



THE LONDON BOROUGH
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BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Richard Millar
richard.millar@bromley.gov.uk

DIRECT LINE: 020 8461 7651

FAX: 020 8290 0608

DATE: 11 March 2010

To: Members of the
AUDIT SUB-COMMITTEE

Councillor Michael Tickner (Chairman)

Councillor Stephen Wells (Vice-Chairman)

Councillors Reg Adams, Nicholas Bennett J.P., Ruth Bennett and Simon Fawthrop

A meeting of the Audit Sub-Committee will be held at Bromley Civic Centre on
TUESDAY, 23RD MARCH, 2010 AT 7.30 PM

MARK BOWEN
Director of Legal, Democratic and
Customer Services.

Copies of the documents referred to below can be obtained from
<http://sharepoint.bromley.gov.uk>

A G E N D A

- 1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 DECLARATIONS OF INTEREST**
- 3 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 8TH DECEMBER 2009 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION**
- 4 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

To hear questions received in writing by the Legal, Democratic and Customer Services Department by 5pm on Wednesday 17th March 2010 and to respond.

5 MATTERS OUTSTANDING FROM THE LAST MEETING

The following items were outstanding from the last meeting:

Title/Minute/Date	Summary Description	Action being taken	By Whom	Estimated Completion Date
Annual Awards for Internal Auditors (Minute 33 – 8 th December 2009)	Proposals for institution of annual award for internal auditors.	Two or three nominations to be submitted annually to Sub-Committee in March 2011.	Assistant Director of Resources (Audit and Technical).	March 2011
Internal Audit Progress Report – Emergency Accommodation and Rents (Minute (30(i) –8 th December 2009)	Report to next meeting following audit of Emergency Accommodation and Rent Accounts in January 2010 - officer requested to attend meeting to explain the financial controls used by management.	See report at item 7.	Head of Revenue and Exchequer Services.	March 2010
Officers' Expenses (Minute 21 – 22 nd September 2009 and Minute 30(ii) 8 th December 2009)	E&R PDS requested to review expenses claimable by Council Members and officers with a view, subject to comments from ACE(HR), to discontinuation of interview and relocation expenses for staff.	The issue of expenses based on the findings from this Sub-Committee is to be considered by COE prior to submission of report to E&R PDS Committee.	Director of Resources/Assistant Chief Executive (HR)	May 2010
Internal Audit Progress Report (Minute 22 – 22 nd September 2009)	Requested further reports or updates on the following matters:- Council tax collection,	See reports at item 7.	Director of Resources	March 2010

	debtors and the granting of a waiver from the contracts procedure rules.			
Mobile Phones (Minute 33 (ii) – 8 th December 2009)	E&R PDS Committee requested to review feasibility of offering annual allowance to officers to use their own mobile phone in place of those issued by Council.	This issue to be considered by COE prior to submission of report to E&R PDS Committee.	Chief Executive	May 2010
Use of Cash Payments Council-Wide (Minute 34 – 8 th December 2009)	Submission of further report on measures to reduce cash usage across the Council by at least 50% over next year.	See report at item 7.	Head of Finance for Children and Young People Services	March 2010
Financial Regulations for Schools and Colleges (Minute 35 – 8 th December 2009)	Revised Financial Regulations for Schools and Colleges referred to CYP PDS Committee for information; recommended to GP&L Committee for approval and adoption by full Council .	Revised Financial Regulations for Schools and Colleges noted by CYP PDS Committee on 25 th January 2010 and recommended by GP&L Committee on 16 th February 2010 for approval and adoption by full Council on 29 th March 2010.	Director of Resources/Director of Legal, Democratic and Customer Services.	March 2010
Internal Audit Fraud and Investigation Progress Report (Minute 38 – 8 th December 2009)	Further reports requested on Audit Review of Transportation Strategy, Capital Schemes and Small Fraud Case; request to	See report at item 12; request to enlist support of London Councils to make representations to Metropolitan Police Authority to include fraudulent crime amongst the Police KPIs and to	Director of Resources	March 2010

	GP&L Committee to enlist support of London Councils to make representations to Metropolitan Police Authority to include fraudulent crime amongst the Police KPIs and to allocate significant resources for this area of work.	allocate significant resources for this area of work agreed by GP&L Committee on 16 th February 2010. Draft letter for Chairman of Sub-Committee to send to James Cleverly, GLA Member for Bexley and Bromley, and to London Councils.		
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6 EXTERNAL AUDIT REPORTS (Pages 5 - 48)

7 INTERNAL AUDIT PROGRESS REPORT (Pages 49 - 88)

8 INTERNAL AUDIT AND VALUE FOR MONEY REPORTING (Pages 89 - 96)

9 INTERNAL AUDIT PLAN 2010/11 (Pages 97 - 114)

10 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

The Chairman to move that the Press and public be excluded during consideration of the item of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

Items of Business

Schedule 12A Description

11 CONFIRMATION OF EXEMPT MINUTES OF MEETING HELD ON 8TH DECEMBER 2009
(Pages 115 - 122)

12 INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS REPORT
(Pages 123 - 150)

Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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Agenda Item 6

Report No.
DR 10043

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Audit Sub Committee**

Date: **23rd March 2010**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **External Audit Reports**

Contact Officer: Mark Gibson, Assistant Director Resources (Audit and Technical)
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Paul Dale, Director of Resources and Deputy Chief Executive

Ward: All

1. Reason for report

This report informs Members of the external audit activity, plans and the Annual Letter which has been approved by the Executive on 3rd March 2010.

2. **RECOMMENDATION(S)**

Members are asked to note the reports and comment on them as appropriate

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: External Audit
 4. Total current budget for this head: £328,000
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): PwC team
 2. If from existing staff resources, number of staff hours: n/a
-

Legal

1. Legal Requirement: Statutory requirement. Code of Audit Practice
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All stakeholders
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: None

3. COMMENTARY

The attached three reports issued by the external Auditor are presented for Member information and comment. A representative from PWC Bromley's External Auditors will be present at the meeting.

3.1 External Audit plan

The Audit Plan has been prepared to inform the officers and Members of London Borough of Bromley (the Council) about the responsibilities the external auditors have and how we plan to discharge them. An audit fee letter was issued on 10 March 2009, in accordance with Audit Commission requirements, which set out the indicative fees for 2009/10.

This plan sets out in more detail the proposed audit approach for the year. Every Council is accountable for the stewardship of public funds. The responsibility for this stewardship is placed upon the Members and officers of the Council. The external Auditor's principal objective is to carry out an audit in accordance with the Audit Commission's Code of Audit Practice (the Code).

Based upon discussion with management and the external auditor's understanding of the Council and the local government sector, recent developments and other relevant risks have been factored in. The Plan has been drawn up to consider the impact of these developments and risks.

The external auditor also thanks Members and officers of the Council for their help in putting together this Plan. The Plan outlines the audit approach for the period 1 April 2009 to 31 March 2010, including the 2009/10 final accounts audit which we is undertaken in the summer of 2010. The detailed plan is attached.(appendix 1)

3.2. Annual Grant Claim Certification Report

The attached report is the first annual report summarising the results of the external auditor's 2008/09 grant claim certification work. (Appendix 2) The purpose of the letter is to provide a high level overview of the results of the certification work that has been undertaken at the London Borough of Bromley ("the Council") between March 2009 and January 2010 that is accessible for members and other interested stakeholders.

The results of certification work are considered when performing other Code of Audit Practice work at the Council, including for our conclusions on the financial statements, use of resources, data quality, and financial management.

All claims brought to the attention of the auditor have been audited. All deadlines for submission of audited claims/returns were met with the exception of the Childcare Affordability Programme (CAP) Grants for 2007/08 and 2008/09 and the General Sure Start 2007/08 claim. The work on the CAP grants was delayed until agreement of the amounts was received by Bromley from the Greater London Enterprise (GLE) and was completed in January 2010. The format of the Sure Start grant submission

3.3 Annual Audit Letter

The purpose of the letter is to provide a high level summary of the results of the 2008/09 audit work we have undertaken at London Borough of Bromley that is accessible for members and other interested stakeholders. (Appendix 3)

The auditor has already reported the detailed findings from our audit work to those charged with governance in the following reports:

- Audit opinion for 2008/09 financial statements, incorporating the conclusion on Use of Resources
- Report to those charged with Governance (ISA (UK&I) 260)
- Audit opinion on the Pension Fund
- Report to those charged with Governance (ISA (UK&I) 260) on the
- Pension Fund Annual Report and Accounts
- Use of Resources report (copy placed in Members' Room).

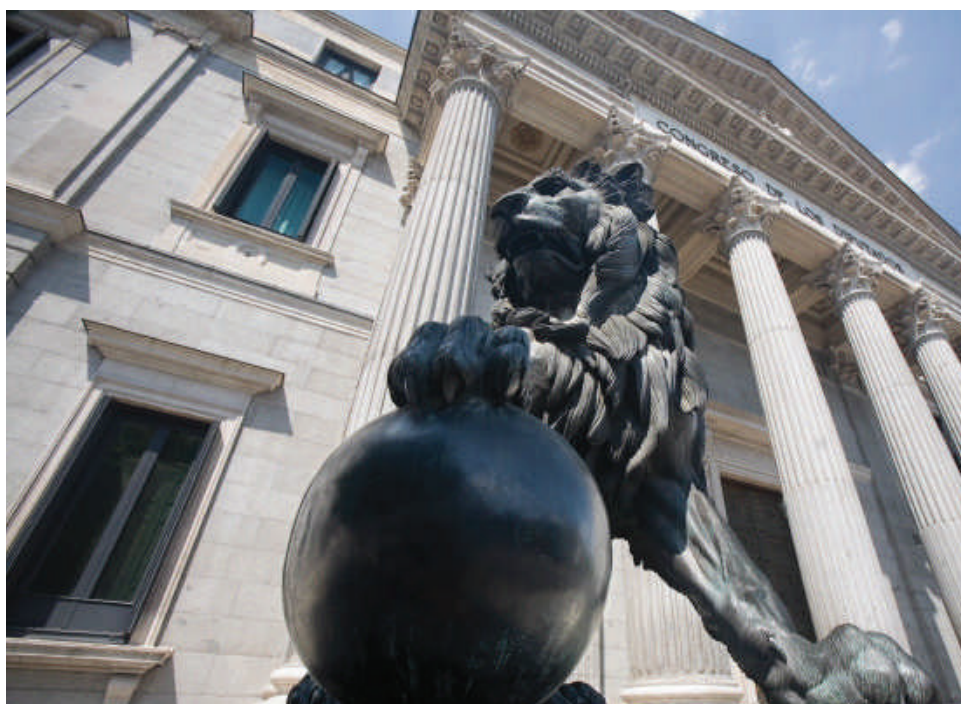
The external auditor now feels they have a good understanding of the Council, its risks, challenges and objectives. They recognise that there is likely to be significant pressures on the public sector finances over the medium term and the Council is likely to have to make

4. FINANCIAL IMPLICATIONS

4.1 External Audit fees for 2010/11 are estimated at £328,000

Non-Applicable Sections:	Legal and Personnel
Background Documents: (Access via Contact Officer)	Use of Resources report 2008/9

London Borough of Bromley 2009/10 Audit Plan



Audit Sub Committee
London Borough of Bromley
Bromley Civic Centre
Stockwell Close
Bromley
BR1 3UH

Ladies and Gentlemen,

We are pleased to present to you our Audit Plan, which includes an analysis of key risks, our audit strategy, reporting and audit timetable and other matters. Discussion of our plan with you ensures that we understand your concerns and that we agree on our mutual needs and expectations to provide you with the highest level of service quality. We understand the changing and challenging external environment in which the Council operates and our approach is responsive to these changes and challenges, looking to support and add value to the Council via our audit work.

We would like to thank Members and officers of the Council for their help in putting together this Plan.

If you would like to discuss any aspect of our Audit Plan please do not hesitate to contact either Janet Dawson or Stuart Brown.

Yours faithfully,

PricewaterhouseCoopers LLP

Contents

Introduction4

Risk assessment6

Our approach to the audit..... 10

Our team and independence 12

Communicating with you 14

Audit budget and fees..... 15

Appendix A: Other engagement information 18

In April 2008 the Audit Commission issued a revised version of the ‘Statement of responsibilities of auditors and of audited bodies’. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

Introduction

The purpose of this plan

Our Audit Plan has been prepared to inform the officers and Members of London Borough of Bromley (the Council) about our responsibilities as your external auditors and how we plan to discharge them.

We issued our audit fee letter on 10 March 2009, in accordance with Audit Commission requirements, which set out our indicative fees for 2009/10. This plan sets out in more detail our proposed audit approach for the year.

Every Council is accountable for the stewardship of public funds. The responsibility for this stewardship is placed upon the Members and officers of the Council. Our principal objective is to carry out an audit in accordance with the Audit Commission's Code of Audit Practice (the Code).

Based upon discussion with management and our understanding of the Council and the local government sector, we have noted in the next section recent developments and other relevant risks. Our Plan has been drawn up to consider the impact of these developments and risks.

We would like to thank Members and officers of the Council for their help in putting together this Plan.

Period covered by this plan

This Plan outlines our audit approach for the period 1 April 2009 to 31 March 2010, including the 2009/10 final accounts audit which we will undertake in

the summer of 2010.

Code of Audit Practice and Statement of responsibilities of auditors and of audited bodies

We perform our audit in accordance with the Audit Commission's Code of Audit Practice (the Code) which was last updated in July 2008. This is supported by the Statement of responsibilities of auditors and of audited bodies (the Statement) which was updated in April 2008.

The purpose of the Statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end, and what is to be expected of the audited body in certain areas.

Our reports and audit letters follow the Statement and are in line with the Code. Although Annual Audit Letters and reports may be addressed to officers or Members of the Council, they are prepared for the sole use of the audited body. Auditors do not have responsibilities to officers or Members in their individual capacities or to third parties who choose to place reliance upon the reports from auditors.

Working with you

Our relationship with you is very important to us. We believe that we have worked well with you over the last 12 months, but we as a team have set an objective of improving further over the coming year. To this end we are planning to set up a communications protocol with you to confirm who in the

audit team is responsible for each area of the audit and how we will communicate and liaise with you on progress, emerging issues and wider matters that may be of interest to the Council.

We aim to add value through our audit work both on the financial statements but also in areas such as the Use of Resources Assessment. In our first 12 months as your auditors we have sought to share our wider experiences and expertise with you, including:

- Delivering a briefing session on our audit approach and what an audit by PwC is like.
- Attended the Internal Audit team away day presenting on how their work may assist in the delivery of our audit.
- Introduced PwC specialists to share in their knowledge of specific areas, for example, sustainability and information governance.

During 2009/10 we will look to build on this and support the Council on its journey to build a better Bromley. There are a number of major changes occurring at the Council, against a back drop of tight and reducing finances. Some of the key projects currently on going include:

- Strategically important procurements, including a number of back office functions and IT.
- New ways of working and utilising the Council's accommodation.
- Preparing for the transition to International Financial Reporting Standards (IFRS).

As an integral part of our audit approach, we will seek to tailor our work to support the Council in its delivery of its broader agenda.

Risk assessment

Planning of our audit

We have considered the Council's operations and have assessed the extent to which we believe there are potential business and audit risks that need to be addressed by our audit. We have also considered our understanding of how your control procedures mitigate these risks. Based on this assessment we have determined the extent of our financial statements and use of resources audit work.

It is your responsibility to identify and address your operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. In planning our audit work, we assess the significant operational and financial risks that are relevant to our responsibilities under the Code and the Audit Commission's Standing Guidance. This exercise is only performed to the extent required to prepare our Plan so that it properly tailors the nature and conduct of audit work to your circumstances. It is not designed to identify all risks affecting your operations nor all internal control weaknesses.

In this Plan we detail those areas which we consider to be the key risks relevant to our audit responsibilities and our response to those risks.

Our response includes details of where we are intending to rely upon internal controls, other auditors, inspectors and other review agencies and the work of internal audit, if applicable.

Risk assessment results

The following table summarises the results of our risk assessment and our planned response.

Business risks	Audit approach
Key Risks	
<p>IFRS</p> <p>International Financial Reporting Standards (IFRS) will be implemented for Local Government bodies in 2010/11. We understand that project planning for this transition is already underway at the Council and we have been working closely with the Council on this, including completing an Impact Assessment covering the effect of implementing IFRS on the Council's financial statements.</p> <p>Systems should be put in place so that information required for the transition (e.g. comparatives for 2010/11 statements) can be collected efficiently and effectively during the 2009/10 closedown.</p> <p>In order for the Council to restate the 2009/10 accounts under IFRS the 1 April 2009 opening balance sheet will need to be restated. CIPFA guidance does not currently specify deadlines for Councils to restate the 1 April 2009 balance sheet, although it advises that this is completed by 31 December 2009. If this exercise does not take place there is a risk that the 2009/10 accounts will not be restated successfully.</p>	<p>PwC performed an impact assessment for the Council on the likely impact of IFRS on the financial statements; this included a workshop for Council staff and a report setting out the top work streams and a suggested action plan.</p> <p>Since the workshop was performed we have had an update meeting with key members of staff involved in the IFRS project and we understand that the Council has a project plan in place and an IFRS group has been set up.</p> <p>We will continue to work with you throughout the year to ensure that you are aware of the main differences between IFRS and UK GAAP and to review any proposed solutions to accounting issues proposed by officers. By working closely with you on this it will help to ensure a smooth transition to IFRS and minimal disruption when it comes to preparing and auditing the 2010/11 financial statements.</p> <p>Although no formal review of the restated opening balance sheet at 1st April 2009 is required by CIPFA, to align with good practice to provide assurance over the opening position we recommend that this work is completed prior to restatement of the 2009/10 accounts. The scope of this work has not yet been defined but will be discussed and agreed with you prior to this work commencing.</p>

Business risks	Audit approach
<p>Fraud</p> <p>There is evidence that difficult economic conditions lead to increased risk of fraud. The Council is likely to be at greater risk of fraud, both by staff and by service users.</p>	<p>As part of our standard audit procedures we are required to consider the potential fraud risk at the Council.</p> <p>We will understand and review the processes and controls in place at the Council that assist in the prevention of fraud, working closely with Internal Audit to understand their work in this area and to ensure that between their work and ours the key fraud risks are being identified and reviewed.</p> <p>As part of our audit work we will also perform a number of unpredictable procedures and review those areas that have required a degree of management judgement.</p>
<p>Valuation of Assets and Revaluation Reserve</p> <p>After a number of years of increases in property prices the current economic climate has caused falls in the value of many land and building assets, and the risk of such assets being overvalued on the balance sheet remains high. We will expect the Council to have carried out impairment reviews to ensure that assets are not overvalued at the year end, and where assets have not been revalued recently, to ensure these assets are not undervalued.</p> <p>The recent introduction of the revaluation reserve in 2007/08 will have ongoing implications for the treatment of assets revalued during 2009/10. Particular care will need to be taken over the treatment of any downwards revaluations which exceed revaluation gains recognised since the start of 2007/08. These will need to be charged to the Income and Expenditure Account.</p>	<p>We have discussed an approach with you to fixed asset valuations to be applied in the 2009/10 accounts and will continue to work with officers to ensure that appropriate valuations are reflected on the balance sheet at 31 March 2010.</p>
<p>Changes to Accounting for Infrastructure Assets</p> <p>CIPFA is currently consulting on a new code to support an asset management plan based approach to the provision of financial management information about local authority transport infrastructure assets. This will eventually lead to changes in accounting for infrastructure assets in the financial statements under depreciated replacement cost (DRC), rather than historical cost basis. However, in the shorter term such valuations will be used for asset management purposes only. A timetable has been set for the use of DRC valuations in Whole of Government Accounts, which will include the use of unaudited data submissions for 2009/10.</p>	<p>We will discuss the new requirements for accounting for Infrastructure Assets with you during the year.</p> <p>Through our discussions with you to date we understand that work is underway to ensure infrastructure assets can be accounted for using the DRC method.</p> <p>Although there is no requirement to have these figures audited this year we recommend the Council continues to put the processes in place so assets can be accounted for using the DRC method. This will ensure that figures can be accurately reported in the Whole of Government Accounts return and in the financial statements in the future.</p>

Business risks	Audit approach
<p>Accounting for Council Tax</p> <p>The 2009 Local Authority SORP has changed the requirements for the way in which Council Tax income and debtors and creditors should be accounted for in the financial statements.</p> <p>For the first time, the 2009 SORP includes detailed requirements for accounting for Council Tax which includes a requirement to include appropriate shares of Council Tax debtors in the billing authorities' and major preceptors' Balance Sheets. The Council will need to ensure that it is familiar with the new requirements and that it includes the appropriate sums in its accounts.</p>	<p>We will discuss the new requirements for accounting for Council Tax with you prior to the final audit. During the interim audit we will undertake a review of the accounting arrangements for Council Tax, and test those balances as part of our final audit work.</p>
<p>Retirement benefits</p> <p>There are two important aspects of FRS 17 (Retirement Benefits) accounting that are influenced by the current economic climate:</p> <p>Discount rates – as the market for high quality corporate bonds has become shallower, problems have arisen in establishing discount rates for FRS 17 purposes.</p> <p>Valuation of scheme assets – the same guidance for determining values for financial assets applies to pension fund assets. Problems have arisen in earlier years where actuaries have used estimates for returns on assets based on trends before the year-end that have proven to be materially inaccurate. The current instability of the markets makes recurrence of this problem likely in 2009/10. The Council will need to ensure that out-of-date figures are identified and corrected.</p>	<p>As part of our interim audit work we will review how the Council has been working with their actuaries to obtain an accurate valuation for its retirement benefits. This will include how the changes in the economic climate, and the impact this may have on discount rates and the valuation of scheme assets, have been considered.</p> <p>As part of our financial statements audit we will audit the FRS 17 numbers, including reviewing the assumptions used to prepare the valuation for reasonableness.</p>
<p>Increased pressures on budgets and increased demand for services</p> <p>The Council is likely to be experiencing increased pressures on many of its budgets as economic conditions have worsened. Budget holders may feel under pressure to try to push costs into future periods, or to miscode expenditure to make use of resources intended for different purposes.</p> <p>The Council is also likely to be experiencing increased demand for its services at time when funding service provision may be under strain. This may lead to increased risks related to the processing and documentation of financial data.</p>	<p>As part of our interim work we will look to understand the controls in place over budget monitoring. We will also undertake a preliminary review of the Council's financial position and work with officers to identify any potential higher risk areas. Where such areas are identified we will tailor our final audit approach to consider these to provide assurance over the final budgetary position of these services, including that transactions are being posted to the correct period, and any provisions and transfers to reserves are appropriate.</p> <p>Given the changing economic climate the Council should continue to review all provisions made and consider whether these are still appropriate. We are aware that officers already monitor these closely and are prudent in their approach to managing potential financial risks.</p>

Our approach to the audit

Code of Audit Practice

Under the Audit Commission's Code there are two aspects to our work:

- Accounts including a review of the Annual Governance Statement; and
- The arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources (Value for Money Conclusion)

We are required to issue a two-part audit report covering both of these elements.

