



NOTICE OF MEETING

Governance & Audit Committee

Wednesday 29 April 2009, 7.30 pm

**Function Room, Fifth Floor, Easthampstead House, Town Square,
Bracknell**

To: Governance & Audit Committee

Councillors Beadsley, Mrs Birch, Burrows, Finnie, Leake, Simonds, Wade, Ward and
Mr G S Anderson

cc: Substitute Members of the Committee

Councillors Mrs Ballin, Mrs Beadsley, Birch, Harrison, Mrs Hayes, Mrs McCracken and
Mrs Shillcock

ALISON SANDERS
Director of Corporate Services

EMERGENCY EVACUATION INSTRUCTIONS

- 1 If you hear the alarm, leave the building immediately.
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- 3 Use the stairs not the lifts.
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If you require further information, please contact: Kirsty Hunt
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Published: 21 April 2009

Governance & Audit Committee
Wednesday 29 April 2009, 7.30 pm
Function Room, Fifth Floor, Easthampstead House, Town
Square, Bracknell

AGENDA

Page No

1. **Election of Chairman**
2. **Appointment of Vice-Chairman**
3. **Apologies for Absence and Substitute Members**
To receive apologies for absence and to note the attendance of any substitute members.
4. **Declarations of interest**
Members are required to declare any personal or prejudicial interests and the nature of that interest, in respect of any matter to be considered at this meeting.
5. **Urgent Items of Business**
6. **Annual Audit and Inspection Letter**
The purpose of this report is to present the Annual Audit and Inspection Letter (AAIL) which has been received from the Audit Commission. The External Auditor will attend the meeting to present the Letter and answer any questions. 1 - 20
7. **External Audit Plan 2009-10**
The purpose of this report is to set out details of the annual external audit fee and annual inspection fee for 2009-10 for the Governance and Audit Committee to note. The External Auditor will attend the meeting to answer any questions. 21 - 28
8. **Internal Audit Plan**
The purpose of this report is to set out the underlying principles applied in the Internal Audit planning process, present the draft Internal Audit Plan for 2009/10 and seek the Governance and Audit Committee's feedback on and agreement to the draft Plan attached at Appendix 1. 29 - 58
9. **Future meeting dates**
To note the future meeting dates:
 - 30 June 2009 at 7.30pm
 - 22 September 2009 at 7.30pm

**GOVERNANCE AND AUDIT COMMITTEE
29 APRIL 2009**

**ANNUAL AUDIT AND INSPECTION LETTER
(Borough Treasurer)**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the Annual Audit and Inspection Letter (AAIL) which has been received from the Audit Commission. The External Auditor will attend the meeting to present the Letter and answer any questions.

2 RECOMMENDATIONS

- 2.1 **That the Governance and Audit Committee note the Annual Audit and Inspection Letter at Appendix 1.**
- 2.2 **That Directors have regard to the areas for improvement set out in the annual Audit and Inspection letter when finalising their service plans for 2009/10.**

3 ADVICE RECEIVED FROM STATUTORY OFFICERS

Borough Solicitor

- 3.1 Nothing to add to the report.

Borough Treasurer

- 3.2 Nothing to add to the report.

Strategic Risk Management

- 3.3 All risks identified in the AAIL will be addressed in departmental service plans for 2009/10.

4 SUPPORTING INFORMATION

- 4.1 The Audit Commission is required to provide the Council with an AAIL. The AAIL provides a summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive performance assessment (CPA) finding and conclusions from the audit of the Council for 2007/08 and from inspections undertaken since the last AAIL. It also includes the results of the most recent Corporate Assessment. The letter includes an assessment under the final year of the CPA framework, including the Direction of Travel.
- 4.2 Bracknell forest is now rated as a "three star" authority, "improving well". The AAIL is clear from the outset that services continue to be good, with "42% ranking among the best 25% nationally." This exceeds the average for top performing councils and

makes Bracknell Forest more comparable with four star councils in terms of performance. This star level of performance has inevitably made it more difficult for the council to maintain the strong rate of improvement demonstrated last year. Nevertheless, performance in a wide range of services has improved across the Council, and value for money remains good.

- 4.3 The AAIL explains that the overall star rating changed from a four star to three stars due to four performance indicators in the culture block which kept the overall culture score at (the indicators related to libraries and museums). The removal of protection from the original Corporate Assessment score in this final year of the CPA Framework then impacted on the overall star rating. In essence, then, the reduction in star rating stems from the vagaries of the CPA scoring system. The AAIL report itself acknowledges that service performance is generally stronger than it was last year and that the council is “improving well”. The contradiction between this and the “loss” of a star is itself evident.
- 4.4 The AAIL summarises the key messages for the Council at page 3 of the document. Whilst the letter is overwhelmingly positive about the Council’s performance, some areas for improvement are highlighted on page 4. These will be addressed through departmental service plans for the coming year.

5 CONSULTATION

- 5.1 Not applicable.

Contact for further information

Timothy Wheadon, Chief Executive – 01344 355609
Timothy.Wheadont@bracknell-forest.gov.uk

Chris Herbert, Borough Treasurer -01344 355694

Doc. Ref
Governance and Audit Committee\AAIL report

Annual Audit and Inspection Letter

Bracknell Forest Council

Audit 2007/08

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Key messages

- Bracknell Forest is a three star council, and achieved a direction of travel judgement of 'improving well'. Services continue to be good with 42 per cent ranking among the best 25 per cent nationally. However the strong rate of improvement demonstrated last year has slowed slightly reflecting existing high levels of performance.
- The overall star rating changed from a four star rating under the Comprehensive Performance Assessment framework (CPA) to three stars. This was due to four performance indicators in the culture block which kept the overall culture score at 2. The removal of protection from the original Corporate Assessment score in this final year of the CPA framework then impacted on the overall star rating. Bracknell Forest's original Corporate Assessment score was a 4 (performing strongly), but was reduced to 3 (performing well) with the publication of its second Corporate Assessment under the 'Harder Test' in February 2008.
- Services for children and young people are performing well and are consistently above minimum requirements. Adult Social Care services are performing well and were judged by the Commission for Social Care Inspection as 'good' at delivering outcomes with an 'excellent' capacity to improve. The Council has responded positively to specific areas for improvement identified in last year's letter. For example, the number of young people not in education, employment or training has reduced, and the number of delayed transfers of care has fallen substantially.
- Environmental services are good and continue to improve. Whilst these service blocks did not increase their overall ratings many areas previously identified for improvement have been addressed. Specifically the Council has improved its approach to tackling climate change, maintained high levels of recycling and implemented initiatives to further reduce land-fill. The overall score for culture, which is not a Council priority, remains at '2'
- The only service block score which declined was benefits falling from the highest performing 'strongly' rating to performing 'well' (level 3 out of 4). The deterioration was largely due to qualification of some of the benefits data, as a review of Performance Indicators (PIs) resulted in 2 reservations. Data quality was an area identified last year as in need of improvement. While limited progress was evident in 2007/08 plans are now in place to address this.
- The Council and its partners are taking effective action to reduce crime - an area identified last year as in need of improvement. Serious acquisitive crime reduced by 27.9 per cent in 2007/08, a result commended by Thames Valley Police. Fear of crime has also reduced significantly with an independent review reporting a 13.5 per cent increase in people having 'very little or no worries' about crime.

