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DATE: 28 February 2012

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 8 MARCH 2012 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](http://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 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions to this Sub-Committee must be received in writing four working days before the date of the meeting. Therefore please ensure that questions are received by the Democratic Services Team by 5pm on Friday 2<sup>nd</sup> March 2012.

**4 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 15TH DECEMBER 2011 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION (Pages 3 - 8)**

**5 MATTERS OUTSTANDING FROM THE LAST MEETING (Pages 9 - 14)**

**6 EXTERNAL AUDIT REPORTS**

**a EXTERNAL AUDIT: CERTIFICATION REPORT 2010/11 (Pages 15 - 30)**

**b EXTERNAL AUDIT: ANNUAL AUDIT PLAN 2011/12 (Pages 31 - 56)**

- 7 **INTERNAL AUDIT PROGRESS REPORT** (Pages 57 - 108)
- 8 **INTERNAL AUDIT PLAN 2012/13** (Pages 109 - 122)
- 9 **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.

	<u>Items of Business</u>	<u>Schedule 12A Description</u>
10	<b>EXEMPT MINUTES OF THE MEETING HELD ON 15TH DECEMBER 2011</b> (Pages 123 - 124)	Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
11	<b>INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS REPORT</b> (Pages 125 - 144)	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 15 December 2011

### Present:

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

### 71 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

All Members of the Sub-Committee were present.

### 72 DECLARATIONS OF INTEREST

Councillor Ruth Bennett declared a personal interest in relation to the Internal Audit Progress Report as a governor of Princes Plain Primary School.

Councillor Simon Fawthrop declared a personal interest as his daughter attended a school in the borough.

### 73 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 22ND SEPTEMBER 2011 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

The Sub-Committee's new terms of reference, as agreed by General Purposes and Licensing Committee on 1st December 2011, were tabled. The Committee had added the words "demonstrated and" to the penultimate bullet point.

**RESOLVED** that the minutes of the meeting held on 22<sup>nd</sup> September 2011 (excluding those containing exempt information) be confirmed.

### 74 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

### 75 MATTERS OUTSTANDING FROM THE LAST MEETING Report RES11138

The Sub-Committee noted the list of matters outstanding from previous meetings.

**76 ANNUAL AUDIT LETTER 2010/11**  
Report CEO1118

The Sub-Committee received the Annual Audit Letter which provided a high level summary of the results of the 2010/11 audit work that had been undertaken. Stuart Brown from PricewaterhouseCoopers LLP (PWC) attended the meeting.

The Sub-Committee discussed the following issues with Mr Brown –

- Low value expenditure items recorded in the wrong financial period. These were two relatively small items totalling £12.5k; this was about process and control, but there were no systematic issues.
- Holiday Pay Accrual. It was confirmed that this issue related to the entire payroll, including teachers and school-based staff. The large figure was down to term-time working, and was affected by when the school holidays fell in relation to the end of the financial year.
- Value for Money (VFM). Audit work was now more streamlined compared to the previous Use of Resources/CAA regime. Mr Brown confirmed that Bromley had always scored well and there were no concerns on this point – the Vice-Chairman suggested that this could be noted in future letters.
- Use of CIPFA statistics. It was explained that PWC focussed on management arrangements, rather than on making detailed comparisons using CIPFA comparative data.
- Balancing resources and risks. Mr Brown stated that all authorities faced a difficult task in balancing audit resources and risks. It was important to understand the risks and ensure that there was focus on key risks.

The report had also been submitted to the Executive the previous night. They had noted the Council's success in meeting the new International Financial Reporting Standards (IFRS) during 2010/11, and Mr Brown confirmed that his team had commended the Bromley accounts. The Executive had asked the Executive and Resources PDS Committee to receive a report on the Councils' disaster recovery plans. Members were also informed that there would be a review of the effectiveness of the Audit Sub-Committee.

Mr Brown also ran through a short presentation for Members on the Future of Local Public Audit. This set out the key milestones for change following the Government's decision to abolish the Audit Commission. Bromley was not affected immediately by most of the proposals, as PWC would remain in place under their current contract. Changes to the composition of Audit Committees were proposed, including a requirement for independent membership. The Chairman commented that this was a fundamental misunderstanding of the

role of Councillors, and he hoped that the Government would be persuaded to change this proposal.

The Chairman thanked Mr Brown for attending and for his helpful comments and presentation.

**RESOLVED that the report be noted, and the Sub-Committee's appreciation be recorded for the work of Mark Gibson and other staff in meeting the IFRS requirements.**

**77 INTERNAL AUDIT PROGRESS REPORT**  
Report CEO1187

The Sub-Committee received its regular update on internal audit activity across the Council, and discussed the following matters in particular.

- The future of Internal Audit. Following an Aligning Policy and Finance Review, which had been considered by the Improvement and Efficiency Sub-Committee in October, it was proposed to reduce the size of the Internal Audit Team to a Head of Internal Audit and six auditors, four devoted to Bromley work and two to sold services with LB Greenwich and Academy Schools. A 40% reduction in auditor days to around 700 to 750 for Bromley work would be required. Staff were currently being consulted on the proposals. Servicing the Sub-Committee's meetings used considerable management resources, so Members accepted that it would be appropriate to reduce the scheduled meetings to three per annum, with more information briefings being circulated. The Chief Internal Auditor informed the Sub-Committee that he did have reservations about the scale of the reduction, which would leave Bromley with one of the lowest internal audit coverages in London. He had discussed this with the Chief Executive, who had undertaken to buy in additional support in the event of significant fraud cases or other unpredicted levels of unplanned work.
- Academy Schools. It was confirmed that a stand-alone unit was in place to deal with Academies. The fee of £290 per day was considered to be competitive, but Internal Audit needed to market their service effectively. It was also commented that there should be a proper cost-base so that the Council was not under-cutting unfairly other providers.
- Review of ACS Debtors. A report had been submitted to Adult and Community PDS Committee in November setting out the new actions being taken to reduce the level of outstanding debt, including fortnightly arrears meetings. Internal Audit would monitor the situation and report back as necessary.
- Risk Management. The Sub-Committee noted the Corporate Risks set out in Appendix G to the report – a senior officer would be named for each risk, although in some cases they had not yet been allocated. The

Vice-Chairman reminded officers about the need to put values against risks – it was confirmed that this had been attempted where possible.

