

TO: GOVERNANCE AND AUDIT COMMITTEE
27 MARCH 2013

INTERNAL AUDIT PLAN 2013/14
(Head of Audit and Risk Management)

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 and seek the Governance and Audit Committee's approval of the Internal Audit Plan for 2013/14.

2 RECOMMENDATION

- 2.1 **That the Governance and Audit Committee approve the Internal Audit Plan for 2013/14 attached at Appendix A.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Council meets its statutory responsibilities for internal audit.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There is no alternative option.

5 SUPPORTING INFORMATION

Internal Audit Requirements

- 5.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2011. The latter states that authorities must "maintain an adequate and effective system of internal audit of its accounting records and of its system of internal controls in accordance with the proper internal audit practices". The Council delegates its statutory responsibilities for the provision of the internal audit service under the Accounts and Audit (England) Regulations 2011 to the Borough Treasurer. The Council's Internal Audit Strategy which was approved by the Governance and Audit Committee and the Annual Internal Audit Plan (Appendix A) set out how the Council will meet its statutory requirements for internal audit.
- 5.2 More specifically, Internal Audit aims to: -
- satisfy the legal requirements of a Local Authority Internal Audit Service and provide 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;

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- 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.

5.3 Internal Audit provides independent assurance on the control environment but for Internal Audit to provide full assurance on all activities and transactions across the organisation, the Council would need to commit significantly more resources to internal audit services than is realistically available. Historically, the Council has taken the view that spend on internal audit should be limited to only what is necessary to undertake sufficient audit work to enable an annual evidence based opinion to be given. In the current financial climate that approach has and will be maintained. Full assurance could only ever be achieved by checking every transaction and this would not deliver value for money. Internal Audit's work is planned so that Members and Officers can rely on Internal Audit to detect significant control weaknesses for the areas audited and transactions sampled and is hence directed to areas of greatest risk.

5.3 Internal audit in local authorities has in the past been required to comply with the CIPFA Code of Practice for Internal Audit in Local Government. On April 1, the new Public Sector Internal Audit Standards will come into effect for the whole of the public sector, providing a consistent framework for internal audit services across the UK public sector. The new standards will introduce the requirement for an Internal Audit Charter to include similar information to that already included in our existing Internal Audit Strategy and introduces a requirement for more rigorous quality assurance monitoring of internal audit activity based on both internal and external assessment. *CIPFA's Local Government Application Note for the PSIAS* including a checklist to assist local authorities is due out in March 2013. This will be used to assess the Council's compliance and identify actions for improvement.

Development of the Annual Internal Audit Plan

5.4 Given the finite resources available to spend on internal audit, the Internal Audit Plan is risk driven to ensure that the audit resources available are targeted to focus on those areas of the Council's business that have the greatest influence on the achievement of its objectives and address strategic risks to the achievement of the Council's Medium Term Objectives (see Appendix B) The formulation of the 2013/14 Annual Internal Audit Plan started with a risk assessment of the Council's activities, assets and income and expenditure streams through consideration of the following risk factors:

- Materiality ~ this focussed on monetary value as given in budget plans and previous outturn to ensure that the Internal Audit Plan has adequate coverage of areas of high spend and income. The consideration of materiality also took into account the significance of the activity for the Authority for example where a monetary value cannot be clearly assigned such as corporate governance matters;
- Fraud/Irregularity ~ the potential risk of fraud or irregularity for individual activities was considered to ensure that areas of high risk, such as those involving cash handling are subject to regular audit;
- Internal Control Environment ~ the expected robustness of the control environment based on previous audit opinions, local knowledge and feedback from Finance and other officers was taken into account. Where the control environment was assessed as weak, a higher priority was

assigned to that activity when determining which areas would be included in the Plan. In addition, whenever a limited assurance opinion is given, a follow up audit is carried out in the following year to assess the effective implementation by management of agreed audit recommendations. The 2013/14 includes a number of such follow up audits;

- Time since the last audit ~ the elapsed time since the last audit was taken into consideration;
- Other Assurance Coverage ~ consideration was given to whether external inspections or external audits have been completed which would already provide the Council with assurance. For example, the valuation and accounting for fixed assets are subject to detailed audit by Ernst and Young as part of the audit of the financial statements and hence is not included in the Internal Audit Plan;
- The Likely Effectiveness of Audit ~ Given finite resources it is important that audit work focuses on areas where Internal Audit can be most effective and hence in determining what areas should be covered emphasis has been given to such areas which can provide assurance to management, for example school audits.

