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DATE: 13 September 2011

To: Members of the
AUDIT SUB-COMMITTEE

Councillor Neil Reddin FCCA (Chairman)
Councillor Simon Fawthrop (Vice-Chairman)
Councillors Reg Adams, Nicholas Bennett J.P., Ruth Bennett, Will Harmer and
Stephen Wells

A meeting of the Audit Sub-Committee will be held at Bromley Civic Centre on
THURSDAY 22 SEPTEMBER 2011 AT 7.30 PM

MARK BOWEN
Director of Resources

Copies of the documents referred to below can be obtained from
www.bromley.gov.uk/meetings

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 7TH JUNE 2011 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION (Pages 3 - 8)**
- 4 **QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING**
To hear questions to the Committee received in writing by the Democratic Services Team by 5pm on Friday, 16th September 2011 and to respond.
- 5 **MATTERS OUTSTANDING FROM THE LAST MEETING (Pages 9 - 14)**
- 6 **INTERNAL AUDIT PROGRESS REPORT REPORT NO. CEO1183 (Pages 15 - 52)**
- 7 **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

8	CONFIRMATION OF THE EXEMPT MINUTES OF THE MEETING OF THE SUB-COMMITTEE HELD ON 7TH JUNE 2011 (Pages 53 - 60)	Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
9	INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS REPORT REPORT NO. CEO1182 (Pages 61 - 102)	Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
10	ANNUAL INTERNAL AUDIT FRAUD AND INVESTIGATION REPORT REPORT NO. CEO1181 (Pages 103 - 120)	Information relating to any individual. Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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AUDIT SUB-COMMITTEE

Minutes of the meeting held at 7.30 pm on 7 June 2011

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor Simon Fawthrop (Vice-Chairman)
Councillors Nicholas Bennett J.P., Ruth Bennett,
Will Harmer and Stephen Wells

Also Present:

Councillor Peter Fookes

50 DECLARATIONS OF INTEREST

Councillor Ruth Bennett declared an interest as a governor of the Princes Plain Primary School and as an employee of a local Member of Parliament.

Councillor Nicholas Bennett, Neil Reddin and Councillor Stephen Wells declared an interest as members of the Local Government Pension Scheme.

Councillor Simon Fawthrop declared a personal interest in relation to Disaster Recovery as an employee of BT and that he had a child who attended a school in the Borough.

Councillor Reddin declared an interest as a non LEA governor of St. Olave's and St. Saviour's Grammar School, his wife was a governor of Hayes Primary School and his son would shortly be attending Warren Road Primary School.

51 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

An apology for absence was received from Councillor Reg Adams.

52 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 16TH MARCH 2011 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

RESOLVED that the minutes (excluding those containing exempt information) of the meeting held on 16th March 2011 be confirmed.

53 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions were received.

**54 MATTERS OUTSTANDING FROM THE LAST MEETING Report
LDCS11041**

Councillors were advised of matters outstanding from previous meetings and the progress made.

It was noted that items on Appendix 1 of the report marked “complete” would be removed from the report unless Members stated a reason for that item to remain.

RESOLVED that progress with matters outstanding from previous meetings be noted.

55 INTERNAL AUDIT PROGRESS REPORT Report CEO1174

The report advised of the recent audit activity across the Council and provided updates on matters arising from the last meeting of the Sub-Committee held on 16th March 2011.

(a) Value for Money (VfM)

The Sub-Committee was informed that the control matrix for VfM arrangements had been refined and a list of audits where this methodology could be adopted in the 2011/12 audit plan had also been identified.

(b) Out of Hours Security

The Chief Internal Auditor advised that, although security had been lax in the past, security had been much improved since the introduction of the new security card system. It was still the responsibility of managers to inform the appropriate officer when a member of staff left the employment of the Council. This would enable the security card to be cancelled. The Principal Auditor added that all cards would now be cancelled one month after an individual had left the organisation.

(c) Housing Benefit Future Proposals

It was noted that the threat to the Greenwich Fraud partnership as a result of Government proposals for an integrated fraud service would have resource implications for the Council. The former Chairman of the Sub-Committee had written to the appropriate Government Minister expressing the Sub-Committee’s concerns. The response received had not addressed those concerns. It was felt that a centralised fraud unit would not have the local knowledge or interest that the current arrangements had.

RESOLVED that the original letter from the former Chairman of the Audit Sub-Committee commenting on the Government's proposal for a centralised fraud unit together with the response to that letter be circulated to Bromley Members of Parliament.

- (d) Audit Sub-Committee Terms of Reference and New Government Proposals / Structure of Audit Committees/ Independent Members of the Committee

In relation to the Government's proposal that chairmen of audit committees should be independent of the local public body, the Sub-Committee disagreed and commented that this appeared to ignore the existing democratic overview provided by elected Members and that the Government had misunderstood the role of Councillors. It was acknowledged that there was an argument to have an independent chair of an audit committee as some local authorities were too "cosy". However this was not the case in Bromley. Councillor agreed that independent members on the Audit Sub-Committee would be a reasonable way forward but those members should not become chairmen.

The Chief Internal Auditor advised that the deadline for response to the proposals was 30th June 2011 and he asked the Sub-Committee if they were agreeable to him responding on behalf of the Sub-Committee in consultation with the Chairman and Vice-Chairman.

RESOLVED that the Chief Internal Auditor, in consultation with the Chairman and Vice-Chairman of the Audit Sub-Committee, respond on behalf of the Audit Sub-Committee to the Government's paper regarding audit committees.

With regard to the proposed terms of reference for the Council's Audit Sub-Committee, the Vice-Chairman suggested that they be kept simple. The Chief Internal Auditor advised that the bullet points listed in paragraph 3.28 of the report were current best practice. Members agreed that there was scope to include some of the best practice information. It was suggested that the Chief Internal Auditor work in consultation with the Chairman and Vice-Chairman to produce terms of reference for the Audit Sub-Committee that would then be submitted to the General Purposes and Licensing Committee for approval and to Council for endorsement.

RESOLVED that the Chief Internal Auditor, in consultation with the Chairman and Vice-Chairman of the Audit Sub-Committee, produce terms of reference for the Audit Sub-Committee that are simple and include the relevant best practice information that would then be submitted to the General Purposes and Licensing Committee for approval and then onto Council for endorsement.

- (e) Head of Internal Audit in Public Service Statement from CIPFA

The Chief Internal Auditor advised that the statement included information in relation to the role of the Chief Internal Auditor. Members noted that the Chief Internal Auditor and the Audit Division would also be subject to a peer review.

(f) Appendix A

Members noted that the CCTV item would remain on the report as some of the Priority One recommendations had not yet been implemented. It was suggested that if Priority One recommendations had not been implemented within two meeting cycles of the Audit Sub-Committee (six months) then the responsible officer should attend the next meeting of the Sub-Committee to account for the non-implementation.

In relation to duplicate payments at a primary school, the report advised that the payments would be balanced by the end of May 2011. Officers were asked if this had been achieved and the Deputy Chief Internal Auditor agreed to inform the Sub-Committee of progress.

(g) Appendix C

It was noted that the number of administrative penalties had fallen. Members were advised that such penalties were notoriously difficult to collect and could only be collected when the overpayment had been completely paid.

(h) Appendix E

The Chairman suggested that a value should be put against all risks on the risk register where possible.

RESOLVED that:

- (a) **the report be noted; and**
- (b) **the continuing achievements of the counter fraud benefit partnership with Greenwich Council be noted.**

56 INTERNAL AUDIT ANNUAL REPORT 2010/11 Report CEO1175

This report was for Member information and was also intended to assist the Council in meeting the accountability requirements of the Accounts and Audit Regulations. Part of the overall arrangements required the Chief Executive and the Leader to sign an annual governance statement. This would be put before Members along side the statutory accounts. Included in the report were highlights of the performance of the Internal Audit function, a summary of the audits undertaken and an opinion on the overall adequacy and effectiveness of the organisation's internal control environment based on this work and the Annual Governance Statement.

RESOLVED that:

- (a) **the report be noted; and**
- (b) **the Draft Annual Governance Statement be approved.**

57 ANNUAL SCHOOLS AUDIT REPORT 2010/11 Report CEO1173

The report provided a summary of work carried out by the Authority's Internal Audit Team relating to all Primary, Secondary and Special Schools and Colleges for the period April 2010 to March 2011. The Chairman commented that next year's report would be much thinner due to schools converting to academy status.

Following a question regarding the progress of completion of exit audits for schools converting to academy status, the Deputy Chief Internal Auditor replied that good progress had been made and a number had been completed. Members queried Appendix D, titled Secondary School assisted Audits, in particular reference to recommendations made under primary accounting records. Councillor Wells had asked what primary accounting records this related to and officers undertook to analyse this.

RESOLVED that the report be noted.

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

59 CONFIRMATION OF THE EXEMPT MINUTES OF THE MEETING OF THE SUB-COMMITTEE HELD ON 16TH MARCH 2011

RESOLVED that the exempt minutes of the meeting held on 16th March 2011 be confirmed.

60 INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS REPORT Report CEO1176

The Sub-Committee considered a report informing Members of recent Internal Audit activity on investigations across the Council and providing an update on matters arising since the last meeting of the Audit Sub-Committee. The report detailed new areas investigated, expended on cases of interest, detailed the cases on the fraud register and provided a further update on the results of the National Fraud Initiative (NFI).