- The assessment of the way the Council manages its resources – the use of resources judgement – scores the Council at level 3 (out of a possible 4), which is performing well. However, the appointed auditor qualified the value for money conclusion due to identified weaknesses in the Council's procurement arrangements. In response a programme of action has been agreed to improve procurement policy and practice.
- Overall value for money is good. Service performance is good and costs are low allowing for external factors. The Council has a clear focus on performance management.
- Good progress has been made on the areas needing improvement identified by the Corporate Assessment published in February 2008. Workforce planning has been strengthened; good progress is being made to further strengthen the Council's approach to equality and diversity; and it is improving its work to tackle climate change.

Action needed by the Council

- 1 The Council needs to improve some aspects of services for children and young people as identified in the annual performance assessment issued by Ofsted.
www.ofsted.gov.uk
- 2 The Council needs to improve some aspects of its adult social care services as identified in the annual performance assessment issued by the Commission for Social Care Inspection. www.csci.gov.uk.
- 3 The Councils arrangements for securing value for money in the use of resources can be further improved in the following areas:
 - Update the risk management strategy to reflect recent developments and ensure this is consistently rolled-out across departments.
 - Apply corporate asset management disciplines to achieve more consistent and effective departmental asset planning and management.
 - Develop separate policy on reserves and balances with an assessment of needs and risks to underpin the medium term financial plan.
- 4 Member level oversight of risk management and governance should be consolidated within the new Governance and Audit committee to support the current review and reporting on the effectiveness of these arrangements in the Councils annual governance statement.
- 5 The Council should improve its approach to data quality so that the information used to monitor performance is accurate and reliable.
- 6 The Council should continue to improve its approach to procurement by implementing the action plan endorsed by councillors in December 2008. Members need to monitor progress on this closely.

Purpose, responsibilities and scope

- 7 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter. It also includes the results of the most recent corporate assessment.
- 8 We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.
- 9 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. In addition the Council is planning to publish it on its website.
- 10 Your appointed auditor, Phil Sharman, is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, he reviews and reports on:
 - the Council's accounts;
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 11 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 12 We have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

How is Bracknell Forest Council performing?

13 The Audit Commission’s overall judgement is that Bracknell Forest Council is improving well and we have classified Bracknell Forest Council as three star in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

Figure 1 Overall performance of councils in CPA



Source: Audit Commission

How is Bracknell Forest Council performing?

Our overall assessment - the CPA scorecard

Table 1 CPA scorecard

Element	Assessment 2008	Assessment 2007
Direction of Travel judgement	Improving well	Improving strongly
Overall	3 star	4 star
Corporate assessment/capacity to improve Note: 2007 assessment scored '3'; but 2004 score used until all assessments were concluded in 2008	3 out of 4	4 out of 4
Current performance		
Children and young people*	3 out of 4	3 out of 4
Social care (adults)*	3 out of 4	3 out of 4
Use of resources*	3 out of 4	3 out of 4
Housing	4 out of 4	4 out of 4
Environment	3 out of 4	3 out of 4
Culture	2 out of 4	2 out of 4
Benefits	3 out of 4	4 out of 4

(Note: * these aspects have a greater influence on the overall CPA score)
(1 = lowest, 4 = highest)

The improvement since last year - our Direction of Travel report

Summary

- 14 Services continue to be good and 42 per cent of performance indicators are among the top performing councils nationally. This has inevitably made it more difficult for the Council to maintain the strong rate of improvement demonstrated last year. Nevertheless, performance in adult social care and services for children and young people has improved, addressing issues previously identified. The Council is amongst the best performing in the country for waste management and street cleaning. Tenants are benefiting from the first phases of a £61 million investment following the transfer of housing stock. Planning permission has been granted for the town centre regeneration and all major legal hurdles have been overcome. However the current economic climate increases the risks to delivery of this project within the original timescale. Value for money remains good and a corporate restructuring has been implemented with no adverse impact.

- 15 The Council continues to improve its approach to diversity. It has a clear focus on performance management, and action was taken to improve supervision of procurement when it was found this year to be inadequate for some contracts. The Council is building on existing strong partnership working through the new local area agreement as a framework for future improvement'.
- 16 The Council has identified five priorities. These are: a town centre fit for the 21st century: protecting and enhancing our environment: promoting health and achievement; to create a borough where people are safe and feel safe and value for money.

What evidence is there of the council improving outcomes?

- 17 Overall services at Bracknell Forest are good. The Council has 42 per cent of key performance indicators in the best quartile nationally which exceeds the average for top performing councils. The rate of improvement over the past year has been average.

A town centre fit for the 21st century

- 18 The Council continues to implement its plans to regenerate the town centre. Working with its regeneration partners it has completed the procedures to secure the land granted, and secured the necessary planning permission to update the development framework. All major legal hurdles have now been overcome. However the current economic climate represents a major risk to delivery of this project within the original timescales.

Protecting and enhancing the environment.

- 19 Environmental services are good and continue to improve. The percentage of household waste recycled or composted is best quartile at 39.7 per cent. This figure is likely to increase as the material recycling facility opened in December 2008 creates additional recycling capacity. The amount of waste land-filled will further decrease when the Lakeside energy-from-waste plant opens in 2009. Standards of street cleanliness continue to be good with prompt removal of litter, graffiti and fly posters. Development control performance shows best quartile performance in each of the categories for the time taken to process applications.
- 20 The Council is improving its approach to tackling climate change. Specifically it has established a baseline for its activities and continues to improve its recycling rates. It will reduce further the amount of land filled waste when the recently opened Materials Recycling Facility becomes fully operational and the Lakeside energy-from-waste plant is completed in 2009. It has also commissioned 'invest to save' projects to reduce energy consumption at Bracknell Leisure Centre and to commission a Real Time Information system for buses. The Council is also developing a borough-wide scheme for public access to car sharing.

How is Bracknell Forest Council performing?

Promoting health and achievement

- 21** Overall services for children and young people are performing well and are consistently above minimum requirements. The Council scored '3' (out of a possible 4) for its activity linked to the themes of 'being healthy', 'staying safe' and 'enjoying and achieving' with a maximum '4' in 'making a positive contribution'. Ofsted identified a number of specific improvements in the past year including a strong trend of improvement at Key Stage 3, particularly in mathematics, science and boys attainment in English; a good assessment of learning needs of young people aged 14–19 and the Council has reduced the number of young people not in education, employment or training.
-

People are safe and feel safe

- 22** Adult Social Care services are performing well. CSCI consider that overall the Council is 'good' at delivering outcomes and its capacity to improve is 'excellent'. Of the seven categories scored by CSCI the Council was judged to be 'excellent' in three and 'good' in the remainder demonstrating consistently good performance.
- 23** An agreement with the PCT to avoid delayed transfers of care has resulted in the number of delayed transfers falling substantially below the national average. High levels of assessments within 48 hours of initial contact are achieved and many people have services provided within 4 weeks. A very high total number of people in Bracknell Forest are in receipt of direct payments.
- 24** The Council and its partners have taken effective action to reduce crime. This issue was identified last year as an area for improvement. The Crime and Disorder Reduction Partnership (CDRP) has been restructured to focus on integrated performance management. The number of domestic burglaries, robberies and thefts from motor vehicles (serious acquisitive crime) have all decreased and the number of people reporting 'very little or no worries' about crime increased by 13.5 per cent according to a study conducted by Middlesex and Buckinghamshire New universities.
- 25** Understanding of diversity has improved further. Action includes a review of ethnicity in the borough; more resources committed to support community engagement, cohesion and equalities; a programme of training; integration of equalities targets in service plans and performance monitoring reports; and closer working with voluntary sector groups and those representing minority communities.