- Audit Plan Progress (Appendix B) Councillor Nicholas Bennett requested a copy of the Communications Audit report, and noted that there was limited assurance on the HR Agency Staff review. On the Information Requests audit, he stated that it was essential to have a central coordinator for Freedom of Information requests, and that Members needed more information about the pattern of requests. He was concerned that Members were not aware of the decisions being taken by officers about the future of this service, and suggested that this issue needed to be flagged up at the next meeting of the General Purposes and Licensing Committee. The Chief Internal Auditor confirmed that the proposals had arisen out of the need to achieve budget savings in the central departments, and that in some cases the central coordination role might be carried out in other departments.

**RESOLVED that**

- (1) **The updates in the report and the continuing achievements of the counter fraud benefit partnership with Greenwich Council be noted.**
- (2) **The Sub-Committee notes that Aligning Policy and Finance review of Internal Audit and the budget savings proposed as part of the Council's challenging but necessary savings targets.**
- (3) **The Sub-Committee notes the valuable work of Internal Audit both in conducting "value for money" assessments and in ensuring that the financial information provided to Members and managers is of sufficient quality to make reliable and quality decisions, particularly in the light of the current financial challenges facing all of the Council.**
- (4) **The Sub-Committee also notes the key role played by Internal Audit (in conjunction with the Joint Fraud partnership with LB Greenwich) and in particular the significant increase in reports and cases of fraud seen across the public sector recently, and the call on audit resources that this has required and which will continue to do so in the current economic climate.**

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

**RESOLVED that the Press and public be excluded during consideration of the items of business referred to 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.

**The following summaries  
refer to matters  
involving exempt information**

**79 EXEMPT MINUTES OF THE MEETING HELD ON 22ND  
SEPTEMBER 2011**

The exempt minutes of the meeting held on 22<sup>nd</sup> September 2011 were confirmed.

**80 INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS  
REPORT**

The Sub-Committee considered a report updating them on recent Internal Audit activity on investigations across the Council. The report detailed new areas of investigation, detailed cases on the fraud register and expanded on cases of particular interest.

The Meeting ended at 9.07 pm

Chairman

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Report No.  
RES11043

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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**Decision Maker:**      **Audit Sub-Committee**

**Date:**                      **8<sup>th</sup> March 2012**

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

**Title:**                      **MATTERS OUTSTANDING FROM PREVIOUS MEETINGS**

**Contact Officer:**      Graham Walton, Democratic Services Manager  
Tel: 020 8461 7743    E-mail: graham.walton@bromley.gov.uk

**Chief Officer:**              Mark Bowen - Director of Resources

**Ward:**                      Not applicable

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1.    Reason for report

- 1.1    To advise the Sub-Committee of matters outstanding from previous meetings and progress made. Eleven matters are listed in the appendix to this report. One, which has been completed, is from the meetings in June and September 2011, the remainder are from the last meeting on 15<sup>th</sup> December 2012.
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2.    **RECOMMENDATION**

**That progress with matters outstanding from previous meetings be noted.**

### Corporate Policy

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

### 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: £344,054
  5. Source of funding: 2011/12 Budget
- 

### Staff

1. Number of staff (current and additional): There are 9 posts (8.22fte) 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.
- 

### 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. Most of these issues are taken up in the Progress Reports on this agenda (parts 1 and 2.) Would Members please note that once an outstanding matter is considered completed by the Sub-Committee it will be removed from future lists.

<b>Non-Applicable Sections:</b>	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
<b>Audit S/C Terms of Reference &amp; New Government Proposals / Structure of Audit Committees / Independent Members</b> Minute 55 (d) 7.6.11 & Minute 66 22.9.11	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.	New Terms of reference were drawn up for consideration by the Sub-Committee on 22 <sup>nd</sup> September 2011, and approved by the General Purposes and Licensing Committee on 1 <sup>st</sup> December 2011, with one small amendment. The terms of reference are part of the Constitution, which was changed by full Council on 20 <sup>th</sup> February, 2012.	Democratic Services Manager	February 2012
<b>Annual Audit Letter: VFM</b> Minute 76 15.12.11	The Vice-Chairman suggested that future Annual Audit Letters refer to Bromley's effectiveness on value for money.	To be considered in the 2011/12 Annual Audit Letter.	Pricewaterhouse Coopers/Deputy Chief Internal Auditor	December 2012
<b>Internal Audit Progress Report: Sub-Committee meetings</b> Minute 77 15.12.11	Members suggested reducing the number of programmed Sub-Committee meetings from four to three.	The 2012/13 programme of meetings is currently being prepared for consideration by GP&L Cttee on 14 <sup>th</sup> March 2012. The dates proposed for this Sub-committee are 6 <sup>th</sup> June 2012, 14 <sup>th</sup> November 2012 and 13 <sup>th</sup> March 2013. If the programme could be reduced to two meetings (with increased information briefings), the dates would be June and November 2012.	Democratic Services Manager	March 2012
<b>Internal Audit Progress Report: Freedom of Information Requests</b> Minute 77 15/12/11	Members commented on the need for central coordination of Freedom of Information requests, and asked that this concern be flagged up with General Purposes and Licensing Committee.	Future arrangements for dealing with Fol requests are being considered as part of the Organisational Improvement process driven by Improvement and Efficiency Sub-Cttee. The Audit Sub-Cttee's minutes are reported to GP&L Cttee on 14 <sup>th</sup> March.	Director of Resources	March 2012