The Meeting ended at 9.57 pm

Chairman

Agenda Item 5

Report No.
RES11095

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Audit Sub-Committee**

Date: **22nd September 2011**

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

Title: **MATTERS OUTSTANDING FROM PREVIOUS MEETINGS**

Contact Officer: Lauren Wallis, Democratic Services Officer
Tel: 020 8461 7594 E-mail: lauren.wallis@bromley.gov.uk

Chief Officer: Mark Bowen - Director of Resources

Ward: Not applicable

1. Reason for report

1.1 To advise the Sub-Committee of matters outstanding from previous meetings and progress made.

2. RECOMMENDATION

That progress with matters outstanding from previous meetings be noted.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £434,444
 5. Source of funding: 2010/11 Budget
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Staff

1. Number of staff (current and additional): There are 10 posts in the Democratic Services Team
 2. If from existing staff resources, number of staff hours: Monitoring the Committee's matters arising takes a few hours staff time between each meeting.
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable. This report does not involve an executive decision.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of Sub-Committee Members.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 Attached is a list of matters outstanding from previous meetings of the Audit Sub-Committee and progress made on those matters. Would Members please note that once an outstanding matter is considered completed by the Sub-Committee then it will be removed from future lists.

Non-Applicable Sections:	Policy, Financial, Legal and Personnel.
Background Documents: (Access via Contact Officer)	The minutes of previous meetings of the Audit Sub-Committee

AUDIT SUB-COMMITTEE - MATTERS OUTSTANDING FROM PREVIOUS MEETINGS

Issue & Date	Summary	Action Being Taken	By	Estimated Completion
General Debtors Minute 32(b)(i) 06.12.10	It was agreed that a report outlining the issues of school debts to be submitted to CYP PDS Committee.	Report referred to CYP PDS Committee.	Head of CYP Finance	October 2011
A&CS Debtors Minute 32(b)(i) 06.12.10	It was agreed that a report including the breakdown of the ACS-General category for debts over a year old be submitted to A&C PDS Committee and the Committee be asked to make recommendations on how to reduce the level of long term debt.	To be addressed in a future report. Report referred to A&C PDS Committee.	Head of A&CS Finance	December 2011
Burnt Ash Primary School Minute 35/1 (c) 06.12.10 (Part 2)	A report to be presented to CYP PDS Committee (20.12.10).	The report was submitted to CYP PDS Committee on 24.01.11 and the outcome is recorded in the confidential minutes of this meeting. Further update to the Sub-Committee in June 2011 in Part 2 of the meeting.	Head of Finance - CYP	March 2011
Previous Priority One Recommendations (Appendix B) Minute 44 (m) 16.03.11	A report on parking income reconciliation be submitted to the next meeting of the Sub-Committee.	See Internal Audit Progress Report	Deputy Chief Internal Auditor	June 2011
Children and Family Centres Minute 49/1 (c) 16.03.11 (Part 2)	(a) The Chairman of the Audit Sub-Committee be informed of the outcome on the audit regarding family centres; (b) this matter be referred to CYP PDS Committee 03.05.11; (c) that the staff who brought this matter to light be thanked; and (d) a report on this matter be submitted to the next meeting of the Sub-Committee.	(a) (b) this matter was referred to CYP PDS Committee on 03.05.11 (c) (d) see Internal Audit Fraud and Investigation Progress Report	(a) Democratic Services Manager (b) (c) (d) Deputy Chief Internal Auditor	June 2011

<p>Audit S/C Terms of Reference & New Government Proposals / Structure of Audit Committees / Independent Members Minute 55 (d) 07.06.11</p>	<p>It was resolved that the Chief Internal Audit, in consultation with the Ch and VC of the S/C, respond on behalf of the S/C to the Government's paper regarding audit committees</p>	<p>Response drafted and sent</p>	<p>Chief Internal Auditor / Chairman and Vice-Chairman of the S/C</p>	<p>Completed</p>
<p>Audit S/C Terms of Reference & New Government Proposals / Structure of Audit Committees / Independent Members Minute 55 (d) 07.06.11</p>	<p>It was resolved that the Chief Internal Auditor, in consultation with the Ch and VC of the S/C, produce terms of reference for the S/C that are simple and include the relevant best practice information. These Terms of Reference to then be submitted to GPL Committee for approval.</p>	<p>New Terms of reference drawn up</p>	<p>Chief Internal Auditor / Chairman and Vice-Chairman of the S/C</p>	<p>Completed</p>
<p>Appendix A Minute 55 (f) 07.06.11</p>	<p>In relation to Priority One recommendations not implemented within six months, the responsible officer to attend the next meeting of the S/C to account for the non-implementation of the recommendation.</p>	<p>To be communicated in the minutes</p>	<p>Chief Internal Auditor / Deputy Chief Internal Auditor</p>	<p>ongoing</p>
<p>Annual Schools Audit Report 2010/11 Minute 57 07.06.11</p>	<p>Cllr. Wells had asked what primary accounting records the recommendations related to and officers undertook to analyse.</p>	<p>Clarification to be given</p>	<p>Chief Internal Auditor</p>	<p>CYP report September 2011</p>
<p>Children and Family Centres Minute 60/1 (a) 07.06.11 (Part 2)</p>	<p>The Chief Internal Auditor agreed to send the S/C a copy of the written explanation from the Police once it had been made formally available.</p>	<p>Included in part two report</p>	<p>Chief Internal Auditor</p>	<p>September 2011</p>
<p>Children and Family Centres Minute 60/1 (a) 07.06.11 (Part 2)</p>	<p>Councillor Wells, Chairman of the CYP PDS Committee, formally accepted DI Phipps offer to attend a meeting of the Committee to answer Members' questions</p>	<p>See upshot of input from Borough Commander in part two report</p>	<p>Democratic Services Officer – Philippa Stone</p>	<p>September 2011</p>

Children and Family Centres Minute 60/1 (a) 07.06.11 (Part 2)	The Deputy Internal Auditor agreed to look into the bank statements of the companies involved and to contact other local authorities that were listed as clients on the company's websites.	Included in part two report	Deputy Chief Internal Auditor	September 2011
Children and Family Centres Minute 60/1 (a) 07.06.11 (Part 2)	Officers were requested information on Children and Family Centres such as acreage, number of children attending the centres, the number of staff and their salaries, an inventory of all payments against delivered services and supplies – a value for money exercise.	Basic details included in CYP report September 2011. Quarter four audit scheduled to cover salaries, payments and usage.	Chief Internal Auditor / Deputy Chief Internal Auditor	March 2012
Children and Family Centres Minute 60/1 (a) 07.06.11 (Part 2)	Officers to interrogate the system for cumulative spend over previous financial years and whether the companies involved appear on the Contracts Register. The resultant information to be reported to a future meeting of CYP PDS.	Included in part two report	Chief Internal Auditor / Deputy Chief Internal Auditor	September 2011
Burnt Ash Primary School Minute 60/1 (b) 07.06.11 (Part 2)	The Chairman of the S/C asked that officers double check whether the school had been in ultra vires in entering the agreement.	Included in part two report	Chief Internal Auditor / Deputy Chief Internal Auditor	September 2011
NFI2010 Minute 60/1 (e) 07.06.11 (Part 2)	It was resolved that a report on comparative statistics with regard to the use of Blue Badges by submitted to a future meeting of the E&R PDS.	Included in part two report	Chief Internal Auditor / Deputy Chief Internal Auditor	September 2011

Report No.
CEO 1183

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Audit Sub Committee**

Date: **22nd September 2011**

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

Title: **INTERNAL AUDIT PROGRESS REPORT**

Contact Officer: Mark Gibson, Chief Internal Auditor
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Doug Patterson, 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. It covers:-

- 3.1 Previous Priority One Recommendations
 - 3.8 Audit Activity and Performance
 - 3.19 Value for Money update (VfM)
 - 3.24 Current Matters relating to Schools and Academies
 - 3.32 Contract Waivers and Exemptions
 - 3.35 Housing Benefit Update
 - 3.41 Audit Committees Update
 - 3.44 Risk Management
-

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. (paragraph 3.36) In particular the commendation received from the police in a particular case and note the contribution made by the investigator.(paragraph 3.36)**
- c. **Members to note and agree the proposed change of the terms of reference for the Sub Committee (paragraph 3.41)**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
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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: £616,250.
 5. Source of funding: N/A
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Staff

1. Number of staff (current and additional): 10 FTE(excluding Greenwich Fraud Partnership)
 2. If from existing staff resources, number of staff hours: 302 days per quarter
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Legal

1. Legal Requirement: Statutory requirement. Accounts and Audit Regs 2011
 2. Call-in: Call-in is not applicable.
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Customer Impact

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

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

3. COMMENTARY

3.1 Priority One recommendations

3.2 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 the original priority one recommendation made with an update where applicable.

3.3 Update relating to the Direct Payment recommendation :

3.4 The finance team have increased the resources allocated to direct payments to improve monitoring. Clients are requested to submit supporting documentation quarterly for monitoring and issues and returns are now logged on a control spreadsheet. Monitoring officers in finance have set deadlines to follow up returns and after a reminder letter cases are referred to the appropriate Group Manager. Internal audit are aware that for the monitoring period July to September 2010 was followed up by finance in March 2011 when they referred 68 clients to Care Managers. Of that total 17 did not appear on the monitoring list for the period October to December 2010. 13 had provided monitoring information, 3 had died and 1 was omitted in error. Internal audit are continuing to investigate the other cases with assistance from ACS Management.