- 5.6 Following this risk assessment, a number of other factors were considered in producing the detailed Plan and these are summarised below.

Key Financial Systems

- 5.7 The Internal Audit Plan has been 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. All fundamental accounting systems are subject to annual audits of compliance against key controls in accordance with external audit requirements. The 2013/14 Plan includes 142 days on key financial systems representing 20% of the total days in the Plan. These systems provide the underlying data for the annual financial statements audited by our external auditors.

Changes to Services, Regulations, Procedures or IT Systems

- 5.8 In times of significant change, organisations must ensure that an effective control environment is in place. The Council is currently engaged in a number of major projects, taking over responsibility for public health, implementing national and local welfare policy changes and introducing new IT systems. Internal Audit reviews have been included in the Plan in respect of these key changes. Examples of reviews included for this reason are the audits of financial controls for the Times Square Works.

Governance

- 5.9 The demand for better public services within a complex environment has strengthened the need for effective governance and that Internal Audit is one of the cornerstones of effective governance. The Head of Audit and Risk Management meets with the Borough Treasurer on a monthly basis and with the Chief Executive on a quarterly basis to discuss audit and risk management issues. Each year, the Annual Plan incorporates aspects of governance arrangements for testing. For example, the 2013/14 Plan includes an audit on information security in schools.

Counter Fraud

- 5.10 Managing the risk of fraud and corruption is the responsibility of managers. Internal Audit will however be alert in all its work to the risk of fraud and corruption. In

addition, a number of probity audits are included in the Plan to provide assurance over the proper administration of the Authority's activities. In drawing up the annual Internal Audit Plan, focus has been placed on ensuring there is coverage of areas where there is potential risk of internal or external abuse of processes for fraudulent purposes for example direct payments. To further enhance the Council's counter fraud activity, the 2013/14 plan also includes 20 days for specific activities such as review of anti-money laundering arrangements, awareness raising amongst staff through the provision of posters, newsletters, etc.

Schools

- 5.11 Whilst schools have delegated responsibility for their budgets, the S151 Officer remains statutorily responsible for their accounts as these are consolidated under the Council's own statement of accounts. Legislation and Council policy provides a framework under which schools must operate. The Schools Standards and Framework Act 1998 represents the primary legislation and from this, the Council has developed guidance and policies which are legally binding on schools. Should any schools fail to operate within the regulatory framework, then the Council has the power to suspend delegated powers and take over day to day operations. All schools are subject to an internal audit review on a three year cyclical basis. In addition, specific cross-cutting reviews are sometimes undertaken. This year such cross-cutting school audits are planned on procurement and information security.

Resourcing Delivery of the Audit Plan

- 5.12 Delivery of the audits in the Council's internal audit plan is outsourced. Internal audit services are delivered via two main sources. The main provider, Deloitte & Touche Public Sector Internal Audit Limited is expected to deliver approximately two thirds of the 2013/14 internal audit reviews under a contract for services which commenced on 1st April 2012. Whilst a small proportion of audits are carried out in-house, the bulk of the remaining one third of the Annual Internal Audit Plan audits will be undertaken by Reading Borough Council Internal Audit Services and Wokingham Borough Council Internal Audit Services through an agreement under S113 of the Local Government Act 1972 which permits local authorities to provide staffing resources to other authorities.

Measuring Internal Audit Effectiveness

- 5.13 Effectiveness of the internal audit service is measured as follows:
- Audits delivered against the approved Annual Internal Audit Plan
 - Performance of the service providers against set performance indicators
 - Client satisfaction surveys
- Performance information against these key criteria is reported to the Governance and Audit Committee twice a year.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Nothing to add.

