BUCKINGHAMSHIRE COUNCIL

Business Assurance Update

Including Progress against the Internal Audit Plan 2023/24

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)
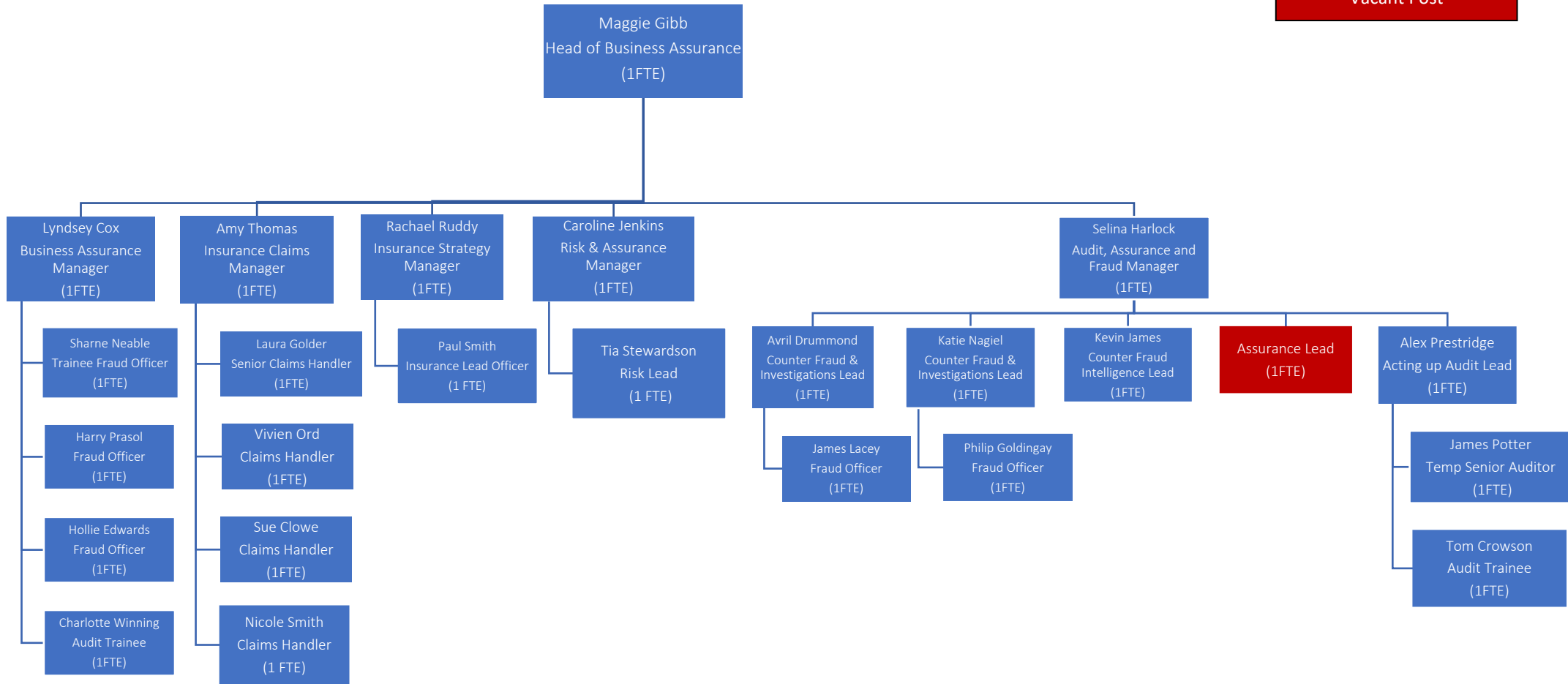
January 2024

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1. Introduction

1.1 The Business Assurance Team is responsible for delivering the Council's Risk Management, Assurance, Internal Audit, Counter Fraud, and Insurance services. The team operates under the Service Director for Legal and Democratic Services within the Deputy Chief Executive Directorate.

1.2 This report outlines the work carried out by the Business Assurance Team for the financial year 2023/24 to date. The Business Assurance work plans remain flexible in nature as they evolve throughout the year to reflect the changing risks faced by the Council, the maturity of the assurance framework and to meet the needs of unplanned demands and other emerging priorities. Quarterly updates on Business Assurance activities continue to be presented to each directorate leadership team providing them with an overview of the Internal Audit and other assurance activities including progress on implementation of audit actions and an update on escalated risks and mitigating actions.