3.5 Internal audit have a review of Personal budgets in the internal audit plan which will include direct payments as the method of allocation. Since the priority 1 recommendation was made CIPFA have provided guidance to audit that places more emphasis on monitoring outcomes than focussing heavily on financial returns. This approach will be discussed with Management prior to the review to ensure that where changes have been made risk assessments have been carried out and there are adequate controls in place to protect the Authority's funds and ensure that clients are obtaining the support that has been agreed.

3.6 **Primary school overpayment**-One primary school had collected all but £1,495 of salary overpayments when changing over payroll provider; this will be followed up as part of our regular procedure for carrying out follow up reviews in quarter 3. Therefore we have removed this recommendation from the priority one listing as it has been substantially implemented.

3.7 **New priority ones**-This quarter two priority one recommendations have been made in the finalised reports one was following a proactive exercise that is expanded upon in part two of this agenda. The other involved a review of Malware protection for the Authority's IT Systems. The review looked at key risks including:

- Any Corporate Risks relating to Virus protection.
- Whether Anti virus software is inadequate to prevent viruses.
- Firewall software is inadequate to prevent viruses and hackers.
- Unsecure sites maybe accessed increasing the risk of receiving a virus/spyware etc.
- Staff are not sufficiently made aware of the risks of viruses and spyware and how to prevent against them.
- Files containing viruses are allowed into the network

The priority one related to the fact that evidence requested relating to the monitoring of the contract and procedure documents were not provided and thus assurance could not be given that key activities as per the Service Level agreement (SLA) were being

undertaken. This matter is now being followed up with the Contractor and will be followed up by Audit.

3.8 Audit Activity and Performance

3.9 For the quarter ended 31st July 2011 we issued 64 reports against the plan to either draft or final stage. These include full systems and probity audits, schools and follow up audits and carried forward audits. This leaves us behind our planned output due to the level of unplanned work.

3.10 91% of the audits have been completed within the agreed budgeted time allowed against a performance indicator requirement of 90% and the feedback from clients has been very positive with an average score of 4.3 out of 5 against the target of 3.

3.11 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 we have achieved 80%. Given the recurring non achievement of this target further attempts will be required to reemphasise the importance of completing audits for effective management action to be taken in a timely manner where applicable. This may involve the redesign of the fieldwork and associated consultation process.

3.12 The planned schools audits have all been undertaken in the quarter but due to resource constraints and the level of unplanned work we have decided to halt the current schools audits for this year only and concentrate solely on the closedown audits for the new Academies.

Benchmarking

3.13 Using the information supplied by a selection of 14 London Boroughs a benchmarking exercise took place earlier this year. The results highlighted a number of comparators. The Bromley Internal audit section results were generally favourable as per the table below demonstrates with a relative small cost of audit per day in the lower quartile and a total cost per auditor also in the lower quartile.

2011/12

	Bromley	Average	Lower Quartile	Median	Upper Quartile
Cost/auditor £'k					
Pay	£41.0	£53.2	£46.3	£49.0	£55.0
Overheads	£16.9	£17.5	£11.9	£16.6	£24.5
Total	£57.9	£68.6	£58.1	£70.8	£74.4
Days per Auditor	183	187	184	188	191
Cost per Day (Net to LA)	£312	£374	£317	£371	£410
Days per £'m	2.14	2.09	1.46	2.10	2.61
Cost per £'m	£666	£755	£543	£789	£924

3.14 Although this exercise has proved useful and has provided management with a range of detailed comparisons on mix of work, costs, staffing structures and audit coverage etc with the opportunity to further probe behind the figures with other audit colleagues across London there are the normal caveats that apply to comparisons where not all authorities are treating the different inputs consistently and the different levels of risks associated with each authority and audit need is not factored in.

3.15 Future Internal Audit Services- Members should note that the Chief Internal Auditor and the Chief Executive are currently looking at the future internal audit provision given the requirement for further savings and the existing cuts already built into the forward budget proposals. It is inevitable that this level of savings will involve a significant reduction in the audit coverage and the ability to undertake the level of existing audit work and servicing the committee in the same fashion will need to be reviewed as the focus will be on the high risk areas only. Although there is no agreed minimum audit coverage the Section 151 officer has a statutory responsibility to maintain an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control and this will be considered when drawing up future audit plans.

3.16 Audit activity since in 2011/12

3.17 A summary of the work undertaken to date is shown in Appendix B. Within the final reports issued against this year's plan there has been 10 substantial assurances with 2 limited assurances. The rest of the reports are either at draft stage or work in progress.

3.18 Value for Money (VfM)

3.19 Members of this committee had previously agreed a simple methodology for Internal Audit to use in assessing the value for money arrangements for designated areas covered in the audit plan. The audit team along with the organisational improvement team will be looking to provide help and advise on how best business areas can look to compare their performance with others using information and research that is made available.

3.20 Land Charges

3.21 We have recently completed an audit of this area including a review of VfM arrangements and concluded that this scored an overall 3 i.e. substantially met. This is based on the following:

- Benchmarking a rating of 3. The service is benchmarked; benchmarking figures are substantiated; benchmarking shows good performance; areas of good practice in other Authorities have been adopted.
- Customer surveys a rating of 3 based on good customer satisfaction returns.
- External assessments are unrated as the service has not been subject to any in recent times.
- Budget rated as 2. There are some concerns in relation to the current budget being realistic and the services capability of operating within budget going forward. The service is recommended to revisit the budget and ensure that it is still realistic in light of the recent changes in relation to personal searches fees which the Authority is no longer allowed to charge for.

3.22 Future VFM scheduled for this year are as follows:

Dept	Audit	Responsible Officer
RD/CCC	Customer Contact Centre Audit	Head of Customer Service
RD/LDS	Legal Costs	Assistant Director, Legal & Support Services
ACS/HOU	Housing register	AD Housing and Residential Services
ACS/ALL	Residential care placements	AD Care Services
ACS/CRS	Personal budgets	AD Care Services
CYP/R&R	Children's placements	AD Safeguarding & Social Care
CYP/R&A	Safeguarding	AD Safeguarding & Social Care
ENV/WAS	Waste and recycling	AD Customer & Support Services
ENV/SAG	Street cleaning	AD Streetscene & Greenspace
ENV/PKS	Parks and Greenspace	AD Streetscene & Greenspace
ENV/TDG	CCTV	AD Public Protection
R&R/PTY	Property maintenance	AD Property
R&R/LIB	Libraries	AD Culture, Libraries & Leisure

3.23 **Current Matters relating to Schools and Academies**

3.24 **School Financial Standard Developments** The Schools Financial Value Standard (SFVS) has been introduced to replace the Financial Management Standard in Schools (FMSiS). Maintained schools will be required to conduct an assessment against SFVS once a year. All schools should have completed their first self-assessment by 31 March 2013. SFVS is not externally assessed like FMSiS. It is designed in the first place to engage governing bodies through a much simpler set of questions and supporting material. Then it is expected to feed into the regular internal audit processes of local authorities. With effect from the financial year 2011-12 SFVS will be included in the outturn statement in regard to DSG (Dedicated Schools Grant) which is signed by Chief Finance Officers (CFOs). For 2011/12 only, CFOs will be expected to make a supplementary statement about SFVS returns from those schools that had never attained FMSiS – this does not apply to Bromley as all schools attained FMSiS. CFOs will be expected to say each year how many SFVS reports from schools they have received for self-assessments carried out before 31 March, and give an assurance that they are taking the contents of these reports into account in planning their future programme of audit.

3.25 Internal audit has actively participated in marketing sold services to Academies via the Academies brochure produced by the CYP commissioning team. Internal audit provide a Responsible Officer service which involves a member of the audit team carrying out sample testing on payroll, purchases, income and the accounting system. These tests are carried out four times during the year and a report is provided to the Chair of Governors and the Head of the Academy. We currently provide this service to four Academies, Ravens Wood, Langley Park Boys, Biggin Hill and Valley. Others have expressed an interest and we are awaiting confirmation. Our current charge is £290 a day and we budget for 6 days which equates to £1,740 for each Academy.

- 3.26** At the Audit Sub-Committee meeting on 7 June 2011, Members considered the Annual Schools' Internal Audit Report. This report summarised the work carried out for the period April 2010 to March 2011.
- 3.27** The Appendices to the report identified a large number of Priority Two findings detailed under the category of 'Primary Accounting Documents'. Audit Sub-Committee requested a full report be provided to the Children and Young People Portfolio Holder giving further details of these findings, this will be submitted to the meeting on 6 September 2011.
- 3.28** The report informs that audit findings are categorised into 3 priority levels defined as follows:
- Priority 1-Required to address major weaknesses and should be implemented as soon as possible.
 - Priority 2-Required to address issues which do not represent good practice.
 - Priority 3-Identification of suggested areas for improvement.
- 3.29** Audit findings fall into the following categories:
- Primary accounting documents – this includes issues such as payments, use of cheques, petty cash, value for money, voluntary funds, bank reconciliations and school meals.
 - Financial management information – this includes issues such as budget setting and budget monitoring and returns to LBB.
 - Governance arrangements – this includes issues such as financial delegation, declaration of pecuniary interest and governors' minutes.
 - Asset control – this includes issues relating to recording of assets, purchases and disposal of assets.
- 3.30** The majority of findings in primary schools fall under the category of Primary Accounting Documents. Listed below are some examples of the actual findings that fall into this category:
- The school does not record brought forward figures for school meals so school meal income could not be properly reconciled.
 - Comparative quotes for an invoice for over £7,000. Comparative quotes were not available at the time of the audit.
 - In a sample of 20 payments sampled, 13 did not have orders raised on the school's financial system where one would have been expected.
 - The school only uses manual cheques rather than printed cheques or BACS payments.
 - No cash flow analysis has been undertaken in the current financial year.