Value for Money

- 26** Overall value for money is good. Service performance is good and costs are low allowing for external factors. Council Tax continues to be the lowest of any mainland unitary authority and services perform well with 42 per cent of performance indicators in the best quartile. The Council has achieved over £7 million of Gershon efficiency gains since 2004/05 – well in excess of its £5.5 million target - and has included a further £2.7 million of expenditure reductions in its 2008/09 budget. Proceeds from the transfer of the Council's housing stock are also expected to attract interest payments of £1.29 million in the current financial year. The Council continues to have a proactive approach to external funding opportunities and the bulk of the Council's £25 million capital programme is externally funded.
- 27** The Council is improving access to services for its customers. The website has the highest level of take-up by residents in the country, and access to public buildings has improved significantly. The Council is on course to achieve its target of 65.9 per cent of buildings fully accessible to the public by March 2009. Council surveys indicate that 84 per cent of customers now rate their satisfaction with access to services as good or better.

How much progress is being made to implement improvement plans to sustain improvement?

- 28** The Council reorganised its senior management structure from April 2008, primarily to refocus its services but also to reduce management and support costs. The revised structure created three new departments and was completed with no adverse impact on service delivery. The newly created Social Care and Learning department has delivered improvement in performance management and delivery of services, particularly in adult social care. A comprehensive workforce plan, aligned with service planning, has been developed to support the medium term financial strategy. A three to five year workforce plan is being draw up which will support an increase in staff from minority communities and those with disabilities.
- 29** While councillors and senior managers routinely use comprehensive cost and performance information there is an absence of a systematic corporate approach to the way that data is collected. The Council is now addressing this and producing a data quality strategy, and formulating a more consistent approach to benchmarking across all parts of the council.
- 30** The transfer of Council housing stock to Bracknell Forest Homes was completed in February 2008. This has released substantial additional resources to improve the quality and quantity of social housing in Bracknell Forest, as well as providing wider environmental benefits for former new town neighbourhoods. Tenants are now benefiting from the first phases of a £61m investment programme that will secure compliance with the decent homes standard 2012.

Service inspections

- 31** The findings of the Corporate Assessment of the Council were published in February 2008. It concluded that the Council was performing well – consistently above minimum requirements.
- 32** An important aspect of the role of the Relationship Manager is to work with other inspectorates and regulators who also review and report on the Council's performance. Relationship Managers share information and seek to provide 'joined up' regulation to the Council. During the last year the Council has received the following assessments from other inspectorates.
- Ofsted www.ofsted.gov.uk
 - 2008 Annual Performance Assessment of services for children and young people (November 2008)
 - Overall effectiveness of children's services '3' - Good.
 - Capacity to improve, including the management of children's services '3' - Good.
 - CSCI . www.csci.gov.uk
 - 2008 Annual Performance Assessment of social care services for adults (November 2008) and Annual Performance (Star) Rating for Social Services (November 2008):
 - service score for adults social care – '3' (good);
 - capacity to improve – '4' (excellent); and
 - overall star rating of '3 stars'.

The audit of the accounts and value for money

- 33** Your appointed auditor, Phil Sharman of the Audit Commission, reported separately to the Final Accounts Committee on the matters arising from our 2007/08 audit. He issued:
- an audit report, providing an unqualified opinion on your accounts; and
 - a qualified conclusion on your value for money arrangements.
- 34** The value for money conclusion was qualified due to failures identified in the Council's procurement arrangements. The auditor concluded that in this respect the Council did not have adequate arrangements to maintain a sound system of internal control or to manage and improve value for money.
- 35** On 23 September 2008 he issued an Annual Governance report containing recommendations designated under section 11 of the Audit Commission Act 1998 requiring improvements to the Council's procurement arrangements. At its meeting on 11 November 2008 the Council determined its action to take in response to the recommendation.
- 36** Your previous auditors KPMG issued their statutory report on the audit of the Council's best value performance plan for 2007/08 on 18 December 2007. They did not identify any matters to be reported to the Council and did not make any recommendations on procedures in relation to the plan.

Use of Resources

- 37** The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
 - Financial management (including how financial management is integrated with strategy to support council priorities).
 - Financial standing (including the strength of the Council's financial position).
 - Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
 - Value for money (including an assessment of how well the Council balances the costs and quality of its services).

The audit of the accounts and value for money

- 38 For the purposes of the CPA we have assessed the Council's arrangements for use of resources in these five areas as follows.

Table 2

Element	Assessment 2008	Assessment 2007
Financial reporting	2 out of 4	4 out of 4
Financial management	3 out of 4	3 out of 4
Financial standing	3 out of 4	3 out of 4
Internal control	2 out of 4	3 out of 4
Value for money	3 out of 4	3 out of 4
Overall assessment of the Audit Commission	3 out of 4	3 out of 4

Note: 1 – lowest, 4 = highest

The key issues arising from the audit

Procurement

- 39 The Council has identified some weaknesses in its procurement arrangements. This led to the qualified VFM conclusion and statutory recommendation to strengthen these arrangements. The Council has responded positively and promptly to this recommendation and has endorsed an action plan to address these weaknesses. Members need to monitor progress on this closely to ensure the required improvements are secured.

Financial Reporting

- 40 An unqualified opinion on the Statement of Accounts was issued on 30 September 2008. This was a challenging year for financial reporting due to the housing stock transfer and this resulted in some material amendments and some issues to report to those charged with governance. Nevertheless the Statement of Accounts was produced well within deadlines, working papers were of a good quality and responses to queries were addressed promptly. The major issue for the Council to take forward for future years is to focus on ensuring that asset valuations reflect accounting standards, in particular that they reflect the current use and conditions of assets.

Asset Management

- 41 The Council has improved its arrangements for managing its asset base and updated its asset management plan in 2007. Major corporate assets are managed and developed to help deliver corporate priorities and service delivery needs. At service level there is less consistency. Departments are being encouraged to manage assets longer term but this is not being achieved universally. Plans to maintain, modernise and rationalise asset use are similarly inconsistent and the Council needs to improve its approach to revaluations.

Financial standing

- 42 The Council has continued to manage its spending within available resources. In the longer term however there remains a projected budget gap which the Council aims to manage thorough its medium term financial strategy while maintaining a minimum level of reserves of £4 million. The prevailing economic climate and uncertainty over Icelandic bank deposits have increased risks to the delivery of the medium term financial strategy. Members should monitor progress in closing the budget gap. As part of this process the Council should establish a separate policy on reserves and balances with an assessment of needs and risks against each reserve and balance for approval and monitoring by members.

Members' oversight of governance

- 43 Auditing standards require audit plans and the governance report to be discussed with those members charged with governance. During 2007/08 discussions were held to determine which member committee discharges this function. As a result an additional meeting was scheduled with the Final Accounts committee to receive the Annual Governance Report from the District Auditor.
- 44 The Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control facilitating the effective exercise of its functions, including arrangements for the management of risk. The role of those charged with governance clearly goes beyond receiving external audit reports. It is concerned with assessing and providing assurance to the Council that governance arrangements are effective. This assessment is reported in the Council's Annual Governance Statement.
- 45 The governance role is currently spread across different member committees and the Council is planning to rationalise this. Once this is achieved the members' role in the Annual Governance Statement needs to be enhanced from approving the draft to a more active role in assessing the sources of assurance used for compiling the statement.