2. Resources

2.1 We have successfully recruited to the majority of posts within the Business Assurance structure with just one vacancy currently on hold. We continue to resource work plans with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. This arrangement enables us to request specialist resource such as IT auditors and contract auditors, whilst allowing for a flexible approach that enables us to respond swiftly to urgent requests for resource such as for investigations.

Business Assurance Team Structure:

Vacant Post

Maggie Gibb
Head of Business Assurance
(1FTE)

Lyndsey Cox
Business Assurance
Manager
(1FTE)

- Sharne Neable
Trainee Fraud Officer
(1FTE)

- Harry Prasol
Fraud Officer
(1FTE)

- Hollie Edwards
Fraud Officer
(1FTE)

- Charlotte Winning
Audit Trainee
(1FTE)

Amy Thomas
Insurance Claims
Manager
(1FTE)

- Laura Golder
Senior Claims Handler
(1FTE)

- Vivien Ord
Claims Handler
(1FTE)

- Sue Clowe
Claims Handler
(1FTE)

- Nicole Smith
Claims Handler
(1 FTE)

Rachael Ruddy
Insurance Strategy
Manager
(1FTE)

- Paul Smith
Insurance Lead Officer
(1 FTE)

Caroline Jenkins
Risk & Assurance
Manager
(1FTE)

- Tia Stewardson
Risk Lead
(1 FTE)

Selina Harlock
Audit, Assurance and
Fraud Manager
(1FTE)

- Avril Drummond
Counter Fraud &
Investigations Lead
(1FTE)

  - James Lacey
  Fraud Officer
  (1FTE)

- Katie Nagiel
Counter Fraud &
Investigations Lead
(1FTE)

  - Philip Goldingay
  Fraud Officer
  (1FTE)

- Kevin James
Counter Fraud
Intelligence Lead
(1FTE)

- Assurance Lead
(1FTE)

- Alex Prestridge
Acting up Audit Lead
(1FTE)

  - James Potter
  Temp Senior Auditor
  (1FTE)

  - Tom Crowson
  Audit Trainee
  (1FTE)

3. Risk Management

3.1 Risk Management continues to be embedded across the Council with all Directorates ensuring that risks are identified and uploaded onto the corporate risk management system in a timely manner; as well as horizon scanning and keeping a watching brief on emerging risks. We continue to deliver our management training sessions across the organisation, to ensure that officers continue to be aware of their roles and responsibilities in relation to risk management. For 2023/24 to date, the team has trained 149 staff members across the organisation.

3.2 Deep dive risk reviews continue across certain service areas, especially those areas that have undergone service reviews. This ensures that risks are relevant and current, are updated with realistic target scores, and have internal controls as well as mitigating actions.

3.3 The team continues to work with other assurance and compliance functions within the Council such as Internal Audit, Health & Safety, Strategic Insurance, Counter Fraud and the Resilience Service. By building better synergies and working relationships between functions, the Council is in a better position to understand its risk landscape and management risks effectively. This will ensure that appropriate measures are put in place to either prevent or minimise the impact of any event occurring.

3.4 The Risk Management Group were last held on 20 November 2023 and 18 December 2023. An update on November meeting will be provided in a separate report with an update on the December to be provided at the next Audit and Governance Committee meeting.
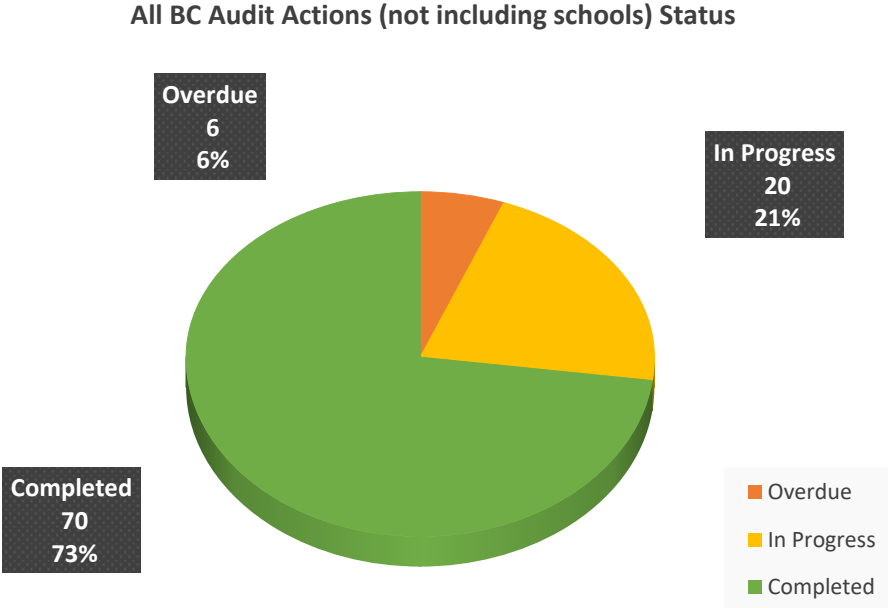
4. Internal Audit