- The document for Financial Delegation did not included details of the agreed levels of delegation to the Head Teacher from the governors or of virement limits and authority relating to virements.

3.31 Waivers

3.32 We are now submitting our the list of waivers across the Authority since the last report in March 2011. See appendices C and D. The list is collated from the Heads of Finance for each of the Service areas and any information kept by the Chief Officers. Members are asked to review this list and comment as necessary. The contract procedures require that these are reported on a bi-annual basis to Audit Sub Committee. The main provision relating to this is a follows;

3.33 There were no waivers sought in Renewal and Recreation and one sought within Environment according to records kept by these directorates in the period from March 2011 to August 2011.

A decision to negotiate with one or more candidates on any arrangements required within the Procurement process shall not be made except in compliance with the following and any Public Procurement Regulations (see also Rule 3). Note - For the purpose of this Rule the establishment of a Service Level Agreement is treated as being a negotiated arrangement;

Estimated Cost(or Value)	Authorisation Requirement
£5,000 - £50,000	Chief Officer Agreement
£50,000 - up to £100,000	Chief Officer in agreement with Director of Legal, Democratic and Customer Services and Director of Resources with a report of the use made of this exemption being made to Audit Sub committee on a bi-annual basis.
£100,000 – up to £1,000,000	Chief Officer in agreement with Director of Legal, Democratic and Customer Services and Director of Resources and following Approval of the relevant Portfolio Holder, with a report of the use made of this exemption being made to Audit Sub committee on a bi-annual basis.
£1,000,000 and above	Chief Officer in agreement with Director of Legal, Democratic and Customer Services and Director of Resources and the approval of the Executive or the Council as appropriate.

3.34 Housing Benefit Update

3.35 Since the inception of the partnership in April 2002, through to July 2011, the Council has successfully prosecuted 276 claimants to date for benefit fraud; issued 249 court summonses; given 89 formal cautions; and administered 287 penalties. The full details and appendices on trends are shown in Appendices E, F and G.

3.36 One case in particular which began in 2008 has resulted in recovering large fraudulent overpayments by confiscation of assets using the Proceeds of Crime legislation. This has been reported in the local press see Appendix H. As a result of proceedings to recover the fraudulent overpayments we have been successful in obtaining a court order for £85K to be paid back by the fraudster to Bromley Council. In respect of this

case we have also received a letter from the Metropolitan Police congratulating the Greenwich Internal Audit and Anti Fraud officer concerned for his efforts in ensuring the success of the investigation and prosecution. The Police have stated 'these matters were rather complicated and without Mr S J I think the case would have failed. He was no doubt the hub around the whole investigation revolved and the person that the prosecution relied on most heavily for evidence and expert knowledge in his field'. If members are in agreement we should also acknowledge the officer's efforts in achieving this recovered amount.

In another recent case the Greenwich Internal Audit and Anti Fraud Team have succeeded in obtaining a confiscation order for £29,491 with a further £10,000 award of costs in respect of a fraudster convicted in September 2010. This amount has to be paid to LB Bromley by early March 2012 failing which the fraudster will be imprisoned for 14 months.

3.37 The proposal towards a single integrated fraud service for housing benefits under the control of the DWP is still scheduled for April 2013. If it goes ahead it will impact on our fraud partnership agreement with the London Borough of Greenwich.

3.38 Partnership Working

3.39 We had reported previously our intention to provide some audit services to the London Borough of Greenwich that has been formally agreed. Greenwich have requested 265 days of audits for 2011/12 and this is ongoing with 5 audits due or currently in progress. This will help generate income to offset, in part, the savings target of 25% set for the division.

3.40 Audit Sub Committee Terms of Reference and New Government proposals

3.41 Following consultation with the Chairman and Vice Chairman a revised terms of reference has been drawn up for approval.

- Monitor internal audit's strategy, plan and performance.
- Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- Consider the reports of external audit and inspection agencies.
- Consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti fraud and anti corruption arrangements.
- Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
- Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.
- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit

3.42 As an update to the consultation paper on the future of public audit Bromley submitted the response by the deadline. Since this date the CLG Select Committee report published on 7 July 2011 which makes the following recommendation: 'Audit committees must be chaired by independent persons of proven competence, and should have a

majority of independent members. These requirements (including the avoidance of conflicts of interests for independent members) should be defined in law. Chairing of audit committees will be a significant responsibility and should be remunerated, and allowances should be payable to other independent members. The law should require full transparency for audit committee proceedings’.

3.43 Risk Management

3.44 The Annual Governance Statement (AGS) has now been signed off by the Chief Executive and the Leader and an action plan drawn up (Appendix I). This will be monitored by the Risk Management Group and updated as necessary.

3.45 The AGS action plan makes reference to the Localism Bill which is currently at the Report Stage in the House of Lords and is expected to receive Royal Assent by the end of the year. The Bill represents one of the most significant pieces of legislation for local government for some time. It will devolve greater powers to councils and neighbourhoods and give local communities more control over housing and planning decisions.

The following link from the Department for Communities and Local Government provides a summary of the latest proposals:

<http://www.communities.gov.uk/documents/localgovernment/pdf/1923416.pdf>

As part of its work on ‘horizon scanning’ the Risk Management Group has produced a schedule detailing the main proposals and is currently populating this with potential risks and actions arising from this.

3.46 At the previous meeting the Committee suggested that a financial value should be put against all the net high risks on the risk register where possible. Currently the financial element is already considered as part of the risk assessment process (Appendix G). However, as the impact guidance is not strictly read across the financial element may not necessarily correspond to the impact score. For example a risk may score under several headings but we only use the highest individual score e.g. risk A scores 4 under service provision and 3 under financial so we use the higher service provision score.

The Risk Management Group is currently considering suitable scenarios for the net high risks so that we can allocate a financial value e.g. Operational emergencies due to severe weather risk – what extra costs were incurred last winter?

In some cases e.g. Failure to handle crisis communications in a major incident correctly, any financial impact is likely to be minimal with the risk of failure mainly reputational.

The Risk Management Group will provide a full report for the December meeting.

4. POLICY IMPLICATIONS

4.1 None.

5. FINANCIAL IMPLICATIONS

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

6. LEGAL IMPLICATIONS

6.1 None.

7. PERSONNEL IMPLICATIONS

7.1 None.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	

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Report Number/Date	Title	Opinion	No. of Priority One's	Details of Recommendation	Implemented	Responsible Officer	Comments	Risk of fraud or loss
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	Head of Exchequer Services (assumed responsibility from Oct 2009) and Assistant Director Care Services	The finance team have increased the resources allocated to direct payments to improve monitoring. Clients are requested to submit supporting documentation quarterly for monitoring and issues and returns are now logged on a control spreadsheet. Monitoring officers in finance have set deadlines to follow up returns and after a reminder letter cases are referred to the appropriate Group Manager. Internal audit are aware that for the monitoring period July to September 2010 was followed up by finance in March 2011 when they referred 68 clients to Care Managers. Of that total 17 did not appear on the monitoring list for the period October to December 2010. 13 had provided monitoring information, 3 had died and 1 was omitted in error. Internal audit are continuing to investigate the other cases with assistance from ACS Management.	High
ENV/004/01/2009	Parking Income 2009-10	Limited Assurance	1	The 2010/11 Audit identified - Pay and Display Daily Collection Sheets for Parking had been reconciled to Oracle listing reports up to 2/11/10 [Week 32], Car Park Kiosk Income had been reconciled to Oracle listing reports up to 11/7/10, Season Ticket income had been reconciled to Oracle across different car parks for various periods of time from the end of Oct/Nov 2010. Mobile Phone income has been reconciled to Oracle up to the end of Oct 2010. Season Ticket income [via yes pay] has been reconciled against the Parkare income listing report up to end Nov 2010, with some discrepancies identified and these were being investigated by management. Therefore reconciliations were not up-to-date or signed/dated as expected. Office procedures did not detail the exact process that take place for each reconciliation type including timings.	In progress	CCTV Enforcement & Contract Manager	Update 16/5/11 Parking reconciliations have now been carried out up to the 31/3/11 for Car Park Kiosk income, Pay and Display in Car Parks 1/4/11, Pay and Display On-Street and Credit Cards parking payments 31/3/11. However as reconciliations are only complete to Nov 10 for Season Tickets and Jan 11 for Mobile Phone parking payments the end of year reconciliation has not been finalised as of 16/5/11. Management are still reviewing the reconciliation process for the upcoming year to improve efficiency. This will be followed up in quarter 3.	High
RD/005/01/2009	Review of debtors	Limited Assurance	1	The aged debt analysis report, non domiciliary care as at 31 January 2010 identified that the outstanding debt owed to the authority over a year old amounts to £1,275,337, the previous audit reported this to be £1,210,973 as at 31 January 2009. In addition, the domiciliary care breakdown report shows a balance of £1,231,971 owed at 8 February 2009, with £4,019,790 of charges made up to 31 January 2010, £3,642,283 payments received and balance of £1,609,477.94 remaining. Furthermore, appropriate debt recovery actions had not been evidenced in all instances sampled and procedures need to be updated.	In progress	Head of Exchequer Services assumed responsibility in October 2009 & Interim Head Of Revenues & Bens.	Management accepted the recommendation. There is currently an audit of this area when this recommendation will be followed up. The largest debtor is William Verry Ltd for £108,890 that will be written off as the company are now in liquidation. There are 4 debts totalling £182,555 that relate to residential care where a charge has been placed on the property. Update as part of 10/11 debtors review - figures as at 31/10/10 for outstanding debts over a year old are as follows: Domiciliary Care £1,369,070 and Non Domiciliary Care £1,687,568.30. Non Domiciliary Care debts over a year old have increased by £412,231.30 since the previous internal audit review whereby an outstanding debt of £1,275,337 was reported as at 31/01/10. Debt recovery procedures have not yet been updated, awaiting go-live date of Oracle Advanced Collections, currently scheduled for early 2011. Bromley Exchequer Services Team has undertaken some work to analyse the top ten debts outstanding within each department. Update as at September 2011, Oracle Advanced Collections still not implemented, audit is in progress.	High
ACS/068/01/2009	Emergency Accommodation & Rent Accounts	Nil Assurance	1o/s	Part 2	In progress	Interim Head of Revenues & Benefits/ Exchequer Manager	One outstanding recommendation on rent arrears covered in part two report	High
RD/096/01/2010	IT Disaster Recovery	Limited Assurance	1	It was identified that a specific ICT Disaster Recovery Plan has not been created, though some DR provisions are included within the Business Continuity Plan. A draft DR plan was created, though never adopted due to costing issues and problems securing a DR contractor. Recommendations from Operation Coldplay were that Service area's BCPs should accommodate Disaster Recovery (DR) arrangements for IT and that there is a need to progress corporate DR decisions. Additionally it was found that although Officers responsible for escalating problems up to disaster recovery are listed, the procedures for this to happen are not.	In progress	Contracts and Consultancy Manager & IT Technology Manager	A documented Disaster recovery plan should be created which will include specific actions to be taken, staff responsibilities and contact details, hardware/software requirements and budget provisions. Additionally it should include details of how work is ordered/approved/monitored in a DR scenario. Initial document has been drafted for review. A further review will be undertaken when the new ICT Contractor is appointed and taken over the service. To be followed-up in Quarter 3 2011/12	Low