Borough Treasurer

- 6.2 The Annual Internal Audit Plan will be managed within the available budget.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 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.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Chief Executive, Borough Treasurer, Directors and Chief Officers at the Council, the Council's external auditors and the Council's internal audit services contractors (Deloitte).

Method of Consultation

- 7.2 The development of the Annual Internal Audit Plan for 2013/14 has involved extensive consultation with a range of stakeholders, to ensure that their views on risks and current issues, within individual departments and corporately, are identified and considered. This was based on one to one meetings with the Chief Executive, Borough Treasurer, Directors and chief officers followed by discussions at the Corporate, Departmental Management and Operational IT Management teams. Feedback was also been sought from Deloitte as our key internal audit service provider and from our external auditors, Ernst & Young. Feedback on the content of the draft Plan and timing of audits has been taken into account in the Plan attached at Appendix A.

Representations Received

- 7.3 Not applicable.

Background Papers

Internal Audit Strategy

Public Sector Internal Audit Standards

Discussion notes

Contact for further information

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APPENDIX A

SUMMARY OF ANNUAL INTERNAL AUDIT PLAN 2013/14

AUDIT	DAYS BY QUARTER				TOTAL DAYS
	Q1	Q2	Q3	Q4	
CORPORATE SERVICES	56	42	89	35	222
CHIEF EXECUTIVE'S OFFICE	7	0	0	0	7
ENVIRONMENT CULTURE AND COMMUNITIES	30	42	7	24	103
CHILDREN, YOUNG PEOPLE AND LEARNING	49	51	23	46	169
ADULT SOCIAL CARE, HEALTH AND HOUSING	13	39	49	5	106
COMPUTER AUDITS	23	24	22	24	93
TOTAL	178	198	190	134	700

CORPORATE SERVICES

DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
FINANCE <u>Treasury Management</u> Review and testing of controls over investment of Council's funds.	5	0	5	0	0	✓	✓	✓
<u>Creditors</u> Review and testing of controls over authorisation and payment of supplier invoices.	12	0	0	12	0	✓	✓	✓
<u>Debtors</u> Review and testing of controls over the recording, collection and write-off of debts.	12	0	0	12	0	✓	✓	✓
<u>Main Accounting (including reconciliations)</u> Review and testing of controls over general ledger which is the basis for Council's financial reporting and accounts.	15	0	15	0	0	✓	✓	
<u>Payroll and Pre-Employment Checks</u> Review and testing of controls in place to ensure salaries are accurately paid and only to individuals properly employed by the Council. The audit will include changes such as auto-enrolment and IT systems underpinning change	18	0	0	18	0	✓	✓	
<u>Procurement Cards (excluding schools)</u>	5	0	0	0	5	✓	✓	✓

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DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
Review and testing of procedures and controls in place over the new procurement cards following wider implementation across the Council.								
REVENUES <u>Cash Payments Management</u> Review and testing of controls over the collection, recording and banking of payments made to the Council including on line, cash, cheque and credit card payments.	10	0	0	10	0	✓	✓	✓
<u>Council Tax</u> Review and testing of controls in place over calculation, billing and collection of Council Tax.	10	0	0	10	0	✓	✓	
<u>NNDR</u> Review and testing of controls in place over calculation, billing and collection of non-domestic rates.	10	0	0	10	0	✓	✓	
<u>Localisation of Business Rates</u> Review of robustness of arrangements for production of NNDR1 and NNDR2 which feed into general budgeting	5	0	5	0	0	✓	✓	
DEMOCRATIC SERVICES <u>Members expenses, allowances and hospitality</u> Review and testing of controls over the payments of members' expenses and allowances and the recording of hospitality.	7	7	0	0	0		✓	
<u>Electoral Services</u> Review of procedures for updating electoral roll including refresh and controls over the election process.	7	7	0	0	0		✓	
PROPERTY SERVICES <u>Bus MileageTransport Grant</u> Certification of grant claim	2	2	0	0	0		✓	
COUNCIL WIDE AUDITS <u>Fraud Awareness</u>	20	5	5	5	5			✓
<u>Council Wide Officers Expenses</u> Review of compliance with Council policies on expenses across the Council	10	10	0	0	0		✓	✓
<u>Council Wide Absence Management</u> Review of compliance with controls for approving and recording absence and reporting to management	20	20	0	0	0		✓	✓
<u>Council wide Procurement</u> Review and testing of procurement controls.	20	0	0	0	20	✓	✓	✓
<u>Banner Stationery Contract</u> The audit is Council wide but is noted here as it is administered in Corporate Services. The audit will review compliance with financial controls over ordering and approval of agency staff	7	0	7	0	0	✓	✓	

