

TITLE	Business Assurance Plan Quarter 2 2012/13: July - September
FOR CONSIDERATION BY	Audit Committee on 28 June 2012
WARD	None specific
STRATEGIC DIRECTOR	Muir Laurie, Director of Business Assurance and Democratic Services

OUTCOME / BENEFITS TO THE COMMUNITY

The Council's Business Assurance plan details the Internal Audit and Investigations activity and seeks to provide all our stakeholders with independent assurance that the risks within the Council's fundamental systems and processes are being effectively managed.

The plan also sets out that Business Assurance resources are properly utilised and assists services to plan in advance for proposed Internal Audit reviews and other Business Assurance activity.

Furthermore, it allows the council to demonstrate it is complying with the relevant legislation, applicable professional standards and highlights the council's commitment to good governance and zero tolerance towards fraud.

RECOMMENDATION

The Audit Committee is asked to approve the proposed Business Assurance Quarter 2 Plan: July - September 2012/13 (attached).

SUMMARY OF REPORT

The outcomes from individual Business Assurance (BA) assignments in the proposed plan underpin the Head of Internal Audit's Annual Opinion on the overall adequacy and effectiveness of the Council's internal control environment. This opinion supports the Council's Annual Governance Statement which is a statutory report. In producing the BA Q2 Plan, we have invited stakeholders to contribute towards its formation including the Chief Executive (Interim), Strategic Directors and other senior officers. We have also considered risk registers (where in place), reports from external inspectorates (e.g. the Audit Commission) and legislative updates as well as exercising our own professional judgment.

The BA Q2 Plan therefore lists the planned Internal Audit and Investigations activity that will commence during the period 1 July 2012 to 30 September 2012.

Background

Business Assurance has a quarterly planning cycle to ensure flexibility to respond to the dynamic environment in which the council operates. The plan is underpinned by an audit universe that details auditable entities. The planning approach is to prioritise high risk areas of the Council's operation. This is balanced by the need to provide assurance over key financial systems that are fundamental to the successful operation of the council.

Analysis of Issues

The key issue for consideration is whether the BA Plan has the appropriate coverage and is focused on the key areas of risk facing the council. If high risk areas are not covered in the Q2 BA Plan, the Audit Committee should seek assurance that coverage is planned in the near future. The Audit Committee should ensure that there is adequate coverage to provide appropriate assurance.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)		Yes	
Next Financial Year (Year 2)		Yes	
Following Financial Year (Year 3)		Yes	

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications (how does this decision impact on other Council services and priorities?)

None

Reasons for considering the report in Part 2

None

List of Background Papers

- o Accounts and Audit Regulations 2006 and 2011
- o CIPFA Internal Auditing Standards
- o Institute of Internal Auditing Standards
- o CIPFA Code of Practice for Internal Audit in Local Government 2006

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BUSINESS ASSURANCE PLAN QUARTER 2 2012/13