Report Number/Date	Title	Opinion	No. of Priority One's	Details of Recommendation	Implemented	Responsible Officer	Comments	Risk of fraud or loss
CYP/Inv/2010	Primary School B	N/A	1	Part 2	In Progress	HT	Part 2	High
LD/001/01/2010	Out of Hours Site Security	Limited Assurance	1	Testing of a sample of people who have been issued an access card could not confirm that only current Bromley employees or selected Contractor's staff have an active access card. Of a sample of 25 access cards that have been issued, where it was identified people were not on a list of current Bromley employees, for 7 cards it could not be ascertained for the card issued if this person was a current or previous employee. Three cards were found to still be active despite the employee having left the authority. Additionally it was identified that 44 members of staff and councillors have 2 active access cards.	In Progress	Assistant Director Audit and Technical Facilities & Support Services Manager Head of ICT	Managers via CMG have been reminded of their responsibility to complete work force removal requests as expected for leavers. In liaison with ISD, reports will be run from the system to identify potential people who should be removed from the system. Management will be consulted as to whether to remove the people identified. Full review of this area scheduled for Q4 2011/12.	High
CYP/Inv/2010	Childrens Centres	N/A	4o/s	Part 2	In Progress	Asst Dir(Access & Inc.)	Part 2. Of the 8 recommendations, 4 have been implemented and 4 are ongoing.	High
RD/003/02/2011	Student Exemptions	N/A	1	Part 2	In Progress	Section Manager, Council Tax, Head of Revenue and Benefits	Part 2	High
RD/103/01/2011	Malware Protection	Limited Assurance	1	A copy of the Service Specification for the ICT contract was provided. It was examined and found to require the contractor to work with the authority to ensure the network is secure from attack. 15 specific activities that contribute to security are then listed, two of which will be <i>Performance Indicators. These are:</i> <i>3.2 Monitor for and report to the Authority the occurrence of Network access violations and malware infections. Escalate any such occurrence immediately to the Authority and isolate the outbreak. Remove any and all malware from the Authority asset as a matter of urgency</i> <i>3.7 Ensure that the latest security patches, upgrades, updates, etc. are deployed across the Authority's ICT infrastructure (including personal devices) within 24 hours of becoming available.</i> Evidence of performance against these indicators was requested, but was not provided during the course of the audit. Procedures were requested from the contractor but were not provided.	In Progress	Information Assurance Manager & ICT Technology Manager	Accepted. SLA monitoring will be continue to be undertaken and evidence provided to audit with a documented procedure supplied. This aligns with ITHC (Information Technology Health Check) work already underway.	High

The following priority one recommendations have been implemented:

Emergency accommodation & Rent accounts - 3 of the 4 priority ones have been implemented
 FMSIS assessment of Primary School C 2010/11 - payroll overpayment, recovery of final amount to be followed up quarter 3.
 Childrens Centres - 2 priority 1 recommendations, 1 fully implemented, 1 included in second report on Childrens Centres

AUDIT PLAN 2011/12 SUMMARY OF PROGRESS

Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
CHIEF EXECUTIVES					
CX/AUD	Money Laundering policy	5	A compliance review of communication of and adherence to the money laundering policy.	Chief Internal Auditor	Final Report Issued - Limited Assurance
CX/COM	Communications Audit	5	A review of communication arrangements to focus on adherence to the Internal Communications Framework.	Chief Executive	Final Report Issued - Substantial Assurance
CX/COM	Information Requests	8	A compliance review of FOI request processing, focusing on Section 45 of the Freedom of Information Act and handling of any complaints under Section 50.	Assistant Director, Democracy and Registration	Final Report Issued - Substantial Assurance
CX/HR	Agency Staff	10	A review of compliance with HR Special Recruitment Measures in relation to agency worker appointment requirements and arrangements to ensure compliance with agency worker rights from October 2011.	Assistant Chief Executive HR	Final Report Issued - Limited Assurance
	Follow-ups				
	Training (Expenditure) f/u	2			Final Report Issued
	Policy & Partnerships Audit f/u	2			Work In Progress

RESOURCES

RD/ES	Election Expenses Audit	7	A probity review of electoral expenses.	Assistant Director, Democracy and Registration	Work In Progress
RD/FIN	Council Tax Audit	15	To include a review of SPD and Exemption cases as well as recovery processes. Key Financial Controls to be covered as part of a Fundamental System Review.	Head of Benefits and Revenue	Work In Progress
RD/FIN	Debtors-Income Audit	20	A review of usage of new advanced collections module and hold cases review process as part of a review of aged debt. Key Financial Controls to be covered as part of a Fundamental System Review.	Head of Benefits and Revenue	Work In Progress
RD/FIN	Capital Budget Control Audit	15	A review of the capital programme governance and controls at project level for a specific capital scheme. Including associated consultancy costs.	Group Accountant (Technical)	Work In Progress

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Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
RD/FIN	NNDR Audit	15	To include a review of recovery. Key Financial Controls to be covered as part of a Fundamental System Review.	Head of Benefits and Revenue	Work In Progress
RD/FIN	Cash & Banking-Cashiers Audit	15	A review of alternate payment arrangements due to Cash Office closure and banking arrangements. Key Financial Controls to be covered as part of a Fundamental System Review.	Head of Benefits and Revenue	Draft Report Issued - Substantial Assurance
RD/ICT	Virus Protection	10	A review of virus protection controls over files and data transfer.	Head of ICT	Draft Report Issued - Substantial Assurance
RD/ICT	Data management	10	A review of data management changes arising out of the new data classification requirements.	Head of ICT	Work In Progress
	Follow-ups				
	Data Quality f/u	2			Final Report Issued
	Oneway Programme f/u	2			Final Report Issued
RD/FIN	Council Tax Student Exemptions	Unplanned	Investigation into Council Tax Student Exemptions	Head of Benefits and Revenue	Final Report Issued
RD/FIN	VAT	Unplanned	A system based audit of the controls surrounding the VAT system	Head of Co-ordination and Control (Finance)	Work In Progress
RD/ICT	Libraries Network	Unplanned	A gap detection review of the libraries network and infrastructure against the corporate network and hardware standards	Head of ICT	Work In Progress

ADULT & COMMUNITY SERVICES

ACS/QUA	Care Management - safeguarding	10	Review of procedures for management of client monies under safeguarding procedures	AD Care Services	Work In Progress
ACS/C&P	Carers Grant follow-up	2	Follow up of previous internal audit recommendations	AD Commissioning & Partnerships	Work In Progress
ACS/C&P	Drug Action Team	12	Audit brought forward from 2010/11. Review of procedures and arrangements for monitoring efficiency of procedures within the Drug Action Team to achieve agreed outcomes.	AD Commissioning & Partnerships	Work In Progress