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DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
,approval of payments and interface with Agresso. The audit will include access controls.								
GENERAL <u>Times Square Works</u> Testing of controls over the ordering, approval and payment of expenditure and budgetary controls for the Times Square works.	7	0	0	7	0		✓	
CONTINGENCY	20	5	5	5	5			
TOTAL	222	56	42	89	35			

CHIEF EXECUTIVE'S OFFICE

DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q 1	Q 2	Q 3	Q 4			
<u>Compulsory purchase payments</u> Testing of controls over the calculation and payment compulsory purchase order payments under the town centre project.	7	7	0	0	0		✓	
TOTAL	7	7	0	0	0			

ENVIRONMENT CULTURE AND COMMUNITIES

DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
PLANNING AND TRANSPORT <u>Integrated Transport</u> Audit of procedures and controls over the incurring , authorisation and payment of expenditure on integrated transport .The audit will include controls in place to monitor and quality control work delivered and will feed into the certification of the Integrated Transport Grant.	10	0	10	0	0		✓	
ENVIRONMENT AND PUBLIC PROTECTION <u>Highways</u> The audit will focus on procedures and controls for identifying reactive maintenance, requesting works to be completed, quality checking, timely and accurate billing by the contractor and approval of payments.	10	0	10	0	0		✓	
<u>Public Realm Contracting</u> Highways Review of preparation for re-tendering of the public realm contracts	7	0	0	7	0		✓	
<u>Car Parks</u> Audit of procedures and controls over	12	12	0	0	0		✓	

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DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
car parks including parking enforcement and all car park reconciliations								
<u>Adaptations</u> Controls in place over housing adaptations. The audit will be undertaken in EC but will require input from social services.	10	10	0	0	0		✓	
<u>Statutory Inspections</u> The audit will review procedures and controls over statutory inspections.	10	0	0	0	10		✓	
<u>Bracknell Leisure Centre</u> The audit will test financial controls over the collection of income, petty cash, imprests, inventory, fixed assets and incurring and approval of expenditure.	7	0	7	0	0		✓	
<u>Edgebarrow and Sandhurst Leisure Centres</u> The audit will test financial controls over the collection of income, petty cash, imprests, inventory, fixed assets and incurring and approval of expenditure.	7	7	0	0	0		✓	
<u>Downshire Golf Club</u> The audit will test financial controls over the completeness and collection of all sources of income	5	0	5	0	0		✓	
<u>Libraries</u> The audit will include some sample visits to review local processes including those over ordering, receipting and recording, budget monitoring, income, petty cash and inventory controls.	6	0	0	0	6		✓	
<u>Tree Services</u> Transaction testing to ensure appropriate number of quotes have been obtained.	1	1	0	0	0		✓	
<u>Cash Spot checks</u> Probity checks at a sample of leisure sites	3	0	0	0	3		✓	✓
GRANT CLAIMS <u>Integrated Transport Grant</u> Audit of grant claim	3	0	3	0	0		✓	✓
<u>Local Sustainable Transport Fund Grant</u> Audit of grant claim	3	0	0	0	3		✓	
<u>Better Bus Grant</u> Audit of grant claim	2	0	0	0	2		✓	
COUNCIL WIDE AUDITS <u>Acquire Food Agent</u> The audit is Council wide but is noted here given that the category manager for the procurement is the Chief Officer: Leisure and Culture. The audit will be carried out once the contract	7	0	7	0	0		✓	✓