Risk management

- 46 Risk management arrangements have been developed and strengthened towards the end of 2007/08. The Council should now focus on rolling these arrangements out, in particular updating its strategy and ensuring action plans (with owners) are drawn up to manage all risks assessed above the Council's tolerance level.

The audit of the accounts and value for money

Internal Control

- 47 As auditors new to the Council an in-depth review of the effectiveness of Internal Audit was conducted, which concluded it provides an effective control for the Council and reliance can be placed on its work. Recommendations for improvement were made, some of which have been addressed.
- 48 There are some good arrangements in place to ensure probity and propriety, in particular in following up National Fraud Initiatives (NFI) matches. However although there are policies in place the Council should be more proactive in promoting an anti-fraud culture by providing ethics training for officers and strengthening arrangements for reviewing declarations of interests and gifts and hospitality for members and officers.

Data Quality

- 49 The Council's arrangements for ensuring data quality meet minimum requirements. Progress towards securing a corporate framework for data quality has been limited by capacity constraints. The Council have yet to adopt a Data Quality Strategy that would articulate its data quality objectives and provide the basis for the clear strategic and policy framework necessary to secure a coordinated and consistent approach from all departments. Resourced plans are now in place to address this.
- 50 There are several effective systems in place for the collection, recording, analysis and reporting of the data used to monitor performance. This supports a good intuitive understanding of the importance of data quality linked to the strong performance management culture that is demonstrated by councillors and staff.
- 51 A review and detailed spot checks of Performance Indicators (PIs) resulted in 2 qualifications (BVPI78a and BVPI 78b). One PI needed complete reworking to avoid qualification (BVPI 165), and there are recommendations to improve 3 further PIs. The Council therefore needs to improve its arrangements to ensure that the information used to monitor performance is accurate.

Waste Disposal PFI

- 52 We have carried out a review of arrangements across the 3 participating Councils - Bracknell Forest, Wokingham and Reading. The Councils have established effective joint working arrangements and the Joint Waste Board appears to be working well. Some concerns have arisen including the need to secure means of diverting waste from land-fill by 2010 to avoid significant financial penalties.

Looking ahead

- 53** The public service inspectorates have developed a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 54** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 55** The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspects of each area's Local Area Agreement.

Closing remarks

- 56 This letter has been discussed and agreed with senior officers. A copy of the letter will be presented at the Governance and Audit Committee on 29 April 2009. Copies need to be provided to all Council members.
- 57 Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

Table 3 Reports issued

Report	Date of issue
Audit and inspection plan	September 2007
BVPP audit report	December 2007
Review of Internal Audit	August 2008
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Final accounts memorandum	January 2009
Use of Resources	February 2009
Data Quality report	March 2009
Annual audit and inspection letter	March 2009

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- 58 The Council has taken a positive and constructive approach to audit and inspection work, and I wish to thank the Council's staff for their support and cooperation during the statutory audit and inspection process.

Availability of this letter

- 59 This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the Council's website.

Elizabeth Hale
Comprehensive Area Assessment Lead

Date

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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www.audit-commission.gov.uk

GOVERNANCE AND AUDIT COMMITTEE 29 APRIL 2009

EXTERNAL AUDIT PLAN 2009-10 (Borough Treasurer)

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to set out details of the annual external audit fee and annual inspection fee for 2009-10 for the Governance and Audit Committee to note. The External Auditor will attend the meeting to answer any questions.

2 RECOMMENDATIONS

- 2.1 That the Governance and Audit Committee note the indicative annual external audit fee of £285,100 at Appendix 1.
- 2.2 That the Governance and Audit Committee note the indicative annual inspection fee of £18,293 at Appendix 2.

3 ADVICE RECEIVED FROM STATUTORY OFFICERS

Borough Solicitor

- 3.1 Nothing to add to the report.

Borough Treasurer

- 3.2 The 2009/10 budget includes the provision of £316,570 for audit and inspection fees. This includes a contingency of £13,000 to cover increases in audit fees arising as a result of changes in risk and public queries. Experience over the past few years suggest that this contingency will be used and is sufficient to cover these potential increases.

Strategic Risk Management

- 3.3 The risks identified by the District Auditor will be addressed in departmental service plans for 2009/10.

4 SUPPORTING INFORMATION

- 4.1 The Council has received notification from the Audit Commission of the indicative external audit fee of £285,100 for 2009/10. This is based on the risk-based approach to audit planning set out in the Code of Audit and work mandated by the Audit Commission for 2009/10. As the audit for 2008/09 is not completed, the planning process for 2009/10, including risk assessment will continue as the year progresses and fees will be reviewed and updated as necessary. This indicative fee excludes the inspection and assessment fees. It reflects only the audit element of the external auditor's work which covers the audit of the financial statements and whole of government accounts (WGA), Use of Resources/VFM conclusion, and certification of claims and returns. A separate plan for the audit of the financial statements will be

issued in December 2009 and will detail risks identified, planned audit procedures and any changes required to the fee.

4.2 In setting the indicative fee, the District Auditor has assumed that the general level of risk in relation to the audit of the financial statements is not significantly different from that identified in 2008/09. An additional provision of 6% above the standard audit fee set by the Audit Commission has been made in the external audit plan indicative fee for the following anticipated changes:

- Review of the new Internal Audit provider; and
- WGA return to be prepared on an International Financial Reporting Standard basis.

4.3 The District Auditor's initial planning has identified a number of potentially significant risks which may require a specific audit response in addition to his planned work on Use of Resources. These are as follows:

- Closing the budget gap through the Medium Term Financial Strategy
- Progress on improving procurement arrangements
- Progress in improving data quality arrangements
- Transfer of Learning Disability Services from BEPCT
- Town Centre Redevelopment and Civic Hub dependent upon timing
- Expanding capital programme including building schools for the future

4.4 No specific provision has been made to perform detailed work in response to these or any other major risks which may arise. The District Auditor will consider the arrangements put in place by the Council to mitigate these risks and update his assessment during the year. No specific provision has been made for any auditors costs arising from investigations required as a result of a query from a member of the public. A budget contingency is held for audit fees against these potential increases in the overall audit fee.

4.5 The Audit Commission have also advised that the indicative fee for the annual assessment and inspection is £18,293. This is based on the risk-based approach to inspection planning as set out in the Comprehensive Area Assessment (CAA) framework and associated guidance and specifically relates to the Audit Commission's inspection work. The inspection plan will be reviewed and updated as necessary and any significant amendments to the plan and fee during the year will be discussed and agreed with the Council.