4.1   The Internal Audit Function, supported by Mazars (through the APEX London Audit Framework) has been progressing with the delivery of the approved 2023/24 audit engagements. The Internal Audit plan was produced with reference to the Strategic and Directorate Risk Registers and 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 was 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).

4.2   Whilst we have an agreed Internal Audit Plan, this will be continuously reviewed to ensure that it remains dynamic 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 is also reviewed quarterly in conjunction with the Strategic and Directorate Risk Registers. Any significant deviation from the approved Internal Audit Plan is communicated through the periodic activity reporting process.

4.3   The formulaic audit planning model which was applied in the development of the approved Internal Audit Plan enabled us to RAG rate each audit engagement, with those rated HIGH (RED) deemed priority to deliver in the year. **Appendix 1** details the 2023/24 Internal Audit Plan which includes all the internal audit engagements that are RAG rated RED based on the Audit Planning Model score. We have also had a supplementary list of auditable areas (**Appendix 2**) 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.

4.4   The Internal Audit Team has developed Schools' Audit Programme which identifies a schedule of schools to visit and audit during the current year. Through review of financial reports, complaints, Ofsted results, consultation with the Schools Improvement Team and Schools Finance, each maintained school was risk assessed based on this information and those with a high 'RAG' rating are selected for an audit.
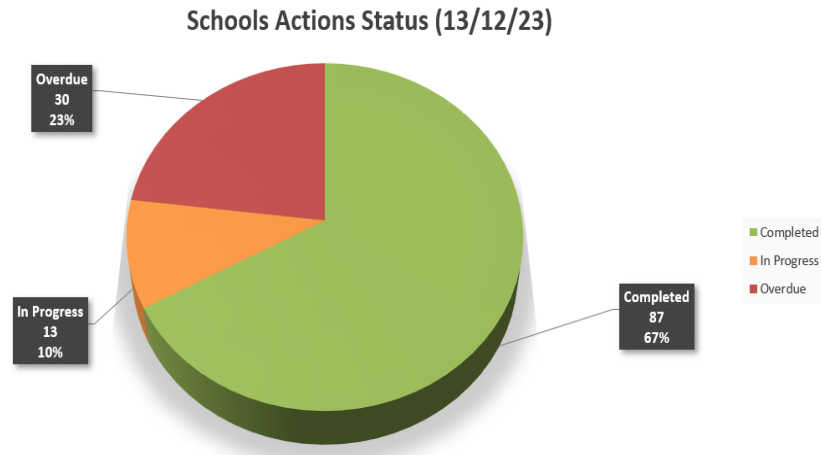
Eight schools have been selected for review, and a summary of the audit findings will be shared with all schools via the SchoolsWeb to enable those schools not audited to learn and assess their own control environments to ensure effectiveness.

4.5   The team has continued to deliver the 2023/24 Internal Audit Plan in the six weeks since the last meeting. There are five reports at a draft stage and a further six engagements that are currently in progress. In addition, five grant certification reviews have been completed.

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

Chart 1 - Summary Status of Management Actions

All BC Audit Actions (not including schools) Status

Schools Actions Status (13/12/23)

Overdue
30
23%

In Progress
13
10%

Completed
87
67%

Completed
In Progress
Overdue

4.7   As at 8 January 2024, there are 6 out of 96 (6%) audit management actions which are overdue for implementation and 20 actions that are in-progress. We are now reporting separately on audit actions relating to schools, and at present there are 30 out of 130 (23 %) which are overdue for implementation and 13 actions that are in progress.