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DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
has bedded in and will focus on compliance with controls over ordering, purchasing and payment approval. (Deferred from 2012/13)								
TOTAL	103	30	42	7	24			

CHILDREN, YOUNG PEOPLE AND LEARNING

DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
SCHOOLS								
The audits undertaken in schools review key governance, budgetary and financial controls, purchasing, pre-employment checks and use of pupil premium.								
Ascot Heath Infants School (Following limited assurance opinion in 2012/13)	4	4	0	0	0		✓	✓
Jennett's Park CoE Primary School (Following limited assurance opinion in 2012/13)	4	4	0	0	0		✓	✓
Uplands Primary School (Following limited assurance opinion in 2012/13)	4	4	0	0	0		✓	✓
New Scotland Hill Primary School	4	0	0	4	0		✓	✓
Wildmoor Heath Primary School	4	0	0	4	0		✓	✓
College Hall Pupil Referral Unit	4	0	0	4	0		✓	✓
Winkfield St Mary's CoE primary School	4	0	0	4	0		✓	✓
Crowthorne CoE Primary School	4	0	0	0	4		✓	✓
Great Hollands Primary School	4	0	0	0	4		✓	✓
Wooden Hill Primary School	4	0	0	0	4		✓	✓
Meadow Vale Primary School	4	0	0	0	4		✓	✓
Sandy Lane Primary School	4	0	0	0	4		✓	✓
Wildridings Primary School	4	0	0	0	4		✓	✓
Whitegrove Primary School	4	0	0	0	4		✓	✓
Easthampstead Park School	6	0	0	0	6		✓	✓
Procurement in Schools Cross –cutting review of procurement in schools.	20	20	0	0	0		✓	✓
LEARNING AND ACHIEVEMENT Bracknell Forest Education Centre Establishment visits to review controls including those over income, expenditure, staff costs, imprests and stock.	3	3	0	0	0		✓	✓
SEN Review of controls and procedures for statements of educational needs.	7	0	0	0	7		✓	
Life Long Learning Review of controls over income.	7	7	0	0	0		Financial and Economic	

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expenditure, budgeting, cash, stock and assets. The audit will include but not be limited the Open Learning Centre.							Demands for Services	
CHILDREN'S SOCIAL CARE <u>Adoption</u> Testing of procedures and controls for adoption including special guardianship and residence orders).	7	0	0	7	0		✓	
<u>Short Breaks Grant</u> Grant claim requirement for audit to make a declaration on payments by results	3	0	3	0	0		✓	
<u>Direct Payments</u> Testing of controls and procedures over the offer, authorisation and payment of direct payments, receipt of required documentation being from received from clients for review and appropriate action taken in response to concerns identified.	7	0	7	0	0			
<u>Adaptations</u> Audit of housing adaptations. This review will primarily be undertaken within ECC but is noted here given that input will be required from social services staff.	0	0	0	0	0		✓	✓
STRATEGY, RESOURCES AND EARLY INTERVENTION <u>Local Funding of Schools</u> Overview of revised funding arrangements.	10	0	10	0	0		✓	
<u>Troubled Families Grant</u> Grant claim requirement for audit to make a declaration on payments by results	3	0	3	0	0		✓	
<u>Youth Services</u> Review of management and controls following changes to the youth service structure and financial controls in place at the centres	15	0	15	0	0		✓	
<u>Free School Meals</u> To cover payments to contractors for free school meals. The audit will also follow up the recommendations raised at the 2011/12 free school meals which covered application, assessment and recording of free school meals data.	7	7	0	0	0		✓	
<u>Post Project Evaluations</u> Review of arrangements in place to evaluate how far the objectives of works projects have been achieved.	7	0	7	0	0			
<u>Children's Centres</u> Establishment visits to review controls including those over income, expenditure, staff costs,	6	0	6	0	0			✓

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imprest and stock.							
Contingency	5	0	0	0	5		
TOTAL	169	49	51	23	46		