Accounts

Our Accounts audit is carried out in accordance with our Accounts Code objective, which requires us to comply with International Standards on Auditing (ISAs) (UK & Ireland) issued by the Auditing Practices Board (APB). We plan and perform our audit to be able to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. We use professional judgement to assess what is material. This includes consideration of the amount and nature of transactions.

Our audit approach is based on a thorough understanding of your business and is risk-driven. It first identifies and then concentrates resources on areas

of higher risk and issues of concern to you. This involves breaking down the accounts into components. We assess the risk characteristics of each component to determine the audit work required.

Our audit approach is based on understanding and evaluating your internal control environment and where appropriate validating these controls, where we wish to place reliance on them. This work is supplemented with substantive audit procedures, which include detailed testing of transactions and balances and suitable analytical procedures.

We also aim to rely on the work done by internal audit wherever this is appropriate. We will ensure that a continuous dialogue is maintained with internal audit throughout the year. We receive copies of all relevant internal audit reports, allowing us to understand the impact of their findings on our planned audit approach.

Whole of government accounts

Work on the Whole of Government Accounts consolidation pack is included in the scope of the accounts audit.

Value for Money Conclusion

Our Use of Resources Code responsibility requires us to carry out sufficient and relevant work in order to conclude on whether you have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources (the Value for Money Conclusion).

This conclusion is based on relevant criteria, covering particular areas of the Council's arrangements which the Audit Commission have specified under the Code. The criteria cover three themes, Managing Finances, Governing the Business and Managing Resources, and are set out in Key Lines of Enquiry. The applicable criteria are specified by the Audit Commission each year, but where a 'no' judgement is made in one year, that criterion automatically applies in the following year, whether or not it is specified.

When forming our opinion we will seek to rely on:

- Any self assessment you have performed against the criteria;
- Your internal control mechanisms;
- Any relevant work of internal audit, inspectors and other review agencies;
- Work performed in respect of other Code requirements and mandatory work required by the Audit Commission; and
- Targeted audit work to address specific risks and validate arrangements in place at the Council.

As noted above, our opinion will be issued as part of the audit opinion on your 2009/10 financial statements.

Mandatory work for 2009/10

Use of Resources Assessment

From April 2009, the Audit Commission implemented comprehensive area assessment (CAA), jointly with the other public service inspectorates.

The audit year 2009/10 will therefore be the first full year of CAA. As part of the transition to CAA the scope of the use of resources assessment was broadened to reflect 'new' areas such as commissioning. It also now encompasses a wider definition of resources, covering natural resources, people and information technology.

Our use of resources judgements in 2009/10 will therefore serve two purposes: as a basis for Value for Money conclusions and as an input into the results of CAA which will be reported in autumn 2010.

Data Quality work

We will be required to undertake audit work in relation to data quality to support our Use of Resources Assessment.

Local government pension fund accounts -

We have prepared a separate audit plan for work on the pension fund. This and other matters relating to the pension fund audit will be presented to those charged with governance for the pension fund, as well as to the officers and Members of the Council.

Local government grants audits

We will also undertake the audit work on the Council's grants in accordance with the Audit Commission guidelines. This work will take place during the summer and autumn 2010. Prior to this work commencing we will agree a project plan and deadlines for completion of this work with you.

Our team and independence

Audit Team	Responsibilities
Engagement Partner <i>Janet Dawson</i> 0207 213 5244 <i>Janet.r.dawson@uk.pwc.com</i>	Janet is responsible for independently delivering the audit in line with the Code of Audit Practice, including agreeing the Audit Plan, Audit Memorandum and Annual Audit Letter, approving the quality of outputs and signing of opinions and conclusions. Also responsible for liaison with the Chief Executive and Members.
Engagement Senior Manger <i>Stuart Brown</i> 0207 804 7581 <i>Stuart.brown@uk.pwc.com</i>	Stuart is responsible for overall control of the audit engagement, ensuring delivery to timetable, delivery and management of targeted work and overall review of audit outputs. Completion of the Audit Plan, Audit Memorandum and Annual Audit Letter.
Audit Manager: Accounts and Use of Resources <i>Bridie Tooher</i> 0207 213 2538 <i>Bridie.c.tooher@uk.pwc.com</i>	Bridie is responsible for managing our accounts work, including the audit of the statement of accounts, and governance aspects of the use of resources. Bridie will also be responsible for co-ordinating the use of resources audit programme.

Our team members

It is our intention that wherever possible staff work on the Council audit each year, developing effective relationships and an in depth understanding of your business. We are committed to controlling succession properly within the core team, providing and preserving continuity of team members.

We will hold periodic client service meetings with you, separately or as part of other meetings, to gather feedback, ensure satisfaction with our service and identify areas for improvement and development year on year. These reviews form a valuable overview of our service and its contribution to the business. We use the results to brief new team members and enhance the team's awareness and understanding of your requirements.

Independence and objectivity

We have made enquiries of all PricewaterhouseCoopers' teams providing services to you and of those responsible in the UK Firm for compliance matters. There are no matters which we perceive may impact our independence and objectivity of the audit team.

Relationships and Investments

Senior officers should not seek or receive personal financial or tax advice from PwC. Non-executives who receive such advice from us (perhaps in connection with employment by a client of the firm) or who also act as director for another audit or advisory client of the firm should notify us, so that we can put appropriate conflict management arrangements in place.

Independence conclusion

At the date of this plan we confirm that in our professional judgement, we are independent accountants with respect to the Council, within the meaning of UK regulatory and professional requirements and that the objectivity of the audit team is not impaired.

Communicating with you

Communications Plan and timetable

ISA (UK&I) 260 'Communication of audit matters with those charged with governance' requires auditors to plan with those charged with governance the form and timing of communications with them. We have assumed that 'those charged with governance' are the Audit Sub Committee. Our team works on the engagement throughout the year to provide you with a timely and responsive service. Below are the dates when we expect to provide the Audit Sub Committee with the outputs of our audit.

Stage of the audit	Output	Date
Audit planning	Audit Fee letter	Mar' 09
	Audit Plan	Nov' 09
Audit findings	Internal control issues and recommendations for improvement	Mar' 10
	Use of resources and preliminary conclusion for discussion	Apr' 10
Audit reports	Audit Memorandum incorporating specific reporting requirements under Auditing Standard (ISA (UK&I) 260), including: <ul style="list-style-type: none"> Any expected modifications to the audit report Uncorrected misstatements, i.e. those misstatements identified as part of the audit that management have chosen not to adjust Material weaknesses in the accounting and internal control systems identified as part of the audit Our views about the qualitative aspects of your accounting practices and financial reporting Any other relevant matters of governance interest and Summary of findings from our use of resources audit work to support our value for money conclusion. 	Aug / Sep' 10
	Opinion on the Financial Statements including Value for Money Conclusion	Sep' 10
	Auditor Use of Resources Assessment	Sep' 10
Other public reports	Annual Audit Letter A brief summary report of our work, produced for Members and to be available to the public.	Nov' 10

Audit budget and fees

The Audit Commission has provided indicative audit fee levels for Councils for the 2009/10 financial year which depend upon the level of expenditure and potential risk. Based on your expenditure, the indicative fee scale for the Council audit is £346,000 and in our audit fee letter dated 10 March 2009 we estimated this to be the fee for 2009/10. The Audit Commission sets tolerance limits of plus or minus 30% of the fee depending on the assessed level of risk. It is usually expected that the scale fee will be used unless there is clear evidence to support a variance from this scale fee.

In the past few years the fee scale has been over 30% less than the recommended scale fee in 2008/09, which provides no scope for completing any additional work required during the audit period and as a result of which the Audit Commission have queried the appropriateness of the fee. This year we have included an element in 2009/10 to reflect the additional work required of us in restating your 2009/10 opening balance sheet under IFRS, which will be charged on the basis of actual work completed once the scope of the work has been agreed. The fee required to complete the additional work at the London Borough of Bromley remains at 20% less than Audit Commission's scale fee, which reflects the good processes in place for preparing the accounts and the Council's strong Use of Resources score.

Now that we have completed our audit for 2008/09 we are in a position to identify what we see are the key risks facing the Council. These have been set out in the section above. We have also used this information to re-profile the fee to reflect more accurately the split between time required for audit and Use of Resources (previously based on information provided by the predecessor audit firm Baker Tilly). We have applied these against the scales fee that we communicated to you in our fee letter in March 2009. This has resulted in the fee estimate set out in the table below.

The audit fee has been increased from 2008/09 to account for the actual costs of undertaking the work required for the financial statements audit and the new Use of Resources assessment (which we have recently completed for 2009/10). The proposed fees above cover the additional work that is anticipated in 2009/10 due to the implementation of IFRS. This will include a review of the restated 1 April 2009 opening balance sheet in accordance with a scope to be agreed with you. The Use of Resources assessment for 2009/10 will include the key line of enquiry (KLOE) in relation to workforce.

The above scale fee does not include the fee for the audit of the Council's Pension Fund. A separate fee for this audit will be determined by the Audit Commission and reported separately. The fee does not include any inspection and assessment fees. Your Comprehensive Area Assessment Lead will be writing to you separately on inspection fees.

	2009/10	2008/09 outturn
Audit	£168,000	£134,800*
Use of resources	£80,000**	£120,300*
IFRS	£30,000***	-
Total	£278,000	£255,100
Grants certification work	£50,000	£47,470

* split based on amounts recharged by Baker Tilly for UoR 2008/09 work performed in 2008

** 2009/10 Use of resources fee

*** to be charged as incurred

Our fee for accounts work includes the following:

- Audit of the financial statements for 2009/10
- Work on whole of government accounts for 2009/10
- Support on IFRS, including early discussions and agreement on accounting approaches.
- Review of the restated 1st April 2009 opening balances.

Our fee for use of resources work includes the following:

- Use of Resources assessment, supporting the Comprehensive Area Assessment (CAA)
- Value for Money Conclusion
- Follow up of previous work.

We have based the fee level on the following assumptions:

- Officers meeting the timetable of deliverables, which we will agree in writing;
- We are able to place reliance, as planned, upon the work of internal audit;

- We are able to draw comfort from your management controls;
- We are able to place reliance on the work of inspectors and internal audit in respect of our Value for Money conclusion;
- No significant changes being made by the Audit Commission to the use of resources criteria on which our conclusion will be based;
- An early draft of the Annual Governance Statement being available for us to review prior to 31 March 2010; and
- Our Value for Money conclusion and accounts opinion being unqualified.

If these prove to be unfounded, we will seek a variation order to the agreed fee, to be discussed in advance with you.

Certification of grant claims

Our fee for the certification of grant claims is based on the amount of time required to complete individual grant claims at standard hourly rates. The fee included in the table above is an estimate based on the 2008/09 level of inputs. We will discuss and agree the final fee with the Director of Resources and his team.

Appendix A: Other engagement information

The Audit Commission appoint us as auditors to London Borough of Bromley and the terms of our appointment are governed by:

- The Code of Audit Practice; and
- The Standing Guidance for Auditors

There are five further matters which are not currently included within the guidance, but which our firm's practice requires that we raise with you.

Electronic communication

During the engagement we may from time to time communicate electronically with each other. However, the electronic transmission of information cannot be guaranteed to be secure, virus or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use.

PwC partners and staff may also need to access PwC electronic information and resources during the engagement. You agree that there are benefits to each of us in their being able to access the PwC network via your internet connection and that they may do this by connecting their PwC laptop computers to your network. We each understand that there are risks to each of us associated with such access, including in relation to security and the transmission of viruses.

We each recognise that systems and procedures cannot be a guarantee that transmissions, our respective networks and the devices connected to these networks will be unaffected by risks such as those identified in the previous two paragraphs. We each agree to accept the risks of and authorise (a) electronic communications between us and (b) the use of your network and internet connection as set out above. We each agree to use commercially reasonable procedures (i) to check for the then most commonly known viruses before either of us sends information electronically or we connect to your network and (ii) to prevent unauthorised access to each other's systems.

We shall each be responsible for protecting our own systems and interests and you and PwC (in each case including our respective directors, members, partners, employees, agents or servants) shall have no liability to each other on any basis, whether in contract, tort (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between us and our reliance on such information or our use of your network and internet connection.

The exclusion of liability in the previous paragraph shall not apply to the extent that such liability cannot by law be excluded.

Access to audit working papers

We may be required to give access to our audit working papers to the Audit Commission or the National Audit Office for quality assurance purposes.

Quality arrangements

We want to provide you at all times with a high quality service to meet your needs. If at any time you would like to discuss with us how our service could be improved or if you are dissatisfied with any aspect of our services, please raise the matter immediately with the partner responsible for that aspect of our services to you. If, for any reason, you would prefer to discuss these matters with someone other than that partner, please contact Paul Woolston, our Audit Commission Lead Partner at our office at 89 Sandyford Road, Newcastle Upon Tyne, NE99 1PL, or Richard Sexton, UK Head of Assurance, at our office at 1 Embankment Place, London, WC2N 6NN. In this way we can ensure that your concerns are dealt with carefully and promptly. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. This will not affect your right to complain to the Institute of Chartered Accountants in England and Wales or to the Audit Commission.

Events arising between signature of accounts and their publication

ISA (UK&I) 560 places a number of requirements on us in the event of material events arising between the signing of the accounts and their publication. You need to inform us of any such matters that arise so we can fulfil our responsibilities.

If you have any queries on the above, please let us know before approving the Audit Plan or, if arising subsequently, at any point during the year.

Freedom of Information Act

In the event that, pursuant to a request which the audited body has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. The audited body agrees to pay due regard to any representations which PwC may make in connection with such disclosure and the audited body shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, the audited body discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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Audit Sub Committee
London Borough of Bromley
Bromley Civic Centre
Stockwell Close
Bromley
BR1 3UH

24 February 2010

Ladies and Gentlemen

Annual Grant Claim Certification Report

We are pleased to present our first annual report summarising the results of our 2008/09 grant claim certification work.

The purpose of this letter is to provide a high level overview of the results of the certification work that we have undertaken at the London Borough of Bromley ("the Council") between March 2009 and January 2010 that is accessible for members and other interested stakeholders.

We consider the results of certification work when performing other Code of Audit Practice work at the Council, including for our conclusions on the financial statements, use of resources, data quality, and financial management.

Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2008 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

Scope of work

Grant-paying bodies pay billions of pounds in grants and subsidies each year to local authorities and often require certification, by an appropriately qualified auditor, of the claims and returns submitted to them. Certification work is not an audit but a different kind of assurance engagement. This involves applying prescribed tests, which are designed to give reasonable assurance that claims and returns are fairly stated and in accordance with specified terms and conditions.

The Audit Commission is required by law to make certification arrangements for grant paying bodies when requested to do so and sets thresholds for claim and return certification, as well as the prescribed tests which we as local government appointed auditors must undertake. We certify

claims and returns as they arise throughout the year to meet the audited claim/return submission deadlines set by grant paying bodies.

Results of Certification work

The Audit Commission issues Certification Instructions to set out the work required for the certification of grant claims. These instructions include a de minimis threshold for the certification of claims, which means that for 2008/09, claims below £100,000 do not need to be certified. In addition, claims below £500,000 only require a limited set of tests to be completed.

We are pleased to report that we have now audited all claims that have been brought to our attention.

All deadlines for submission of audited claims/returns were met with the exception of the Childcare Affordability Programme (CAP) Grants for 2007/08 and 2008/09 and the General Sure Start 2007/08 claim. The work on the CAP grants was delayed until agreement of the amounts was received by Bromley from the Greater London Enterprise (GLE) and was completed in January 2010. The format of the Sure Start grant submission form was changed and therefore required a new audit this year. The Council had liaised with the relevant bodies regarding the revised submission date of these grants.

The table below sets out the nine grants that we certified during 2008/09 and whether they required amendment and / or qualification.

CI	Claim/Return	Amended	Qualified
	2007/08 claims		
RG31	Single Programme LDA CAP Phase 2	No	No
EYC02	General Sure Start	No	No
	2008/09 claims		
BEN01	Housing and Council Tax Benefit Subsidy	Yes	Yes
RG31	Single Programme LDA Bromley Youth Officer	No	No
EYC02	Sure Start, Early Years	No	No
RG31	Single Programme LDA CAP Phase 2	No	No
HOU21	Disabled Facilities	No	No
LA01	National Non Domestic Rates	No	No

CI	Claim/Return	Amended	Qualified
PEN05	Teachers Pension	Yes	Yes

Council staff responsible for grant claims have ensured that claim forms and supporting information have been ready in time for our audits. This has helped to keep the overall cost of the claims to a minimum. We believe that the Council could achieve further savings in the cost of grant claim certification by addressing the qualification issues identified in our audit of the Housing Benefit Subsidy grant claim and the Teachers Pension grant claim and those points noted in Appendix A.

We have noted that some of our other local government clients have a grants co-ordinator who oversees all issues in relation to the grants. This role was partially adopted by the Head of Co-ordination and Control (Corporate) at the Council. Having someone to act as a grants co-ordinator is good practice and will ensure that all grants issues are communicated through a central person and that responsibilities are clearly defined.

We are pleased to report that we have already started working with officers on some of the areas mentioned above to minimise the risk of qualification in 2009/10.

Overall, apart from the matters identified in Appendix A, we identified that the Council has strong internal controls and financial reporting processes in place over the administration and preparation of grant claims. By considering the points raised above and by implementing the recommendations in Appendix A there is potential to improve the efficiency of the grants certification process even further.

Arrangements for 2009/10

On receipt of the updated Certification Instruction index for 2009/10, which will confirm the certification deadlines, we will discuss and agree arrangements with officers for the preparation and certification of 2009/10 claims.

Acknowledgements

We would like to express our appreciation for the help and co-operation that we received from the Council's staff during the course of our grant certification work.

The observations and recommendations that we have noted during the course of our audit work are included within Appendix A and the certification fee for each claim is detailed in Appendix B.

Yours faithfully

PricewaterhouseCoopers LLP

Appendix A

	Observation	Recommendation	Claims to which this relates
	<i>Claims below the Audit Commission threshold of £500,000</i>		
1	Grants below the audit commission threshold of £500,000 are subject to Part A limited audit testing only.	<p>The level of working papers required for grants that are below the threshold can be significantly reduced to include only evidence that is required in accordance with Part A testing. Part A tests are set out in the General Certification Instructions (para 42), a copy of which we will provide to the Council.</p> <p><i>Working papers should only be reduced where they are not used for management purposes or internal control and are prepared solely for the certification of the claim.</i></p>	<i>Single Programme, London Development Agency - Childcare Affordability Programme Phase 2 and Bromley Youth Officer</i>
	<i>Claims above the Audit Commission threshold of £500,000</i>		
2	<p>During the audit we identified that in some instances the officers responsible for the grant claim were not aware of the type testing that PwC would be performing on the grant, although this is specified in the certification instructions. Therefore this information was not always ready for when the audit started.</p> <p>This may delay the start of the certification work and extend the time required to complete the work.</p>	We will work with the Council in preparation for the 2009/10 grants audits to ensure that all officers responsible for grants preparation are aware of the work that is likely to be undertaken on each grant claim, based on the size and nature of the claim.	<i>Not specific to any claim</i>
3	<p><i>Housing and Council Tax Benefits</i></p> <p>The testing of this grant requires us to provide assurance that entries in each section of the form (non-HRA rent rebates, rent rebates, rent allowances, council tax</p>	<p>Officers may wish to review the current checking processes in place to ensure the level of accuracy of claims is appropriate.</p> <p>By testing a sample of claims the Council may gain additional assurance that claims are</p>	<i>BEN01 – Housing and Council Tax Benefits</i>

	<p>benefits) have been completed in accordance with the guidance.</p> <p>During our 2008/09 certification of the claim our initial sample testing identified one error whereby the incorrect claimant wages figure had been used to calculate the eligible payment. Further testing identified an additional error whereby water charges had been included in the eligible payments calculation. The total value of the two errors identified was £2,275, with the total value of the claim being £104,980,880.</p> <p>We were required to qualify the grant due to the issues noted above.</p>	appropriate and comply with regulations.	
4	<p>Housing and Council Tax Benefits</p> <p>We noted that working papers were generally very good but when detailed testing was performed it was often difficult and time consuming for Council officers to identify supporting documents for individual claimants due to the way in which these were titled when they are scanned onto the system.</p>	We suggest that the Council considers standardising the categorisation of supporting documents to make their retrieval easier.	<i>BEN01 – Housing and Council Tax Benefits</i>
5	<p>Teachers Pension</p> <p>The working papers for this grant were generally easy to follow and comprehensive. However, at the time of our fieldwork there was insufficient information available detailing how the Council satisfies itself on the accuracy of the external data provided by schools which have a separate payroll system.</p>	<p>We have since met with members of the Children and Young People's (CYP) Finance team to discuss how the Council obtains assurance over the payroll information provided by 3rd party suppliers.</p> <p>It was clear from our discussions that assurance is obtained from several different sources and it was agreed that this would be articulated and demonstrated for the 2009/10 grant certification.</p>	<i>PEN05 – Teachers Pensions Agency</i>

Appendix B

The certification fees for each claim are set out below:

CI	Claim/Return	2008/09 Fee (£)
2007/08 claims		
RG31	Single Programme LDA CAP Phase 2	1,180
EYC02	General Sure Start	3,600
2008/09 claims		
BEN01	Housing and Council Tax Benefit Subsidy	22,000
RG31	Single Programme LDA Bromley Youth Officer	1,900
EYC02	Sure Start, Early Years	2,860
RG31	Single Programme LDA CAP Phase 2	1,180
HOU21	Disabled Facilities	3,600
LA01	National Non Domestic Rates	6,300
PEN05	Teachers Pension	4,850
	Total	47,470

As this is the first year as the auditors of the Council we do not have comparable fee information for the 2007/08 grants certification work.

