Energy Contracts	New framework with new governance approach, the audit will evaluate the controls in place and assess the effectiveness of the framework.	HIGH
Property & Assets	One Uniform Project	End to End review of new processes, to ensure that there is an adequate control framework in place.	HIGH
Planning & Environment	HIF Highways Projects	To consider new arrangements and assess effectiveness of the new control framework and ensure that there is adequate governance.	HIGH

Resources			
Corporate Priority Link	• **Strengthening our communities** • **Increasing prosperity**		
Strategic Risks Link	**CMT- 01: Governance failure:** *Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.*		
	CMT- 04: Major contract commissioning and/or market failure: *Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.*		
	CMT- 07: Increased external financial pressures: *Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.*		
	CMT - 06: Technology breaches/ failures: *Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost, or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.*		
	CMT - 10: Fraud and Corruption: *Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.*		
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
HR & OD	**Payroll**	Evaluation of the key financial controls.	**HIGH**
Finance	**Key Financial Systems – Control Framework Review**	Evaluation of the financial control framework with assess the adequacy and completeness of the system of control	**HIGH**
HIGH	**Key Financial Systems Audits**	Evaluation of the adequacy and the effectiveness of the systems of internal control across the key financial systems: • Feeder systems • Treasury Management • Pensions • CTax & NNDR (Including Income Reconciliations) • CTax Reduction Scheme • Housing Benefits • Purchasing Cards • Account Payables	**HIGH**

			• Account Receivables (invoicing and debt recovery) • Suspense and Control Accounts • Budget Monitoring and Reporting • General Ledger	**HIGH**
IT		**IT/Infrastructure Resilience – including a review of the Cyber Resilience Framework**	Carry forward from 22/23. A number of IT/Infrastructure resilience-related risks feature in the Council's IT Risk Register. The audit will address; consideration of the impact of the pandemic on IT/infrastructure resilience, People, process and technology perspective, including a high-level review of the IT architecture and technology in place.	**HIGH**
IT		**Disaster Recovery and Backups – Per Audit Needs Assessment**	Carry forward from 22/23. Disaster recovery was noted as having a residual risk score of 10 in the Council's IT risk register with a fully tested strategy and plan required to provide the Council assurance that full business continuity can be provided. This audit would test controls in regard to backup scope, frequency, offsite location, testing and recovery.	**HIGH**
IT		**Change/Patch Management**	Carry forward from 22/23. This audit will consider the following: - Change to infrastructure and applications are governed through a consistent policy/process; - The change process addresses the request, impact, authorisation, testing, deployment of changes; - Comparison with LG peers concerning good change control practice commonly identified; - Patch management is undertaken across the estate in a complete, accurate and timely manner.	**HIGH**

Counter Fraud Plan			
Proactive/ Probity Activity	NFI data matches	Support services with collating the NFI data and determining an approach for prioritising the instances that require investigation.	
	Blue badge abuse	Investigate blue badges that have been in place for long periods and ensure that these are valid.	
	Direct Payments	Proactive review of financial assessments to ensure contributions are accurately assessed.	
	Revenues	Working with Revenues team to review CTRS, SPDs and property valuations.	
	Schools	Lessons learnt from 22/23 investigations to be shared with all schools and presented via schools forum.	
	Fraud awareness training	Hold formal sessions to groups across the Council to raise awareness of what the Business Assurance Team's responsibilities are in relation to fraud and counter-fraud, different types of fraud relative to their services, fraud risks controls and promoting the Anti-Fraud and Corruption Strategy and whistleblowing procedures etc.	
	Internal Communication on Fraud	Send messages across the Council to promote 'good practice' and raise awareness of potential indicators of fraud and staff responsibilities.	
	Policy Reviews	Review and refresh the key fraud policies, including; Anti-Fraud and Corruption Policy.	
Reactive Activity	Assess cases referred via whistleblowing channels and investigate where necessary.		
Continuous Improvement	Enhance the intelligence gather function of the counter-fraud team.		
	Fraud networking and chairing of key networks		
External Clients			No. of Days
BMKFA	Audit plan approved and date for audit delivery agreed with the clients. Plan to be delivered by March 2024 ahead of their external audit.		110
Academies	Audit plans approved and key days for audit delivery agreed with the Academies		30