ADULT SOCIAL CARE AND HEALTH

DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
ADULTS AND COMMISSIONING <u>Learning Disability</u> Review of compliance with key controls and delegations up to and including the approval of the Support Plan.	10	10	0	0	0		✓	✓
<u>Brokerage</u> Testing of compliance with procedures and controls over the procurement and payment of domiciliary care in accordance with the approved Support Plan.	7	0	0	7	0		✓	✓
<u>Direct Payments</u> Testing of controls and procedures over the offer, authorisation and payment of direct payments, receipt of required documentation being from received from clients for review and appropriate action taken in response to concerns identified.	7	0	7	0	0		✓	
<u>Contracting</u> Testing of compliance with procedures and controls over the procurement and payment of contracts for residential care, supported living and live in care in accordance with the approved Support Plan.	7	0	7	0	0		✓	✓
OLDER PEOPLE AND LONG TERM CONDITIONS <u>Emergency Duty Team</u> Follow up audit following the limited assurance conclusion at the 2011/12 audit	3	3	0	0	0		✓	
<u>Blue Badges</u> Review of procedures and control for the issue, monitoring and recovery of blue badges. The review will include compliance with new national system.	5	0	5	0	0		✓	✓
PERFORMANCE AND RESOURCES <u>CONTROCC</u> Review of effectiveness and compliance with controls over payments made via CONTROCC.	7	0	0	7	0		✓	✓
HOUSING <u>Housing & Council Tax Benefits</u> Audit of controls in place over entitlement, calculation and payment of Housing and Council Tax benefits.	15	0	0	15	0	✓	✓	

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DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY FIN. SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
<u>Council Tax Benefits and Welfare Reforms</u> Housing & Council Tax Benefits Review of effectiveness of compliance with the new Council Tax Benefits arrangements and changes to housing benefit entitlements.	5	0	0	5	0	✓	✓	
<u>Housing Benefit Spot Checks</u> Spot checking of the assessment of benefits.	8	0	8	0	0	✓	✓	
<u>Social Fund Payments</u> Review of controls over the checking of eligibility, awarding and payment of discretionary payments.	5	0	0	5	0		✓	
<u>Supporting People</u> Review of contract management and budgetary controls and controls over payments to contractors.	5	0	0	0	5		✓	
<u>Housing Rents/Deposits</u> Review and testing of procedures and controls in place for recording and collecting monies provided for rents and housing deposits. The audit coverage will include debt management and the writing off of debts.	7	0	0	7	0		✓	
PUBLIC HEALTH Review of governance and financial arrangements for both the Council's direct public health responsibilities and its responsibilities for hosting the Berkshire wide public health arrangements.	12	0	12	0	0		✓	
COUNCIL WIDE AUDITS <u>Commensura Agency Contract</u> The audit is Council wide but is recorded here given that the category manager is the Chief Officer: Older People and Long Term Conditions. The audit review Council wide compliance with financial controls over ordering and approval of agency staff, approval of payments and interface with Agresso.	3	0	0	3	0		✓	
GENERAL <u>Adaptations</u> Audit of housing adaptations. This review will primarily be undertaken within ECC but is noted here given that input will be required from social services staff.	0	0	0	0	0		✓	
TOTAL	106	13	39	49	5			