CHILDREN AND YOUNG PEOPLE SERVICES

CYP/IYS	Grant aid plus follow-up	5	Review of allocations of grant aid fund via the BCVYS plus follow-up to previous recommendations	AD Learning & Achievement	Work In Progress
CYP/L&A	Standards and Achievement follow-up	2	Follow-up previous recommendations	AD Learning & Achievement	Work In Progress

Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
CYP/R&R	Children's placements	10	Review of process for allocating children's placements including compliance with procedures. VfM	AD Safeguarding & Social Care	Work In Progress
CYP/R&A	Safeguarding	10	Review of procedures for safeguarding children to include the impact of not using volunteers. VfM	AD Safeguarding & Social Care	Work In Progress
CYP/SSC	Youth Offending Team follow-up	2	Follow-up previous recommendations	AD Safeguarding & Social Care	Work In Progress
CYP/PRI	Alexandra Junior School	3.25	School Audit	Head Teacher	Draft Report Issued - Substantial Assurance
CYP/PRI	Blenheim Primary School	3.25	School Audit	Head Teacher	Draft Report Issued - Substantial Assurance
CYP/PRI	Holy Innocents School	3.25	School Audit	Head Teacher	Draft Report Issued - Substantial Assurance
CYP/SEC	Burwood School	3.25	School Audit	Head Teacher	Draft Report Issued - Substantial Assurance
CYP/PRI	St Vincent's Catholic Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/PRI	Bickley Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/PRI	Castlecombe Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/PRI	Edgebury Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/PRI	Leesons Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/PRI	Malcolm Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/PRI	Poverest Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/SEC	Riverside School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/SEC	Bullers Wood School	3.25	Closure Audit Academy	Head Teacher	Draft Report Issued
CYP/SEC	Charles Darwin School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	The Ravensbourne School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Beaverwood School for Girls	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Bishop Justus CE School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Coopers Technology College	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Hayes School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued

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Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
CYP/SEC	Langley Park School for Boys	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Newstead Wood School for Girls	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Parish CE Primary School	1	Follow Up	Head Teacher	Draft Report Issued
CYP/PRI	Balgowan Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Gray's Farm Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Marian Vian Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Princes Plain Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Red Hill Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Valley Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Warren Road Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Wickham Common Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/SEC	Ravens Wood School	Unplanned	Academy Responsible Officer Officer report 1	Head Teacher	Final Report Issued
CYP/SEC	Langley Park School for Boys	Unplanned	Academy Responsible Officer Officer report 1	Head Teacher	Final Report Issued
CYP/PRU	Pupil Referral Unit	Unplanned	Request from management	Head of Behavioural Unit	Draft Report Issued
CYP/ACC	Children & Families	Unplanned	Issues arising from investigation	Director CYP	Final Report Issued

ENVIRONMENTAL SERVICES

Page 32	ENV/PAR	Car parking, penalty charge notices	12	Review of procedures for collecting penalty charges and monitoring issue of PCNs (including write offs) to include follow-up of recommendations. Key Financial Controls to be covered as part of a managed audit.	AD Customer & Support Services	Work In Progress
	ENV/CSS	Environmental Sustainability	10	Review of procedures for implementing environmental sustainability strategy and policies	AD Customer & Support Services	Final Report Issued
	ENV/PKS	Parks and Greenspace	5	Review of contracts and procedures for maintenance of parks and greenspace. VfM	AD Streetscene & Greenspace	Work In Progress
	ENV/TAH	Transport planning follow-up	2	Follow-up of recommendations	AD Transport & Highways	Work In Progress
ENV/TAH	New Street Deposits	Unplanned	Investigation into New Street Deposits	AD Transport & Highways	Final Report Issued	

Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
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RENEWAL & RECREATION

R&R/BAE	Adult Education college	7	Yearly audit of procedures at the Adult Education college to include follow-up of recommendations	Principle Adult Education College	Work In Progress
R&R/BUC	Building Control follow-up	2	Follow-up previous recommendations	AD Planning	Work In Progress
R&R/PLA	Land charges	5	Review of income collection. VfM	AD Planning	Work In Progress
R&R/PTY	Property management	10	Review of property management. Key Financial Controls to be covered as part of a managed audit.	AD Property	Work In Progress
R&R/TCM	Town Centre Management follow-up	2	Follow-up previous recommendations	AD Culture, Libraries & Leisure	Work In Progress
R&R/PTY	Investigation	Unplanned	Investigation in R and R	Director R&R	Work In Progress

OTHER

	Greenwich Audits			5 Audits	Work in Progress
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Waivers - From
March 2011

Waivers > £50,000
<£100,000

DIRECTORATE	SERVICE AREA	ANNUAL AMOUNT	DETAILS	PERIOD FROM	PERIOD TO	APPROVAL
CYP	Commissioning and Children's Education Services	£59,832	Placement contract	01/04/11	31/03/12	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Commissioning and Children's Education Services	£55,698	Placement contract	01/09/11	31/03/12	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Commissioning and Children's Education Services	£70,524	Placement contract	01/09/11	31/03/12	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Commissioning and Children's Education Services	£78,990	Placement contract	01/09/11	31/03/12	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Social Care/SEN	£61,284	Boarding school placement	01/07/11	01/07/12	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Social Care/SEN	£93,744	Comm Home with Education placement	01/07/11	01/07/12	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Social Care/SEN	£92,415	Boarding school placement	01/04/11	06/10/11	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Social Care	£71,110	Fostering Independent	01/04/11	05/08/11	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Social Care	£78,864	Fostering Independent	19/05/11	07/08/11	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Social Care	£57,513	Fostering Independent	01/04/11	06/10/11	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Social Care	£53,428	Fostering Independent	31/05/11	07/09/11	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources.
CYP	Early Years	£53,332 (total for 4 yrs)	Delivery of 'Two Year Old' pilot. Pre-School Learning Alliance	01/05/10	30/04/11	Annual value £13,332. Further extension approved by Director CYP, Director Resources, Finance Director

CYP	Social Care	£76,000 (total for 2 yrs)	Implementation of pilot for social work volunteers to provide family support. Community Service Volunteers	01/04/11	31/03/12	Annual value £38,000 Exemption approved by Director CYP, Director Resources, Finance Director
CYP	Early Years	£96,750 (total for 3 yrs)	Support to Early Years Settings in the Private and Voluntary Sector - Pre-School Learning Alliance	01/04/10	31/03/11	Annual value £32,250 Further extension approved by Director CYP, Director Resources, Finance Director
ACS	Residential Care	£75,571	LD Residential Care placement	12/05/11	11/05/12	£1,449 per week funded from LD transfer grant
ACS	Residential Care	£64,009	MH Residential Care placement	27/05/11	26/05/12	£1,227 per week 50% funded by PCT
ACS	Supported Living	£684,499 (total for 7 clients)	LD Supported Living placements	01/09/11	31/08/12	7 clients at £97,785, total cost £684,499
ACS	Care Service	£56,000	BATH Management of Community Assessment Centre	01/04/11	31/03/12	Last year of service, extension to current contract.
ACS	Care Service	£90,000	Shaw Trust - Bromley Local Involvement Network (LINK)	01/04/11	31/03/12	Signed by Director 31/ 03/2011
ACS	Learning Disabilities	£61,138	Bromley Mencap Brokerage Service for people with LD	28/03/11	01/04/12	Signed by Director 28/03/2011
ACS	Care Service	£52,066	Ethnic Communities Programme (Pineapple Club)	01/04/11	31/03/12	Signed by Director 28/02/2011
ACS	Care Service	79,335(3 mths)	ICES Home Loan Equipment	01/04/11	30/06/11	Continuation of service, signed by Director 28/03/2011
ACS	Care Service	92,860 (6 mths)	BAT Winsford House - Independent living service	01/04/11	30/09/11	Continuation of service, signed by Director 28/03/2011
ENV	Street services	£100,000 (8 mths)	F.M.Conway, Cleansing Highway Drainage Infrastructure.	01/08/11	28/03/12	CO approval to extend contract to terminate with the Street Environment contract on 28/03/12