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London Borough of Bromley 2008/09 Annual Audit Letter



The Members
London Borough of Bromley
Bromley Civic Centre
Stockwell Close
Bromley
BR1 3UH

23 December 2009

Ladies and Gentlemen

We are pleased to present our Annual Audit Letter summarising the results of our 2008/09 audit. We look forward to presenting it to members of the Executive in March 2010.

Yours faithfully

PricewaterhouseCoopers LLP
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Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2008 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

Contents

Section	Page
Introduction	4
Audit findings	6
Matters affecting future accounting periods	10

Introduction

The purpose of this letter

The purpose of this letter is to provide a high level summary of the results of the 2008/09 audit work we have undertaken at London Borough of Bromley that is accessible for members and other interested stakeholders.

We have already reported the detailed findings from our audit work to those charged with governance in the following reports:

- Audit opinion for 2008/09 financial statements, incorporating the conclusion on Use of Resources
- Report to those charged with Governance (ISA (UK&I) 260)
- Audit opinion on the Pension Fund
- Report to those charged with Governance (ISA (UK&I) 260) on the Pension Fund Annual Report and Accounts
- Use of Resources report.

The matters reported here are those that we consider are most significant for the Council.

Scope of work

Our audit work is conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Council is responsible for preparing and publishing its financial statements, including the Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- Forming an opinion on the financial statements
- Reviewing the Council's Annual Governance Statement
- Forming a conclusion on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources
- Undertaking any other work specified by the Audit Commission.

Our 2008/09 audit work has been undertaken in accordance with the Annual Audit and Inspection Plan that we issued, as a joint document with the Audit Commission, in June 2008.

Working with the Council

Our relationship with the Council is very important to us. We believe that we have worked well with the Council over the last 12 months, but we as a team have set an objective of improving this further over the coming year.

We now have a good understanding of the Council, its risks, challenges and objectives. There is likely to be significant pressures on the public sector finances over the medium term and the Council is likely to have to make

some tough decisions and re-focus how it operates to meet future objectives. We aim to add value through our audit work both on the financial statements but also in areas such as the Use of Resources Assessment and we will continue to work with the Council as its auditors to help it manage its risks and meet its objectives going forward.

Audit findings

Accounts

We audited the Council's accounts in line with approved Auditing Standards and were pleased to issue an unqualified audit report on 24 September 2009.

In our Report to those charged with Governance (ISA (UK&I) 260) we set out the issues that we identified during the accounts audit. There was only one issue which resulted in a material change to the financial statements and this is set out below.

Fixed asset revaluations

The Council have historically revalued its assets on a five yearly rolling programme and this was the approach continued in 2008/09. The Local Government Statement of Recommended Practice (SORP) states that all assets must be revalued at a minimum every five years and more often if there is an indication that asset values are likely to have materially changed.

During the audit we identified that one category of the Council's assets were materially undervalued as they were only being revalued on a five yearly cycle therefore had not increased in value in line with the rising land and property prices. Additional work was performed on the valuation of these assets and they were subsequently increased in value by £48m, this was reflected as an increase in fixed assets and revaluation reserve on the balance sheet.

Since the completion of the audit we have discussed an approach with the

Council to fixed asset valuations to be applied in the 2009/10 accounts and will continue to work with officers to ensure that appropriate valuations are reflected on the balance sheet at 31 March 2010.

Pension Fund Audit

From 2008/09 the Council has also been required to publish a separate Pension Fund Annual Report and this was audited in October 2009. We issued a separate Report to those charged with Governance (ISA (UK&I) 260) on the Pension Fund Annual Report and Accounts in which we reported our findings. We are pleased to report there were no significant issues identified from this work.

Use of Resources

A new Use of Resources assessment was introduced for 2008/09 which requires us to assess the overall arrangements that the Council has in place in the following three areas:

- Managing finances
- Governing the business
- Managing Resources.

Value for Money is no longer assessed as a separate theme within the framework as the KLoEs in the three themes collectively comprise the

auditor's assessment of value for money in the use of resources. Financial management is now focused within one theme.

The new framework is generic and applicable to all local authorities, police, fire and rescue authorities and PCTs. There is a wider focus which includes the use of natural and human resources (although the human resources KLoE will not be assessed until 2009/10). There is also a greater focus on achievements, outputs and outcomes and what difference arrangements have made for the local people. The assessment is designed to be more challenging for the Council and auditors.

We evaluated the arrangements against criteria set by the Audit Commission in underlying Key Lines of Enquiry (KLoE) and reached a score for each based on the following:

- 1 Failure to meet minimum requirements – inadequate performance
- 2 Meets only minimum requirements – performs adequately
- 3 Exceeds minimum requirements – performs well
- 4 Significantly exceeds requirements – performs excellently.

The scores for each KLoE then determines the overall score for each theme, using rules issued by the Commission. The Commission in turn then determines an overall score for the Council.

In the following section we have set out a high level summary of our findings for each theme under the Use of Resources assessment.

Managing Finances

We have scored the KLoEs for managing finances reporting as follows:

Managing Finances- focusing on sound and strategic financial management		Score
Key Line of Enquiry		
1.1	The Council plans its finances effectively to deliver its strategic priorities and to secure sound financial health	3
1.2	The Council has a sound understanding of its costs and performance and achieves efficiencies in its activities	3
1.3	The Council's financial reporting is timely, reliable and meets the needs of internal users, stakeholders and local people	3
Overall score		3

The Council has a strong focus on sound financial management and this is reflected in the scores awarded, which highlight that it is performing well in this area.

Financial management is embedded within the Council's culture - the Council's financial planning is closely aligned to that of the strategic and corporate planning processes and it has robust medium and longer term financial plans in place which are focused on the Council's key priorities.

The Council clearly understands its costs and these are linked to performance to ensure that the key drivers of costs are monitored and understood. Financial information is a key aspect of all decisions that are made at the Council and the savings targets that it has set have been exceeded.

The Council has met the deadlines for preparing and publishing its accounts and the audit has confirmed the overall quality of the working papers and the processes in place to prepare the financial statements.

Governing the business

We have scored the KLoEs for governing the business as:

Governing the business – focusing on strategic commissioning and good governance		Score
Key Line of Enquiry		
2.1	The Council commissions and procures quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money	3
2.2	The Council produces relevant and reliable data and information to support decision making and manage performance	2
2.3	The Council promotes and demonstrates the principles and values of good governance	3
2.4	The Council manages its risks and maintains a sound system of internal control	3
Overall score		3

This theme considers how well the Council governs itself and commissions services that provide value for money and delivers better outcomes for local people.

The Council has a clear understanding of what its community needs and with its partners it has developed a sustainable communities strategy, Building a Better Bromley. The Council is aware of the inequalities and diversity within its communities and is taking action to address these.

The Council's governance structure is clearly set out and the Council has a code of conduct for its members. The Council has a clear vision with its partners, and works closely with its main partners through the Local Strategic Partnership (LSP). Risk management arrangements are in place and risks are identified and mitigated against and the Council has a sound system of internal control.

The Council achieved a score of 2 on KLoE 2.2. The Council has arrangements in place to collect and secure data and the Council has made some good progress on information governance, however, the new Data Quality Policy and underlying processes need to be embedded throughout the organisation and the work to identify data sets and data set owners needs to be completed before a higher score could be achieved.

Managing resources

We have scored the KLoEs for managing resources as:

Managing resources – focusing on the effective management of natural resources, assets and people		Score
Key Line of Enquiry		
3.1	The Council makes effective use of natural resources	3
3.2	The Council manages its assets effectively to help deliver its strategic priorities and service needs	3
3.3	The Council plans, organises and develops its workforce effectively to support the achievement of its strategic priorities	N/a
Overall score		3

Under the old style Use of Resources assessment the Council was not assessed on its use of natural resources therefore it has done well to achieve a score of 3. The Council is delivering its strategy to reduce its own use of natural resources and its impact on the environment and understands where it can most effectively intervene to reduce its 'carbon footprint'. It has now been monitoring progress in reducing its use of natural resources for the last 2 years and has seen a decline in its carbon output since the base-line position was established in 2006/07.

The Council manages its assets effectively and regularly reviews asset usage to improve services, value for money or to release funds for other projects and programmes.

Conclusion on Use of Resources

We were required to issue a conclusion on the adequacy of the Council's arrangements for ensuring economy, efficiency and effectiveness in its use of resources.

We are pleased to report that we issued an unqualified conclusion on the Council's arrangements for its Use of Resources on 24 September 2009.

Annual Governance Statement

Local Authorities are required to produce an Annual Governance Statement (AGS) which is consistent with guidance issued by CIPFA / SOLACE. The AGS was included in the financial statements.

We reviewed the AGS to consider whether it complied with the CIPFA / SOLACE guidance and whether it is misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

Treasury Management

As part of our work on Use of Resources we carried out a programme of work on Treasury Management. This piece of work was mandated by the Audit Commission.

The work required us to review the Council's portfolio of investments at 31 March 2009 and consider whether the position was consistent with the Council's Treasury Management policy and the extent to which transactions have been consistent with the approach approved by members.

The Council had £5m invested in the Icelandic bank, Heritable Bank, at the time when this organisation went into administration. We were required to report this to the Audit Commission but did not conclude that the Council was in breach of its policy with this investment. During our audit work we did recommend that the Council may wish to consider undertaking an independent review of its Treasury Management function.

We did not identify any further issues to report in performing this work.

Members' Allowances

As part of our work on Use of Resources we reviewed the Council's scheme for members' allowances. We reviewed whether the Council is complying with the regulations applying to Members' Allowances schemes, and whether they have made the required disclosures in respect of the scheme.

We did not identify any issues in performing this work.

Matters affecting future accounting periods

Transition to International Financial Reporting Standards (IFRS)

CIPFA has issued the Exposure Draft and Invitation to Comment on the Code of Practice on Local Authority Accounting in the United Kingdom 2010. This will apply to accounting periods starting on or after 1 April 2010. The new Code is the first to be prepared under IFRS. Because of the need to have comparative information for the first set of full IFRS accounts the effective date of the transition is 1 April 2009. The Council will need to have values for assets and transactions as they should be recognised under IFRS from this date.

The Council will need to ensure that it has a good grasp of the changes to accounting requirements under the new Code, and that it has robust plans in place to enable collection and processing of the information needed to comply with the new Code.

In our experience the key features of a successful IFRS conversion project have proven to be:

- Completed impact analysis and comprehensive conversion plans;
- The commitment of key stakeholders in the organisation;
- Operational steering and technical groups;
- Cabinet/audit committee oversight;
- Regular progress reporting against the plan;

- The necessary project management resources; and
- Appropriate and timely training for all members and officers with IFRS involvement.

PwC performed an impact assessment for the Council on the likely impact of IFRS on the financial statements; this included a workshop for Council staff and a report setting out the top work streams and a suggested action plan.

We will continue to work with the Council throughout the year to ensure that officers are aware of the main differences between IFRS and UK GAAP and we will review any proposed solutions to accounting issues proposed by the Council.

By working closely with the Council on this it will help to ensure a smooth transition to IFRS and minimal disruption when it comes to preparing and auditing the 2010/11 financial statements.

In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the “Legislation”), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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Agenda Item 7

Report No.
DR 10036

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

<Please select>

Decision Maker: **Audit Sub Committee**

Date: **23rd March 2010**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **INTERNAL AUDIT PROGRESS REPORT**

Contact Officer: Mark Gibson, Assistant Director Resources (Audit and Technical)
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Paul Dale, Director of Resources and Deputy Chief Executive

Ward: All

1. Reason for report

This report informs Members of recent audit activity across the Council and provides updates on matters arising from the last Audit Sub Committee.

2. **RECOMMENDATION(S)**

- a. **Note the report and comment upon matters arising from the internal audit progress report.**
- b. **Note the continuing achievements of the counter fraud benefit partnership with Greenwich Council.**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £603,000 excluding the benefit fraud partnership costs.
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): 12 FTE
 2. If from existing staff resources, number of staff hours: 380 days per quarter
-

Legal

1. Legal Requirement: Statutory requirement. Accounts and Audit Regs 2006
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 180 including Chief Officers, Head Teachers/Governors
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: None

3. COMMENTARY

3.1 Outstanding matters

3.2 Mobile Phones

3.3 As previously informed, our original priority one recommendation arose from the audit report that called for an agreed mobile telecommunications policy covering responsibilities of officers and mobile phone users, the need for a mobile phone before issue to officers, usage for business purposes, retrieval of phones from leavers, procedure for lost and stolen phones, recovery for private calls, monitoring for fraud and abuse and communication of this policy to all officers.

3.4 A draft policy has been drawn up by the Procurement Section and has recently been reviewed by the Head of HR and also discussed at a departmental representative meeting. It is now with the staff side secretary. The policy should be in place by September 2010 to coincide with the new contract.

3.5 It has also been agreed that payment of allowances for officers to use mobile phones will be discussed by COE before referral to the E and R PDS.

3.6 Use of Cash Payments across the Council

3.7 Members wanted an update on the measures being taken to reduce cash usage across the Council by at least 50% over the next year. We had previously reported that petty cash expended across the authority for 2008/09 was about £443,800 of which £317,200 related to CYP through the Area offices.

3.8 In progressing the reduction of cash payments, in addition to increased use of BACS where appropriate, the use of pre-paid cards is being investigated for reducing the number of cash transactions and also for achieving process efficiency benefits. An assessment of the potential application areas has focussed on Leaving Care as these account for almost 60% of the yearly cash payments of around £252,000 per annum.

3.9 The assessment has concluded that there is the potential for 140 cards for Leaving Care ad hoc and regular payments which would be used over time to replace the currently estimated 3,300 cash transactions per year. This could result in significant process efficiency savings primarily due to negating the cash handling and associated processes. There are anticipated additional benefits available through such areas in reduction in cashier/handling costs, bank charges, insurance etc.

3.10 In addition to Leaving Care, there is the potential for pre-paid cards to be applied to payments relating to support for parents and this will subsequently be assessed. A further area that will be considered will be current BACS and cheque payment processes to see whether there are benefits available to using pre-paid cards as an alternative method.

3.11 In parallel to the above assessment work, we are currently reviewing the various supplier offerings and supplier presentations are currently in progress. It is anticipated that we should be in a position to select a preferred supplier in the near future.

3.12 Emergency Accommodation and Rents

3.13 Members had requested that an appropriate officer attend this committee to provide an update on the reconciliation process between the rent account system and Oracle financial systems. Rent accounts is designated as a managed audit by external audit and

we are currently auditing this area – our findings will be reported upon on conclusion of our audit.

3.14 Exchequer Services Management state that the Quarter 3 2009/10 reconciliation is now complete. The Quarter 2 reconciliation could not be completed due the new system being implemented, however HB & Cash reconciliations have been completed on a monthly basis and are up to date.

3.15 The 2008/09 £4k difference (0.2% of the 08/09 rent debit) has been put forward for write off as the discrepancy cannot be found as all differences between HB and Cash have been identified and subsequently actioned. As the rent debit on the Rent account agrees with Oracle the only conclusion at the moment is that the £4k is either a spurious figure or there are difficulties with the reports from the system.

3.16 Council Tax

3.17 A previous priority one finding found a 25% error rate in a sample selected in the recovery process and also a further 20% substantial delays in recovery action. Following a report on the finding to this committee in September 2009, members had requested a further report on council tax collection showing the percentage of payment by each method and the number of summonses issued over the past year. Members were still not satisfied and wanted further information on time elapsing between each stage of the collection process and the fact that the table showing payment breakdown had inaccuracies in the totals. Members wanted an amended table that showed the number of domestic payers, percentages of payment types, number of defaulters, the stages that summonses would be issued and the number of summonses that resulted in payment, the cost of issuing summonses and the total administrative costs involved. The following is the further information provided by management in response to the above request:

3.18 A revised table on council tax payment methods, number of domestic payers and percentages as at 31st January 2010 is shown below.

Source	Amount £	Number	Percentage value	Percentage volume
Direct Debit	113,078,455.46	785,280	76.48%	75.56%
Internet	4,644,068	34,069	3.14%	3.28%
Touchtone	3,067,888	22,451	2.07%	2.16%
Via the Bank	7,033,082	54,583	4.76%	5.25%
Cash Receipting	12,511,487	86,947	8.46%	8.37%
Standing Orders	6,239,929	47,581	4.22%	4.58%
Bank Transfers	125,898	997	0.09%	0.10%
Paye.Net	973,140	5,389	0.66%	0.52%
Giro	177,209	1,982	0.12%	0.19%
Total	147,851,156.46	1,039,279		

3.19 The above figures are transaction based, the number of accounts with a charge at the last main billing run was 115,150. The number of accounts with no payments made at all from that main billing is currently 29 (0.02%). The number of the main billing accounts which

are PLC or Ltd Company rather than private individuals were 29 PLC & 310 Limited Companies.

3.20 The word “defaulters” has been interpreted as when a taxpayer has defaulted in making an instalment payment and the table below shows the resultant recovery outcome from those reminders through to cases which progressed to Summons, Liability Order and then to Bailiff, this process can take 3 months from reminder to Bailiff action. The table below shows the number of reminders issued and those where the missing instalment was paid, then the number of Summonses issued from unpaid reminders and those that paid on receipt of the summons followed by the number of cases where the 14 day letter is sent following receipt of the Liability Order from the Magistrates Court and the resultant payments from this and finally the number of cases that went to the Bailiffs.

3.21 See summons timetable below.

		Reminder - Summons			Summons - L/O				14 Day - Bailiff			
	Reminded	Paid	% Paid	Summons	Paid	% Paid	Liability Order	% Paid	14 Day Letter	Paid	% Paid	To Bailiff
Apr	7274	4685	64.41%	2589	694	26.81%	1895	27.55%	1373	790	57.54%	583
May	4519	2090	46.25%	2429	734	30.22%	1695	43.19%	963	334	34.68%	629
Jun	4267	2568	60.18%	1699	615	36.20%	1084	50.09%	541	218	40.30%	323
July	3764	2529	67.19%	1235	445	36.03%	790	41.52%	462	160	34.63%	302
Aug	3510	2387	68.01%	1123	447	39.80%	676	51.78%	326	169	51.84%	157
Sep	4178	2424	58.02%	1754	340	19.38%	1414	39.82%	851	288	33.84%	563
Oct	3378	2294	67.91%	1084	429	39.58%	655	47.63%	343	113	32.94%	230
Nov	3306	2143	64.82%	1163	522	44.88%	641	42.59%	368	102	27.72%	266
Dec	2933	1835	62.56%	1098	324	29.51%	774	37.21%	486	486	100.00%	
Jan	3568	2555	71.61%	1013	1013	100.00%				0		

3.22 The court is paid a fee of £3 per summons. The debtor is charged £75 for the cost per summons and £20 per liability order.

3.23 £75 per summons is charged and if not paid by the Court Hearing date a further £20 for the Liability Order is then charged plus any potential Bailiff fees/charges, or insolvency costs. Any recovery costs are met by Liberata as it currently receives 66% of all summons and liability Order costs paid.

3.24 Members had also requested more information about the time elapsing between each stage of the collection process. Appendix E gives a guide for a selection of cases on what stages are involved before referral to the bailiff.

3.25 The annual internal audit for council tax was completed for 2009/10. This showed that procedures and process mapping for recovery are currently being updated. The audit highlighted problems in a few cases in respect of the recovery process – although in percentage terms this was less than in the previous year’s audit that had led to the priority one recommendation.

3.26 Debtors

3.27 There was a priority one finding in relation to debt recovery and cases not being resolved in a timely manner. It was also identified that £1.21 million of the debt had been outstanding for over a year. Members wanted a breakdown of the old debt which was provided at the last meeting of this committee.

- 3.28 Members had raised a query on charging schools interest on long standing debts in line with private companies being charged and wanted to know why a consistent approach was not adopted. They requested a further report on the practicalities for using the late payment of commercial debts legislation to the public sector e.g. schools including pursuit through the courts. The following is a response from debt management.
- 3.29 London Borough's were surveyed with none of those responding applying interest to schools on legal and practical grounds. It has been suggested to CYP Finance that they liaise with schools that have debts not only due to CYP but to other areas of the Council e.g. Property in view of the relationship and contacts that they have.
- 3.30 To apply the legislation correctly debts need to be looked at on an invoice by invoice basis and is only applicable to Business to Business debt. This is a very manual process and very time consuming. Applying interest will take a lot of time for possibly pennies with complexities on how it would be charged, invoiced and collected. Non payment will add to debt to LBB with no guarantee of collection. The new system is due by the end of May and it can't deal with the complexities of selective or de-selective cases. The best way forward is to continue to be selective and target those large companies where we expect payment and to manage interest manually.
- 3.31 A particular query was raised in respect of a long standing debt at a secondary school for £64,864 – outstanding since July 2008 and disputed by the school. On further investigation it appears that this amount was incorrect – the school should only have been invoiced for its share of the grant related works i.e. £55,000 and not £103,600 that it was invoiced for electrical upgrade work. The difference £48,600 was Bromley's share of the costs. The school previously paid in October 2007 and January 2008 £38,736 of this debt and therefore the true amount outstanding is £16,264. This amount is being pursued.
- 3.32 The 2009/10 audit of debtors has recently been completed. A draft report is to be issued shortly. The outstanding debt over a year old as at the 31st January 2010 stood at £2.66 million of which £1.59 million relates to domiciliary care debts that was not previously included £1.21 million mentioned in paragraph 3.22 above. If this is excluded the non domiciliary debt figure is £1.07 million – a reduction of £140,000.

3.33 Waivers

- 3.34 We had previously reported on all the waivers approved over a six month period to September 2009 as required by the contract procedures. Members had queried a waiver dated July 2009 from Property Division for £94,264 in respect of a remodelling of a classroom. Members had queried the comments column that stated 'reconfiguration and relocation of unit- best value consideration. New cost of £180,000'. There was a modular classroom unit that was originally located at Woodbrook Community School and was assessed to be in good condition. The manufacturers quoted £94,264 to relocate this unit to Princes Plain Primary School. Due to the specialist nature of the works it was proposed that only the manufacturer should undertake this work. A similar new unit would have cost £180,000 and so in effect £85,736 was saved by adopting this approach. The Directors of Resources and Legal Services both approved this waiver in accordance with financial regulations.