<b>Issue &amp; Date</b>	<b>Summary</b>	<b>Action Being Taken</b>	<b>By</b>	<b>Estimated Completion</b>
<b>Internal Audit Fraud and Investigation Progress Report: Fever Design Ltd</b> Minute 80/1 (Part 2) 15/12/11	Members repeated the request that mention of LB Bromley be removed by Fever Design Ltd from their website. (See minute 69/1, 22/9/11)	This matter has been raised with Fever Design Ltd again.	Deputy Chief Internal Auditor	December 2012
<b>Internal Audit Fraud and Investigation Progress Report: Cumulative Spend</b> Minute 80/1 (Part 2) 15/12/11	The Sub-Committee supported extending the cumulative spend exercise from CYP to other departments, leading to reports to other PDS Committees.	See Progress Report.	Deputy Chief Internal Auditor	March 2012
<b>Internal Audit Fraud and Investigation Progress Report: Primary School Rental Agreement</b> Minute 80/1 (Part 2) 15/12/11	The Chairman and Cllr Wells to be kept informed of progress.	See Progress Report.	Deputy Chief Internal Auditor	March 2012
<b>Internal Audit Fraud and Investigation Progress Report: Procurement Requirements</b> Minute 80/1 (Part 2) 15/12/11	Requirement for one oral quote only for procurement up to £5k to be checked and considered in the Review of Financial Regulations	See Progress Report	Deputy Chief Internal Auditor	March 2012
<b>Internal Audit Fraud and Investigation Progress Report: Charges on property</b> Minute 80/1 (Part 2) 15/12/11	Officers to confirm arrangements for checking that charges on property were followed up to ensure that money was received.	See Progress Report	Deputy Chief Internal Auditor	March 2012
<b>Internal Audit Fraud and Investigation Progress Report: Small Fraud Cases</b> Minute 80/1 (Part 2) 15/12/11	The Sub-Committee suggested that the report heading be changed from Small Fraud Cases to Referred Cases.	See Progress Report – the report heading has been changed.	Deputy Chief Internal Auditor	March 2012
<b>Internal Audit Fraud and Investigation Progress Report: Purchase cards</b> Minute 80/1 (Part 2) 15/12/11	The Sub-Committee requested further information on the marginal cost of purchase cards. (See Minute 69/1 (Part 2) 22.9.11)	See Progress Report - an audit has recently been completed and the Head of Corporate Procurement will attend the meeting.	Deputy Chief Internal Auditor/ Head of Corporate Procurement	March 2012

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# ***Certification Report (2010/11)*** Report to those charged with governance

*Certification Report to  
those charged with  
governance 2010/11*

February 2012





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

2<sup>nd</sup> February 2012

Our Reference: LBB Certification Report 2011

Ladies and Gentlemen

Subject: **Certification Report (2010/11)**

We are pleased to present our Annual Certification Report summarising the results of our 2010/11 certification work. We look forward to presenting it to members on 1 February 2012. The purpose of this report is to provide a high level overview of the results of certification work we have undertaken at the London Borough of Bromley on 2010/11 claims and returns that is accessible for members and other interested stakeholders. Fees for 2010/11 certification work are summarised in Appendix A.

#### **Results of Certification work**

During the period 13 June 2011 to 21 December 2011 we certified five (2009/10: eight claims claims and returns worth a total of £238,996,155 (2009/10: £232,358,742)). Of these, none were amended following certification work undertaken and one required a qualification letter to set out an issue arising from the certification of the claim/return. We set out further details in the attached report.

We identified no issues relating to the Authority's arrangements for preparation of claims and returns. We have not included every issue identified here, but instead focus on those which have (or could have) a material impact on the amount of a claim or return or on the accounts.

We ask the Audit Committee to consider:

- the adequacy of the proposed management action plan for 2010/11 set out in Appendix B, and;
- the adequacy of progress made in implementing the prior year action plan (Appendix C).

Yours faithfully,

PricewaterhouseCoopers LLP

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# *Introduction*

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# ***Introduction***

## ***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, as set out within Certification Instructions (“CIs”) issued to us by the Audit Commission, 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 certified claim/return submission deadlines set by grant-paying bodies.

We consider the results of certification work when performing other Code of Audit Practice work at the Authority, including for our conclusions on the financial statements and on value for money.

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

In March 2010 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 and on the Audit Commission’s website. 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.

## ***Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns***

In November 2010 the Audit Commission updated the ‘Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns’. This is available from the Audit Commission’s website.

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The purpose of this statement is to summarise the Audit Commission's framework for making certification arrangements and to assist grant-paying bodies, authorities, and the Audit Commission's appointed auditors by summarising their respective responsibilities and explaining where their different responsibilities begin and end.

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# *Results of Certification Work*

# Results of Certification Work

## Claims and returns certified

A summary of the claims and returns certified during the year is set out below. In one case a qualification letter was required to set out an issue arising from the certification of the claim/return. None of the claims/returns were amended following the certification work undertaken. None of the issues identified had a material impact on the Council's statement of accounts. Four deadlines for submission of certified claims/returns were met, with one submission, for BEN01 being submitted after the due date.

### Claims and returns certified in 2010/11

CI Reference	Title	Form	Original Value (£)	Final Value (£)	Amendment	Qualification
EYC 02	Sure start, early years and childcare grant	2010-11 AFS	£13,449,298	£13,449,298	£0	No
BEN01	Housing and council tax benefits scheme	MPF720A	£128,733,944	£128,733,944	£0	Yes
LA01	National non-domestic rates return	NNDR3	£74,302,753.92	£74,302,753.92	£0	No
PEN05	Teachers' pensions return	TR17	£21,770,159	£21,770,159	£0	No
HOU21	Disabled facilities	DFG 2010D3	£710,000	£710,000	£0	No

## **Issues arising**

### **Non compliance with regulations/ terms and conditions**

One issue was identified in our certification of the Housing and council tax benefits scheme data returns. The risks of not addressing this issue and our recommendation for improvement are set out in the table below.

### **Compliance issues**

<b>Claim/Return (deadline)</b>	<b>Issue</b>	<b>Risk to the Authority</b>	<b>Recommendation</b>
Housing and council tax benefits scheme (BEN 01)  (31 Nov 2010)	During our testing we identified one occasion where the Authority made a payment for Non-HRA housing benefits for one claimant in duplicate. An error caused an individual to be paid twice for the period 01 November 2010 to 08 November 2010. This resulted in an overpayment of £207.90.  This was caused by the introduction of a new interface between Academy Benefits and the LBB Anite rents system in November 2010.  This was not adjusted in the 2010/11 claim form. The Authority has confirmed that an LA error overpayment will be created and recorded in the subsidy claim 2011/12 reducing the amount of subsidy claimed for the error noted."	The return has been qualified to reflect the error for 2010/11 and a letter sent to the Department setting out the facts.  If these errors recur they could have a financial impact on the subsidy receivable and cause misstatement of the accounts.  This resulted in us having to carry out additional testing which had an impact on the cost of our work on this grant.	The Authority should ensure there are sufficient controls in place to review calculations, particularly with regard to changes in systems and interfaces.