5 CONSULTATION

5.1 Not applicable.

Contact for further information

Timothy Wheadon, Chief Executive – 01344 355609

Timothy.Wheadon@bracknell-forest.gov.uk

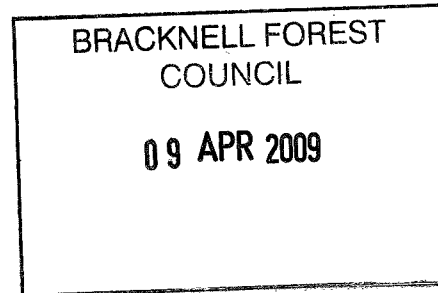
Chris Herbert, Borough Treasurer -01344 355694

Doc. Ref

Governance and Audit Committee\AC Audit Plan report 09-10

2 April 2009

Mr Tim Wheadon
 Chief Executive
 Bracknell Forest Council
 Easthampstead House
 Town Square
 Bracknell
 Berkshire RG12 1AQ



Dear Tim

Audit Fee 2009/10

Further to our discussions, I am writing to confirm the audit work that we propose to undertake for the 2009/10 financial year at Bracknell Forest Council. The fee:

- is based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2009/10; and
- reflects only the audit element of our work, excluding any inspection and assessment fees. Your Comprehensive Area Assessment Lead, Elizabeth Hale, will be writing to you separately about inspection fees.

As I have not yet completed my audit for 2008/09 the audit planning process for 2009/10, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary.

The total indicative fee for the audit for 2009/10 is for £242,100 (exclusive of VAT) which compares to the planned fee of £242,500 for 2008/09. A summary of this is shown in the table below.

Audit fee

Audit area	Planned fee 2009/10	Planned fee 2008/09
Financial statements [including planning and reporting]	163,300	156,500
Use of Resources/VFM Conclusion [including risk based work]	73,100	82,400
WGA	5,700	3,600
Total audit fee	242,100	242,500

Certification of claims and returns	43,000	58,000
-------------------------------------	--------	--------

The Audit Commission has published its work programme and scales of fees 2009/10. The scale fee for Bracknell Council is £228,400. The audit fee proposed for 2009/10 is 6 per cent above the scale fee.

In setting the fee at this level, I have assumed that the general level of risk in relation to the audit of the financial statements is not significantly different from that identified to 2008/09. In 2010/11 local government bodies will report for the first time in accordance with International Financial Reporting Standards. We have made no provision in our 2009/10 plan for reviewing the Council's preparations for the IFRS transition. However, a minimum additional provision has been made in our audit plan for the following anticipated changes:

- Review of the new Internal Audit provider
- WGA return to be prepared on an IFRS basis

A separate plan for the audit of the financial statements will be issued in December 2009. This will detail the risks identified, planned audit procedures and any changes required in fee. We also expect the IFRS transitional arrangements will have become clearer through the publication of the 2010 SORP and therefore we can advise on any initial audit work required. The quoted fee for grant certification work is an estimate only and will be charged at published daily rates.

My use of resources assessments will be based upon the evidence from three themes:

- Managing finances
- Governing the business
- Managing resources

The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources will substantially inform my 2009/10 value for money conclusion. My initial planning has identified a number of potentially significant risks which may require a specific audit response in addition to my planned work on use of resources. These are as follows:

- Closing the budget gap through the Medium Term Financial Strategy
- Progress on improving procurement arrangements
- Progress in improving data quality arrangements
- Transfer of Learning Disability Services from BEPCT
- Town Centre Redevelopment and Civic Hub dependent upon timing
- Expanding capital programme including building schools for the future

At this initial planning stage I have made no specific provision to perform substantive work in response to these or any other major risks which may arise. However I will consider the arrangements put in place by the Council to mitigate these risks and update my assessment of during the year. Where a specific response is required to support my value for money conclusion I will agree with you the scope of the work, proposed timing and additional fee involved.

I will issue a number of reports relating to my work over the course of the audit. These are listed at Appendix 1.

The above fee excludes any work requested by you that the Commission may agree to undertake using its advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

The key members of the audit team for the 2009/10 are:

Audit Manager – Catherine Morganti 0844 798 4667

Team Leader – Rachel Cobley 0844 798 1793

Local Performance Lead – David Bryant 07810 181359

I am committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact the South East Head of Operations, Neil Childs

(n-childs@audit-commission.gov.uk).

Yours sincerely



Phil Sharman
District Auditor

cc Mr Chris Herbert, Borough Treasurer

Appendix 1: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Governance and Audit committee.

Table 1

Planned output	Indicative date
Audit fee letter	April 2009
Review of Internal Audit	February 2010
Annual governance report	September 2010
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2010
Use of resources report	September 2010
Final accounts memorandum (to the Chief Officer Financial Services)	November 2010
Annual audit letter	November 2010

3 April 2009

Mr Timothy Wheadon
 Chief Executive
 Bracknell Forest Borough Council,
 Easthampstead House,
 Town Square,
 Bracknell,
 Berkshire RG12 1AQ

Dear Tim

Annual inspection fee 2009/10

Further to our discussions, I am writing to confirm the assessment and inspection work that we propose to undertake for the 2009/10 financial year at Bracknell Forest Borough Council. The inspection fee:

- is based on the risk-based approach to inspection planning as set out in the Comprehensive Area Assessment (CAA) framework and associated guidance; and
- reflects only the Audit Commission’s inspection work, excluding any audit fees. Your appointed auditor Phil Sharman will be writing to you separately on fees for audit work.

CAA will deliver a more proportionate and risk based approach to inspection, targeting only high risk services and outcomes for inspection where alternative improvement activity is not appropriate. The inspection plan will be reviewed and updated as necessary.

The total indicative fee for inspection for 2009/10 is £18,293 and is shown in the table below. The inspection fee has been set in accordance with the Audit Commission’s work programme and scales of fees 2009/10.

Assessment and inspection work plan and fee

Assessment / inspection activity	Planned fee for 2009/10 under CAA	Fee in 2008-09 (under Comprehensive Performance Assessment - CPA)
Area assessment of local partnership	n/a (CLG grant funded)	
Managing performance theme of	18,293	not applicable

organisational assessment		
Total inspection fee	£18,293	£24,700

If I need to make any significant amendments to the inspection plan and fee during the course of the year, I will first discuss this with you and then confirm in writing outlining the reasons for the change, including the proposed scope for the work.

The above fee excludes any work you requested and the Commission has agreed to undertake using its advice and assistance powers.

If you have any questions regarding this letter, please contact me in the first instance. Alternatively you may wish to contact the South East Head of Operations, Neil Childs.

Yours sincerely,



Elizabeth Hale
Comprehensive Area Assessment Lead

cc Mr Chris Herbert, Borough Treasurer

GOVERNANCE AND AUDIT COMMITTEE 29 APRIL 2009

INTERNAL AUDIT PLAN 2009/10 (Borough Treasurer)

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to set out the underlying principles applied in the Internal Audit planning process, present the draft Internal Audit Plan for 2009/10 and seek the Governance and Audit Committee's feedback on and agreement to the draft Plan attached at Appendix 1.

2 RECOMMENDATION

- 2.1 **That the Governance and Audit Committee approve the Internal Audit Plan for 2009-10 attached at Appendix 1.**

3 ADVICE RECEIVED FROM STATUTORY OFFICERS

Borough Solicitor

- 3.1 Nothing to add to the report.

Borough Treasurer

- 3.2 The budget for 2009/10 includes £209,290 for the provision of contracted out internal audit services. This Plan can be met within these resources.

Strategic Risk Management

- 3.3 Robust internal audit arrangements are an important part of effective risk management. Audit plans should be targeted to areas of greatest risk to the Council and individual internal audit reviews should focus on controls in place to mitigate risk and highlight any gaps in assurance.