3.35 Previous priority one recommendations

- 3.36 The latest list of outstanding priority one recommendations is shown in Appendix A Since our last report to Audit Sub Committee there has been ongoing activity by management to implement these. Appendix A currently shows 17 priority ones. 9 have been implemented since the last report to this committee – Town Centre Management (1out of 2); Primary

School A (1); Creditors (2); Extended Schools (1); Council Tax (1); Capital Schemes (2 out of 6); Domiciliary Care (1). These are all expanded on in this report.

3.37 Town Centre Management

- 3.38 Two priority one recommendations were previously made – there was a recommendation to tender the Christmas tree lights when the contract expired last year. The tendering process has commenced with 7 companies asked to tender. The results will be evaluated and reported to committee for decision. The other recommendation to produce comprehensive operating procedures will be undertaken on appointment of a Senior Town Centre Management that was approved by members as part of the restructuring. This will be tested in our next audit planned in 2010/11.

3.39 Primary School A

- 3.40 An audit of the school had identified shortcomings in the contract negotiated by the School that resulted in losses that contributed to their budget deficit. The risk was that these losses could continue in the future and therefore the School was advised to renegotiate the contract. This has been actioned and the company concerned has purchased stock back from the School, and has agreed to more favourable terms with the School. With the increase in take up of meals, the contract is now expected to break even.

3.41 Extended Schools

- 3.42 The priority one was in respect of an inability to demonstrate how extended funding was allocated to the secondary schools. A follow up of this recommendation showed that this has now been rectified with a spreadsheet produced to show how funding is allocated. Allocations are made on the basis of assessment criteria that include numbers of pupils, free school meals, looked after children, SEN, attendance figures and teenage pregnancy rates.

3.43 Domiciliary Care

- 3.44 The priority one recommendation related to the need to provide clients with timely and clear statements on charges for services that they received. A follow up to this recommendation has shown that timely and clear statements are now being sent out to clients.

3.45 Creditors

- 3.46 A full audit of creditors has recently been completed – both the priority ones have been implemented to our satisfaction. In the previous audit it was found that in a number of payments there were authorisation issues in respects of manual payments. The recent audit identified very few instances as a result of improved procedures including updating the authorised signatory list, improving form design to make signature identification easier and greater migration from manual to the I-proc system. In addition the Accounts Payable Section now monitors for duplicate payments on a regular basis and these have been effective. Our audit checks found only £2,500 duplicate payments relating to historical payments.

3.47 Progress and new issues since the last meeting

- 3.48 For the period April 2009 to mid February 2010 we issued 168 reports to either draft or final stage. This figure includes 48 reports that had to be completed in respect of the 2008/09 plan including follow up reports, investigation reports, systems and probity audits. At the time of writing this report 122 audit reports have been issued as draft and final against this year's plan with a further 25 audits that are work in progress. This equates to approximately 81% of the audit plan where work is complete or in progress as at mid February 2010. There has been some slippage primarily due to staff absences, but this period also covers summer holidays and also a concentration of resources in completing National Fraud Initiative work the results of which appear elsewhere on this agenda. Members should note that there has been some slippage against the annual plan as we have now seconded an Audit Manager for a six month period to the post of Performance Manager as this role now reports directly to the Assistant Director Audit and Technical Services.
- 3.49 92% of the audits have been completed within the budgeted time allowed against a performance indicator requirement of 90%. The feedback from clients has been very positive with an average score of 4.2 out of 5 against the target of 3.
- 3.50 One of the targets that has still not been met, is the two month elapse time between commencement of field work and issue of draft report. The performance indicator requires that 95% of the audits should be completed within two months of commencement of fieldwork whereas we have achieved 85%. This is a slight improvement on the 84% reported in the last cycle of this committee. As reported previously, there are a number of reasons for this including awaiting information from clients, extending the original scope where there are major findings, auditors being asked to carry out ad hoc work including investigations, secondment of an Audit Manager and sickness. Whilst the non achievement of this target is of concern there has been a gradual improvement from a low of 76% through to 85% currently. This improvement reflects measures by Internal Audit management including close monitoring of audits in conjunction with the auditors.
- 3.51 Secondary schools apart from the Priory are currently having their second Financial Management Standard in Schools (FMSiS) reviews having been initially reviewed three years ago. To date for 2009/10 only one secondary school has not met the standard. This appears elsewhere in the report. We have now completed the last tranche of primary school FMSiS. All primary schools reviewed to date this year have achieved the standard- two primary schools were being assessed at the time of this report and a further school was not FMSiS assessed due to the Head Teacher not being in post and the imminent formation of an interim governing body.
- 3.52 We have also carried out some investigations the results of which are reported elsewhere on the agenda, monitored the benefit fraud partnership and dealt with any fraud referrals as referred to in part two of this agenda.

3.53 New priority one recommendations

- 3.54 The table of new priority one recommendations is listed below:

Report Number	Title	Dept	No of Priority One's
ACS/935/01/2009	Review of Transition Team	ACS	1
CYP/SO6/01/2008	Secondary School	CYP	2

3.55 Transition Team

- 3.56 The 2009/10 budget for the transition team is £265,480. The team supports young people aged from 14 to 22 that have learning disabilities and their parents and carers. The team liaises with other service areas such as the Children with Disabilities Team and the Leaving Care Team amongst others.
- 3.57 A review of the above resulted in a few recommendations including one priority one. A sample test of 20 showed that three adult learning disabilities core assessments could not be located, with a further three unsigned. Additionally it was found that four referral cases had yet to be transferred over from the Children with Disability Team at the time of the audit with a further referral case that had not been transferred from the Leaving Care Team.
- 3.58 In addition to the priority one there were five other lower priority recommendations in respect of working conditions, transfer of all client related files, review of caseload and transfer of cases in line with the transfer protocol, updating policies and procedures and undertaking and agreeing transition plans for both 14+ and 16+ clients. This has resulted in a limited assurance opinion.
- 3.59 There has been a positive management response to implement these recommendations.

3.60 External assessment of a secondary school

- 3.61 One of the secondary schools assessed by internal audit has been deemed as not having met the Finance Management Standard. Amongst a number of recommendations were two that were deemed to be priority one issues.
- 3.62 The College could not demonstrate through a lack of documentation and the governor minutes that procedures and financial regulations had been followed in respect of two contracts selected for review and also the requirement for three quotes. It appears that part of this problem related back to the previous management. Cash flow statements were also not being completed.
- 3.63 There were also a number of lower priority recommendations in respect of the budget set on the system, approval of the finance manual, presentation of the benchmarking results to governors, submission of timely data to the Schools Finance Team, raising orders, updating the asset register, debt collection, reclassification of a lease.
- 3.64 We have met with management who have agreed to implement the recommendations with a view to reassessing the College in July 2010.

3.65 Housing Benefit Update

- 3.66 Since the last meeting of this committee a decision has been taken following scrutiny by E and R PDS to vary the partnership with effect from April 2010 thus enabling LB Greenwich to undertake investigation of non benefit fraud referred by Internal Audit and to extend the partnership by a further three years. The rationale behind this decision was reported upon in the previous meeting of this committee.
- 3.67 Since the inception of the partnership in April 2002, through to February 2010, the Council has successfully prosecuted 231 claimants to date for benefit fraud; issued 220 court

summonses; given 78 formal cautions; and administered 238 penalties. The full details and appendices on trends are shown in appendices B, C and D.

- 3.68 There are a few cases where the partnership is actively pursuing recovery through asset recovery procedures. We have had two previous cases where about £70,000 was recovered from convicted fraudsters.
- 3.69 It should be noted that £900,718 was identified as fraudulent overpayments for the ten months to February 2010 of which 40% is recoverable in rebate. A further £242,096 of this had been recovered at end of January 2010. (February figures not available at time of reporting)

3.70 Annual Governance Statement

- 3.71 Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, required audited bodies to conduct a review at least once a year of the effectiveness of its system of internal control and publish a Statement on Internal Control each year with the authority's financial statements.
- 3.72 From 2007/08, the Annual Governance Statement (AGS) replaced the Statement on Internal Control and is now the formal statement that recognises, records and publishes an authority's governance arrangements.
- 3.73 The AGS explains how Bromley has complied with its own Code of Corporate Governance which reflects the following six core principles of good governance:
1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
 2. Members and Officers working together to achieve a common purpose with clearly defined function and roles.
 3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.
 5. Developing the capacity and capability of Members and Officers to be effective.
 6. Engaging with local people and other stakeholders to ensure robust public accountability.
- 3.74 The AGS is signed off by the Chief Executive and the leader of the Council.
- 3.75 As risk management features strongly in the AGS process this year's review is again being co-ordinated by the Risk Management Group. The assurance gathering process (see Appendix H) includes a full review of the risk register, the completion of a checklist and the signing of assurance statements by the Assistant Directors and Chief Officers.
- 3.76 One of the governance issues identified in last year's Annual Governance Statement was 'full implementation of a practical procurement strategy including strengthening contract management arrangements'. The following summarises the work carried out since then by Procurement:

- Corporate training on the use of New Contract Procedure Rules has been completed across all departments.
- The Foundation Review outcomes have been incorporated in to the Procurement Strategy and actioned.
- Cost savings activities - for example continuation of E auctions on IT and mobile devices and energy contracting strategies.
- New governance arrangements have been implemented with a COE Steering Group; Procurement Board and Commissioning / Procurement Liaison Group set up and meeting regularly.
- I Proc fully implemented and the feed between Confirm and CareFirst with Oracle Financials actioned.
- The acceptance of Print, Post and use of Multi Functional Devices projects and the opportunities of rationalisation and efficiencies presented to OneWay Programme.
- Endorsement of the use of Programme and Project Management processes and the Gateway process as specifically commented on in the Use of Resources Assessment.
- Overview and management support ACS and CYP – Contracting and Commissioning arrangements.
- Further work on sustainability; the use of whole life costing in decision making and SME engagement completed.

Future actions:

- Monitor changing relationship with PCT.
- Review changing legislation for agency staff.

Procurement and Commissioning activity scored a 3 (Performing Well) in the 2009 Use of Resources Assessment for KLOE 2.1 – Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?

3.77 Another governance issue identified in last year's Annual Governance Statement was Programme and Project Management – greater and consistent use of sound disciplines. The following summarises the work carried out since then by Improvement, Efficiency and Effectiveness:

- Programme & project management framework completed – and available to all via Managers toolkit on intranet.
- Training course developed and delivered in house.
- Various staff have also undergone assessed foundation training in programme management provided by external training agency.
- Corporate programmes all now rationalised under Chief Executives department.

- Further support tools e.g. business case development tool demonstrated to all senior managers, some teams and is also available and will be used in the corporate programme.
- Health check methodology completed and carried out on the OneWay Programme. Reported to Chief Officers and I&E Sub Committee.

Future actions:

- To ensure that the methods and support tools are used consistently.

3.78 Risk Management

- 3.79 As part of the continuing improvements to the quarterly performance monitoring report 'Are we on track?' we now include all the net high risks under the relevant portfolios. In addition the Corporate Risk Register is attached as an appendix to the report.
- 3.80 We are currently updating all risks as part of the 2009/2010 Annual Governance Statement review process. These will be reported to the next Committee.
- 3.81 We attach a schedule of the current net high risks (Appendix F) and the Corporate Risks (Appendix G) for information purposes.

4. POLICY IMPLICATIONS

None.

5. FINANCIAL IMPLICATIONS

Some of the findings identified in the audit reports mentioned above will have financial implications.

6. LEGAL IMPLICATIONS

None.

7. PERSONNEL IMPLICATIONS

None.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	None

Report Number/Date	Title	Opinion	No. of Priority One's	Details of Recommendation	Implemented	Responsible Officer	Comments
RD/12/01/2008	Review of Capital Schemes	Limited Assurance	6	Part 2 item	Management Action Ongoing	Head of Property Division and Asst Director Exchequer	Of the 6 agreed Priority 1s, 1 has been implemented, 1 cannot now be actioned due to the company going into liquidation and 4 are currently being followed up.
RD/062/01/2008	Review of Mobile phone for 2008-09		1	<p>A Mobile Telecommunications policy should be agreed and implemented which clearly outlines the responsibilities of Officers and mobile phone users. The policy should include:</p> <ul style="list-style-type: none"> • Criteria which should be met before a mobile phone is provided and documentary evidence that a business need for provision of mobile phone has been established. • Guidance on acceptable use of business mobile phone • Procedure for Lost or stolen phones • Procedure for retrieval & reallocation of mobile phones for leavers • Procedure to ensure security of the phone • Procedure in relation to repayment of private calls • Procedure in relation to use and reimbursement of pay as you go mobile phones • Monitoring of Fraud and Abuse • Health & Safety <p>Once approved the policy should be communicated to all mobile phone users via departmental management structure. Acceptance of the terms and conditions with in the Mobile telecommunication policy should be sought from all mobile phone users.</p>	Management Action Ongoing	Procurement Manager	<p>There has been discussion with ICT Division on how mobile phone contracting arrangements support and relate to the Flexible Working Project. The FWP has been establishing the organisation's requirements for mobile working technology and the proposed policy for issuing mobile phones will be drawn up in accordance with this.</p> <p>There have been discussions held with a number mobile phone fleet and call cost management companies, to research the different options available to analyse usage and reclaim personal calls in order to drive down call costs. Options have also been investigated to maximise network coverage to tackle the areas of the borough with poor reception and to source smart phone hardware from other providers so we are not solely dependent upon T-mobile. This committee recommended that the CEX report on the feasibility of paying staff a mobile phone allowance in return for them using their own phones. A mobile phone policy has been drafted, reviewed by the Head of HR and discussed at a department representative meeting. The proposed date for roll out of this policy is September 2010 to coincide with the new contract.</p>
CYP/P15/01/2008	Review of Primary School A	Not applicable(FMSiS not met)	2	The school will need to provide evidence that the budget situation has been resolved satisfactorily with assistance from SFT. The Scheme of Financial Delegation should be prepared and approved by the Governing Body.	Management Action Ongoing	Head Teacher	The school has agreed to all the recommendations and to a reassessment of compliance with the finance management standard in quarter 4 of this financial year. Internal Audit reassessment of the school due week commencing 8th March 2010. We have been informed that a provisional deficit recovery plan has been produced awaiting approval by the the Director of CYP.
RD/005/01/2008	Debtors 2008-09	Substantial assurance	1	<p>Examination of the aged debt analysis report identified that the outstanding debt owed to the Council totalled £7,083,882 as at 31 January 2009, of which £1,210,973 was over a year old, some dating back to 2005.</p> <p>Examination of a sample of 20 disputed cases identified three instances where the dispute had not been resolved in a timely manner.</p> <p>A recommendation was agreed on the following: Management should ensure that existing procedures are reviewed to ensure that recovery procedures are undertaken in a timely manner.</p> <p>Irrecoverable debts or debts uneconomical to pursue should be written off.</p>	In progress	Revenues Manager (Operations) and Income Manager - LBB	Agreed, collection procedures will be produced and adhered to. Oracle Advanced Collections will assist with workflow (due to be in place by 30/9/09). Audit of debtors for 2009/10 has recently been completed. See committee report for up to date position.

Report Number/Date	Title	Opinion	No. of Priority One's	Details of Recommendation	Implemented	Responsible Officer	Comments
R&R/006/01/2008	Town Centre Management Audit for 2008-09	Limited Assurance	1 o/s	Requirement to tender has been implemented. It was confirmed that there was no comprehensive procedure manual in place that existed as a guide to the day to day operation of the town centres. There is currently no guidance available to the team in relation to events management, specific financial training and there is a lack of financial awareness within the team and their responsibilities. A manual would assist in promoting consistency across the service and would develop the service.	In progress	Assistant Director L&C	This recommendation will be addressed with the appointment of a senior TCM that was approved as part review of the TCM function. This will be followed up as part of the 2010/11 audit planned work.
ACS/026/01/2009	Direct Payments Audit for 2009-10	Limited Assurance	1	Financial monitoring information in respect of clients receiving direct payments was not found to have been always submitted by clients. Monitoring information was not requested at regular intervals. Contents of the letters requesting information was found to be in need of review as well as the direct payments agreement.	In Progress	Assistant Director, Exchequer & Revenues	To be followed up in 2010/11 quarter 1.
ENV/000/01/2009	Review of Transportation Strategy	Limited Assurance	1	Part 2 item	In progress	Director of Env. Services	Management have accepted the Priority 1 recommendation and this is to be implemented immediately. See Part 2 for update.
CYP/005/03/2008	Review of fostering	Limited Assurance	1	Supervising social workers are required to maintain contact with carers. Unannounced annual supervisory visits are required to be undertaken annually with announced supervisory meetings every six weeks. Whilst the 19 carer files showed that this occurred there was no evidence that this was on the required six week basis. 17 files showed no evidence of visits over a six month period. Visits were also being undertaken during school hours when children were not present. There were 4 instances where unannounced visits had not been undertaken over the the previous year.	In progress	Head of Social Care	Accepted by Management for immediate implementation. To be followed up as part of 2010/11 planned audit.
ACS/035/01/2009	Transition Team	Limited Assurance	1	Three Adult Learning Disabilities Core Assessments were not located, a further three were not signed off, four referrals had not been transferred from the Children with Disability Team to the Transition Team and a further case where a referral from the Leaving Care Team had yet to be transferred over to the Transition Team.	In progress	Joint Team Manager/Interim Team Manager	Accepted by Management for immediate implementation.
CYP/006/01/2009	FMSiS review of Secondary School 2009-10	n/a to FMSiS	2	Cash flow forecasts are currently not being undertaken on a monthly basis by the School and Financial Regulations in relation to tenders and quotations are not consistently adhered to.	In Progress	Head Teacher - and Chair of Governors	Accepted that the school needs to implement these priority 1 recommendations in order to meet the required Standard of the FMSiS. Re-assessment due at the school within 6 months.

2002/2003	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	200	28	21	73	24	26	36	112	15	11	31	41	618	
Confidential Hotline	18	5	4	6	1	1		4	1	4	10	7	61	
Interviews	8	8	14	17	7	7	9	9	14	6	9	6	114	
Claimant visits	19	12	26	36	33	17	20	20	10	16	6	15	230	
Prosecutions										1	1	1	3	£6,000
Court Summonses							1			2	2		5	£5,000
Admin Penalties							1		1				2	£2,000
Formal Cautions					1				1				2	£2,000
														£15,000

2003/2004	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	39	36	39	31	82	111	182	50	73	45	37	111	836	
Confidential Hotline	8	4	8	10	5	4	9	5	3	8	10	10	84	
Interviews	12	9	8	21	10	11	8	17	15	20	18	44	193	
Claimant visits	7	14	11	27	33	26	38	26	44	18	29	29	302	
Prosecutions		1		1	1	2	3			1	1		10	£20,000
Court Summonses	2	4	1	4	3	2			1	1			18	£21,600
Admin Penalties	3		1		1			1	1	2			9	£10,800
Formal Cautions	4	1	1			1	2	1		2	1	1	14	£16,800
														£69,200

2004/2005	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	27	70	61	69	35	49	57	55	14	32	44	67	580	
Confidential Hotline	10	7	8	12	12	7	11	9	3	4	10	11	104	
Interviews	8	8	11	13	21	35	24	27	17	25	16	26	231	
Claimant visits	20	18	19	12	12	23	17	21	8	18	1	7	176	
Prosecutions	3			3	3	1	1		1	1	1		14	£28,000
Court Summonses	2	4			6	2	1			9	2	4	30	£36,000
Admin Penalties	2		2	1		3				1			9	£10,800
Formal Cautions		4	2		1	2	1	3	1		2	1	17	£20,400
														£95,200

2005/2006	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	94	55	56	65	28	64	55	46	9	85	46	48	651	
Confidential Hotline	6	5	19	6	6	10	10	10	7	8	6	15	108	
Interviews	21	27	33	30	17	48	45	39	19	24	39	70	412	
Claimant visits	8	7	10	4	10	12	13	21	7	5	14	7	118	
Prosecutions	3	2	5	2	1	1	1	3	3	6	2		29	£58,000
Court Summonses	6	3	4	1	3	4	7	5	2	5	6	4	50	£60,000
Admin Penalties	1	2					2		3	1	1	1	11	£13,200
Formal Cautions	2	2	1	2		2	1			1	1		12	£14,400
														£145,600

2006/2007	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	42	68	70	55	45	38	55	56	41	85	97	77	729	
Confidential Hotline	15	16	13	7	4	1	3	7		5	5	9	85	
Interviews	32	42	42	51	45	49	38	32	36	42	56	56	521	
Claimant Visits		25	11	10	10	2	2	11		12	1	2	86	
Prosecutions	2	1	3		9	2	4	4	6	4	3	2	40	£14,000
Court Summonses	3		4	4	1	4	6	1	5	4	5		37	£0
Admin Penalties	5	3	1	2	3	1	2	4	2	3	15		41	£2,400
Formal Cautions		1	2							1	2		6	£0
														£16,400