COMPUTER AUDITS								
DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY IT SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
CORPORATE SERVICES	7	0	7	0	0			
<u>Agresso</u> Application audit on the Council's general accounting system								
<u>Disaster Recovery</u> Follow up audit following limited assurance review in 2012/13.	5	0	5	0	0			
<u>Front Line</u> Application audit for new building maintenance system	7	0	7	0	0			
<u>Operating system</u> Use of computer audit interrogation tool to interrogate the Council's security settings and benchmarks against industry standards.	7	0	0	7	0			
<u>Change Management</u> Review of procedures and controls for change management	8	8	0	0	0			
<u>Software Licences</u> Review of licensing arrangements	5	0	5	0	0			
<u>Compliance with PCI Data Security Standards</u> 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. The audit will be Council wide.	5	0	0	0	5	✓	✓	
<u>PSN</u> The audit will perform detailed sample checking on the Council's self assessment against the requirements for the public services network programme code of connection.	8	0	0	8	0			
<u>Contingency</u>	5	0	0	0	5			
CHILDREN, YOUNG PEOPLE AND LEARNING	15	15	0	0	0		✓	
<u>Information Security in schools</u> A cross cutting audit to review the effectiveness of information security in schools. The audit will be undertaken by a mix of IT and general auditors.								
ENVIRONMENT , CULTURE AND COMMUNITIES	7	0	0	0	7			
<u>Library System</u> Application audit on the new library system.								
<u>Leisure Management system</u> Audit of the upgrade of the Leisure Management System and key application controls.	7	0	0	0	7			
ADULT SOCIAL CARE AND HEALTH	7	0	0	7	0		✓	
<u>Rostering and Monitoring System</u>								

COMPUTER AUDITS								
DESCRIPTION OF AREA TO BE COVERED BY THE AUDIT	DAYS	QUARTER				KEY IT SYSTEM	LINK TO STRATEGIC RISKS	PROBITY
		Q1	Q2	Q3	Q4			
IT application audit on Phase 1 of the new rostering and monitoring system to be implemented in 2 phases. The first stage will introduce electronic rostering for the in-house care team and the second stage will implement monitoring of domiciliary care through the introduction of dial in by care workers.								
	93	23	24	22	24			

APPENDIX B

STRATEGIC RISKS	RISK OWNER	KEY RELEVANT AUDITS TO ADDRESS RISKS
<p><u>1. FINANCIAL AND ECONOMIC</u> Significant pressures on the Council's ability to balance its finances whilst maintaining satisfactory service standards.</p>	Chief Executive/ Borough Treasurer	<ul style="list-style-type: none"> • See all key financial systems audits • See all school audits • Contracting • Brokerage
<p><u>DEMANDS FOR SERVICES</u> Changes in the size and composition of Bracknell's population will require the Council to be able to forecast changes and reshape its service delivery to meet changing needs arising from natural growth and any future inward or outward migration and changes in the age, socio-economic and ethnic profile of the area.</p> <p>National policy initiatives e.g. the introduction of caps on benefits may potentially have a knock on effect on demands for other services e.g. increased homelessness</p>	<p>Director of Children Young People and Learning/ Director of Adult Social Care, Health and Housing</p>	<ul style="list-style-type: none"> • Learning disability • Social Fund payments • Adoption • SEN • Council Tax Benefits and Welfare Reforms
<p><u>STAFFING</u> The Council employs staff and uses agency and contractors to deliver its services to the community. Failure to ensure that individuals with the right skills and expertise are recruited, proper training is provided and staff are well motivated will impact on the effectiveness of services and the Council's ability to retain high calibre staff. The transfer of public health responsibilities brings with it employment and financial risks associated with staffing transferring under TUPE.</p>	Director of Corporate Services	<ul style="list-style-type: none"> • Payroll and pre-employment checks • Officers expenses • Absence management audit
<p><u>INFORMATION MANAGEMENT AND INFORMATION TECHNOLOGY</u> As the Council is increasingly dependent on ICT systems, there are risks to service delivery and management information/performance data gathering in the event of IT infrastructure being unavailable or IT suppliers being unable to deliver systems that meet service requirements e.g. there is a significant risk that IT systems will not be modified in time for implementation of Council tax benefit changes in April 2013. Council's ability to retain high calibre staff. The impact on IT from the transfer of public health responsibilities.</p>	Director of Corporate Services	<ul style="list-style-type: none"> • See all computer audits
<p><u>INFORMATION SECURITY</u> The Council and its contractors hold sensitive data in electronic and manual form such as personal data on staff, residents, vulnerable individuals such as children and adults with social care needs and suppliers which could potentially result in fines imposed by the Information Commissioner and misused or stolen if not kept secure.</p>	Director of Corporate Services	<ul style="list-style-type: none"> • Information security in schools • PCI compliance audit • Public Sector Network
<p><u>OTHER MAJOR PROGRAMMES AND PROJECTS</u> Failure to design, monitor and control major projects and their implementation effectively could lead to cost overruns/ pressure on the capital budget, late delivery and result in core objectives of projects not being achieved.</p> <p>a) - Capital funding for school places and backlog maintenance. b) - Office Accommodation (including the Times Square refurbishment and office moves). Dependency on Development Agreement funding. -c) Implementation of the responsibilities under the proposed new Health and Social Care Act d) -Transition to Universal Credit including changes to Council Tax Benefits and Local Welfare Assistance</p>	Chief Executive	<ul style="list-style-type: none"> • Post project evaluations in CYPL • Times Square works • Public health • Council Tax Benefits and Welfare Reforms