4 SUPPORTING INFORMATION

Internal Audit Requirements

- 4.1 The Council is required under the Accounts and Audit (Amendment) (England) Regulations to "maintain an adequate and effective system of internal audit of its accounting records and of its systems of internal control in accordance with the proper practices in relation to internal control." The Council delegates responsibility for the provision of the internal audit service and for ensuring this requirement is met to the Borough Treasurer.
- 4.2 The regulations require conformance with the CIPFA Code of Practice for Internal Audit in Local Government which defines internal audit as follows:-

“Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation’s objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.”

4.3 More specifically, Internal Audit aims to: -

- satisfy the legal requirements of a Local Authority Internal Audit Service, including maintaining an ‘adequate and effective’ audit of the Council’s accounting records and providing an annual opinion on the adequacy of the Council’s control environment;
- examine, evaluate and report independently and objectively on the adequacy of management’s arrangements to secure the proper use of resources (economy, efficiency and effectiveness);
- assist management in achieving its objectives, managing its risks and establishing and maintaining adequate systems of internal control
- assist management, where appropriate, in the investigation of alleged fraud, theft, corruption or other irregularity; and
- ensure External Audit can continue to place reliance on Internal Audit’s work, to avoid duplication and minimise audit fees.

Internal Audit and Governance

4.4 Since the last Annual Internal Audit Plan was approved, there have been some important changes which influence the internal planning process. In particular:

- Since 2007/08, local authorities have been required to produce an Annual Governance Statement (AGS), replacing the Statement on Internal Control (SIC). The AGS focuses on the overall governance environment. As with the SIC, the Annual Head of Internal Audit Opinion provided to those charged with governance supports the AGS by reporting the adequacy and effectiveness of the organisation’s control environment. To reflect the broader focus of the AGS, local authorities are now additionally looking for assurance on their governance arrangements from reviews carried out under their internal audit plans to further support their AGS.
- The Comprehensive Performance Assessment (CPA) has been replaced by the Comprehensive Area Assessment (CAA) with effect from 2008/09. The CAA moves away from the organizational based approach under CPA to focus on the outcomes targeted within Local Area Agreements and Sustainable Community Strategies agreed with partners. The ‘Use of Resources’ elements have also been updated with a reduced focus on financial management and reporting and greater emphasis on governance and management of resources.
- The contract with the provider of the Council’s internal audit services, Deloitte and Touche Public Sector Internal Audit Limited expired on 31 March 2009. Given the value of the contract, EU Procurement Regulations required that the contract be advertised in the Official Journal of the European Union (OJEU). Following advertising in OJEU and a robust evaluation of tenders submitted from short-listed candidates, the new contract was awarded HW Controls and Assurance. This is a significant change as the Council’s internal audit services have been carried out by the same provider since becoming a unitary authority in 1998.

Development of the Audit Plan

- 4.5 The draft Internal Audit Plan has been developed to focus on those areas of the Council's business that have the greatest influence on the achievement of its objectives. The following factors have been taken into account in developing the Plan.

Financial Factors

- 4.6 The value of income, expenditure and transactions was considered throughout the planning stage to ensure that the Internal Audit Plan is directed to key areas of spend and income. The Plan has been developed to ensure that there is coverage of key income streams for example at leisure facilities and expenditure such as under waste management and highways. A further example of this is schools, which account for around £62m in the 2009/10 budget, where all schools are audited over a three year cycle.

Risk

- 4.7 Given the finite resources available to spend on internal audit, the Internal Audit Plan is risk driven to ensure that audit resources are targeted to areas of significant risk identified in Service Plans and the Strategic Risk Register. For example, the Strategic Risk Register identifies risks around delivery of a number of significant projects such as the town centre redevelopment and Garth Hill for which specific audit reviews have been included in the Plan.

Key Financial Systems

- 4.8 Key financial systems are fundamental to financial control at the Council and hence are included in the Internal Audit Plan each year. The 2009/10 Plan includes 160 days on key financial systems representing 21% of the total days in the Plan. These systems provide the underlying data for the annual financial statements audited by our external auditors. The Internal Audit Plan is structured to ensure that the external auditors can place maximum reliance on the work of Internal Audit on the key financial systems thus minimising external audit fees in respect of the accounts.

Link to the Annual Governance Statement

- 4.9 The 2007/08 Annual Governance Statement identified some areas for improvement in our governance procedures and intended actions to address these weaknesses. Internal Audit work has been carried out during 2008/09 on specific aspects of governance as well as reviews incorporating progress on actions to address these weaknesses. The 2009/10 plan includes further reviews to provide assurance that the Council governance procedures are operating effectively. In particular reviews of risk management arrangements within individual directorates are included. These will follow on from the previous audit of management of strategic risk to examine procedures for the management of operational, project and programme risks across the organization.

Comprehensive Area Assessment/Use of Resources

- 4.10 The Plan takes into account the increased focus on partnerships under CAA. A 5 day review of the Children's Trust has been included which will focus on this strategic theme partnership's governance and financial arrangements. The plan also includes reviews on other areas such as hospitality registers and sustainability to address the shifting emphasis on governance and management of resources under CAA.

Changes to Regulation, Procedures or IT Systems

- 4.11 Internal Audit reviews have been included in the Plan where significant changes to key procedures and processes have been identified or where new IT systems are

being implemented. Examples of this are the proposed computer audit of the new performance management system and the audit of the controls over the new initiatives to address homelessness in the Housing Strategy audit.

Local knowledge

- 4.12 The Internal Audit Plan takes account of areas where performance has previously been found to be poor, where Internal Audit are aware of management concerns or where limited assurance opinions have been given in the past. For example, the Plan includes 20 days on Procurement where weaknesses have previously been noted and management have set up action plans to address these issues. The Plan includes 13 days for specific follow up of limited assurance reports issued in 2008/09.

5 CONSULTATION

Principal Groups Consulted

- 5.1 Directors and Chief Officers at the Council, the Council's external auditors and the new internal audit contractor, HW Controls and Assurance.

Method of Consultation

- 5.2 At the initial drafting stage, discussions were held with the Section 151 Officer and other key officers from the directorates. The new contractors assisted in identifying specific local government issues to be included in the Plan. A meeting was also held with the new contractor's Computer Auditor and the Chief Officer : Information Services to discuss the proposed IT audits. The draft Plan was then circulated to the Chief Executive, Assistant Chief Executive, Section 151 Officer and Directors for discussion at their DMTs and comments made on the content of the draft Plan and timing of audits have been taken into account in the Plan attached at Appendix 1.