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### ***Prior year recommendations***

We have reviewed progress made in implementing the certification action plan for 2010/11. Details can be found in Appendix C. Overall the Authority has made good progress and all recommendations from 2009/10 appear to have been implemented as the issues identified in 2009/10 have not arisen again in 2010/11.



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# *Appendices*

# Appendix A:

## Certification Fees

The fees for certification of each claim/return are set out below:

Claim/Return	2010/11 (£)	2009/10 (£)	Comment
Sure start, early years and childcare grant	3,000	2,990	Immaterial variance.
Housing and council tax benefits scheme	27,500	28,580	Immaterial variance.
National non-domestic rates return	6,250	6,326	Immaterial variance.
Teachers' pension return	5,000	5,026	Immaterial variance.
Disabled facilities	3,500	3,969	Immaterial variance.
RG31 Single programme (LDA) - Youth Officer	0	3,568	Grant expired in 2009/10
RG31 Single programme (LDA) Childcare Affordability Programme Phase 1	0	2,255	Grant expired in 2009/10
RG31 Single programme (LDA) Childcare Affordability Programme Phase 2	0	1,310	Grant expired in 2009/10
	<b>45,250</b>	<b>53,668</b>	

These fees reflect the Authority's current performance and arrangements for certification. It may be possible to reduce future fees should the Authority improve its performance by implementing the following:

- **Coordination:** assigning a key member of staff with responsibility to liaise with auditors and claim/return preparers in order to coordinate and improve certification arrangements across the authority.
- **Review:** improving accuracy of claims/returns submitted for certification by requiring independent review.
- **Documentation:** improving working papers and quality of evidence available to support the claim/return.
- **Assurance:** involvement of internal audit, where appropriate, to provide assurance over certain aspects of claims/returns.

We are happy to discuss how we may assist further with your improvement, for example we can perform specific focussed, risk-based work in this area should that be required.

# Appendix B:

## 2010/11 Management Action Plan

Claim/Return (deadline)	Issue	Recommendation	Management response	Responsibility (Implementation date)
Housing and council tax benefits scheme (BEN 01)	During our testing we identified one occasion where the Authority made a payment for Non-HRA housing benefits for one claimant in duplicate. An error caused an individual to be paid twice for the period 01 November 2010 to 08 November 2010. This resulted in an overpayment of £207.90.	The Authority should ensure there are sufficient controls in place to review calculations, particularly with regard to changes in systems and interfaces.		
	<b>This was caused by the introduction of a new interface between Academy Benefits and the LBB Anite rents system in November 2010.</b>			
	This was not adjusted in the 2010/11 claim form. The Authority that an LA error overpayment will be created and recorded in the subsidy claim 2011/12 reducing the amount of subsidy claimed for the error noted."			
	This resulted in a qualification letter being issued alongside the 2010/11 return.			

# Appendix C:

## 2009/10 Management Action Plan – Progress made

Claim/Return (deadline)	Issue	Recommendation	Recommendation Status
Single Programme Youth Officer, Childcare Affordability Phase 1 and 2 (RG31) (31 July 2010)	During the certification we noted that in some instances the officers responsible for the grant claim were not aware of the certification requirements and the testing to be performed by PwC.	We will work with the Council in preparation for the 2010/11 grants certification work to ensure that all responsible officers are aware of the work that is likely to be undertaken on each grant claim.	Not applicable. We were not required to certify this grant in 2010/11.
Housing and council tax benefits subsidy (BEN 01) (30 Nov 2010)	The testing of this grant requires us to provide assurance that the entries in each section of the form (non-HRA rent rebates, rent allowances, council tax benefits) have been completed in accordance with the guidance.	Officers may wish to review the current checking processes in place to ensure the level of accuracy of claims is appropriate.  By testing a sample of claims the Council may gain additional assurance that claims are appropriate and comply with the relevant regulations in these areas.	Our testing of council tax benefits identified no classification errors with regard to overpayments.  Our testing of rent allowances identified no calculation errors in 2010/11.
	During our 2009/10 certification of the claim our initial sample identified one error in council tax benefits where a period of overpayment had been classified as an eligible overpayment when it was a technical overpayment. Further testing identified eight similar cases. The total errors in council tax benefits were £506.54.		Our testing of rent rebates in 2010/11 identified one example of a duplicate payment due to the introduction of a new IT interface. This was not adjusted in the 2010/11 claim and a qualification letter was issued.
	In rent allowances two errors were noted in our initial testing where a claimant with a regulated tenancy		

Claim/Return (deadline)	Issue	Recommendation	Recommendation Status
	<p>had been classified as having a standard tenancy and where the Council had been made aware of revised tax credits but had not calculated the claim correctly. Further testing did not identify any further errors in rent allowances. The total errors in rent allowances were £4,825.05.</p>		
	<p>We were required to qualify the grant due to the issues noted above.</p>		

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# *London Borough of Bromley*

## External Audit Plan 2011/12

Government and Public  
Sector

February 2012







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

20 February 2012

Ladies and Gentlemen,

We are delighted to present to you our external audit plan for 2011/12, which includes an analysis of our assessment of significant audit risks, our proposed audit strategy, audit and reporting timetable and other matters. Discussion of our strategy with you enables our engagement team members to understand your concerns and agree on mutual needs and expectations to provide the highest level of service quality. Our approach is responsive to the many changes affecting the London Borough of Bromley.

If you have any questions regarding matters in this document please contact Janet Dawson or Katy Elstrup. We look forward to discussing our plan with the Audit Sub-Committee on 8 March 2012.

Yours faithfully

PricewaterhouseCoopers LLP

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*In March 2010 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 and on the Audit Commission's [website](#). 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 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*

## **Purpose of this plan**

Our Audit Plan (“the Plan”) has been prepared to inform the officers and non-executives of the 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 28<sup>th</sup> April 2011 in accordance with Audit Commission requirements, which set out our indicative fees for 2011/12. 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. It is our responsibility to carry out an audit in accordance with the Audit Commission’s Code of Audit Practice (“the Audit 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.