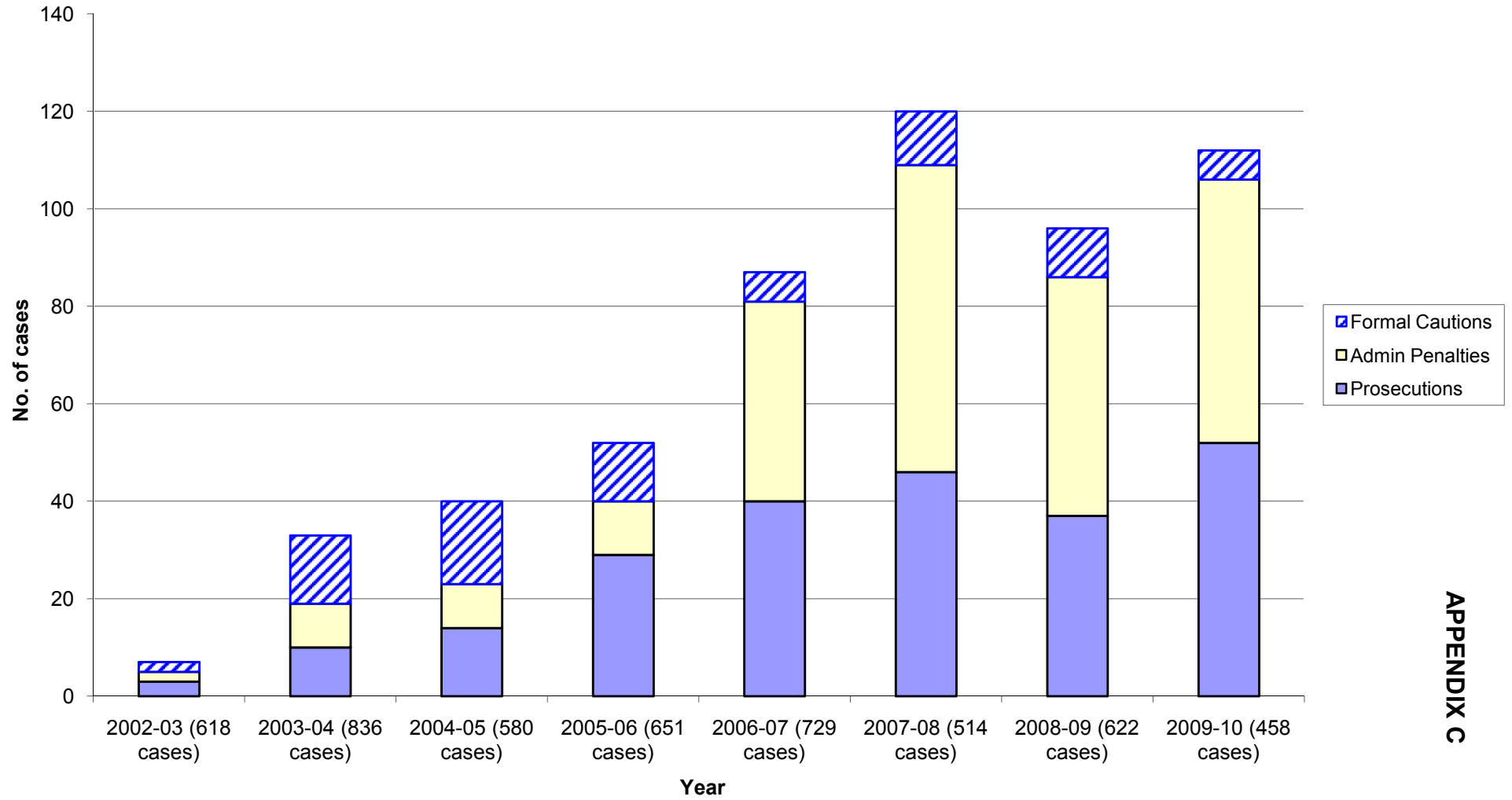
2007/2008	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	44	60	68	33	44	49	44	40	21	33	39	39	514	
Confidential Hotline	7	12	4	10	3	10	8	10	9	21	13	10	117	
Interviews	41	38	38	40	33	32	53	46	31	48	29	23	452	
Claimant Visits	16	7	6	26	2	4	11	17	12	7	14	16	138	
Prosecutions	8	3	7	4	2	7	2	4	3	5	1	0	46	
Court Summonses	3	3	2	8		2		3	1	2	3	1	28	
Admin Penalties	14	16	1	8	4	1	4	5	8	1	1		63	
Formal Cautions	3	2		1				1	1	3			11	

2008/2009	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	27	55	41	69	52	57	67	78	39	36	25	76	622	
Confidential Hotline	11	8	9	3	13	19	10	13	7	12	10	9	124	
Interviews	36	29	51	42	22	28	38	40	34	43	42	53	458	
Claimant Visits	16	11	20	17	16	8	19	19	2	25	15	10	178	
Prosecutions	6	2	3	8	6	3	2		3	1	3		37	
Court Summonses	1		1	6		1	1	3	3	3	1	5	25	
Admin Penalties	10	1	2	3	2	4	2	6	5	10	4		49	
Formal Cautions	3	1		1		1	1		1	1	1		10	

2009/2010	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	38	51	61	51	43	57	28	45	16	44	24		458	
Confidential Hotline	11	18	12	3	13	18	5	11	5	11	4		111	
Interviews	22	22	30	35	31	28	28	27	14	22	20		279	
Claimant Visits	5	1	19	22	7	11	12		1	4	11		93	
Prosecutions	8	2	9	1	5	8	5	1	5	2	6		52	
Court Summonses	6	1	2	1		4	3	5			5		27	
Admin Penalties	7	3	8	8	6	4	2	6	8	1	1		54	
Formal Cautions	1			1			2		1	1			6	

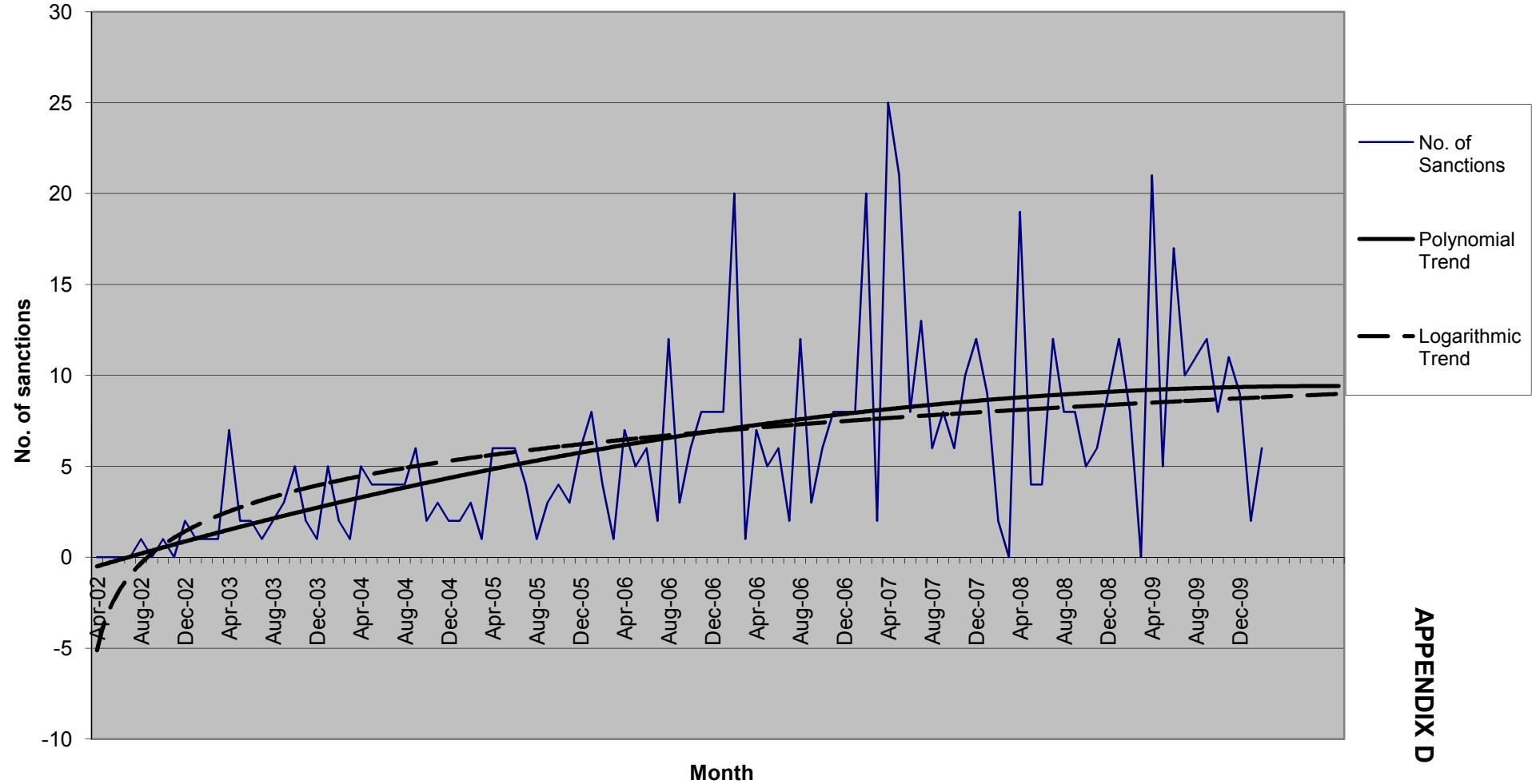
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HB Sanctions - Annual Comparison



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Sanctions Trend
(NB: peaks and troughs are dependent on the court's allocation of cases to be heard.)



APPENDIX D

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Council Tax Recovery Timetable 2009/10

Appendix E

RECOVERY CYCLE		REMINDERS ISSUED		FINALS ISSUED		SUMMONS ISSUED		COURT HEARING		14 DAY LETTER ISSUED		ISSUED TO BAILIFF			
1		04.03.2009													
1A	last action in year	17.03.2009		13.04.2009* bk hol mon		17.04.2009		8-May-09		11.05.2009		01.06.2009			
2A		21.04.2009						5-Jun-09							
2B		23.04.2009						5-Jun-09							
2C		27.04.2009		10.05.2009		15.05.2009		5-Jun-09		08.06.2009		29.06.2009			
3A		21.05.2009						3-Jul-09							
3B		25.05.2009		07.06.2009		12..06.2009		3-Jul-09		06.07.2009		27.07.2009			
4		23.06.2009		12.07.2009		17.07.2009		7-Aug-09		10.08.2009		31.08.2009			
5		21.07.2009		09.08.2009		14.08.2009		4-Sep-09		07.09.2009		28.09.2009			
6		21.08.2009		06.09.2009		11.09.2009		2-Oct-09		05.10.2009		26.10.2009			
6A	Half Yearly Reminde	09.09.2009													
7		22.09.2009		11.10.2009		16.10.2009		6-Nov-09		09.11.2009		30.11.2009			
8		21.10.2009		08.11.2009		13.11.2009		4-Dec-09		07.12.2009		28.12.2009			
9		20.11.2009		06.12.2009		11.12.2009		15-Jan-10		18.01.2010		08.02.2010			
10		29.12.2009		17.01.2009		22.01.2010		12-Feb-10		15.02.2010		08.03.2010			
11		26.01.2010		14.02.2010		19.02.2009		12-Mar-10		15.03.2010		05.04.2010			

1. Recovery Cycle 1A is the last "sweep" of recovery action for the financial year ending 31/3/09

2. Recovery Cycle 2A, B, C and 3A & B indicate staggered issue of notices to help deal with enquiries

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Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
ACS/ALL.0295	Adult and Community Services	All ACS Divisions	All ACS Sections	LAA reward targets not met with the result that the maximum possible reward will not be achieved:- L1323 Older people having care planning intervention who feel better in four quality of life areas - £462k L1324 Older people helped to live at home by accessing non care managed support - £198k L1328 No. of people achieving a 5% reduction in body weight - £677k L1329 Adults aged 16 and over participating in moderate sport / active recreation - £720k L1361 Caseload of Penge Very High Intensity Users - £165k L1362 Reduction of admissions for people with pre-existing conditions - £495k Financial - Operational	ACS DMT	4	3	High	19	Controls: 1. All reward targets are monitored on a quarterly basis by the ACS DMT 2. All target leads are asked to explain performance and plan further actions Actions: - Recovery plan in place for obesity stretch target	4	3	High	19
CX/COM.0007	Chief Executive's	Communications	Communications	Failure to handle crisis communications in a major incident correctly Political - Strategic	Director CX	4	2	High	18	Controls: 1. Emergency plan 2. Close liaison with Emergency Services 3. Liaison with team, periodic refresher training 4. Well trained senior spokespeople 5. Learning from London Resilience Team, Home Office Guidance etc. Actions: - Regular refresher sessions on communications issues with wider team - Assessment of communications training needs of senior plan officers / spokespeople - Review of resources available to staff communications activities (media, public helplines etc.)	4	2	High	18
CX/IEE.0171	Chief Executive's	Corporate Strategy and Improvement	Improvement, Effectiveness and Efficiency	Failure to strengthen programme and project management arrangements across the Council Political - Strategic	Bill Ford	4	3	High	19	Controls: 1. Continual monitoring of progress on development of corporate methodology and inclusion of best practice in training developed Actions: - Methodology and governance structure designed and made accessible via managers toolkit - Programme managers network established - Programme Board oversees cross cutting programmes - Assurance health check methodology designed and implemented	4	3	High	19

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
CYP/A&A.0175	Children and Young People	Access and Inclusion	Access and Admissions	<p>Failure to achieve LAA Reward Grant of £118,800 for improving attendance at 10 identified primary schools - significant reduction in unauthorised absence required.</p> <p>Children and Young People Reward Target (Reducing Absences): L1292-LAA Reward Target 2.</p> <p>Although attendance figures are improving, we are very unlikely to get under the target of 5.4%. 2009/10 target = 5.4% (authorised and unauthorised absence in the 10 schools as a % of all pupils in the 10 schools).</p> <p>Final reporting for this Reward Target in quarter 4.</p> <p>Financial - Operational</p>	AD Access and Inclusion	4	4	High	20	<p>Controls:</p> <p>1. Regular monitoring of performance against target reported to SMT, Trust Board and Members. As at quarter 3 remains outside target and remains Red RAG Rating.</p> <p>Actions:</p> <ul style="list-style-type: none"> - Increased focus on improving attendance at the 10 identified primary schools via implementation of incentive schemes, e.g. Spike Initiative which promotes a positive attitude to attendance at school - scheme extended to all primary schools 2009. - Seek additional funding through sponsorship. - Ensure ongoing media coverage of events and activities within the 10 schools and across the borough. - Maintain partnership with Sunderland Council (SPIKE initiative). 	4	3	High	19
CYP/A&A.0350 (cont.)	Children and Young People	Access and Inclusion / Children's Health Services (PCT)	Access and Admissions / Health and Well-Being (PCT)	<p>Inability to improve the health of children and young people through failure to reduce teenage pregnancy, sexually transmitted infections and abortions. Reduction in under 18 conception rate is a LAA Mandatory Outcome / Indicator.</p> <p>We are highly unlikely to achieve the 2009/10 target which is acknowledged by the Teenage Pregnancy Unit as challenging. Out of 150 LAs, only 16 are on target, with 32 on Red (unlikely to achieve target). Of these 32, 12 are London Authorities, including Bromley.</p> <p>2009/10 target = 20.8 per 1000 15-17 year olds conceptions. Actual = 35.8 per 1000 (Quarter 1, 2009/10) 42 per 1000 (Quarter 2, 2009/10) 37.5 per 1000 (Quarter 3, 2009/10)</p> <p>(Joint risk with Access and Inclusion see CYP/A&A.)</p> <p>Social - Strategic</p>	AD Access and Inclusion / AD Children's Health Services (PCT) /	4	4	High	20	<p>Controls:</p> <p>1. Monitor the impact of the Teenage Pregnancy Strategy.</p> <p>2. Closely monitor performance against targets. As at quarter 3 remains outside target and remains Red RAG rating.</p> <p>3. Regular reporting of performance to CYP SMT, CYP Trust Board and Council Members.</p> <p>Actions:</p> <ul style="list-style-type: none"> - Improve the impact of the Teenage Pregnancy Strategy. - Focus on targeted work with vulnerable groups; Children in Care, young people known to YOT, those in Pupil Referral Units to ensure those most at risk have additional support. - Wider accessibility of the Emergency Hormonal Contraception provided from July 2009. - Enrichment days have been extended to all secondary schools and the Pupil Referral Service. - Enrichment days have been adapted to address the impact of abortions. - A media studies group in a secondary school is producing a DVD on the benefits of 'delay' and the consequences of teenage pregnancy. - Greater use has been made of web sites aimed at young people to provide information about services including the 'Young Bromley' website. - The booklet 'Talking to your Child about Sex' has been distributed to parents in a number of schools. - Sexual health advisory packs distributed to LAC. <p>(cont.)</p>	4	3	High	19

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
CYP/A&A.0350 (cont.)	Children and Young People	Access and Inclusion / Children's Health Services (PCT)	Access and Admissions / Health and Well-Being (PCT)	Inability to improve the health of children and young people through failure to reduce teenage pregnancy etc. (cont.) RISK SPLIT OVER 2 ROWS AS CELL FOR EXISTING CONTROLS AND PROPOSED ACTIONS CANNOT BE EASILY READ ON SCREEN	AD Access and Inclusion / AD Children's Health Services (PCT) /	4	4	High	20	(cont.) - The LAC nurse is providing sex and relationship training to LAC and foster carers. - All secondary schools have health notice boards, aimed at 6th formers to promote health related messages and provide service information. - Increase access to Long Acting Reversible Contraception (LARC). - Targetted work to prevent teenage pregnancy in areas of the Borough where teenage pregnancy is at its highest.	4	3	High	19
CYP/A&A.0257	Children and Young People	Access and Inclusion	Access and Admissions	Failure to achieve LAA Target for improved pupil attendance across all primary schools. Acceptable levels of attendance at other schools decrease as a result of Education Welfare Officer resources being targeted at the 10 Primary Reward Target schools. Financial - Operational	AD Access and Inclusion	4	4	High	20	Controls: 1. Continue to monitor absence data for all primary schools 2. Multi-agency work to target and support primary school attendance 3. Ensure primary schools apply consistent interpretation of authorised absence 4. Remains Red flag rating as at quarter 3 ----- Actions: - Ensure maintenance of basic service provision for all schools - Intro of Incentive Schemes in primary schools - Roll out Spike initiative to all schools during academic year 2009/10	4	3	High	19
CYP/ALL.0185	Children and Young People	All CYP Divisions	All CYP Sections	Dependency on specific grant funding to provide services - effect if grant ceases Economic - Strategic	Director CYP	4	4	High	20	Controls: 1. Need to ensure Bromley remains at forefront of attracting grant funding opportunities 2. Services to be provided in line with CYP agreed priorities (BBB and CYP Plan) ----- Actions: - Any grant fall out to be identified in the Council's 4 year financial strategy - Exit strategies to be developed where appropriate	4	3	High	19

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
CYP/PCT.0258 (cont.)	Children and Young People	Children's Health Services (PCT) / Access and Inclusion	Health and Well-Being (PCT) / Access and Admissions	<p>Inability to improve the health of children and young people through failure to reduce teenage pregnancy, sexually transmitted infections and abortions. Reduction in under 18 conception rate is a LAA Mandatory Outcome / Indicator.</p> <p>We are highly unlikely to achieve the 2009/10 target which is acknowledged by the Teenage Pregnancy Unit as challenging. Out of 150 LAs, only 16 are on target, with 32 on Red (unlikely to achieve target). Of these 32, 12 are London Authorities, including Bromley.</p> <p>2009/10 target = 20.8 per 1000 15-17 year olds conceptions. Actual = 35.8 per 1000 (Quarter 1, 2009/10) 42 per 1000 (Quarter 2, 2009/10) 37.5 per 1000 (Quarter 3, 2009/10)</p> <p>(Joint risk with Access and Inclusion see CYP/A&A.)</p> <p>Social - Strategic</p>	AD Children's Health Services (PCT) / AD Access and Inclusion	4	4	High	20	<p>Controls:</p> <ol style="list-style-type: none"> 1. Monitor the impact of the Teenage Pregnancy Strategy. 2. Closely monitor performance against targets. As at quarter 3 remains outside target and remains Red RAG rating. 3. Regular reporting of performance to CYP SMT, CYP Trust Board and Council Members. <p>-----</p> <p>Actions:</p> <ul style="list-style-type: none"> - Improve the impact of the Teenage Pregnancy Strategy. - Focus on targeted work with vulnerable groups; Children in Care, young people known to YOT, those in Pupil Referral Units to ensure those most at risk have additional support. - Wider accessibility of the Emergency Hormonal Contraception provided from July 2009. - Enrichment days have been extended to all secondary schools and the Pupil Referral Service. - Enrichment days have been adapted to address the impact of abortions. - A media studies group in a secondary school is producing a DVD on the benefits of 'delay' and the consequences of teenage pregnancy. - Greater use has been made of web sites aimed at young people to provide information about services including the 'Young Bromley' website. - The booklet 'Talking to your Child about Sex' has been distributed to parents in a number of schools. - Sexual health advisory packs distributed to LAC. <p>(cont.)</p>	4	3	High	19
CYP/PCT.0258 (cont.)	Children and Young People	Children's Health Services (PCT) / Access and Inclusion	Health and Well-Being (PCT) / Access and Admissions	<p>Inability to improve the health of children and young people through failure to reduce teenage pregnancy etc. (cont.)</p> <p>RISK SPLIT OVER 2 ROWS AS CELL FOR EXISTING CONTROLS AND PROPOSED ACTIONS CANNOT BE EASILY READ ON SCREEN</p>	AD Children's Health Services (PCT) / AD Access and Inclusion	4	4	High	20	<p>(cont.)</p> <ul style="list-style-type: none"> - The LAC nurse is providing sex and relationship training to LAC and foster carers. - All sec schools have health notice boards, aimed at 6th formers to promote health related messages and provide service information. - Increase access to Long Acting Reversible Contraception (LARC). - Targetted work to prevent teenage pregnancy in areas of the Borough where teenage pregnancy is at its highest. 	4	3	High	19