Management are aware of the actions and progress updates are being provided to Internal Audit on a regular basis. Progress against implementing audit actions is reported to each of the directorate leadership team on a regular basis, and outstanding audit actions are due to be reported to the Corporate Management Team (CMT) in February 2024.

4.8   The Internal Audit Team have also been progressing with the implementation of the new audit system which was a key action from the CIPFA External Assessment. All records have been migrated from the previous system and the team are now undertaking all new audits on the new system. The team is working on developing key reporting requirements for all key stakeholders, this includes information on agreed management actions that form part of the quarterly reporting to directorates. This is expected to be complete by the end of Q4.
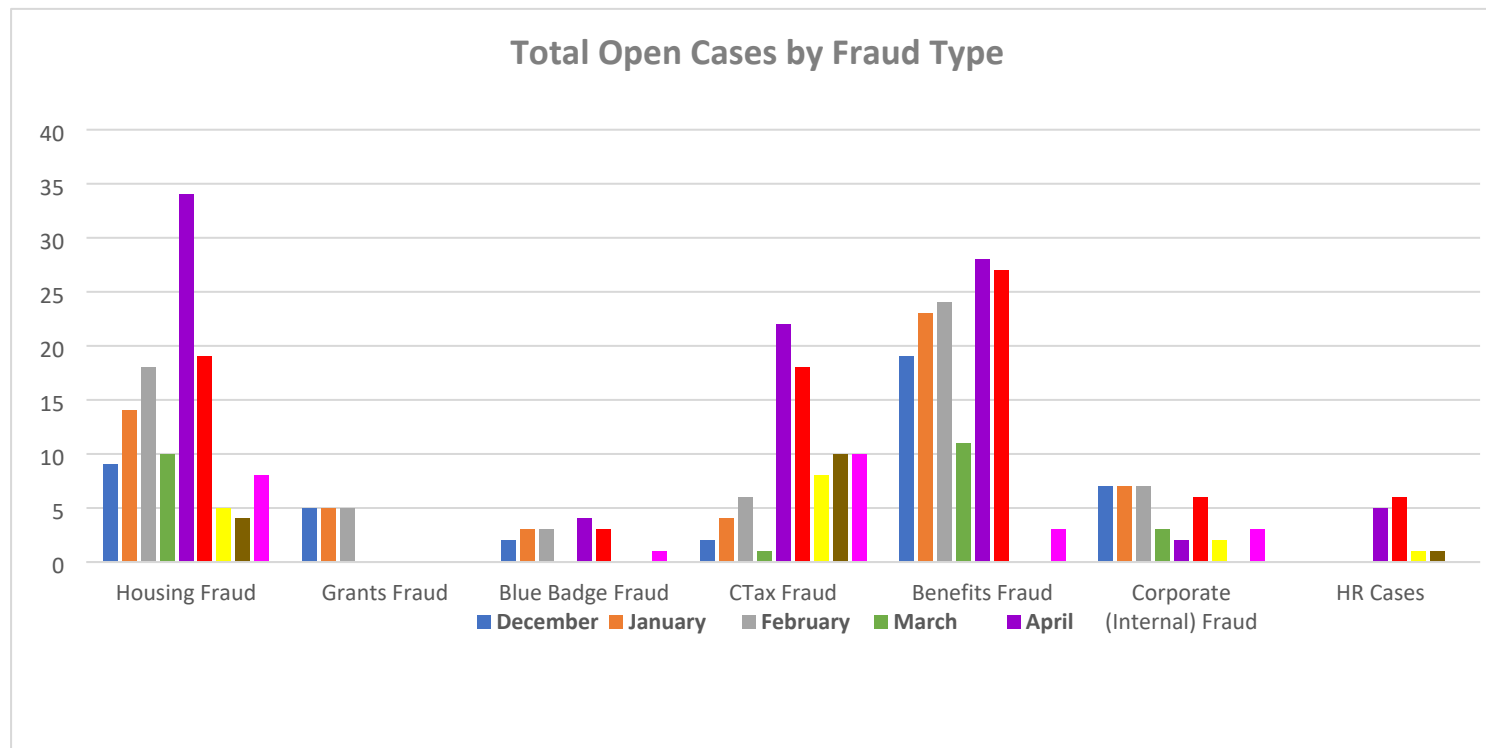
4.9   We have two Service Level Agreements in place to deliver the internal audit services for Buckinghamshire and Milton Keynes Fire Authority (BMKFA) and Insignis Trust Academy (IAT). The team continues to progress with the delivery of the agreed audit activity for 2023/24 with regular updates being presented to their respective board/ audit committees.