BA Ref.	Area for BA Review	Risk Assessment	BA Category	BA Days	Audit Sponsor	Key Officer(s)	Lead Member	High Level Scope	Rationale	Link to Vision - Priority/Principle
017	Consultancy on Fosters Project Governance	High	Consultancy	10	Strategic Director of Health & Well-Being (and DASS)	Commissioning & Development Manager	Executive Member for Health and Well-Being	To provide advice on the Fosters Care Home closure project to ensure that effective controls are in place to mitigate the potential risks faced.	A decision has recently been taken to close the Fosters care home. Due to the vulnerable nature of the residents and the potential risks involved with this closure, it is important that there is robust governance and risk management supporting the project.	Look after the vulnerable
018	Recharges	Medium	Assurance	10	Strategic Director of Resources	Group Finance Manager	Executive Member for Finance	A review of Recharges across the council to ensure that sufficient controls and monitoring exist in relation to their use.	It is crucial that the council has robust controls over recharges and the use of public money.	Deliver quality in all that we do
019	Scrutiny Arrangements	Medium	Assurance	10	Chief Executive (Interim)	Principal Democratic Services Officer	The Executive	A review of the council's scrutiny function and their relationship to the newly established Joint Board.	The council's scrutiny function aims to: Provide a 'critical friend' challenge to Executive decisions, Lead the scrutiny process on behalf of the public, Make an impact on the delivery of public services, and Reflect the voice and concerns of the public and its communities. The review will seek to confirm that the council's scrutiny function is operating effectively.	Deliver quality in all that we do
020	ICT Management of Joiners and Leavers	Medium	Assurance	10	Strategic Director of Resources	Technology and Service Manager	Executive Member for Internal Services	To ensure that there are effective controls in place governing the allocation, claw back and management of council IT assets for joiners and leavers.	The use of IT is crucial for the majority of new starters at the council. Effective allocation, set-up and support of ICT will therefore contribute to a smooth induction and business as usual. Ensuring that leaver's ICT equipment is collected, recorded and re-allocated if possible will also ensure best value for money is achieved.	Deliver quality in all that we do
021	Grounds Maintenance	Medium	Assurance	10	Strategic Director of Neighbourhood Services	Neighbourhoods Manager	Executive Member for Environment	A review of the effectiveness of the new Grounds Maintenance contract governance; assessing the framework and reporting arrangements in place.	Grounds maintenance is outsourced to Quadron Services Ltd. A new five year contract was awarded in 2011 which covers an all encompassing grounds maintenance service. The contract is a self-managing contract with a less hand-on approach from the council.	Improve health, wellbeing and quality of life
022	Environmental Health and Licensing Shared Service	Medium	Assurance	10	Strategic Director of Neighbourhood Services	Neighbourhoods Manager	Executive Member for Environment	A review of the operation of the Environmental Health & Licensing services.	Environmental Health & Licensing is carried out under a shared service arrangement with West Berkshire Council.	Improve health, wellbeing and quality of life
023	Leisure Connection/ Services	Medium	Assurance	10	Strategic Director of Neighbourhood Services	Neighbourhoods Manager	Executive Member for Environment	A review of the Leisure Connection contract encompassing performance, value for money and reporting arrangements.	Leisure Connection is one of the market leaders of leisure management, facilities management, cultural fitness and local authority client services. The contract for Leisure services is shortly due to be re-let and the findings from this review will help feed into that process.	Improve health, wellbeing and quality of life
024	Adult Social Care - Personal Budgets & Direct Payments	Medium	Assurance	10	Strategic Director of Health & Well-Being (and DASS)	Strategic Commissioner Health & Well-being/ Head of Adult Social Care Statutory Services	Executive Member for Health and Well-Being	To ensure that there are effective controls in place over the use of Personal Budgets and Direct Payments.	Personal Budgets and Direct Payments are a fundamental change in the way that community care is delivered. It empowers individuals to make decisions about their own care packages which in turn requires appropriate controls to monitor these choices and payments.	Look after the vulnerable

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025	Public Health Transition	High	Assurance	10	Strategic Director of Health & Well-Being (and DASS)	Head of Community Care Commissioning & Development	Executive Member for Health and Well-Being	A review to provide assurance over the operation of the shadow health & well-being board and the preparations being put in place for the Public Health Transition.	The public health landscape is currently undergoing significant change, with local authorities set to take over the role of commissioning some public health services from Primary Care Trusts in April 2013.	Look after the vulnerable
026	Service Planning	Medium	Consultancy	10	Chief Executive (Interim)	Head of Corporate Strategy & Performance	The Executive	To provide advice on the new system of service planning.	A new service plan template has recently been designed. This will ensure that for 2013/14 all services complete a consistent service plan detailing their objectives and how these will contribute to implementing the council's overall vision and priorities.	Deliver quality in all that we do
027	Procurement Benchmarking	Medium	Assurance	10	Strategic Director of Resources	Contracts Procurement Manager	Executive Member for Finance	A review to assess the reasonableness of the council's procurement contract regulations compared to other local authorities.	The council's procurement contract regulations sets out the rules for how the council should procure its goods and services. The regulations should strike a balance between rules designed to achieve value for money whilst at the same time offering flexibility for services to achieve the best outcome.	Offer excellent value for your Council Tax
028	Framework - Project Management	Medium	Assurance	10	Head of Corporate Finance	Business Resources (IT) Project Manager	Executive Member for Health and Well-Being	A review to assess the project management methodology used in implementing Framework across Children's Services and Adult Social Care.	The council is in the final stages of fully implementing Corelogic's Framework case management system within Children's Services and Adult Social Care. This review will assess the project and help contribute to the lessons learnt for the project.	Deliver quality in all that we do
029	Organisational Change Programme Board	Medium	Consultancy	10	Chief Executive (Interim)	Interim Head of Human Resources	Deputy Leader	To provide Internal Audit expertise in governance, risk management and project management on the Organisational Change Programme Board to ensure that objectives are achieved and successfully implemented.	The organisational change programme is an ambitious programme that has challenging objectives around creating an improved culture in the Council. This programme impacts on key elements of the control environment.	Deliver quality in all that we do
030	Performance Management Project Board	Medium	Consultancy	10	Chief Executive (Interim)	Interim Head of Human Resources	Deputy Leader	To provide Internal Audit expertise in governance, risk management and project management to the Performance Management Project Board to ensure that objectives are achieved and successfully implemented.	The Performance Management Project Board is looking to develop and implement a consistent and robust performance management framework across the council.	Deliver quality in all that we do
031	Housing Benefits	High	Assurance	10	Strategic Director of Resources	Head of Transactional Finance	Executive Member for Finance	To provide assurance that claims are properly assessed, supported by adequate documentation and are paid in accordance with legislation. Also to ensure that all overpayments are recovered and IT systems are secure.	The service is a fundamental financial system and a key front line service for over 5,500 claimants (approximately 1 in 11 of all borough households). The service process in excess of 8,700 claims and over £25m in benefits claims.	Offer excellent value for your Council Tax
032	Children's Centres - Data Quality	Medium	Assurance	5	Strategic Director of Children's Services	Strategic Commissioner for Children, Young People & Families	Executive Member for Children Services	A follow-up review to ensure that data collected in respect of the council's Children Centres is; (1) accurate, (2) complete, (3) consistent and (4) timely.	A preliminary review into this area was carried out earlier this year. It highlighted a number of areas for improvement. This review will seek to confirm that these have been addressed.	Deliver quality in all that we do
033	Key Control Review of Top Three Council Risks	High	Assurance	8	Chief Executive (Interim)	Corporate Leadership Team	Executive Member for Internal Services	A cross cutting review to validate the operation of the key controls over the council's three top corporate risks (7, 8 and 12).	It is crucial that the existing controls in place to help mitigate the council's top risks are sound in their design and in their operation.	All