Unrestricted

<p><u>BUSINESS INTERRUPTION/ CONTINUITY</u> Serious incident or disaster adversely impacts the Council's ability to deliver services without interruption or fluctuation in standards. Business Continuity plans/Disaster recovery plans may potentially not be sufficiently robust or not properly implemented limiting the Council ability to respond effectively. Failure of contractors resulting in disruption to services.</p>	<p>Borough Treasurer</p>	<ul style="list-style-type: none"> Disaster recovery
<p><u>SAFEGUARDING OF CHILDREN AND VULNERABLE ADULTS</u> Failure to identify and discharge all its responsibilities for safeguarding vulnerable children and adults in the community resulting in injury or death.</p>	<p>Director of Children Young People and Learning/ Director of Adult Social Care, Health and Housing</p>	<ul style="list-style-type: none"> Adoption Direct payments Learning disability Contracting Brokerage SEN
<p><u>INFRASTRUCTURE AND MAINTENANCE OF ASSETS</u> Failure to maintain highways/buildings to meet health and safety standards resulting in injury, loss or damage to individuals or property and costs from potential liability claims. In addition, where highways/buildings, etc are not properly maintained or where adequate infrastructure is not put in place, there is a risk that they are not fit for purpose this impacting on the Council reputation and having a negative impact on service delivery and productivity.</p>	<p>Director of Corporate Services/ Director of Environm't, Culture and Comm.</p>	<ul style="list-style-type: none"> Post project evaluations CYPL Highways Integrated transport
<p><u>WORKING EFFECTIVELY WITH PARTNERS, RESIDENTS, SERVICE USERS, THE VOLUNTARY SECTOR AND LOCAL BUSINESSES</u> Failure to work effectively with key partners or involve residents in the development of our services may result in services that do not meet the needs of the community nor deliver better outcomes for their area and statutory requirements. Furthermore, if we do not fully engage partners, residents, service users and local businesses and social enterprises we are less likely to achieve community cohesion resulting in elements of the community feeling excluded which could potentially lead to extremism.</p>	<p>Assistant Chief Executive/ Director of Corporate Services</p>	<ul style="list-style-type: none"> Youth services Childrens centres Public health Troubled Families Payment by Results Grant
<p><u>LITIGATION AND LEGISLATION</u> Failure to implement legislative changes such as localised Council tax benefits or Health reforms or comply with legislation such as the Equality Act 2010 may lead to sanction, litigation or prosecution. Failure to comply with EU procurement requirements could now result in contract cancellation under the Remedies Directive. Non compliance with other legislation may also lead to legal action against the Council.</p>	<p>Director of Corporate Services</p>	<ul style="list-style-type: none"> Procurement Public health Statutory inspections
<p><u>TOWN CENTRE REGENERATION</u> The Town Centre Regeneration project is led by Bracknell Regeneration Partnership (BRP) working in partnership with Bracknell Forest Council. Delays in BRP progressing the project in line with expected time frames and failure of BRP and the Council to monitor and control their respective elements of the project could potentially lead to increased costs for the Council and delays in regeneration of the town centre and may result in the core benefit of the regeneration not being realised.</p>	<p>Assistant Chief Executive</p>	<ul style="list-style-type: none"> Compulsory purchase orders