---

# *Scope of the audit*

We will conduct our audit in accordance with the relevant requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local government bodies (“the Audit Code”) published by the Audit Commission.

## ***Statement of Accounts***

We will conduct our audit of the Statement of Accounts in accordance with International Standards on Auditing (UK and Ireland) as published by the Auditing Practices Board. We will issue an opinion stating whether in our view:

- the Statement of Accounts provides a true and fair view and has been prepared in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom and the CIPFA Service Reporting Code of Practice;
- the pension fund’s accounting statements provide a true and fair view and have been prepared in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom; and
- the information given in the Explanatory Foreword is consistent with the Statement of Accounts.

In our audit report on the Statement of Accounts, we are also required to report by exception where, in our view, the Annual Governance Statement does not comply with the requirements of “Delivering Good Governance in Local Government: Framework” published by CIPFA/SOALCE in June 2007 or is misleading or inconsistent with information we are aware of from our audit.

As part of our work on the Statement of Accounts statements we will examine:

- the Whole of Government Accounts schedules submitted to the Department for Communities and Local Government and issue an opinion stating whether in our view they are consistent with the Statement of Accounts; and
- the accounting statements included in the pension fund annual report and issue an opinion stating whether in our view they are consistent with the Statement of Accounts.

## ***Value for money conclusion***

Under the Audit Code we are also required to report on the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

As in 2010/11, we will perform the work we consider necessary to allow us to give our statutory value for money conclusion based on the following two criteria specified by the Audit Commission:

- that the Council has proper arrangements in place for securing financial resilience; and
- that the Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

## ***Pension Fund Accounts***

We prepare a separate Audit Plan for the 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.

### ***Other reporting requirements***

In addition, we are also required to consider:

- Whether we need to issue a report in the public interest under s8 of the Audit Commission Act 1998;
- Whether we need to make written recommendations for the consideration of the Council under s11(3) of the 1998 Act;
- Whether we believe that the Council or one of its officers:
  - is about to make or has made a decision which involves or would involve the authority incurring expenditure which is unlawful,
  - is about to take or has begun to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
  - is about to enter an item of account, the entry of which is unlawfuland we need to issue an advisory notice under s19A of the 1998 Act;
- Whether there is any item of account for which we need to make an application to the court under s17 of the 1998 Act for a declaration that the item is contrary to law; and
- Whether we need to apply under s24 of the 1998 Act for judicial review of any decision or failure to act by the Council which it is reasonable to believe would have an effect on the accounts.

# Audit approach

## Significant and elevated audit risks

We have identified the following significant risks for our audit.

Our risk assessment forms the basis for planning and guiding all subsequent audit activities. It allows us to determine where our audit effort should be focused and whether we can place reliance on the effective operation of controls implemented by management. Risks are categorised as follows:

● <i>Significant</i>	Risk of material misstatement due to the likelihood, nature and magnitude of the balance or transaction. These require specific focus in the year.
● <i>Elevated</i>	Although not considered significant, the nature of the balance/area requires specific consideration.

### Financial statements risks

Risk	Significant / elevated risk	Reason for risk identification	Audit approach
Fraud and management override of controls	● Significant	<p>ISA (UK&amp;I) 240 requires that we plan our audit work to consider the risk of fraud, which is presumed to be a significant risk in any audit.</p> <p>This includes consideration of the risk that management may override controls in order to manipulate the financial statements.</p> <p>Management override of controls are most likely and could have the most significant impact in areas of accounting judgement, such as estimates, provisions, and journals that are processed outside of the standard accounting systems and in any areas where there are weaknesses around segregation of duties.</p>	<p>We will perform procedures to;</p> <ul style="list-style-type: none"> <li>● understand and evaluation internal control processes and procedures as part of the planning work;</li> <li>● test the appropriateness of journal entries;</li> <li>● review accounting estimates for biases and evaluate whether circumstances producing any bias, represent a risk of material misstatement due to fraud;</li> <li>● evaluate the business rationale underlying significant transactions;</li> <li>● perform ‘unpredictable’ procedures; and</li> <li>● perform other audit procedures if necessary.</li> </ul>
Recognition of income and expenditure	● Significant	<p>Under ISA (UK&amp;I) 240 there is a (rebuttable) presumption that there are risks of fraud in revenue recognition.</p> <p>We extend this presumption to the recognition of expenditure in local government.</p> <p>We will consider income and expenditure streams on an</p>	<p>We will perform procedures to;</p> <ul style="list-style-type: none"> <li>● obtain an understanding of revenue and expenditure controls;</li> <li>● evaluate and test the accounting policy for income and expenditure recognition to ensure that this is consistent with the</li> </ul>

		individual basis and focus our work on those streams most susceptible to incorrect recognition in the financial statements. We would expect the areas of fees and charges, contracts, leases and other financial arrangements to be the main areas of focus for our audit of the Council.	<p>requirements of the Code of Practice on Local Authority Accounting; and</p> <ul style="list-style-type: none"> <li>perform detailed testing of revenue and expenditure transactions, focussing on the areas we consider to be of greatest risk.</li> </ul>
Valuation of properties	<p style="text-align: center;">●</p> <p style="text-align: center;">Significant</p>	<p>Property, plant and equipment (PPE) represents the largest balance in the Council’s balance sheet. The Council measures its properties at fair value involving a range of assumptions and the use of external valuation expertise. ISAs (UK&amp;I) 500 and 540 require us, respectively, to undertake certain procedures on the use of external expert valuers and processes and assumptions underlying fair value estimates.</p> <p>Specific areas of risk include:</p> <ul style="list-style-type: none"> <li>The accuracy and completeness of detailed information on assets.</li> <li>Whether the Council’s assumptions underlying the classification of properties are appropriate.</li> <li>Whether properties that are not programmed to be revalued in the year might have undergone material changes in their fair value.</li> <li>The valuer’s methodology, assumptions and underlying data, and our access to these.</li> </ul>	<p>We will perform the following procedures in relation to this risk;</p> <ul style="list-style-type: none"> <li>review the accuracy and completeness of the detailed information on assets including heritage assets;</li> <li>review and test the Council’s assumptions underlying the classification of properties are appropriate; and</li> <li>review the Valuer’s methodology, assumptions and underlying data used in valuing the assets.</li> </ul>