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
CYP/149.0264	Children and Young People	Learning and Achievement	14-19 Strategy	<p>Failure to achieve LAA Reward grant of £660k for improved post-16 level 3 average point score per pupil so that it equals and then rises above the national average. (The measure is the difference between the Bromley and the National figure).</p> <p>CYP Reward Target (Attainment - Post 16) L1298 - LAA Reward Target 1. We are very unlikely to achieve this target. 2009/10 target = +2. Q3 actual = -20.5.</p> <p>Final reporting of the Reward Target in quarter 4.</p> <p>Financial - Operational</p>	AD Learning and Achievement / Director 14-19 Strategy	4	4	High	20	<p>Controls:</p> <p>1. Regular monitoring of performance against target. As at quarter 3 remains outside target and remains Red RAG rating.</p> <p>-----</p> <p>Actions:</p> <p>- Implementation of strategies and support to achieve target. - Targeted support to individual secondary schools or colleges and improved use of data; 3 had Action Plans in place for improvements in 2009. - The movement away from the target was impacted heavily by the drop in results in 2 of the larger 6th forms. The results in these 2 schools are being analysed to identify any possible concerns.</p>	4	3	High	19
CYP/SAA.0265	Children and Young People	Learning and Achievement	Standards and Achievement	<p>Failure to achieve LAA Reward grant of £541,200 (English £270,600, Maths £270,600) by not reaching the target for an increase in the percentage of 11 year olds achieving Level 4 or above in English and Maths for 10 identified primary schools.</p> <p>Children and Young People Reward Target (Attainment - Key Stage 2). L1332 - LAA Reward Target 2 (this target relates to the LAA Reward for reducing absences in the 10 identified primary schools (see 0175)).</p> <p>We are very unlikely to achieve this target. 2009/10 target = 86% (Eng), 84% (Maths). Quarter 3 actual = 72% (Eng), 71% (Maths)</p> <p>Final reporting of this Reward Target in quarter 4.</p> <p>Financial - Operational</p>	AD Learning and Achievement	4	4	High	20	<p>Controls:</p> <p>1. Regular monitoring of performance against target. As at quarter 3 remains outside target and remains Red RAG rating.</p> <p>-----</p> <p>Actions:</p> <p>- Implement strategies to raise individual pupil attainment. - Ensure school's consistent interpretation of authorised absence. - Maintain progress of Promoting Positive Behaviour Strategy - Working partnership with 'London Challenge' to support specific schools - 'Intervention' support for the other schools - Department for Children, Schools and Families (DCSF) initiative for 1:1 tuition at Year 6 commenced summer 2009</p>	4	3	High	19
ENV/SDS.0209	Environmental Services	Strategy Development & Services	All SDS Sections	<p>Failure to implement and keep up-dated effective council-wide Business Continuity Plans</p> <p>Reputational - Strategic</p>	Steven Lewis	4	3	High	19	<p>Controls:</p> <p>1. Key critical systems identified 2. Updating Business Continuity Plan and database (Civil Contingencies Act 2004) 3. Emergency Planning and Business Continuity training</p> <p>-----</p> <p>Actions:</p> <p>- Individual service continuity plans need updating - Contractors' BCPs checked</p>	4	2	High	18
ENV/STS.0131	Environmental Services	Street Services	All STS Sections	<p>Failure to adequately conduct Winter Maintenance resulting in road network blocked, car accidents, pedestrian falls</p> <p>Environmental - Operational</p>	Paul Symonds	4	2	High	18	<p>Controls:</p> <p>1. Winter Maintenance procedures (gritting / salting)</p> <p>-----</p> <p>Actions:</p> <p>- Ensure policies / procedures are followed</p>	4	2	High	18

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
ENV/STS.0157	Environmental Services	Street Services	All STS Sections	Operational Emergencies (e.g. extreme heat, storms, floods, snow) Physical - Operational	Paul Symonds	5	2	High	22	Controls: 1. Emergency Plan ----- Actions: - Cross discipline trained Local Authority Liaison Officers - Invicta out of hours service - published number and escalation procedure	4	2	High	18
ENV/TRA.0145	Environmental Services	Transportation Planning	All TRA Sections	Transport Strategy: Lack of key skills to enable contribution to the development of Bromley Town Centre Area Action Plan, completion of the traffic model for Bromley Town Centre and input to major developments Reputational - Strategic	Gareth Davies	4	4	High	20	Controls: 1. Identified resources required to enable the contribution ----- Actions: - Need to agree provision of resources / finance	4	2	High	18
LDS/ALL.0099	Legal, Democratic and Customer Services	All LDS Divisions	All LDS Sections	Failure to meet the current and changing needs of customers; risk of censure at local and CAA level Customer / Citizen - Strategic	Director LDS / Sheila Bennett	4	3	High	19	Controls: 1. Systematic consultation 2. Robust internal customer service standards 3. Continuous learning and feedback ----- Actions:	4	2	High	18
LDS/ALL.0077	Legal, Democratic and Customer Services	All LDS Divisions	All LDS Sections	Breach of statutory obligations through failure of compliance with relevant legislation (e.g. Freedom of Information, Health and Safety, Disability Discrimination) Legal - Operational	All LDS managers	5	2	High	22	Controls: 1. Register of all relevant statutory requirements 2. Regular review of compliance 3. Effective training of managers in requirements of relevant legislation ----- Actions: - Identify, document and review all relevant statutory requirements - Identify and train all staff responsible for meeting statutory requirements	4	2	High	18
LDS/ALL.0075	Legal, Democratic and Customer Services	All LDS Divisions	All LDS Sections	Failure to deliver project stated aims within timescale or budget as a result of project management failings Personnel - Operational	All LDS managers	4	3	High	19	Controls: 1. Effective training in project management techniques ----- Actions: - Identify key management staff - Through PADS/PRP, identify need for and provide project management training	4	2	High	18
LDS/ELR.0127	Legal, Democratic and Customer Services	Democratic and Customer Services	Electoral Services	Failure to successfully manage the election process of a Parliamentary, Local or other election or referendum, resulting in an election petition Political - Strategic	Carol Ling	4	3	High	19	Controls: 1. Project Plan 2. Staff Training 3. Adequate insurance ----- Actions:	4	2	High	18

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
LDS/LEG.0342	Legal, Democratic and Customer Services	Legal Services	All LS Sections	Failure of Novell Filing Registry system which carries details of all departmental files. Risk of data loss until system is replaced. Data and Information - Operational	Joy Connor / Andy Champion	4	3	High	19	Controls: 1. Monitoring system and nightly back up 2. Referral to Liberata for migration of information to Excel spreadsheet Actions: - Identified work to be completed	4	3	High	19
R&R/LEG.0296	Renewal and Recreation	Local Economy and Regeneration	All LEG Sections	LAA reward targets not met with the result that the maximum possible reward will not be achieved Vibrant Thriving Town Centres reward target (People into Employment (PIE): L1378 The number of Bromley residents in receipt of an incapacity or Lone Parent related benefit for 6 months or more, supported into sustained employment by the London Borough of Bromley worklessness initiative - £435,000 Financial - Operational	Mary Manuel	4	3	High	19	Controls: 1. Meetings taking place with partners on a one-to-one basis to identify and overcome issues of monitoring to capture fuller information and ensure effective referrals and targeted initiatives to support People into Employment (PIE) clients 2. Two London Councils' European Social Fund (EFF) projects co-financed by Bromley and due to start March/April 2009 3. People into Employment action plan to be reviewed regularly by the steering group 4. Close working with Jobcentre Plus (JCP) to maximise links with major job opportunities, Tesco's (Orpington) recruitment to include open days aimed at People into Employment (PIE) clients Actions:	4	3	High	19
R&R/TCD.0281	Renewal and Recreation	Town Centre Project	Town Centre Development	Failure to secure development on key sites due to the downturn in the economy Economic - Strategic	Jonathan Macdonald	4	4	High	20	Controls: 1. Renewal team to proactively seek to broker developer interest Actions: - In tandem with emerging Area Action Plan (AAP) to continue dialogue with interested parties, development agents and consultants	4	4	High	20
R&R/TCD.0306	Renewal and Recreation	Town Centre Project	Town Centre Development	Failure to submit Area Action Plan (AAP) or rejection of AAP by inspector due to lack of up to date core strategy Political - Strategic	Jonathan Macdonald	4	4	High	20	Controls: Working closely with Local Planning Authorities (LPA) to ensure 'catch up' Actions:	4	4	High	20
RD/ALL.0301	Resources	All RD Divisions	All RD Sections	Failure to ensure the confidentiality, integrity, and availability of information assets: 1. Distress and/or physical impact on wellbeing of customers 2. Impact on operational integrity 3. Reputational damage to services and the authority as a whole 4. Liability in law 5. Economic damage to authority and/or customers 6. Impact on service take up due to reduced confidence from the public Data and Information - Operational	Laurie Carter	4	3	High	19	Controls: 1. Compliance with the ISO27000 best practice standard is the generally approved method of managing the complexities of information security risk Actions: - The LBB Network Remediation project, and LBB IA program are between them set to achieve compliance with the ISO27000 standard by Q3 2009	4	3	High	19

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
RD/TEC.0298	Resources	Audit and Technical	Technical	Banking failure Financial - Operational	Mark Gibson	5	4	High	24	Controls: 1. Annual investment strategy 2. Review of counterparty list 3. Monitoring via Butlers ----- Actions: - Reports to Executive - Reports to Portfolio Holder - Detailed review of approach - Intensified monitoring of position	5	4	High	24
RD/TEC.0299	Resources	Audit and Technical	Technical	The Pension Fund does not have sufficient resources to meet all liabilities as they fall due: 1. Investment markets fail to perform in line with expectations 2. Market yields move at a variance with assumptions 3. Investment managers fail to achieve their targets over the longer term 4. Longevity horizon continues to expand 5. Deterioration in pattern of early retirements 6. Changes to regulations e.g. more favourable benefits package 7. Administering authority unaware of structural changes in an employer's membership e.g. large fall in employee members, large number of retirements Financial - Operational	Director RD	5	3	High	23	Controls: 1. Financial: Monitoring of investments returns - analysis of valuation reports 2. Demographic: Longevity horizon monitored at triennial reviews - quarterly review of retirement levels 3. Regulatory: Monitor draft regulations and respond to consultations - actuarial advice on potential 4. Governance: Encourage other employers to keep Council informed of changes. Bromley Mytime employer's contribution rate to be reviewed annually towards end of contract ----- Actions:	4	2	High	18
RD/TEC.0300	Resources	Audit and Technical	Technical	Failure to manage and control Treasury Management activities: Liquidity, Interest rate, Exchange rate, Inflation, Credit and counterparty, Refinancing, Legal and regulatory risks Financial - Operational	Director RD	5	3	High	23	Controls: 1. Regular review meetings 2. Use of external advisors 3. Internal Audit review of activities 4. Reporting to Members ----- Actions: - Periodic reviews of approach in light of economic downturn	5	3	High	23
RD/TEC.0305	Resources	Audit and Technical	Technical	Capital income shortfall due to a reduction in capital receipts and delays in disposals as a result of the economic downturn Economic - Strategic	Director RD	5	3	High	23	Controls: 1. Close monitoring of spend and income 2. Reporting to Members 3. Tight control of spending commitments ----- Actions:	5	3	High	23

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Gross Impact	Gross Likelihood	Gross Risk Rating	Gross Score	Existing Controls and Proposed Actions	Net Impact	Net Likelihood	Net Risk Rating	Net Score
RD/FIN.0019	Resources	Financial Management	Financial Management	Systems for identifying and alerting managers on budgetary failures Financial - Operational	Peter Turner	4	2	High	18	Controls: 1. Monthly budget monitoring to DMTs, and COE after reporting to service managers. Annual timetable produced, standards agreed and implemented 2. Reports during June to March period with early warnings/key budget areas identified during remainder of year. 3. Escalation routes agreed re overspend areas including option of early reporting to Members 4. One Way review to ensure Heads of Finance obtain 'sign off' budget monitoring statements with managers establishing the robustness of the systems 5. Heads of Finance required to review systems and introduce improvements 6. Review of key budget systems where high risk of volatility in projections e.g. SEN, SS placements, parking income 7. Budget monitoring reports to include identification of impact on future years Actions: - Formal structures and procedures in place for monitoring and corrective action to minimise risk (Process and structures to be reviewed monthly) - Implemented changes to monitoring arrangements to support any further structural / accountability changes	4	2	High	18
RD/FIN.0282	Resources	Financial Management	Financial Management	Failure to produce and deliver a balanced budget which meets priorities. Greater financial uncertainty to reflect impact of recession, credit crunch, volatile inflation, future public spend constraints for local government and the impact of the property market. Economic - Strategic	Peter Turner	4	3	High	19	Controls: 1. Management of Risks document covering inflation, capping, financial projections etc. attached to budget reports 2. Departmental risk analysis Actions: - Regular reporting of financial forecast updates (5 times a year) to provide an update of financial impact and action required - Obtain monthly trend / current data to assist in any early action required - Obtain regular updates / market intelligence re: impact of recession and inflation (liaise with policy unit who are coordinating details of impact of recession on services)	4	3	High	19

SEE ATTACHED WORKSHEETS FOR GUIDANCE RE: RISK MATRIX, IMPACT GUIDELINES, LIKELIHOOD GUIDELINES, CORPORATE RISKS

FOR EASE OF PRINTING COLUMN B (CORPORATE RISK REF) AND COLUMN G (RISK CATEGORY) HAVE BEEN HIDDEN TO REVEAL COLUMNS - HIGHLIGHT COLUMNS A & C or F & H, RIGHT CLICK MOUSE AND SELECT UNHIDE

Cells highlighted in YELLOW are being investigated

RISK MATRIX

		RISK RATING				
IMPACT	Catastrophic 5	Medium 17	High 22	High 23	High 24	High 25
	Major 4	Medium 12	High 18	High 19	High 20	High 21
	Moderate 3	Low 7	Medium 13	Medium 14	Medium 15	Medium 16
	Minor 2	Low 2	Low 8	Low 9	Low 10	Medium 11
	Insignificant 1	Low 1	Low 3	Low 4	Low 5	Low 6
Description / Score		Remote 1	Unlikely 2	Possible 3	Probable 4	Highly Probable 5
		LIKELIHOOD				
RISK RATING						
Low Score 1 - 10		Medium Score 11 -17		High Score 18 - 25		

Risk Variables – Impact (Severity) Guidelines

Description / Score / Risk Examples	Health and Safety	Environmental	Staffing and Culture	Compliance with Regulations	Service Provision	Damage to Reputation	Information and Communication	Financial
Insignificant 1	Incident	No lasting detrimental consequences e.g. noise, fumes of short term duration.	Localised staff and management dissatisfaction causing little or no disruption to services.	Minor breach of internal regulations, not reportable.	Brief disruption to an important service area. Significant disruption to non-crucial service area.	Complaints from individuals / small action groups. Negative, but little local media coverage.	Brief inability to access data but no service effect.	Costing less than £5,000
Minor 2	Injury	Detrimental affect for a short period e.g. significant discharge of pollutants in localised area.	Broader based staff and management dissatisfaction impacting on some services	Minor breach of external regulations, not reportable.	Major disruption to an important service area for a short period. Adverse disruption to non-crucial service area for a period of weeks.	Complaints from local stakeholders. Adverse local media coverage, being picked up by the national media.	Loss of data for medium period slightly affecting service delivery.	Costing between £5,000 and £50,000
Moderate 3	Serious Injury	Serious discharge of pollutants requiring remedial action.	Localised / national action causing a short term disruption to services.	Breach of internal regulations leading to disciplinary action. Breach of external regulations, reportable.	Complete loss of an important service area for a short period. Major disruption to non-crucial service area for a period of weeks.	Broader based general dissatisfaction with the running of the council. Adverse national media coverage.	Loss of data for significant period moderately affecting service delivery but full data recovery.	Costing between £50,000 and £500,000
Major 4	Fatality	Long term detrimental affect e.g. major discharge of pollutants leading to prosecution.	Resignation / removal of local management leading to a significant deterioration in services over the short term.	Significant breach of external regulations leading to intervention or sanctions.	Major loss of an important service area for a period of weeks. Major loss of several non-crucial service areas for a period of weeks.	Resignation / removal of CEO / elected Members. Audit Commission enquiry. Significant adverse national media coverage.	Loss of data for significant period seriously affecting service delivery and recovered data damaged.	Costing between £500,000 and £5,000,000
Catastrophic 5	Multiple fatalities	Extensive harm caused to the local environment e.g. wide spread discharge of hazardous pollutants leading to government intervention.	Significant morale problems, inability to recruit suitable staff resulting in poor quality service delivery over a long period.	Major breach leading to suspension or discontinuation of business or outsourcing / privatisation of key services.	Virtual inability to function.	Delegated powers removed. Persistent adverse national media coverage.	Operating systems no longer compatible or supported and therefore redundant. Complete loss of data (inability to retrieve critical service data) leading to service failure for an extended period.	Costing more than £5,000,000

Risk Variables – Likelihood (Probability) Guidelines

Score	Description	Expected Frequency
1	Remote	10-yearly
2	Unlikely	3-yearly
3	Possible	Annually
4	Probable	Monthly
5	Highly Probable	Weekly

BROMLEY - CORPORATE RISKS - 2009

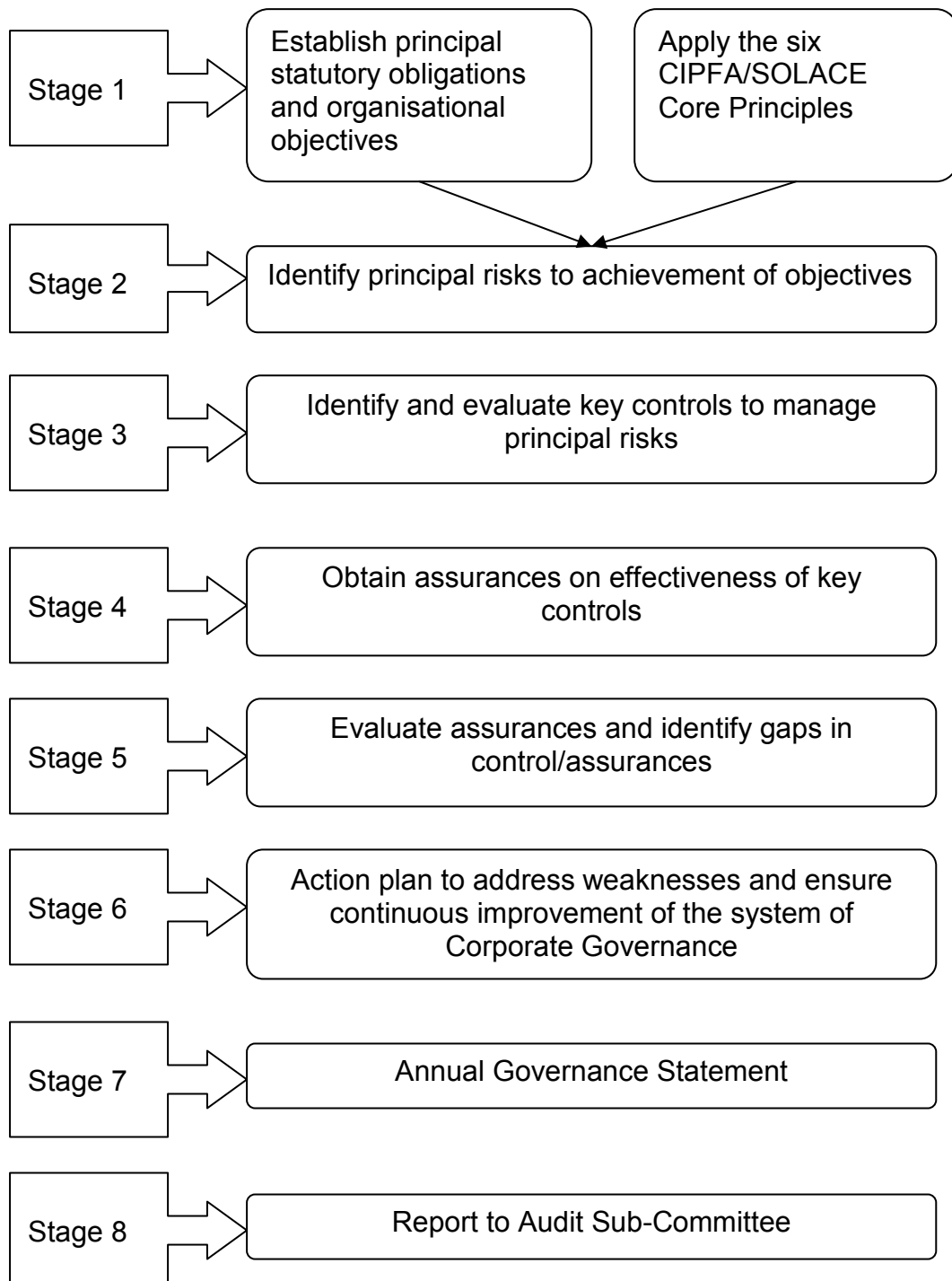
1	<p>Failure to achieve strategic BBB objectives and organisational change</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Business and portfolio plans do not achieve desired outcomes 2. Failure to develop and implement key strategies 3. Lack of demonstrable progress on the Customer Access Programme 4. Failure to embed an effective performance risk management process throughout the council 5. Failure to strengthen performance programme and project management arrangements across the Council 6. Failure to keep Local Development Framework documentation to timetable leading to loss of Housing and Planning Grant
2	<p>LAA reward targets not met with the result that achievement of possible reward (£8.2m) will not be maximised</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Failure to manage performance of LAA Stretch Targets 2. Separate risks for the 13 Stretch Targets 3. Achieving outcomes through partnerships
3	<p>Failure to recruit and retain qualified and experienced staff due to shortage of good quality permanent staff in key areas leading to succession planning issues, skills gap and potential deterioration of service quality</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Ability to recruit and retain qualified and experienced staff 2. Failure to develop and implement effective recruitment and retention strategies 3. Deterioration of service quality through loss of experienced staff as a result of age profile of workforce 4. Failure to succession plan 5. Potential future shortage of professionally qualified practioners e.g. social workers 6. Safeguarding agenda 7. Managing change in the workforce including organisational downsizing and Single Status
4	<p>Failure of a contractor / partner / provider to maintain agreed service levels resulting in an interruption to or deterioration of service delivery</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Failure of a contracted provider 2. Potential for operational errors by contractors 3. Volatile markets; procurement / commissioning 4. PCT and 'health' uncertainty as a result of re-provisioning of services in London sub-regions
5	<p>Failing to develop IT information systems to reliably support departmental service delivery and to promote efficiency; data collection and management information quality (including partners)</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Failure of key Lines of Business IT systems to reliably support departmental service delivery 2. IT failure impacting on operational system (CONFIRM) / contractor liaison 3. Unavailability of UNIFORM to process planning applications 4. Information systems; established and maintained as fit for business purpose

6	<p>Failure to implement an effective council-wide Business Continuity Plan with the result that services are severely disrupted as a consequence of:</p> <ol style="list-style-type: none"> 1. loss of premises due to explosion / fire / flood etc. 2. loss of a key business system due to power problems or system failure 3. severe weather conditions 4. pandemic <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Flu pandemic 2. Fuel shortage impacting on the transport fleet 3. Failure of CCTV system 4. Information and data security 5. Operational emergencies due to severe weather conditions, fire, major incident
7	<p>Failure to produce and deliver a sustainable Financial Strategy which meets BBB priorities and failure of individual departments to meet budget</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Government funding and 'grant floor' 2. Effect of Public Spending Review, inflation, interest rates etc. 3. Failure to meet budget and pressures from service overspends 4. Dependency on external grants to fund services - effect if grant ceases 5. Capital expenditure (sustainable strategy that meets council priorities; affordable and prudent)
8	<p>Failure to comply with legislation / statutory obligations</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Failure to keep up-to-date with legislative change 2. Failure to track change in legislation and policy 3. Continued change to government strategy 4. Single Status 5. Equalities agenda (also reputational risk)
9	<p>Risks resulting from the economic downturn</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Effect on finance (at national and local level) and investments; including reduction in the value of Bromley's investments, increased investment risks, reduced rental income, reduced service income, reduced capital receipts 2. Impact on delivery of LAA 3. Impact on 2020 Vision 4. Impact on Local Strategic Partnership 5. Impact on local jobs, businesses and town centres 6. Increased demand on key services resulting in overspends
10	<p>Reputational Risk</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Inspection regime (specifically CAA, Use of Resources, service inspectorates) and public ratings - in relation to 'excellent in the eyes of local people' 2. Performance management to national standards 3. Equalities agenda (also statutory risk)

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7	<p>Failure to produce and deliver a sustainable Financial Strategy which meets BBB priorities and failure of individual departments to meet budget</p> <p>Linked risks:</p> <ol style="list-style-type: none"> 1. Government funding and 'grant floor' 2. Effect of Public Spending Review, inflation, interest rates etc. 3. Failure to meet budget and pressures from service overspends 4. Dependency on external grants to fund services - effect if grant ceases 5. Capital expenditure (sustainable strategy that meets council priorities; affordable and prudent)
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REVIEW OF ANNUAL GOVERNANCE STATEMENT AND ASSURANCE GATHERING PROCESS



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Agenda Item 8

Report No.
DR 10041

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Audit Sub Committee**

Date: **23rd March 2010**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **INTERNAL AUDIT AND VALUE FOR MONEY REPORTING**

Contact Officer: Mark Gibson, Assistant Director Resources (Audit and Technical)
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Paul Dale, Director of Resources and Deputy Chief Executive

Ward: All

1. Reason for report

This report was requested by the Chairman of Audit Sub Committee and looks to inform Members on the types of Value for Money reviews and to consider how any future or existing internal audit work can be used to inform value for money issues that may assist in the overall efficiency agenda.