Waivers from March 2011

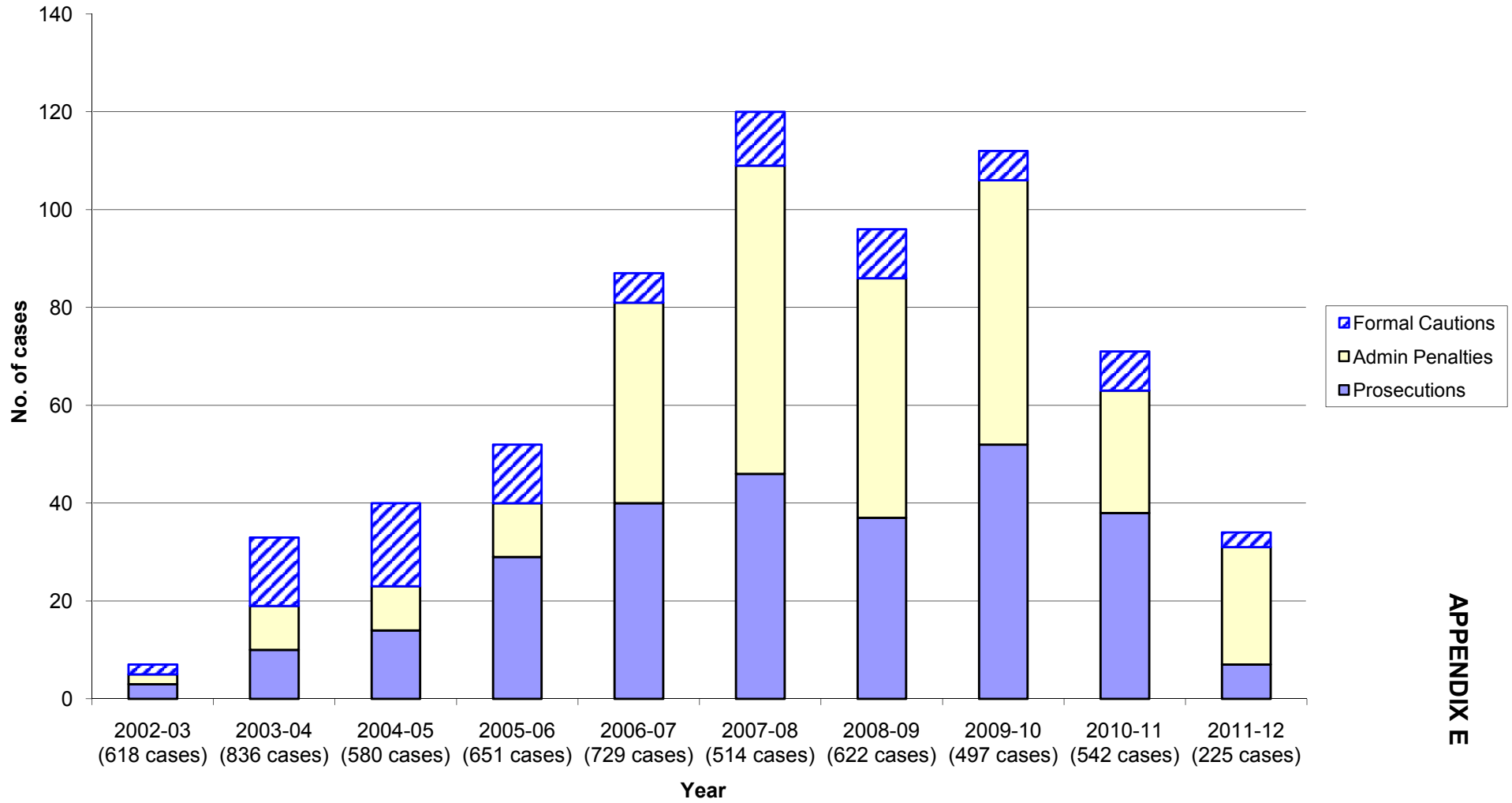
Waivers > £100,000						
DIRECTORATE	SERVICE AREA	ANNUAL AMOUNT	DETAILS	PERIOD FROM	PERIOD TO	APPROVAL & COMMENTS
ACS	Social Care	£318,000 (954,000 3 yrs)	Bromley Womans Aid Domestic Violence	01/01/11	31/12/14	Continue service, approved by Executive 3/11/10
ACS	Social Care	£1,314,180 (£3,613,995 3 yrs)	EMI Nursing Home Care	01/04/11	01/01/13	Continue service, approved by Exec September 2010
ACS	Social Care	£114,570	Age Concern Support Planning and Brokerage	01/04/11	31/03/12	Continue Service
ACS	Social Care	£114,614	Kent Association for the Blind	01/04/11	31/03/12	Unique service
ACS	Social Care	£138,709 (3 mths)	Affinity Sutton Sheltered Housing.	01/04/11	30/06/11	To allow time for consultation over Housing Benefits, now ended.
ACS	Supported Living	£113,776 (annual cost per client)	Southside Partnership LD 3 placements	01/04/11	31/03/12	3 clients, weekly cost £2,182
ACS	Supported Living	£148,489 (annual cost per client)	The Glade 3 placements	11/07/11	10/07/12	3 clients, weekly cost £2,847
CYP	Social Care/SEN	£255,040	Boarding School placement	01/07/11	01/07/12	60% Social Care 40% CYP
CYP	Social Care/SEN	£240,838	Boarding School placement	01/07/11	01/07/12	50% Social Care 50% CYP
CYP	Social Care/SEN	£238,241	Boarding School placement	01/07/11	01/07/12	27% Social Care 73% SEN
CYP	Social Care/PCT	£158,184	Special Community Home placement	01/07/11	01/07/12	50%Social Care 50% PCT
CYP	Social Care	£182,988	Special Community Home placement	01/07/11	01/07/12	100%Social Care
CYP	Social Care/SEN	£154,856	Community Home with Education placement	01/07/11	01/07/12	30%Social Care 70% SEN
CYP	Social Care/SEN	£288,275	Community Home with Education placement	01/07/11	01/07/12	89.2%Social Care/10.8 CAMHS
CYP	Social Care/SEN	£220,978	Community Home with Education placement	01/07/11	01/07/12	50% Social Care 50% CYP

Waivers over £100,000

Appendix D

CYP	Social Care/SEN	£345,916	Community Home with Education placement	01/07/11	01/07/12	50%Social Care 50% PCT
CYP	Social Care/PCT	£124,795	Special Community Home placement	01/07/11	01/07/12	70%Social Care 30% PCT
CYP	Social Care	£127,727 (full year)	Community Home with Education placement	01/04/11	30/06/11	£ 31,931 for 3 mths. £127,727 is full year, SEN 30%,Social Care 70%
CYP	Social Care	£157,424 (full year) per client	Community Homes 2 placements	01/04/11	25/07/11	2 clients. Approx £52,474 to 25 July 2011 each. Fee shown is to the end of the financial year per client.
CYP	Youth Offenders	£71,000 (£213,000 3 yrs)	Intensive Supervision and Surveillance for Young Offenders	01/04/11	31/03/13	3 year value £213,000 exemption approved by CYP Portfolio Holder at CYP PDS July 2011
CYP	Family Support Service	£90,000 (whole life £225,000)	Homestart Bromley	01/04/09	31/03/11	Extension approved by CYP Portfolio Holder at CYP PDS March 2011
CYP	Children and Adolescent Mental Health Service	£98,000 (294,000 3 yrs)	Bromley Y	01/04/11	31/03/14	3 year value £294,000, exemption approved by CYP Portfolio Holder at CYP PDS July 2011
CYP	Children and Adolescent Mental Health Service	£389,000	Oxleas Trust	01/04/11	31/03/12	Exemption approved by CYP Portfolio Holder at CYP PDS May 2011
CYP	Speech and Language provision in schools	£455,372 (2 yrs)	Bromley PCT	01/04/10	31/03/11	Extension to 31/03/12 approved by CYP Portfolio Holder at CYP PDS March 2011
CYP	Young People with Disabilities	£238,405 (£498,405 whole life)	Short Breaks at Riverside School	01/05/10	30/04/11	Extension to 31/03/12 approved by CYP Portfolio Holder at CYP PDS March 2011
CYP	Social Care	£275,000 (whole life £686,000)	Bromley Welcare	01/04/09	31/03/11	Extension to 31/03/12 approved by CYP Portfolio Holder at CYP PDS July 2011