Other Audit Code responsibilities risks

Risk	Significant / elevated risk	Reason for risk identification	Audit approach
Savings plans	<p style="text-align: center;">●</p> <p style="text-align: center;">Elevated</p>	The Council is experiencing increased pressures on many of its budgets in the current economic climate and savings required to be made in the current and future years. Budget holders may feel under pressure to try and push costs	<p>We will perform the following procedures in relation to this risk;</p> <ul style="list-style-type: none"> <li>we will review the Council’s budget monitoring process to identify any areas of concern. We will also bear</li> </ul>



		<p>in to future periods, or to miscode expenditure to make use of resources intended for different purposes.</p> <p>There is a risk that savings plans may not be robust and the Council is unable to demonstrate that it has achieved value for money in its use of resources.</p>	<p>these risks in mind when carrying out cut-off testing; and</p> <ul style="list-style-type: none"> <li>we will also consider the accounting implications of any savings plans and would welcome early discussion of any new and unusual proposals. In particular, we will consider the impact of the efficiency challenge on the recognition of both income and expenditure.</li> </ul>
<p>Redundancies, severance and ex-gratia payments</p>	<p style="text-align: center;">● Elevated</p>	<p>We understand that there are structural changes occurring within the Council, which will involve a number of potential redundancies.</p> <p>Terminating the contracts of senior staff could be high profile and costly.</p> <p>Common issues that may arise include:</p> <ul style="list-style-type: none"> <li>contract of employment;</li> <li>reasons for termination;</li> <li>entitlement on severance, ex-gratia agreements and discretionary benefits;</li> <li>value for money; and</li> <li>compromise agreements, gardening leave, pay in lieu of notice and confidentiality and clawback clauses.</li> </ul>	<p>We will review any redundancy, severance and ex-gratia payments as part of our work on the accounts, including consideration of the legality and value for money implications of any such payments.</p>

## Materiality

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 the consideration of the amount and nature of transactions.

Our overall materiality for the Council will be calculated as a percentage of gross operating expenditure and will represent the level at which we would consider qualifying our audit opinion. However, our audit work is planned to a lower materiality level. We will revise our level of materiality on receipt of the 2011/12 draft accounts.

## Communications plan

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 Committee. Our team works on the engagement throughout the year to provide you with a timely and responsive service.

We have included at Appendix 4 our Communications Plan which sets out how we will communicate with those charged with governance during the year.

# Risk of fraud

International Standards on Auditing (UK&I) state that we as auditors are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The respective responsibilities of auditors, management and those charged with governance are summarised below:

## Auditors' responsibility

Our objectives are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

## Management's responsibility

Management's responsibilities in relation to fraud are:

- to design and implement programmes and controls to prevent, deter and detect fraud;
- to ensure that the entity's culture and environment promote ethical behaviour; and
- to perform a risk assessment that specifically includes the risk of fraud addressing incentives and pressures, opportunities, and attitudes and rationalisation.

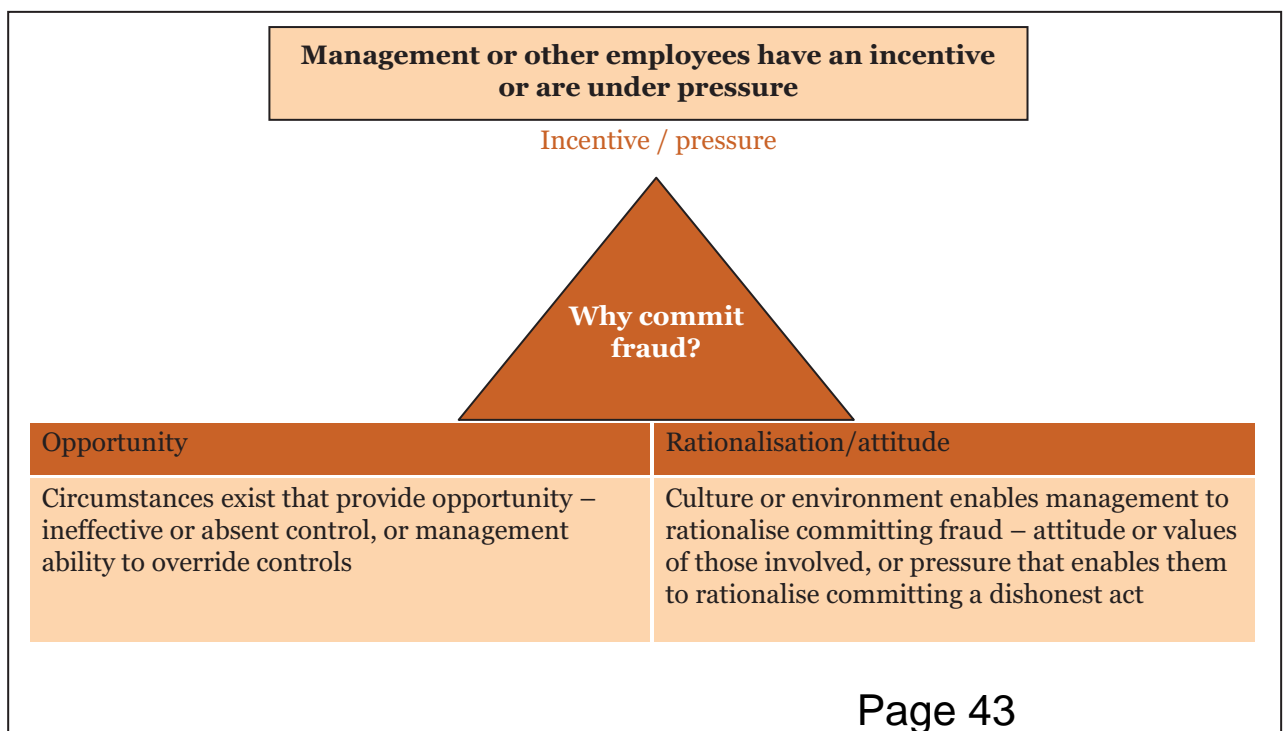
## Responsibility of the Audit Committee

Your responsibility as part of your governance role is:

- to evaluate management's identification of fraud risk, implementation of anti-fraud measures and creation of appropriate "tone at the top"; and
- to investigate any alleged or suspected instances of fraud brought to your attention.