4.10   The Governance and Assurance Board, chaired by the Deputy Chief Executive (Monitoring Officer) has absorbed the work of the Audit Board. The Governance and Assurance Board meets on a monthly basis and is attended by the S151 Officer, Head of Business Assurance (& Chief Auditor), Director of Legal and Democratic Services, Director of Major Projects and the Principal Governance Officer. The Board reviews progress against the Business Assurance Strategy, in particular delivery of the Internal Audit Plan.

4.11   Following a review of the Internal Audit Plan in December 2023, it was agreed by the S151 and Monitoring Officers that two audits would be deferred from the 23/24 plan: Partnership Arrangements and Teachers Pensions System. The Partnership Arrangements area has been downgraded from high priority to medium priority and so is moved to the supplementary audits schedule at Appendix 2. The new Teachers Pension System has not yet gone live and so the audit is deferred to 24/25.

4.12   An additional audit of Expenses will be included in the 23/24 plan for Q4 to support the AURA change programme.

4.13   Appendix 1 shows the current progress updated against the Internal Audit Plan.
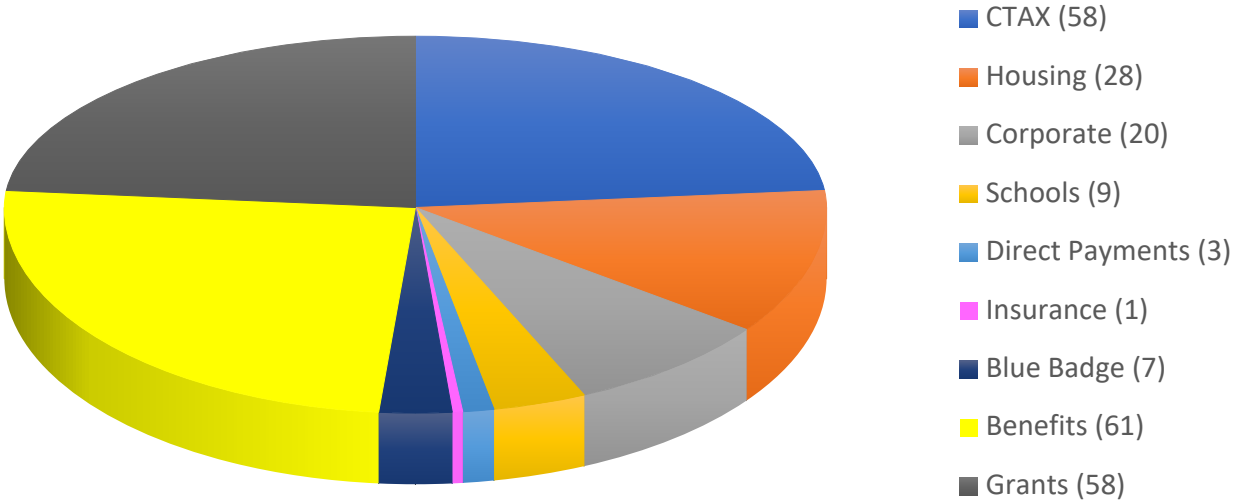
5. Business Assurance

5.1   The Business Assurance Team continues to progress with the COVID grant assurance as the requirements from central government to carry out post assurance checks continue. The team liaise with the services and support in the collation of the required returns, reconciliations and certification where required.

5.2   The Risk and Assurance Manager is leading on an exercise to develop the Assurance Framework for the Council with the aim that each directorate will have an "assurance dashboard" detailing internal and external sources of assurance for key activities. This exercise is starting on 15 January 2024.

6. Counter Fraud

6.1   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 the Fraud Team deploy resources to investigate these. Whilst responding to fraud allegations raised internally and externally, the team also have a proactive schedule of activity that includes fraud awareness training and probity reviews. Counter Fraud activity is reported to the Statutory Officers Group on a monthly basis. The tables below provide a summary of the fraud cases that the team have been managing:

Total Open Cases by Fraud Type

Total Closed Cases by Fraud Type

- CTAX (58)
- Housing (28)
- Corporate (20)
- Schools (9)
- Direct Payments (3)
- Insurance (1)
- Blue Badge (7)
- Benefits (61)
- Grants (58)