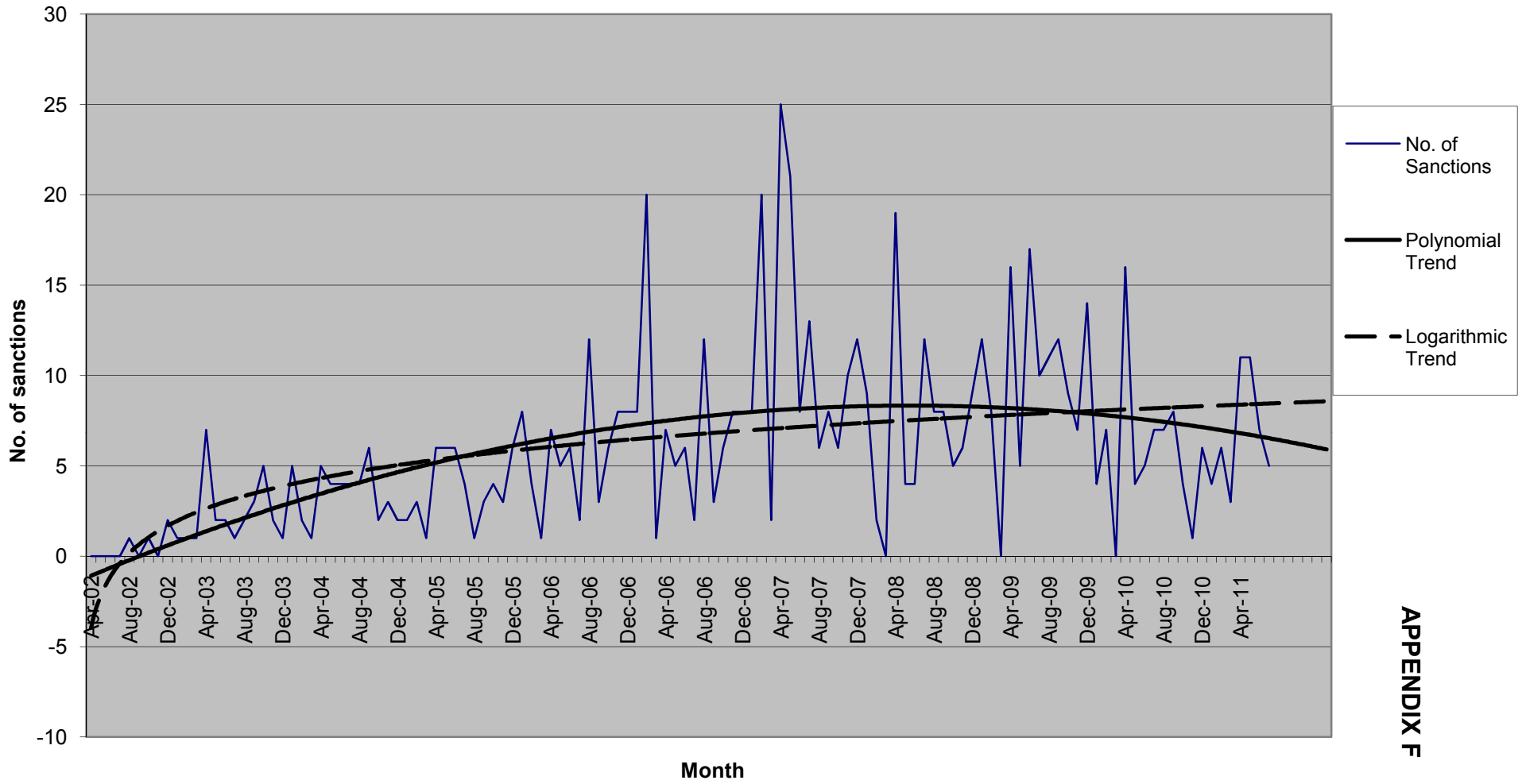
HB Sanctions - Annual Comparison



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Sanctions Trend

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



APPENDIX F

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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	46	16	44	24	38	497
Confidential Hotline	11	18	12	3	13	18	5	11	5	11	4	10	121
Interviews	22	22	30	35	31	28	28	27	14	22	20	18	297
Claimant Visits	5	1	19	22	7	11	12		1	4	11	19	112
Prosecutions	8	2	9	1	5	8	5	1	5	2	6		52
Court Summonses	6	1	2	1		4	3	5			8	1	31
Admin Penalties	7	3	8	8	6	4	2	6	8	1	1		54
Formal Cautions	1			1			2		1	1			6

2010/2011	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	21	44	44	39	47	51	41	39	25	56	59	76	542
Confidential Hotline	5	10	9	9	13	15	15	10	7	7	9	17	126
Interviews	12	11	5	14	8	27	16	19	9	31	20	30	202
Claimant Visits	1	5	4		4	9	4	7		4	7	9	54
Prosecutions	6	3	3	3	6	4	3	1	5	1	3		38
Court Summonses	1	3	3	3	2	2	1	2		3	3	1	21
Admin Penalties	8	1	2	3		3	1			3	2	2	25
Formal Cautions	2			1	1	1			1		1	1	8

2011/2012	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	52	60	56	57									225
Confidential Hotline	23	11	11	10									55
Interviews	18	28	24	21									91
Claimant Visits	10	10	4	3									27
Prosecutions	4	1	2										7
Court Summonses		3		1									4
Admin Penalties	6	10	4	4									24
Formal Cautions	1		1	1									3

Bromley

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Wednesday August 3, 2011

CHEATING WAS HER 'BUSINESS'

Asylum seeker cheats her way to £1m payout but only has to repay less than £200,000

AN IRAQI asylum seeker who illegally claimed more than £1m in benefits, mortgages and loans has been ordered to pay back less than £200,000.

Mahira Rustam Al-Azawi falsely claimed income support and housing and council tax benefits using her own and a fake identity over a 10-year period, despite owning two properties.

The 50-year-old, of Manor Way, Petts Wood, also falsely obtained a student loan and grant via Bromley Council to fund a course at Greenwich University.

Under the false name of Sara Sami, Al-Azawi also got two mortgages from HBOS and, using her true identity, an unsecured loan from Abbey PLC by claiming she was a self-employed businesswoman.

She was jailed for three years at Croydon Crown Court in June

by MICHAEL PURTON

mpurton@london.newsquest.co.uk

last year after admitting five fraud charges and being found guilty of a further eight fraud offences.

Al-Azawi appeared at the court on Friday for a confiscation hearing in which Judge Stephen Waller heard she had illegally obtained a total of £1,029,534 through her various fraudulent activities.

However, the judge heard Al-Azawi now has only £190,711 in assets and made an order to confiscate the amount.

He said: "I give her six months to pay that amount in full."

Judge Waller also ordered Al-Azawi will be jailed for a further 30 months, to run concurrent with her current sentence, if she fails to pay back the money.

Gillian Frost, representing



Mahira Rustam Al-Azawi was jailed last year for 13 fraud offences

She later returned and claimed asylum in the early 1990s before travelling to the Republic of Ireland and claiming asylum in a different name, for which she was given Irish nationality for herself and her son.

The jury also heard her son, now aged 19, was educated at a private school.

Following Al-Azawi's sentencing last year, Bromley police's financial investigator, Ian Smith, called her "the most greedy and organised fraudster I have ever dealt with".

He added: "Mahira Rustam, or Sara Sami as she chose to call herself during her fraudulent activities, has abused the benefit system to the detriment of other people.

"This was more than the work of just a simple benefit cheat and mortgage fraudster, this was a business for her."

Al-Azawi, told the court she is expected to be released from her three-year sentence in December this year.

Of the £190,711, Bromley Council will receive £85,388 in compensation, Lambeth Council will get £45,764, and the Department of Work and Pensions will get £42,958.

During the trial last year, the jury heard Al-Azawi had been a student in the UK and had returned to Iraq when she graduated.

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Governance Issue	Work Strand	Actions	Corporate Risk
Capacity to achieve further budget savings	<p>Budget Strategy 2012/15</p> <p>The approach we are developing is to identify savings at a corporate rather than at a department level and the headline information is as follows:</p> <p>The aim is to identify £30 million savings by the end of October of this year and to implement about 50% and more if we can of these savings by April 2012</p> <p>This amount will change because of variables like interest rates, the government agenda in respect of adult social care etc but for our budget purposes we are working to the figure of £30 million</p>	<ol style="list-style-type: none"> 1. Process managed by Member Star Chamber comprising the Leader, Deputy Leader and Portfolio Holder for Resources 2. Workshops aimed at front line staff to be held in September and October 2011 to help identify savings based on their understanding of service areas and customer needs 3. Chief Executive to hold road shows in November and December 2011 	Failure to produce and deliver a sustainable Financial Strategy which meets BBB priorities and failure of individual departments to meet budget
Period of significant and continuing change across the Council, and our ability to continue to manage our resources well and minimise the impact on frontline services	<p>Structural Redesign</p> <p>Executive has a desire to see less managers and supervisors to focus resources on frontline services</p>	<ol style="list-style-type: none"> 1. New department bringing together ACS and CYP, and the operational aspects of housing 2. Renewal and Recreation department renamed as Strategic Regeneration and Development, including the strategic elements of housing and leisure 3. Potential of shared services with LB Bexley and LB Croydon in Environment 4. Centralisation of support functions from ACS, CYP, R&R and Environment in Resources 5. Day to day facilities management elements of property to move to Resources 6. The Director of Public Health to report directly to the Chief Executive <p>Formal processes re: job losses from September 2011</p>	Failure to achieve strategic BBB objectives and organisational change

Governance Issue	Work Strand	Actions	Corporate Risk
Uncertainty with the Council's major partnerships due to political changes and governance issues arising from shared services	Structural Redesign Shared services both inside the council and externally with partners and neighbouring boroughs	1. Internal Audit providing audit services to LB Greenwich 2. Others to be identified	Failure of a contractor / partner / provider leading to interruption to or deterioration of service delivery
The Localism Bill which is currently going through Parliament contains a number of proposals which will have an impact on how the Council works (see below)			
Abolishing the requirement for authorities to have Standards Committees and the national code of conduct.	Standards Committee In place of the national Standards Board regime, authorities will have a duty to promote and maintain high standards of conduct by members, and be able to establish their own voluntary codes of conduct. The view in Bromley is that we should still retain some form of lead body on ethical governance issues.	1. A special meeting of the Standards Committee will be arranged once the Localism Bill has completed its progress into law, to discuss the future of the Committee 2. Joint working protocols with LB Bexley and some Kent authorities 3. Potential risks arising from Localism Bill being identified	Reputational Risk (damage to an organisation through loss of its reputation or standing)
New freedoms and flexibilities for local government	To be agreed once the Localism Bill becomes law	1. Potential risks arising from Localism Bill being identified	Failure to embed effective and robust professional disciplines to drive improvement and enable good practice and consistency in delivery of change and achievement of outcomes and benefits
New rights and powers for communities and individuals	To be agreed once the Localism Bill becomes law	1. Potential risks arising from Localism Bill being identified	Failure to comply with legislation / statutory obligations

Governance Issue	Work Strand	Actions	Corporate Risk
Reform to make the planning system more democratic and more effective	To be agreed once the Localism Bill becomes law	1. Potential risks arising from Localism Bill being identified	Failure to ensure policies and strategies are 'Fit for Future Purpose'
Reform to ensure that decisions about housing are taken locally	To be agreed once the Localism Bill becomes law	1. Strategic element of housing will move to Strategic Regeneration and Development 2. Operational aspects of housing will be in the new ACS / CYP department	Failure to ensure policies and strategies are 'Fit for Future Purpose'

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Risk Variables – Impact (Severity) Factors

APPENDIX J

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

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Agenda Item 8

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

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Agenda Item 9

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Agenda Item 10

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