## Conditions under which fraud may occur

The following diagram outlines the conditions are those under which fraud may occur. It considers the incentive/pressure to commit fraud, the opportunity to commit fraud and the rationalisation/attitude to commit fraud.



## Your views on fraud

We enquire of the Audit Committee:

- Whether you have knowledge of fraud, either actual, suspected or alleged, including those involving management?
- What fraud detection or prevention measures (e.g. whistleblower lines) are in place in the entity?
- What role you have in relation to fraud?
- What protocols / procedures have been established between those charged with governance and management to keep you informed of instances of fraud, either actual, suspected or alleged?

We will discuss your views on fraud at the Audit Sub-Committee meeting on 8 March 2012.

# Recent developments

## Accounting developments

### New Requirements in the Code of Accounting Practice

The Code of Practice on Local Authority Accounting in the United Kingdom for 2011/12 was published in Spring 2011 setting out the following substantial changes in accounting requirements for local authorities:

- For the first time in the 2011/12 Statement of Accounts, the Code requires authorities to present information about the **heritage assets** that they hold. Heritage assets are those that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Typical examples include historic buildings, civic regalia, museum and gallery collections and recordings of historic events. Where it is practicable to obtain a valuation (at a cost commensurate with the benefits to users of the Statement of Accounts), the Code now requires material amounts of heritage assets to be carried in the Balance Sheet at that valuation.

Where it is not practicable to obtain a valuation and there is no record of their historical cost, assets are to be omitted from the Balance Sheet. However, in these circumstances notes will be required explaining the significance and nature of those assets that are not reported in the Balance Sheet.

The Council will therefore need to assess whether it has any substantial portfolio of heritage assets. If so, it will determine whether an appropriate and relevant valuation can be made for the items in the portfolio and then obtain any valuations required. New notes to the accounts will also need to be prepared setting out the Council's policy for the acquisition, preservation, management and disposal of heritage assets.

- There is a new requirement for a disclosure note setting out the number of **exit packages** agreed, analysed between compulsory redundancies and other departures and presented in £20,000 bands up to £100,000 and £50,000 bands above £100,000. The total cost of packages in each band must also be disclosed. (There will be scope to combine bands if this is necessary to ensure that individual packages cannot be identified.)
- The **related parties** disclosures have been simplified where the Council has transactions with government departments and agencies, NHS bodies and other local authorities, limiting disclosure to individually or collectively significant transactions.

### Carbon Reduction Commitment

2011/12 is the first year that the Council is required under the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme to purchase and surrender CRC allowances in proportion to the emissions it makes during the year. Although the surrender in relation to 2011/12 will take place in 2012/13, the Council will need to account at 31 March 2012 for the consequences of the emissions it has made in 2011/12.

When this report was issued there was no specific guidance available to local authorities as to how CRC obligations should be reflected in the Statement of Accounts. However, it is probable that provisions will need to be made at 31 March 2012 in relation to any costs likely to be incurred in meeting obligations relating to 2011/12 emissions.

## Developments in auditing

### **Highways Infrastructure**

Arrangements will not be confirmed by the Audit Commission until after the end of the financial year, but it is possible that the scope of our opinion on the Whole of Government Accounts return may be extended to include aspects of the information that the Council might be required to provide on the depreciated replacement cost of highways infrastructure assets. We will advise the Council promptly of any new responsibilities that might be confirmed once Commission arrangements are finalised.

# *Appendices*

# Appendix 1 - audit engagement team

## Your team

Your audit team has been drawn from our government and public sector team based in London. Your audit team consists of the key members listed below, but is further supported by our specialists both in the health sector, and across other services.

<b>Audit team</b>	<b>Responsibilities</b>
<b>Janet Dawson</b> <b>Engagement Leader</b> 0207 213 5244 janet.r.dawson@uk.pwc.com	Janet is responsible for independently delivering the audit in line with the Code of Audit Practice, including agreeing the Audit Plan, the quality of outputs and signing of opinions and conclusions. Janet is also responsible for liaison with the Chief Executive and the Board.
<b>Katy Elstrup</b> <b>Engagement Senior Manager</b> 0207 213 3070 katy.elstrup@uk.pwc.com	Katy will be responsible for the overall control of the audit engagement, ensuring delivery to timetable, delivery and management of target work and overall review of audit outputs. Katy will be responsible the overall preparation and presentation of the ISA (UK&I) 260 report and Annual Audit Letter.
<b>Matthew Williams</b> <b>Engagement Manager</b> 0207 212 5290 matthew.w.williams@uk.pwc.com	Matthew is responsible for the management and control of the external audit service, and for ensuring that our approach is focused on significant risk areas and reporting significant findings from our work. Matthew is also responsible for managing the audit team and liaison with finance staff on the scope and timing of our work.
<b>Charlie Martin</b> <b>Team Leader</b> 0207 804 6634 charles.martin@uk.pwc.com	Charlie is responsible for leading our audit team on site during the interim and final audit fieldwork visits, for coaching and briefing our staff and for carrying out audit work in complex areas.

## 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

Members and 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.



## *Appendix 2 - audit fees*

The Audit Commission has provided audit fee levels for local government bodies for the 2011/12 financial year, based on the fee for 2010/11 adjusted for the reductions set out in the final work programmes and scales of fees documents available on the Commission's website. The fee scale for the audit of the Council is £260,280.

The scale fee takes into account assessments we made in 2010/11 about audit risk and complexity, and the Commission expects variations from the scale fee to occur only where these factors are significantly different from those identified and reflected in the 2010/11 fee.

Our assessments about audit risk and complexity have been based 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;
- No significant changes being made by the Audit Commission to the value for money 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 2012;
- Our value for money conclusion and accounts opinion being unqualified.

If these prove to be unfounded or other changes in audit risk or complexity are identified, we will seek a variation order to the agreed fee, to be discussed in advance with you.