Contact for further information

Sally Hendrick – 01344 322092
Sally.hendrick@bracknell-forest.gov.uk

Contact for further information

Sally Hendrick – 01344 352092
sally.hendrick@bracknell-forest.gov.uk

Doc. Ref

Planning 2009-10\Governance and Audit Committee Report Internal Audit Plan 09-10

**BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10
SUMMARY**

AUDIT	DAYS BY QUARTER				TOTAL DAYS
	Q1	Q2	Q3	Q4	
CORPORATE SERVICES	35	40	120	62	257
CHIEF EXECUTIVE'S OFFICE	17	0	0	20	37
ENVIRONMENT CULTURE AND COMMUNITIES	15	38	40	58	151
SOCIAL CARE AND LEARNING	58	14	22	47	141
COMPUTER AUDITS	25	32	45	32	134
TOTAL	150	124	227	219	720

**BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10
CORPORATE SERVICES**

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Budgeting/Budgetary Control	Procedures for budget setting, monitoring, control and reporting. To include review of procedures for monitoring savings targets.	10	0	0	10	0	✓	✓	✓			
Cash Management	Controls over the collection, recording and banking of cash following the closure of the Cashiers desk.	10	0	0	10	0	✓					
Bank & Reconciliations	Controls over operation of bank accounts.	7	0	0	7	0	✓					
Treasury Management	Controls over investment of Council's funds. Additional controls have been put in place since the last audit in October 2008 and the audit will review compliance with these additional controls.	10	0	0	10	0	✓					

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Creditors	Controls over authorisation and payment of supplier invoices.	12	0	0	12	0	✓					
Debtors	Controls over the recording, collection and write-off of debts.	12	0	0	12	0	✓					
Main Accounting	Controls over general ledger which is the basis for Council's financial reporting and accounts.	12	0	0	12	0	✓					
Capital Accounting & Fixed Assets	Procedures for setting and monitoring the capital budget and controls over the recording of additions, disposals and depreciation.	10	0	0	10	0	✓		✓			
Payroll	Controls in place to ensure salaries are accurately paid and only to individuals properly employed by the Council.	15	0	0	15	0	✓					
Council Tax	Controls in place over calculation, billing and collection of	12	0	0	12	0	✓					

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	Council Tax.											
	Controls in place over calculation, billing and collection of non-domestic rates.	10	0	0	10	0	✓					
NDR	Follow up of actions to address previous recommendations and focus on ensuring compliance with Public Contracts Regulations and Council standing orders for major areas of expenditure.	20	0	20	0	0	✓				✓	
Corporate Governance	Procedures for establishing working groups and the operation of these groups including membership and attendance. The review will include the reporting mechanism for these groups and	15	15	0	0	0			✓		✓	
Transport	The review will	10	10	0	0	0						✓

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	focus on the Transport Department within Corporate Services. Following contracting out of vehicle maintenance in 2008/09, the audit will review contract monitoring arrangements, vehicle maintenance records, controls over fuel cards and driver licenses.											
Asset Management	Procedures for managing the Council's asset portfolio and sample testing on a sample of projects.	12	0	0	0	12			✓			
Risk Management	Procedures in place for identifying programme, project and operational risks and actions to address risks and for reporting new risks and progress on actions.	5	0	0	0	5		✓			✓	

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Staff Benefits	Controls over the benefits available to staff and payroll deductions in respect of these benefits including car loans, car parking and private, healthcare.	10	0	10	0	0		✓				
Customer Services Operations	Procedures for dealing with customer enquiries	10	0	10	0	0	✓ Loss of reputation					
Hospitality Registers	Registers used to record gifts and hospitality offered and/or received across the Council.	10	10	0	0	0			✓			
Follow up of recommendations	Review of progress on implementation of agreed recommendations in previous audit reports.	5	0	0	0	5						
Contingency	Contingency days	40	0	0	0	40						
TOTAL		257	35	40	120	62						

**BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10
CHIEF EXECUTIVE'S OFFICE**

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	Arrangements for overseeing the collection of national indicator information reported by the Council. The audit will include sample testing on procedures calculating for individual indicators and the accuracy of data.	15	15	0	0	0			✓	✓		
Data Quality	Follow up due to limited assurance conclusion in 2008/09	2	2	0	0	0						
Print and Design	Procedures in place for identifying programme, project and operational risks and actions to address risks and for reporting new risks and progress on actions.	5	0	0	0	5			✓	✓		
Town Centre Redevelopment	Council governance arrangements and accountability for this project which is	15	0	0	0	15		✓ Town Centre				

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

	largely externally driven.																	
TOTAL		37	17	0	0	20												

**BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10
ENVIRONMENT CULTURE AND COMMUNITIES**

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Housing & Council Tax Benefits	Controls in place over entitlement, calculation and payment of housing and Council Tax benefits.	15	0	0	15	0	✓					
Outsourced Housing & Council Tax Benefits and debt Collection Services	The audit will also cover the contracts for outsourced benefits processing and debt collection.	5	0	5	0	0	✓					
Housing Strategy	Procedures for ensuring that the Council meets its housing responsibilities following the transfer of the housing stock. Controls over the Council's new initiatives to address homelessness including grants to existing tenants to move to the	18	0	0	0	18		✓ Demographic and socio economic changes, Demand Led Services				

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	private sector, purchase of properties for temporary accommodation and enhanced deposits.											
	Procedures for providing housing related support to vulnerable people to enable them to live independently in the community.	10	0	0	10	0	✓ Demographic and socio economic changes, Demand Led Services					
Supporting People	Management controls specifically focusing on street cleansing and gully service. The review will also include follow up of the recommendations raised in the 2008/09 internal audit report and Highways.	15	0	15	0	0	✓ Funding pressures - Key contract					
Highways	Follow up due to limited assurance conclusion in 2008/09	3	0	3	0	0						
Dog and Pest Control												

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Sustainability	The Council's vision for sustainability, the setting and monitoring of targets to ensure we are making the best use of natural resources and accountability for delivery.	15	15	0	0	0			✓			
Waste Management	Review of the RE3 partnership focusing on the partnerships governance arrangements, arrangements for implementation of the joint waste strategy currently being developed and management controls at the Council for monitoring, checking and authorising amounts payable.	15	0	15	0	0		✓ Funding pressures -Key contract				
Easthampstead Conference Centre	Following on from 2008/09 review on Easthampstead	10	0	0	0	10		✓ Income projections,				✓

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	Conference Centre which focussed on income, this review will focus across the Centre on controls over the incurring of expenditure in line with Council regulations and the approval, recording and monitoring of expenditure.						Funding pressures					
Bracknell Leisure Centre/Facilities	Procedures and controls in place for the collection of income and incurring and approval of expenditure.	15	0	0	15	0	Income projections, Funding pressures					✓
Cash Spot checks	Probity checks	3	0	0	0	3						✓
Libraries	Arrangements for ordering, distributing and recording stock	10	0	0	0	10	Funding pressures					
Risk Management	Procedures in place for identifying programme, project and	7	0	0	0	7			✓			

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	operational risks and actions to address risks and for reporting new risks and progress on actions.											
	Review of progress on implementation of agreed recommendations in previous audit reports.	10	0	0	0	10			✓			
Follow up of Recommendations												
TOTAL		151	15	38	40	58						

BRACKNELL FOREST COUNCIL: INTERNAL AUDIT PLAN 2009/10
SOCIAL CARE AND LEARNING

AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Garth Hill Project	Second stage review of Garth Hill project will focus on controls over the authorisation and payment of expenditure under the project and the project budget monitoring arrangements.	8	0	0	0	8	✓ Garth Hill					
Primary School Strategy	Governance arrangements, budget setting and monitoring of delivery of the Primary School Strategy	12	0	0	0	12	✓ Programme Management					
Children's Trust	Governance and financial arrangements.	5	0	0	5	0			✓			
Open Learning Centre	Procedures and controls in place for the Open Learning Centre	5	5	0	0	0					✓	
Foster Carers	New procedures and controls introduced during 2008/09 for assessment and	8	0	8	0	0	✓ Demographic and socio economic changes					