Appendix 1– 2023/24 Internal Audit and Counter Fraud Plan

Corporate				
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**	**Status Update**
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	**Starting in January**
	Project/Programme Support	To ensure that there is a framework in place to effectively and efficiently deliver projects/ programmes across the organisation.	**HIGH**	**Starting in January**
	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**	**Fieldwork in progress**
	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**	**Starting in January**
Deputy Chief Executive				
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**	**Status Update**
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.	MEDIUM	**Deferred (agreed by S151 and Monitoring Officer)**
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**	**Fieldwork in progress**
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**	**Draft Report**
Policy, Partnerships & Communications	**Homes for Ukraine**	Carry forward audit	**HIGH**	**FINAL REPORT Reasonable Assurance**

Adults & Health				
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**	**Status Update**
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**	**Draft Report**
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**	**Q4**
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**	**Terms of reference being drafted**
Integrated Commissioning	**Commissioning and Financial Management of Spot Contracts**	End to end process reviewing adequacy and effectiveness of controls in place – Carry Forward	**HIGH**	**Fieldwork in progress**
Integrated Commissioning	**E-brokerage**	End to end process reviewing adequacy and effectiveness of controls in place – Carry Forward	**HIGH**	**Fieldwork in progress**
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**	**Q4**
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**	**Q4**

Children's Services				
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**	**Status Update**
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. (Six schools planned)	**HIGH**	• **Millbrook and Castlefield Schools COMPLETED** • **Bedgrove Infant – fieldwork in progress.** • **Three school visits planned for January.**
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**	**Q4**
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**	**Terms of reference being drafted**
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**	**Terms of reference being drafted**
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**	**Draft Report**
Social Care	**Supported Families Programme**	Undertake grant certification in line with grant conditions	**N/A**	**Three grant certifications complete**
Education	**Related Party Transaction Assurance (SFVS)**	Verification work in line with DfE guidance	**N/A**	**N/A**

Communities				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Neighbourhood Services	Waste Fees & Charges	Review will consider all cash and income collection income financial control arrangements across waste management.	HIGH	Terms of reference being drafted
Neighbourhood Services	Household Recycling Centres	Carry forward	HIGH	FINAL REPORT Substantial Assurance
Integrated Transport	Commercial Licensing	End to end review of processes and evaluation of controls on the new system.	HIGH	Q4
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	Terms of reference being drafted
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	Draft Report
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	Terms of reference being drafted
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	Draft Report
N/A	Grant Certification	Grant certification work within Public Transport Services and Highways	N/A	N/A

Planning, Growth & Sustainability				
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**	**Status Update**
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**	**Deferred due to ongoing Strategy and Policy changes**
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**	**Deferred due to ongoing Strategy and Policy changes**
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**	**Scoping in progress**
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**	**Scoping in progress**
Property & Assets	**One Uniform Project**	End to End review of new processes, to ensure that there is an adequate control framework in place.	**HIGH**	**Q4**
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**	**Q4**
N/A	**Grant Certification**	Grant certification work within Public Transport Services and Highways	**N/A**	**Eight grant certifications completed**

Resources				
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**	**Status Update**
HR & OD	**Teachers Pensions – new system in place**	New system in place, review process and controls in place	**HIGH**	**Deferred (agreed by S151 and Monitoring Officer)**
HR & OD	**Payroll**	Evaluation of the key financial controls.	**HIGH**	**Q4**
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**	**Draft Report**
	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 • Account Receivables (invoicing and debt recovery) • Suspense and Control Accounts • Budget Monitoring and Reporting • General Ledger	**HIGH**	**Scoping in progress**
IT	**IT/Infrastructure Resilience – including a review of the Cyber Resilience Framework**	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**	**Draft Report**

IT	**Disaster Recovery and Backups – Per Audit Needs Assessment**	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**	**Fieldwork in progress**
IT	**Change/Patch Management**	This audit will consider; - 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; and Patch management is undertaken across the estate in a complete, accurate and timely manner.	**HIGH**	**FINAL REPORT Substantial Assurance**
New Audit	**Expenses**	Sample testing.	**HIGH**	**Fieldwork in progress**

Appendix 2 – 2023/24 Supplementary Internal Audits

Corporate			
Service	**Audit Title/ Activity**	**Objectives/Risk/Concerns**	**RAG Per Model**
Cross-cutting	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.	**Fieldwork in Progress**
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	**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**
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**