2. **RECOMMENDATION(S)**

- (a) **Members are asked to note the report and suggest how any output from internal audits could be used for future value for money and efficiency issues**
- (b) **Members to receive an update on any internal audit value for money initiatives undertaken in 2010-11**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £603,000 excluding the benefit fraud partnership costs.
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): 12 FTE
 2. If from existing staff resources, number of staff hours: 380 days per quarter
-

Legal

1. Legal Requirement: Statutory requirement. Accounts and Audit Regs 2006
 2. Call-in: Call-in is not applicable.
-

Customer Impact

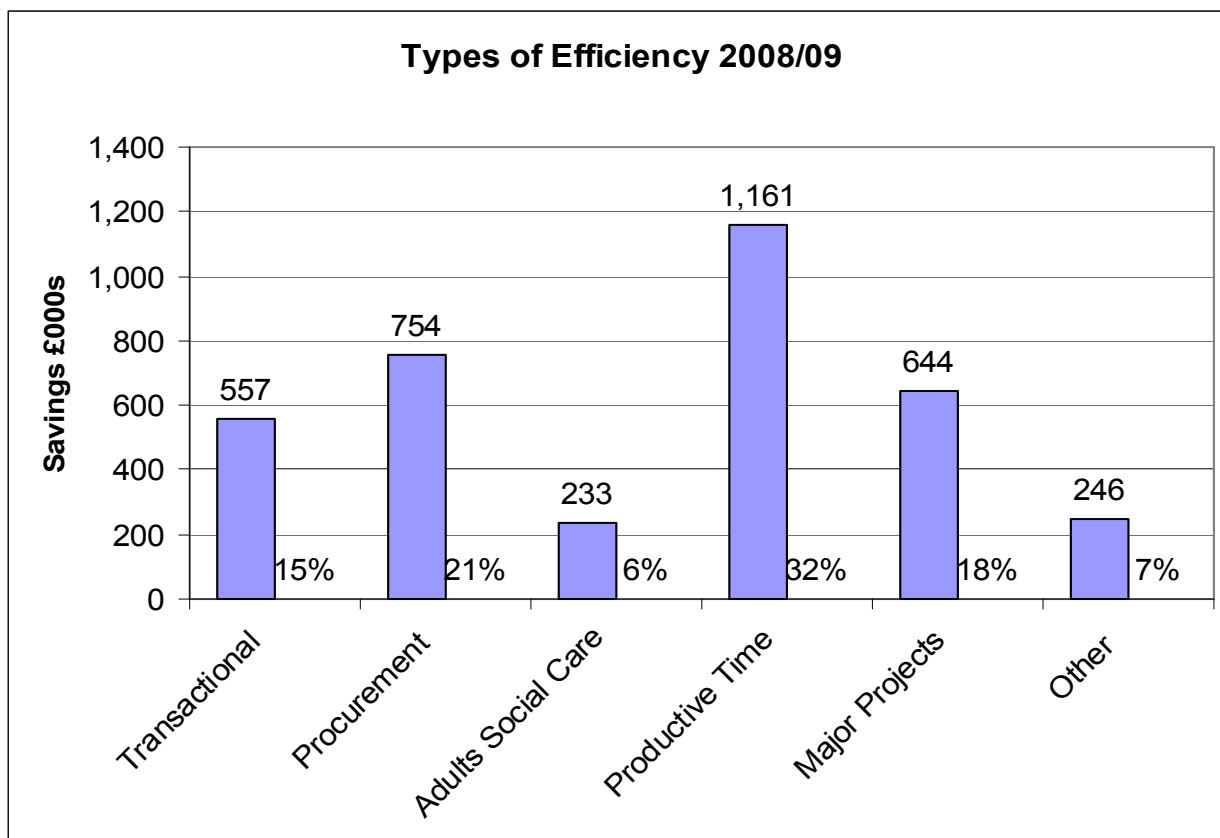
1. Estimated number of users/beneficiaries (current and projected): 180 including Chief Officers, Head Teachers/Governors
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: None

3. COMMENTARY

- 3.1 With an increased scrutiny over Council budgets and associated service provision there is a constant need to look for improvements, different ways of working and benchmarking to ensure that services are being provided to the required standards at the best value to the Council tax payers and residents of Bromley. The Chairman of Audit Sub has asked the Chief Internal Auditor to prepare this brief paper to highlight some of the issues and approaches. The types of efficiencies previously reported to Improvement and Efficiency Sub Committee last year are highlighted below.



- The chart (above) summarises the ways in which efficiencies have been found, and shows that approximately half have been derived from two areas; productive time (£1.16M), of which almost £900K relates to savings in staff from performance centres in all departments through restructurings and deletion of posts, and the major projects at £644K. Procurement at £754K, mainly relates to savings gained through introducing contractual improvements e.g. use of framework agreements, negotiations with contractors to reduce costs, savings through revised commissioning arrangements, etc. This type of saving

- 3.2 The professional CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom places a responsibility on internal auditors to "...be alert to the possibility of ...poor value for money..." (para 9.2.1 (d)). As such Value for money (VFM) is an integral part of every piece of audit work. Internal audit is well placed through its independence, professional expertise and right of access to every part of the organisation and all aspects of its operation to recognise and promote VFM. The role of internal audit in relation to VFM is twofold:

- As a fundamental part of the audit review, the systems and controls established by management to secure VFM will be examined and evaluated.
- Auditors may initiate, conduct or participate in special VFM reviews.

- 3.3 The people involved in any study should, between them, have a basic range of skills, including an understanding of VFM study methodology and project management, and knowledge of the subject. They may be internal staff or external experts. Internal auditors

also often have the knowledge, skills and experience to contribute to such work. Routine internal audit work should always keep in mind the arrangements for VFM. Any issues identified can be reported as part of that routine work. With this in mind the reporting of any value for money issues can be built into certain audits by asking key questions of the auditee and seeking assurance that these are being addressed.

3.4 VFM can be achieved in a number of ways, for example:

- through benchmarking an activity against similar activities in other organisations
- by using performance indicators
- through conducting VFM studies (possibly in conjunction with other institutions)
- by seeking out and then adopting recognised good practice where this can be adapted to the institution's circumstances
- through internal audit work. Although internal audit has a primary responsibility for assessing the internal control system, the auditor is frequently well placed to assess and comment on VFM in the areas reviewed. This should be reported in individual audit reports and in the internal audit annual report
- through retaining both documents that show how an activity has been planned to build in VFM, and evidence of the good practices adopted
- by examining the results or outcomes of an activity.

3.5 In achieving, and seeking to achieve, VFM, there are many objectives for organisational behaviour and activity to be taken into account. These include:

- the culture of the organisation, for example, continually striving to do more at the appropriate quality for less money
- adopting good practice
- clearly defining the organisation's aims, strategies and policies
- providing an organisational structure which promotes accountability, through placing power at the point where responsibility is required to be taken, together with appropriate control and oversight exercised at a higher level
- being committed to effective communication and staff development so that the culture and aims of the organisation permeate to, and are identifiable at, all levels within the organisational structure
- providing an appropriate infrastructure in systems, resources and training.

3.6 Put simply most VFM work is still concerned mainly with economy, i.e. savings in resources. This tends to be the easiest area to tackle. In general reviews tend to be either input-based or output-based or a combination of the two depending on whether the review is concentrating on, respectively, economy, effectiveness or efficiency.

Input-based review

This involves a review of the inputs relating to a particular activity and is largely comprised of statistical analysis and comparisons including the use of performance measures to evaluate economy and efficiency.

Output-based review

This looks at what the function actually produces as an output. A review of policy objectives, the activities required to achieve the objectives and the use of output or performance indicators to measure the effectiveness of the policies.

- 3.7 An input-based review is concerned with the questions 'can cost be reduced for the same output?' and 'can greater output be achieved for the same cost?' Whereas an output-based review relates to performance in achieving policy goals and objectives and to a large extent the ability to do this depends upon the clarity with which these objectives are stated. In all cases, where the service being provided is non statutory, the question of whether we need to do it at all should be asked.

Issues for consideration

- 3.8 The Chief Internal Auditor has consulted with other London Boroughs' Internal Audit sections who have demonstrated a mixture of methods for dealing with the issue of value for money and compliance with the code requirements.
- 3.9 One authority had undertaken a value for money study on car mileage rates (comparing the national rates paid with other authorities and the HMRC rates) and an energy efficiency review. Another Authority has introduced a standard vfm section for the majority of their audits the template risk / control matrix is under active consideration.
- 3.10 However, the bulk of authorities contacted explained that the main value for money remit took place in other parts of their Councils apart from the Internal Audit sections and most did not have the resources to undertake comprehensive vfm reviews. This is essentially where the Bromley internal audit section currently finds itself, however the Chief Internal Auditor maintains that the alertness to vfm required by auditors often manifest itself in the high priority findings and recommendations uncovered in normal audit work. Examples include data matching exercises where large savings have been identified in the past and reviews of effectiveness of particular sections that have led to better working practices and accountability for example the previous contract monitoring and letting arrangements within ACS. (previous attempts to mainstream value for money auditing by monitoring compliance benchmarking required within individual service reviews through the business planning cycle have had limited success.) The lessons learnt from these internal audit initiatives need to be factored in when considering any new approach.
- 3.11 The internal audit plan for 2010-11 has been built up on the basis that a certain amount of days has been unallocated to test out an approach to value for money. No decision has been taken at this stage as to whether the time is best spent reviewing existing arrangements for achievement of value for money within each auditable area or discrete vfm exercises using comparative data and breaking down the unit costs of current service provision. These types of audit would focus on the input type of review. A number of internal auditors have received some basic training on expectations of a value for money review and it would be useful to put this into practice as well as considering whether any more selective training would be required.

- 3.12 The issue of reviewing policy inherent in an output based review is not considered suitable given the current internal structure and skill set.

Non-Applicable Sections:	POLICY IMPLICATIONS FINANCIAL IMPLICATIONS, LEGAL IMPLICATIONS PERSONNEL IMPLICATIONS
Background Documents: (Access via Contact Officer)	CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom

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Report No.
DR 10042

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

<Please select>

Decision Maker: **Audit Sub Committee**

Date: **23rd March 2010**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **INTERNAL AUDIT PLAN 2010/11**

Contact Officer: Mark Gibson, Assistant Director Resources (Audit and Technical)
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Paul Dale, Director of Resources and Deputy Chief Executive

Ward: All

1. Reason for report

This report informs Members of internal audit plan for 2010-11.

2. **RECOMMENDATION(S)**

Members are asked to comment on the Internal Audit Plan for 2010-11.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £603,000 excluding the benefit fraud partnership costs.
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): 10 FTE
 2. If from existing staff resources, number of staff hours: 380 days per quarter
-

Legal

1. Legal Requirement: Statutory requirement. Accounts and Audit Regs 2006
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 180 including Chief Officers, Head Teachers/Governors
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: None

3. COMMENTARY

3.1 The current CIPFA *Code of Practice for Internal Audit* defines Internal Audit as:

- *'An assurance function that provides an independent and objective opinion to the organisation on risk management, control and governance by evaluating their 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'*

3.2 The purpose of the Internal Audit Plan is to:

- Optimise the use of audit resources available, given that these are limited
- Identify the key risks facing the Council to achieving its objectives and determine the corresponding level of audit resources
- Ensure effective audit coverage and a mechanism to provide Members, governors, head teachers and senior managers with an overall opinion on the auditable areas and the overall control environment
- Add value and support senior management in providing effective control and identifying opportunities for improvement
- Supporting the Director of Resources in fulfilling obligations as the Council's nominated Section 151 Officer
- Deliver an internal audit service that meets the requirements of the Accounts & Audit Regulations.

3.3 The Audit Plan coverage is largely aimed at:

- The Chief Executive and Directors
- Other Managers throughout the Council
- Members and in particular those of the Audit Sub –Committee
- Governors and Head teachers
- External Audit and the Audit Commission

3.4 For the audit plan covering 2010/2011 the methodology has been revised with the primary focus being on both the corporate and departmental risk registers which have been developed within the departments. Also as in previous years the frequency and timing of internal audit work in Bromley is supported by the assessed audit risk for each system, school or service. These "risk assessments" (high, medium or low) are awarded to each area in the Internal Audit Plan but they will need to be revisited at the conclusion of each audit. An additional key element in the compilation of the plan has been consultation with managers across the Authority. However, a number of different ways of working have been introduced to streamline the audit process and reduce the audit input as a result of an overall shrinkage in staff numbers. These include the use of control self assessment where appropriate and the cyclical approach to a number of key control audits.

3.5 Internal Audit and External Audit continue to work closely together at Bromley to ensure the Authority's total audit resource is effectively managed and targeted. There is an annual work programme agreed with the External Auditor. Bromley's Internal Audit has maintained a recognised standard of competence and has an agreed protocol with external audit involving the sharing of audit plans, a combined audit approach for key systems and the external audit placing reliance on the work of internal audit. This assists in keeping the external audit fee below the audit commission benchmark.

- 3.6 A risk based approach has been adopted by both External Audit and Internal Audit, seeking to target audit work on key areas appropriate to our respective roles and to maximise integration of our work. The key areas within the Audit Commission Code of Practice where co-ordinated working will continue are ensuring the adequacy of internal financial controls and ensuring standards of financial/business conduct and arrangements to prevent and detect fraud and corruption are in place. Much of this work continues to be reviewed as part of the Use of Resources assessment.
- 3.7 The plan has been formulated with the requirements of the Account and Audit Regulations in mind. In particular that the relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.
- 3.8 In order to discharge its responsibility Internal Audit will need to focus work on the key systems and areas of high risk to the Authority to inform the opinion on the control environment in place. These reviews will continue to inform the internal control statement that will be required at the end of the year. The internal control environment comprises the systems of governance, risk management and internal control
- 3.9 Although the internal audit function plays a critical role in assessing the control environment the conclusion on the statement of control, forming part of the Annual Governance statement, should be considered based on evidence from a number of sources. These include the external auditor's reports; the annual internal audit report, which gives an opinion on the system of financial control; reports from other review agencies, such as Ofsted and the Audit Commission's inspectors; and direct assurances from management responsible for internal controls in particular areas.
- 3.10 The total number of audit days allocated for corporate and operational departmental audits is 1,553 days. The individual scope and terms of reference for each audit area is finalised at the time of audit. A summary of the coverage for next year is attached at appendix 1. The final detail will be agreed with Chief Officers and Assistant Directors based on the coverage proposed. There has already been a consultation process and some of the officer comments are reflected within the attached plan.
- 3.11 An approximate contingency of 7.5% has been built in to each directorate to allow for management requests for work, investigations and any unforeseen major issues arising from fundamental control weaknesses identified in audits that requires further testing. This contingency figure is less than last year and will be kept under review. The new arrangement with the Greenwich fraud team will allow more flexibility on the plan as they will take on a number of the investigations that arise.

3.12 In summary the plan for 2010/11 has been allocated as follows:

Adult and Community Services	208
Renewal and Recreation	89
Children and Young People	495
Environmental Services	116
Chief Executives	85
Legal and Democratic Services	47
Resources	366
Corporate & VFM	57
Anti-Fraud & Governance	90
<u>TOTAL</u>	1553

3.13 Further time has been allowed for governance and value for money work, updating procedures and practices and adherence to codes of conduct and corporate standards, control advice and guidance and risk management support have also been included into the audit plan, as in previous years. The work on anti fraud and corruption has been separately identified in the plan for 2010-11.

3.14 We have also consulted a number of Authorities about their plans to ensure both best practice and that all areas are covered by the planning process. In addition the audit planning and working practices is informed by the annual peer review process.

3.15 Types of audit

Summary of Audit Methods and Techniques

Audit Method/Technique	Explanation
Planning	A risk based internal audit plan will be created on an annual basis which will incorporate key risk areas within the Council, in line with strategic and operational risk registers, and the Council's Risk Management Policy. Strategically we will aim to review all operational service areas within a cyclical period not exceeding 3 years, while all business critical systems and high risk areas will be reviewed annually.
Risk-based system audits	One of the main ways that Internal Audit will form a view on the overall control system is by carrying out reviews of the component systems and processes established within respective business entities. These are commonly known as risk-based system audits and will allow Internal Audit to assess the effectiveness of internal controls within each system in managing business risks. Thereby enabling a view to be formed on whether reliance can be placed on the relevant system. This approach will enable resources to be used in a more efficient way, while maximising the benefit which could be derived from it
Compliance/regularity/establishment audits	These audits are intended to assess if systems are operating properly in practice. They are typically site-based (establishment) and focus on the propriety, accuracy and completion of transactions made. The term 'site' includes departments, services or devolved units. The audits may focus on specific systems or cover transactions in all major systems. This will also provide information and evidence about the extent, in practice, of compliance with organisational policies, procedures and relevant legislation.
External assessment of schools	Internal audit carry out the external assessment of schools to make sure they meet the standards
Key Control Testing	A variation on compliance audit but focusing on a small number of material or 'key' controls that provides assurance on the completeness and adequacy of the Council's accounts. This can provide the basis for external audit to place reliance on the work of Internal Audit. These audits are on the main accounting systems and processes including debtors, creditors, payroll and income.
Procurement Audit	This will be a strategic assessment of the risks associated with the Council's procurement activities and future plans. Concerned with review of and compliance with the Council's corporate procurement strategy and associated management structures and processes, including contract procedure rules. This audit may also consider Value for Money aspects.
Control Risk Self Assessment	Facilitating the review by services of their own risks and controls in a structured way, for example, via questionnaires or workshops. This can serve both the requirements for assurance or as consultancy.
Systems Development Audit	Phased review of developing plans and designs for new systems and processes aimed at identifying potential weaknesses in control during the development stage thus minimising the need for re-working.
ICT Audit	Specialist review of the control of hardware, software and the ICT environment to evaluate fitness for purpose and security of the ICT environment.
Evidence	All audit findings, conclusions and recommendations will be evidenced on file. Relevant details on which findings and recommendations are based will also be supported by evidence held on file within the Internal Audit Unit.
Use of Technology	Internal Audit will employ relevant technology where appropriate when testing systems and when producing working papers and reports. Additionally Internal Auditors will be alert to IT risk in relation to technology utilised within systems under review.

Regularity Audits including Schools

- 3.16 These audits are undertaken on a rolling cyclical programme, with the frequency of review determined by an assessment of risk, and are designed to ensure the proper administration of the authority's affairs. They are, in general, schools and establishment audits where the propriety, accuracy and recording of all transactions, and the proper function of the main systems in operation, are tested by audit staff by means of detailed examination of individual transactions to ensure that each is, valid, properly authorised and legal.
- 3.17 The objective of the audit primarily to discharge the Proper Officer's statutory S151 responsibility but also to provide an assurance to client management on the proper and effective administration of their area of responsibility. This is particularly relevant where the main elements of control are exercised at a local level. The audits will be carried out using a range of standard audit programmes the most common of which is the standard programmes for school. All Bromley secondary schools met the FMSiS after our initial round of external assessments with only one of the schools needing to be reassessed after implementing recommendations made by internal audit.
- 3.18 The Department for Children, Schools and Families DCSF require all schools to be assessed for the Financial Management Standard in Schools (FMSiS) every 3 years. Internal audit currently provide this service. In the interim years, for Secondary schools, internal audit are proposing to revise the testing programme and have devised a methodology which involves some self assessment by staff at schools, some review of information that they have provided to the Schools Finance Team (SFT) and some on site testing of transactions. Secondary schools are now in the second cycle of assessments with only one school not meeting the standard.
- 3.19 We have now come to the conclusion that we could provide a more streamlined approach to our internal audit reviews at secondary schools during 2010/11. We have devised a form similar to the one schools have used to evidence that they have met FMSiS asking for them to provide detail which is backed up by documentary evidence. Our intention is to get schools to complete this prior to a visit. We will also request a copy of a report detailing all financial transactions over the last 12 months so we are able to select a sample for testing. At the same time we will contact SFT for information on returns that the schools have provided to them.

Risk-Based Audits

- 3.20 With this type of audit the auditor's prime role, is to review the internal control system and associated risks and report upon the adequacy of the arrangements in place. This represents agreed best practice from a professional audit service. Conduct of an audit using this methodology will enables us to
- a) assess how internal controls are operating in a system, thereby forming a view on whether reliance can be placed upon the system
 - b) provide management with assurances that systems are adequately meeting the purposes for which they were designed
 - c) provide constructive and practical recommendations to strengthen systems and address identified risks
 - d) use findings to feed into an overall opinion on the control framework, thereby fulfilling S151 responsibilities
 - e) furnish appropriate evidence for external audit and other review agencies
- 3.21 The most common use of these types of audit is on the fundamental systems which are required to be audited each year.