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	payments to foster carers.											
	Procedures and controls over assessment and payment of direct payments due to carers, older people, people with mental health needs, people over 16 with disabilities and parents of a chilled with disabilities.	10	0	0	10	0	✓ Demographic and socio economic changes					
Direct Payments	Follow up due to limited assurance conclusion in 2008/09	2	0	2	0	0						
Bracknell Day Services	Follow up due to limited assurance conclusion in 2008/09	2	0	2	0	0						
Intermediate Care	Review of impact and compliance with procedures and controls following implementation of the modernisation agenda for adult social care.	10	0	0	0	10	✓ Demographic and socio economic changes					
Modernisation Agenda												

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
The Look In	Follow up due to limited assurance conclusion in 2008/09	2	0	2	0	0						✓
LMS	Procedures for allocating funding to schools	7	0	0	7	0	Demographic and socio economic changes					
School Census	Sample testing of school census data used as basis for funding allocation	8	8	0	0	0	Demographic and socio economic changes					
Birch Hill Primary	Follow up due to limited assurance conclusion in 2008/09	2	2	0	0	0	Funding pressures – Delegated budgets					
Binfield Primary	Follow up due to limited assurance conclusion in 2008/09	2	2	0	0	0	Funding pressures – Delegated budgets					
<i>Pines Primary #</i>	<i>Review of key budgetary and financial controls and pre-employment checks.</i>	5	5	0	0	0	Funding pressures – Delegated budgets					
Uplands Primary	Review of key budgetary and financial controls	4	4	0	0	0	Funding pressures –					

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	and pre-employment checks.						Delegated budgets					
St Margaret Clitherow Primary	Review of key budgetary and financial controls and pre-employment checks.	4	4	0	0	0	✓ Funding pressures – Delegated budgets					
Holly Spring Infant	Review of key budgetary and financial controls and pre-employment checks.	4	4	0	0	0	✓ Funding pressures – Delegated budgets					
Cranbourne Primary	Review of key budgetary and financial controls and pre-employment checks.	4	4	0	0	0	✓ Funding pressures – Delegated budgets					
Broadmoor Primary	Review of key budgetary and financial controls and pre-employment checks.	4	4	0	0	0	✓ Funding pressures – Delegated budgets					
Ascot Heath Infant	Review of key budgetary and financial controls and pre-employment	4	4	0	0	0	✓ Funding pressures – Delegated budgets					

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AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FINANCIAL SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	checks.											
Sandhurst Secondary	Review of key budgetary and financial controls and pre-employment checks.	6	6	0	0	0	✓ Funding pressures – Delegated budgets					
Ranelagh Secondary	Review of key budgetary and financial controls and pre-employment checks.	6	6	0	0	0	✓ Funding pressures – Delegated budgets					
Risk Management	Procedures in place for identifying programme, project and operational risks and actions to address risks and for reporting new risks and progress on actions.	7	0	0	0	7	✓		✓	✓		
Follow up of Recommendations	Review of progress on implementation of agreed recommendations in previous audit reports.	10	0	0	0	10			✓			
TOTAL		141	58	14	22	47						



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To be carried out in-house

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COMPUTER AUDITS

SUMMARY OF COMPUTER AUDIT DAYS

AUDIT	DAYS BY QUARTER				TOTAL DAYS
	Q1	Q2	Q3	Q4	
CORPORATE SERVICES	13	14	11	27	65
CHIEF EXECUTIVE'S OFFICE	4	0	8	0	12
ENVIRONMENT CULTURE AND COMMUNITIES	4	18	15	0	37
SOCIAL CARE AND LEARNING	4	0	11	5	20
TOTAL	25	32	45	32	134

CORPORATE SERVICES AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
AGRESSO	System software change planned in the form of an upgrade to the general ledger / purchasing system during 2009/10.	5	0	0	0	5	✓					

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CORPORATE SERVICES												
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Compliance with PCI Data Security Standards	The process for ensuring the Council complies with the requirements of the Payment Card Industry Data Security Standards relating to the collection and processing of customer credit and debit card details.	5	0	0	0	5	✓					✓
Human Resources Management and Payroll IT System	Key IT Application controls review.	5	0	0	0	5	✓					
ICT Helpdesk	ICT helpdesk system that is core to the implementation of good practices governing IT Service management.	8	8	0	0	0		✓	Loss of Systems and Data			
Programme & Project Management of the migration and upgrade of core network operating system and	Governance arrangements surrounding programme and project management of the programme of work to migrate away from Novell	5	5	0	0	0		✓	Programme management, Loss of Systems and Data			

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CORPORATE SERVICES												
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
desktop PC software	network operating system to Microsoft Active Directory and the upgrade of PC desktop software.											
Computer Data Backup and Recovery Strategy, process and procedures	Overall strategy for the backup and recovery of key IT systems and data and the process and procedures in place to meet the needs of the strategy. Follow up of the recommendations raised in the 2007/08 internal audit report.	6	0	0	6	0	✓ Loss of systems and data					
Physical & Environmental Controls	Physical and environmental security controls in place for key IT systems and assets.	4	0	4	0	0	✓ Loss of systems and data					
Archive Directory Management	Processes for the archiving and management of Email.	5	0	5	0	0	✓ Loss of systems and data					

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CORPORATE SERVICES												
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Information Strategy and Implementation of Information Security Management System (ISMS)	Strategy for managing the security of information assets owned by the Council. Project to re-launch a formal Information Security Management System.	5	0	5	0	0		✓ Loss of systems and data				
Customer Relations Management System	System software change planned in the form of an upgrade during 2009/10.	5	0	0	0	5		✓ Loss of Reputation				
Adherence to Government Connect	Ongoing compliance with the requirements of GSi Code of Connection.	7	0	0	0	7		✓ Loss of systems and data				
Follow up of IT recommendations		5	0	0	5	0						
TOTAL		65	13	14	11	27						

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CHIEF EXECUTIVE'S OFFICE												
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	System being procured and due for implementation in 2009/10.	12	4	0	8	0	✓			✓		
	Business case and project governance arrangements.											
TOTAL		12	4	0	8	0						

ENVIRONMENT CULTURE AND COMMUNITIES												
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
CONFIRM (Highways system)	IT Application controls review. Key system last reviewed 2006/07	10	0	10	0	0	✓					
New Choice Based Lettings/Housing Register	System to be procured and implemented during 2009/10. Business case and project governance	12	4	0	8	0	✓					

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ENVIRONMENT CULTURE AND COMMUNITIES												
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
	arrangements.											
Forestcare	Key IT Application controls review.	8	0	8	0	0	✓					
LLPG/GIS IT Application	IT Application controls review. GIS last reviewed 2006/07	7	0	0	7	0	✓					
TOTAL		37	4	18	15	0						

SOCIAL CARE AND LEARNING												
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
New Adult Social Care system	New system being implemented in October 2009. Business case and project governance arrangements. Post Implementation Audit and IT Application Controls.	15	4		11		✓	Demographic and socio economic changes, Demand Led Services				

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SOCIAL CARE AND LEARNING												
AUDIT	DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY SYSTEM	LINK TO STRATEGIC RISKS	LINK TO DIRECTORATE RISKS	LINK TO CAA	LINK TO AGS	PROBITY
			Q1	Q2	Q3	Q4						
Education Management System	Phased upgrade during 2009/10	5				5	✓					
TOTAL		20	4	0	11	5						