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034	Medium	Consultancy	10	Strategic Director of Resources	Commercial Operations Manager	Executive Member for Finance	To provide advice on the specification, procurement and project management aspect of the WISE replacement system which is due to be introduced in 2013.	The system that will replace WISE will be a fundamental financial system of the council. It is therefore crucial that the project to select the replacement system is carried out robustly with input from a wide variety of stakeholders.	Deliver quality in all that we do
035	High	Assurance	5	Director of Business Assurance and Democratic Services	Director of Business Assurance and Democratic Services	Chair of the Audit Committee	To review the Internal Audit Service against the IIA International Standards for the Professional Practice of Internal Audit.	The effectiveness of internal audit is a key cornerstone of corporate governance. Internal audit have adopted the IIA standards from the 1 April 2011 replacing compliance with the CIPFA standards.	All
036	High	Facilitation	2	Director of Business Assurance and Democratic Services	Risk Management Group	Executive Member for Internal Services	To further embed risk management by facilitating the Council's Risk Management Group.	Risk Management is a key component of a good governance framework which helps ensure that the Council's vision and strategic priorities are achieved.	All
037	High	Facilitation	8	Director of Business Assurance and Democratic Services	Corporate Leadership Team	Executive Member for Internal Services	To facilitate the refresh of the Council's Corporate Risk Register.	Risk Management is a key component of a good governance framework which helps ensure that the Council's vision and strategic priorities are achieved.	All
INV04	High	Investigations	90	Various	Various	Leader of the Council	To investigate suspected fraud, corruption and malpractice and breaches of council policy and procedures.	The council takes allegations of misconduct seriously as they undermine the public's trust in the council and cause reputational damage.	All
INV05	Medium	Investigations	60	Strategic Director of Resources	Head of Transactional Finance	Executive Member for Finance	To investigate allegations of benefits fraud.	The 2012/13 target for identifying benefit overpayments is £250,000, also resulting in future benefit claims being reduced	Offer excellent value for your Council Tax
INV06	High	Prevention	30	Strategic Director of Resources	Various	Executive Member for Finance	To raise fraud awareness and proactively detect and prevent opportunities for fraud	The council has a zero tolerance approach to fraud. Fraud awareness is the first stage to prevent fraud. Active fraud detection ensures that this zero tolerance approach is enforced.	Offer excellent value for your Council Tax

368

Total BA Plan Days: Quarter 2 2012/13		
SPONSOR	DAYS	%
Chief Executive	48	13
Strategic Director of Resources & S151 Officer	150	41
Strategic Director of Neighbourhood Services	30	8
Strategic Development & Regeneration	0	0
Strategic Director of Health & Well-Being (and DASS)	30	8
Strategic Director of Children's Services	5	1
Director of Transformation	0	0
Director of Legal & Electoral Services	0	0
Director of Business Assurance & Democratic Services	15	4
Unassigned - Reactive Investigations	90	24
TOTAL	368	100

Cumulative No of Business Assurance Days by Sponsor April to Sept 2012 (Q1 & Q2)