Appendix 3 – 2023/24 Supplementary Internal Audits

Corporate			
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
	De-commissioning of legacy systems	Ensure that there are adequate arrangements to effectively decommission systems and safeguard data, ensuring compliance with GDPR and local retention policies.	**MEDIUM**
Deputy Chief Executive			
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Policy, Partnerships & Communications	**Devolution**	Deferred from 21/22 plan. To evaluate the processes and procedures in place to ensure an effective transfer of services and assets to town and parish councils in line with the approved policy.	**MEDIUM**
Asylum & Migration	**Afghan Resettlement – Grant Audit**	To ensure that the funding is being fully maximised and used in line with the grant conditions.	**MEDIUM**
Asylum & Migration	**Homes for Ukraine**	To provide assurance that the Council has created appropriate systems to promote, support and administer the Homes for Ukraine offering.	**MEDIUM**
Adults & Health			
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Adult Social Care	**Section 75 Mental Health**	Ensure that processes are in line with statutory requirements and changes to S75 have been fully implemented.	**MEDIUM**
Public Health	**Joint Strategic Assessment.**	To ensure that partner arrangements and the Health and Wellbeing Board are operating effectively to meet their statutory obligation.	**MEDIUM**
Children's Services			
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Education	**Adult Learning**	Grant funded. Review programme compliance with Ts&Cs and monitoring of outcomes	**MEDIUM**
Education	**Fair Access**	To ensure that the Fair Access Protocols are operating effectively and efficiently, with adequate governance arrangements in place.	**MEDIUM**

Communities			
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Neighbourhood Services	**Household Recycling Centres**	New contract in place, review of processes at the HRC; and contract management with new contractor.	**MEDIUM**
Neighbourhood Services	**Concessionary Fares**	End to end review of processes and assess the accuracy and completeness of management information.	**LOW**
Integrated Transport	**Client Transport**	To provide assurance that a robust internal control environment is in place to support the allocation, payment, and monitoring of personal travel budgets and the post-16 scheme.	**MEDIUM**
Culture, Sports & Leisure	**Higginson Park Trust**	Financial Controls Audit – review financial processes on the new system.	**MEDIUM**
Culture, Sports & Leisure	**Farnham Park Trust**	Financial Controls Audit – review financial processes on the new system.	**MEDIUM**
Highways & Technical Services	**Section 106**	Review work with parishes (link with review in progress within PG&S on S106)	**MEDIUM**
Planning, Growth & Sustainability			
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Property & Assets	**Building Control – New Tax Collection Process**	New responsibilities delegated to the Council on tax collection – review of the process and how the collect funds are reconciled and paid	**MEDIUM**
Housing & Regulatory Services	**Disability Facilities Grant (Use of the funding)**	Review the process for commissioning housing adaptions and the use of the DFG fund. To include review of contractors used, VfM.	**MEDIUM**
LEP	**LEP Financial Controls**	Evaluation of key financial controls.	**MEDIUM**
Resources			
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
HR & OD	**Teachers Pensions – new system in place**	New system in place, review process and controls in place	**MEDIUM**
Finance	**Enterprise Zone**	Reviewing of billing arrangements, accounting arrangements and reconciliations	**MEDIUM**
Finance	**Accounts Payable and Accounts Receivables**	Evaluation of key financial controls; including processes followed by Business Support	**MEDIUM**
Finance	**Chip & Pin Machines Audit**	Evaluation of general controls testing including security of devices	**MEDIUM**

| Finance | Breaches & Waivers | Evaluate controls that services have in place to limit breaches and waivers | MEDIUM |

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