Standards

- 3.22 Internal Audit within Bromley remains sufficiently independent of the activities that it audits to enable auditors to perform their duties in a manner which facilitates impartial and effective professional judgments and recommendations. Furthermore Internal Audit operates in accordance with the four main ethical principles: integrity, objectivity, competence and confidentiality. In particular;
- All audit staff will make themselves familiar with the strategies, policies and procedures of the Council, in particular the Council's Constitution and Code of Corporate Governance, Financial Procedure Rules, Contract Procedure Rules. Audit planning will be risk based and demonstrate a link to strategic and operational risk assessments.
 - The annual audit plan will be reviewed and updated on an ongoing basis to address emerging risks and any significant amendments will be notified and agreed with the director of Resources and this Committee.
 - The Chief Internal Auditor will have direct access to the Chair of this Committee and will be available at the Chairman's request. Audit reviews carried out will comply with the CIPFA Code of Practice for Internal Audit and the Audit and Risk Manager will review all files to ensure consistency.
 - Auditors will aim to complete all reviews within specified timescales to ensure completion of the audit plan. All reports will be reviewed and authorised at the appropriate level before issue.
 - A listing of all recommendations raised will be maintained. A summary of the key Internal Audit Recommendations posing a high risk will be reported to each Audit Sub Committee.

- Investigations of suspected fraud and irregularity will be carried out in accordance with Council procedures and relevant good practice/legislation. Such investigations will be undertaken or supervised by staff with relevant knowledge and experience and in liaison with police and other regulatory bodies where relevant. Reference should be made to the Council's Anti-Fraud Corruption Policy and Strategy.
- Internal Audit staff will be appropriately qualified and/or experienced. Adequate training will be offered to staff to close any identified skills gap. Allocation of audit tasks will be in line with staff qualifications and experience.
- All audit staff will ensure they conduct themselves in accordance with the Council's Code of Conduct and relevant professional standards and codes of ethics.

4. FINANCIAL IMPLICATIONS

Some of the findings identified in the audit reports will have financial implications.

5. LEGAL IMPLICATIONS

- 5.1 Under Section 151 of the Local Government Act 1972 the Authority is required to make proper arrangements in respect of the administration of its financial affairs.
- 5.2 The provisions of Regulation 6 of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 (both being Regulations made pursuant to the Audit Commission Act 1998) require the Council to maintain an adequate and effective internal audit function.

6. PERSONNEL IMPLICATIONS

None.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	None

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Adult & Community Services Directorate - Director, Terry Rich.

Ref.	Audit	Corporate Risk /Key Control	Audit Days	Audit Details	
				Audit Narrative	Audit Owner
	Adult Placement scheme	Y	10	A review of the adequacy and effectiveness of controls in place surrounding the management of cases, provision of care.	Assistant Director Care Services
		Y			
	Supported living	N	2	Follow-up implementation of 2009/10 recommendations	Assistant Director Care Services
	Domiciliary Care	N	10	Contract monitoring	Assistant Director Care Services
	Home Care	N	15	Review of the adequacy and effectiveness of controls surrounding the process of Home Care provision. Include procedure manual and monitoring changes to care plan following 2010 investigation. Review effectiveness of Easy Tracker.	Assistant Director Care Services
	Data Capture system (Home Care Easy Tracker)	N	2	Follow-up implementation of 2009/10 recommendations	Assistant Director Care Services
	Respite	N	3	Follow-up implementation of 2009/10 recommendations	Assistant Director Care Services
	Extra Care Housing	N	7	Review one establishment, follow-up recommendations.	Assistant Director Care Services
	Care Link	N	4	Follow-up implementation of 2009/10 recommendations plus review of Telecare	Assistant Director Care Services
	Stroke Grants	N	2	Audit certification of supported people & stroke grant	Assistant Director Care Services
	Transition Team	N	2	Follow-up implementation of 2009/10 recommendations	Assistant Director Care Services
	Carers Grant	N	5	Review of grant payments to carers.	Assistant Director Care Services
	Procurement & Contract Compliance	Y	10	Review of procedure for commissioning services for independence and contract tendering, detail to be agreed with management	Assistant Director Commissioning & Partnerships
	Mental Health S75 agreement	N	5	Follow-up implementation of 2009/10 recommendations. Review agreement with Oxleas in relation to HR procedures and responsibilities.	Assistant Director Commissioning & Partnerships
	Supporting people	Y	2	Follow-up implementation of 2009/10 recommendations	Assistant Director Commissioning & Partnerships
	Rent account/Temporary Accommodation	N	10	Review including the implementation and operation of ANITE including quality of implementation and reporting function to manage temporary placements and arrears. To include financial reporting	Assistant Director Housing/Resources, Exchequer Services
	Choice Based Lettings	N	2	Follow-up implementation of 2009/10 recommendations	Assistant Director Housing
	Housing & Residential Services	N	15	Review procedures for allocation of grants and housing initiatives. To include rent deposits. Consider VFM study to establish if rent guarantees save on TA costs.	Assistant Director Housing
	Appointee & Deputyship	N	2	Follow-up implementation of 2009/10 recommendations	Assistant Director Strategy & Performance
	Supporting Independence in Bromley	N	12	Review of implementation of the programme. To take account of sustainability, RAS and personal budgets. Detail to be agreed with management, to include advice and support.	Assistant Director Strategy & Performance
	Direct Payments	N	5	Review the contract with Inspire. Review issues raised a priority 1 in 2009/10 audit.	Assistant Director Strategy & Performance
	OT retail model	N	8	Review of retail model for issuing OT equipment to include advice & support	Assistant Director Strategy & Performance
	Care Services payments, charging and controls.	N	25	Review of adequacy and effectiveness of the controls surrounding financial assessments. To include charging, invoicing and payments	Assistant Director Resources/Exchequer Services
	Community Safety and Drug Action Team	N	12	Review of partnerships and monitoring arrangements. To include controls over expenditure and delivery of outcomes.	Assistant Director Strategy & Performance
	Learning and Development	N	5	Review of the use of grant in relation to value for money and external commissioning. Consider VFM, monitoring of throughput and benefits of training.	Assistant Director Strategy & Performance
	ACS Advice & Support		10	Advice given on request	
	Work In Progress		10	Completion of 2009/10 plan	
	Contingency		13	Unplanned work, fraud and investigations.	
	ACS Total		208		

Renewal & Recreation Directorate, Director, Marc Hume.

Ref.	Audit	Corporate Risk /Key Control	Audit Days	Audit Details	
				Audit Narrative	Audit Owner
R&R/001/01/2009	Libraries	N	10	Follow up of previous audit recommendations and cyclical review of libraries	Assistant Director, Leisure & Culture.
R&R/008/01/2009	Bromley Mytime	N	5	Review of audited accounts and monitoring arrangements c/fwd from 2009/10	Assistant Director, Leisure & Culture.
R&R/002/01/2009	Adult Education College	Y	5	An establishment audit to cover income and expenditure and asset management.	Principal of Adult Education College.
R&R/004/01/2009	Planning & S106 Agreements	Y	10	Review of controls in place to mitigate the risks of the service. To include a review of income collection for planning application fees and monitoring of S106 agreements including follow up.	Chief Planner
R&R/006/01/2009	Town Centre Management/Development	Y	5	Review new arrangements -to be discussed with management	Assistant Director, Leisure & Culture.
R&R/005/01/2009	Land Charges Follow Up	Y	1	Follow Up	Chief Planner
R&R/004/01/2009	Building Control	Y	8	Review of controls in place to mitigate the risks of the service. To include a review of income collection covering deposit of plans, building control notices first inspections and regularisation notices.	Chief Planner
	Building Maintenance	Y	12	A review of building maintenance projects	Chief Property Officer
	Property Management	Y	10	A systems review of Property Management	Chief Property Officer
	Field Studies Centre	Y	2	Follow up.	Assistant Director, Leisure & Culture.
	Libraries CHIP & PIN	N	10	A security compliance review of the new CHIP & PIN facilities	Assistant Director, Leisure & Culture.
	R&R Advice & Support		5	Advice given on request	
	Contingency		6	Unplanned work, fraud and investigations.	
	R&R Total		89		

Children & Young People Services, Director, Gillian Pearson.

Ref.	Audit	Corporate Risk /Key Control	Audit Days	Audit Details	
				Audit Narrative	Audit Owner
	Early Years	Y	10	Follow up of implementation of 2009/10 recommendations and a review of the allocation of capital funds.	Assistant Director Access & Inclusions
	Childrens Centres	Y	15	Review of capital funding for Children and Family centres including follow-up.	Assistant Director Access & Inclusions
	SEN out borough placements	Y	10	Review of SEN out borough placements	Assistant Director Access & Inclusions
	SEN Transport	Y	10	Review of monitoring of new contracts	Assistant Director Access & Inclusions
	14-19 provision	Y	10	Review of commissioning and funding of 16-18 education following LSC transfer	Assistant Director Learning & Achievement
	Youth Service	Y	12	Review of Youth service reliance on external grants and review of Connexions contract	Assistant Director Learning & Achievement
	Standards and Achievement	Y	10	Review of Grant funding opportunities, reliance on Sold Services	Assistant Director Learning & Achievement
	Foster and Adoption	Y	10	Review of policies and procedures to increase the pool of foster and adopters.	Assistant Director Children's Social Care
	Children in Care	Y	10	Review procedures for early intervention in LAC.	Assistant Director Children's Social Care
	Safeguarding & Quality Assurance	Y	10	Review of compliance with statutory responsibilities relating to safeguarding children.	Assistant Director Children's Social Care
	Youth Offending Team	Y	10	Review of Youth Offending Team to include compliance with Health and Safety.	Assistant Director Children's Social Care
	Commissioning & Partnerships	N	10	Review of commissioning and partnerships to include CAMHS	Assistant Director Children's Social Care
	LSC Contingency	N	10	Contingency for LSC transfer Bromley Colleges	Assistant Director Learning & Achievement
	Teacher's Pensions	N	10	A review of pension contributions from schools that do not use Bromley Payroll services.	Head of Finance, CYP
	Secondary School audits	Y	45		
	Secondary School FMSiS	Y	21		
	Primary School FMSiS	Y	203		
	Follow ups		34		
	CYP Advice & Support		10	Advice given on request	
	Primary & Secondary Schools General		20		
	Work In Progress		5	Completion of 2009/10 plan	
	Contingency		10		
	CYP Total		495		

Chief Executives, Doug Patterson.

Ref.	Audit	Corporate Risk /Key Control	Audit Days	Audit Details	
				Audit Narrative	Audit Owner
	Single Status	Y	10	A project review of the Single Status Process	Assistant Chief Executive, Human Resources
	LAA	Y	30	A review of the LAA monitoring and performance framework including monitoring of mitigation measures implemented and review of a sample of cross Departmental LAAs.	Assistant Director, Organisational Improvement
	Health & Safety	Y	6	A systems review of monitoring in place for Health & Safety issues.	Assistant Chief Executive, Human Resources
	Sickness Procedures	Y	6	A corporate review of compliance with sickness procedures	Head of HR, Operational Services
	Legislatory Compliance	Y	10	A compliance review of equality legislation and monitoring processes in place.	Head of HR, Operational Services
	Training	N	5	A review of training expenditure	Head of HR, Organisational Development
	Staff Interests	N	7	A probity review of Staff Interests	Assistant Chief Executive, Human Resources
	CEX Advice & Support		5	Advice given on request	
	CEX Contingency		6	Unplanned work, fraud and investigations	
	CEX Total		85		

Legal, Democratic & Customer Services, Mark Bowen.

Ref.	Audit	Corporate Risk /Key Control	Audit Days	Audit Details	
				Audit Narrative	Audit Owner
	Customer Service Centre	Y	10	A systems review of Customer Services to include a review of standards and performance monitoring.	Assistant Director, Democratic and Customer Services
	Election Accounts	Y	6	A probity review of election expenses.	Electoral Services Manager
	Out of Hours Security	Y	13	A systems review of the site security services and access controls including contractor vetting and access. To include a review of confidential waste disposal.	Facilities & Support Services Manager
	Governance	N	10	A compliance review of the Corporate Governance	All Chief Officers
	LDCS Advice & Support		5	Advice given on request	
	L&DS Contingency		3	Unplanned work, fraud and investigations	
	LDCS Total		47		

Resources Directorate, Paul Dale.

Ref.	Audit	Corporate Risk /Key Control	Audit Days	Audit Details	
				Audit Narrative	Audit Owner
	Housing Benefits	Y	55	A systems review of Housing Benefits	Assistant Director Exchequer & Revenues
	Council Tax	Y	15	A systems review of Council Tax	Assistant Director Exchequer & Revenues
	NNDR	Y	10	A systems review of NNDR	Assistant Director Exchequer & Revenues
	Creditors	Y	20	A systems review of Creditors	Assistant Director Exchequer & Revenues
	Debtors	Y	15	A systems review of Debtors	Assistant Director Exchequer & Revenues
	Cash & Bank	Y	15	A systems review of Cash & Banking	Assistant Director Exchequer & Revenues
	Payroll	Y	20	A systems review of Payroll	Assistant Director Exchequer & Revenues
	Pensions	Y	10	A systems review of Pensions	Assistant Director Exchequer & Revenues
	Main Accounting System	Y	10	A systems review of the Main Accounting System	Finance Systems Manager
	Data Quality	Y	15	A process review of data quality assurance measures in place	Corporate Information Manager
	Data Security	Y	10	A review of controls relating to the storage and transfer of data to and from 3rd parties	Information Assurance Manager
	Treasury Management	Y	10	A review of controls around Treasury Management	Group Accountant (Technical)
	Capital Budgetary Control	Y	15	A review of capital expenditure monitoring	Group Accountant (Technical)
	Revenue Budgetary Control	Y	10	A review of new reporting arrangements	Deputy Director of Finance
	Procurement	Y	15	A VFM review of new procurement streams	Head of Corporate Procurement
	Contract Management	Y	10	A review of arrangements around the tendering process for the new IT and Exchequer Contracts	Head of Information Systems/Assistant Director Exchequer & Revenues
	Disaster Recovery	Y	10	A review of current disaster recovery arrangements	Head of Information Systems
	N3 Connectivity	N	10	A compliance review around N3 connectivity requirements	Head of Information Systems
	Archiving	N	10	A review of the proposed archiving solution	Head of Information Systems
	Citrix Upgrade	N	10	A project review of the Citrix Upgrade	Head of Information Systems
	IT Security Policy	N	10	A compliance review around the IT Security Policy	Head of Information Systems
	Partnerships follow up		2	Follow-up of previous year's audit of this area	
	ITIL follow up		2	Follow-up of previous year's audit of this area	
	OneWay follow up		2	Follow-up of previous year's audit of this area	
	GCSX follow up		2	Follow-up of previous year's audit of this area	
	HR Self Service follow up		2	Follow-up of previous year's audit of this area	
	Telephony follow up		2	Follow-up of previous year's audit of this area	
	Sharepoint follow up		2	Follow-up of previous year's audit of this area	
	Learning & Development follow up		2	Follow-up of previous year's audit of this area	
	Governance follow up		2	Follow-up of previous year's audit of this area	
	Portfolio Plans follow up		2	Follow-up of previous year's audit of this area	
	Work In Progress		5		
	RD Advice & Support		10	Advice given on request	
	RD Contingency		26	Unplanned work and investigations	
	Resources Total		366		

Environment Directorate - Director, Nigel Davies.

Ref.	Audit	Corporate Risk /Key Control	Audit Days	Audit Details	
				Audit Narrative	Audit Owner
	Business Continuity Planning	Y	8	A review of BCP arrangements for services provided by 3rd Parties.	Assistant Director Public Protection
	Emergency Planning	Y	10	A review of Emergency Planning for Winter Maintenance.	Assistant Director Public Protection
	Transport Planning	Y	10	A systems review of externally funded projects	Assistant Director Transportation & Highways
	Street Services	Y	10	A systems review of the condition survey process	Assistant Director Transportation & Highways
	Waste Management	Y	15	A review of contract monitoring to include landfill monitoring.	Assistant Director Streetscene & Greenspace
	Parking Cash Collection	Y	10	A review of parking income collection	Assistant Director Customer & Support Services
	Parking PCNs	Y	10	A systems based review of Penalty Charge Notices	Assistant Director Customer & Support Services
	Staff on-street parking	N	5	A review of systems for administering and controlling staff on-street parking	Assistant Director Customer & Support Services
	Licensing	N	10	A systems review of licensing	Assistant Director Public Protection
	Blue Badges	N	8	A systems review of the Blue Badge scheme	Assistant Director Customer & Support Services
	Allotments	N	3	Review of income procedures around allotments	Assistant Director Streetscene & Greenspace
	Street Lighting follow up		2	follow-up	Assistant Director Transport & Highways
	Grounds Maintenance follow up		2	follow-up	Assistant Director Streetscene & Greenspace
	ESD Advice & Support		5	Advice given on request	
	Contingency		9	Unplanned work, fraud and investigations	
	Environment Total		117		

Corporate Audits & VFM

Ref.	Audit	Corporate Risk /Key Control	Audit Days	Audit Details	
				Audit Narrative	Audit Owner
	Project Management	Y	15	A corporate review of compliance with PRINCE2 methodology	To be ascertained
	VFM		40	Basis of coverage to be decided	Assistant Director Audit, Technical & Performance Management
	Use of Consultants follow up		2	follow-up	
	Corporate Total		57		

Page 11 of 12

Overall Total 1463

Fraud Work

Greenwich Anti Fraud
NFI work

Fraud work

40	Monitoring of Fraud Partnership	
20	Work required in compliance with NFI legislation	
30	90	General and small fraud work resulting from audits and information received

1553

Assistant Director Audit, Technical & Performance Management
Assistant Director Audit, Technical & Performance Management
Assistant Director Audit, Technical & Performance Management

SCHOOL	Type	2010/11			
PRIMARY Schools		FMSIS	AUDIT	Assisted Audit	Follow-up
Alexandra Infants'	Community				
Alexandra Junior	Community				
Balgowan Primary	Community	1			
Bickley Primary	Community				
Biggin Hill Infant follow up	Community				
Biggin Hill Junior follow up	Community				
Biggin Hill Primary School	Community				1
Blenheim Primary	Community				
Bromley Road Infant	Community				
Burnt Ash Primary	Community	1			
Castlecombe Primary	Community				
Chelsfield Primary	Community				1
Chislehurst CE Primary	Community				1
Churchfields Primary	Community	1			
Clare House Primary	Community				1
Crofton Infant	Community	1			
Cudham CE Primary follow up	Community				1
Darrick Wood Infant	Community				
Darrick Wood Junior	Community	1			
Dorset Road Infant follow-up	Community				1
Downe Primary	Community				1
Edgebury Primary	Community				
Farnborough Primary follow up	Community				1
Gray's Farm Primary follow up	Community	1			
Green Street Green Primary	Community	1			
Hawes Down Infant follow up	Community				1
Hawes Down Junior follow up	Community				
Hillside Primary	Community	1			
James Dixon Primary	Community	1			
Keston CE Primary	Community				
Leesons Primary follow up	Community				
Malcolm Primary	Community				
Manor Oak Primary	Community				
Marian Vian Primary	Community	1			
Mead Road Infant	Community				1
Midfield Primary follow up	Community	1			
Mottingham Primary follow up	Community	1			
Oaklands Primary	Community				1
Oak Lodge Primary follow up	Community	1			
Parish CE Primary	Community	1			
Perry Hall Primary	Community	1			
Pickhurst Infant follow up	Community				
Pickhurst Junior	Community	1			
Poverest Primary	Community				
Pratts Bottom Primary	Community				1
Princes Plain Primary	Community	1			
Red Hill Primary	Community	1			
Royston Primary	Community	1			
St Anthony's RC Primary	Community				
St. George's CE Primary	Community				
St James' RC Primary	Community				1
St John's CE Primary	Community				
St Joseph's RC Primary	Community				1
St Mark's CE Primary follow up	Community	1			
St Mary Cray Primary	Community	1			
St. Paul's Cray CE Primary follow	Community				
St. Peter & St. Paul RC Primary f	Community				1

St. Philomena's RC Primary	Community				
St. Vincent's RC Primary	Community				
Scotts Park Primary follow up	Community				
Southborough Primary follow up	Community	1			
Stewart Fleming Primary follow up	Community				1
The Highway Primary follow up	Community				1
Tubbenden Infant	Community				
Tubbenden Junior	Community				
Tubbenden (Federation) Primary	Community	1			
Unicorn Primary	Community				
Valley Primary follow up	Community	1			
Warren Road Primary follow up	Community	1			
Wickham Common Primary	Community	1			
Worsley Bridge	Community				
Primary Community Schools Ge	Community				
Crofton Junior follow up	Foundation	1			
Hayes Primary	Foundation	1			
Highfield Infant	Foundation				
Highfield Junior	Foundation				
Holy Innocents RC Primary follow	Foundation				
Raglan Primary	Foundation				
St Mary's RC Primary follow up	Foundation	1			
Burwood	Special				
RiverSide	Special				
Majorie McClure	Special				
Rectory Paddock	Special				
TOTAL - PRIMARY		29	0	0	17
SECONDARY					
Bishop Justus CE	Community			1	
Beaverwood for Girls	Foundation			1	
Bullers Wood	Foundation			1	
Cator Park for Girls	Foundation			1	
Charles Darwin	Foundation			1	
Coopers	Foundation	1			
Darrick Wood	Foundation			1	
Hayes	Foundation			1	
Kelsey Park	Foundation			1	
Kemnal Technology College	Foundation			1	
Langley Park for Boys	Foundation			1	
Langley Park for Girls	Foundation			1	
Newstead Wood for Girls	Foundation			1	
Ravens Wood for Boys	Foundation			1	
St Olave's	Foundation			1	
The Priory	Foundation	1			
The Ravensbourne	Foundation			1	
Glebe	Special	1			
TOTAL SECONDARY - FOUNDATION		3		15	
SCHOOLS - SUMMARY					
PRIMARY		29	0	0	17
SECONDARY		3	0	15	0
SCHOOL FOLLOW UPS					

Agenda Item 11

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Agenda Item 12

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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