## Appendix 3 – timetable

<i>Month/Deadline</i>	<i>Audit activity</i>
February 2012	Issue of External Audit Plan
February 2012	Interim audit
2nd July 2012 – 20th July 2012	Statement of Accounts audit
26 September 2012	Planned date for issue of final version of ISA (UK&I) 260 Report to those Charged with Governance
28 September 2012 (to be confirmed)	Target date for issue of: <ul style="list-style-type: none"><li>• Audit Opinion on the Statement of Accounts;</li><li>• Value for Money Conclusion; and</li><li>• Opinion on the Whole of Government Accounts return</li></ul>
28 September (to be confirmed)	Target date for issue of the opinion on the pension fund annual report
30 November 2012 (to be confirmed)	Deadline for issue of Annual Audit Letter

## Appendix 4 – communications plan

Stage of the audit	Output	Date
<b>Audit planning</b>	Audit fee letter	28 April 2011
	Audit plan	Issued to authority in February 2012 and presented to the Audit Sub-Committee on 8 March 2012.
<b>Audit findings</b>	Internal controls issues and recommendations for improvement (if applicable – may form part of the Report to those charge with Governance)	September 2012
	Summary of findings from our use of resources work to support our VFM conclusion.	September 2012
	Report to those charged with governance (ISA (UK&I) 260), incorporating specific reporting requirements, including: <ul style="list-style-type: none"> <li>● Any expected modifications to the audit report;</li> <li>● Uncorrected misstatements (i.e. those misstatements identified as part of the audit that management have chosen not to adjust);</li> <li>● Material weaknesses in the accounting and internal controls systems identified as part of the audit;</li> <li>● Our views about significant qualitative aspect of your accounting practices including accounting policies, accounting estimates and financial disclosures;</li> <li>● Any significant difficulties encountered by us during the audit;</li> <li>● Any significant matters discussed, or subject to correspondence, with management;</li> <li>● Any other significant matters relevant to</li> </ul>	September 2012

Stage of the audit	Output	Date
	the financial reporting process; and	
	<ul style="list-style-type: none"> <li>● Summary of findings from our Use of Resources audit work to support our Value for Money conclusion.</li> </ul>	
<b>Audit reports</b>	Audit Opinion on the Statement of Accounts Value for Money Conclusions Audit Opinion on the Pension Fund Opinion on the Whole of Government Accounts return	September 2012
	Pension Fund Annual Report	September 2012
<b>Other public reports</b>	Annual audit letter A brief summary report of our work, produced for the Board and to be available to the public.	November 2012

## ***Appendix 5 - other engagement information***

The Audit Commission appoint us as auditors to the 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 four 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 James Chalmers, 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.



In the event that, pursuant to a request which the London Borough of Bromley 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 London Borough of Bromley agrees to pay due regard to any representations which PwC may make in connection with such disclosure and the London Borough of Bromley shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, the London Borough of Bromley 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.

This report has been prepared for and only for the *London Borough of Bromley* in accordance with the Statement of Responsibilities of Auditors and of Audited Bodies (Local government bodies) published by the Audit Commission in March 2010 and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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Report No.  
CEO1192

London Borough of Bromley

Agenda  
Item No.

PART 1 - PUBLIC

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**Decision Maker:**      **Audit Sub Committee**

**Date:**                      **8th March 2012**

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

**Title:**                      **INTERNAL AUDIT PROGRESS REPORT**

**Contact Officer:**      Luis Remedios, Head of Audit  
Tel: 020 8313 4886      E-mail: luis.remedios@bromley.gov.uk

**Chief Officer:**              Doug Patterson, Chief Executive

**Ward:**                      All

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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      Priority One Recommendations
  - 3.4      Audit Activity and Performance
  - 3.10     Future of Internal Audit
  - 3.14     Housing Benefit Update
  - 3.18     Waivers
  - 3.21     Future of Public Audit
  - 3.25     Partnership Working
  - 3.27     Value for Money (VfM)
  - 3.32     Other Matters
  - 3.35     Risk Management
- 

2.      **RECOMMENDATION(S)**

- a.      **Note the report and comment upon matters arising from the internal audit progress report and in particular the effects of the reorganisation of the Internal Audit service.**
- b.      **Note the continuing achievements of the counter fraud benefit partnership with Greenwich Council. (paragraph 3.14)**

### 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: £616,250.
  5. Source of funding: N/A
- 

### Staff

1. Number of staff (current and additional): 10.7 FTE(excluding Greenwich Fraud Partnership)
  2. If from existing staff resources, number of staff hours: 302 days per quarter
- 

### Legal

1. Legal Requirement: Statutory requirement. Accounts and Audit Regs 2011
  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 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** New priority ones – there were 9 recommendations made following an investigation into a project that is expanded upon in part 2 of this agenda.

#### **3.4 Audit Activity and Performance**

**3.5** For the period ended 31<sup>st</sup> January 2012 we issued 114 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 investigative work.

**3.6** 89% 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 remained very positive with an average score of 4.1 out of 5 against the target of 3.

**3.7** 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 82%. Following the reorganisation of Internal Audit and change in management arrangements we will review aspects such as scoping of the audits, availability of the auditees and portfolio of work allocated to auditors given the ongoing non achievement of this target.

**3.8** The planned schools audits that had been reinstated following a management request to do so.

**3.9** **Audit activity in 2011/12** - A summary of the work undertaken to date is shown in Appendix B. Within the final reports issued against this year's plan there have been 23 substantial assurances with 6 limited assurances. The rest of the reports are either at draft stage or work in progress.

#### **3.10 Future of Internal Audit**

**3.11** We had previously reported that following the need to make a substantial cut in the audit budget of some £353K between 2011/12 and 2013/14 offset by expected income of £100K from sold services to the Royal Borough of Greenwich's Internal Audit team and Academies. The impact of such a reduction will be mainly through a reduction in salary costs with the direct and significant impact on available audit days and auditors to deliver the plan. As a result, the Internal Audit Section will reduce from 10.7 FTEs to 7 FTEs of which 2 FTEs will be utilised for sold services of about 330 days that will generate the £100K income. Therefore there will only be 4 FTEs plus a proportion of the Head of Audit time that will be utilised for the Bromley internal audit plan and investigation of fraud and malpractice.

**3.12** The 2012/13 internal audit plan that is reported elsewhere on this agenda consists of 775 days and covers most high risk areas. Medium and lower risk rated audits will be deferred to later years and only covered on a cyclical basis. In addition, given the increase in time spent on fraud and investigations and the national fraud initiative data

matching exercise (245 days in 2011/12 to date) we have allocated 100 days for 2012/13.

**3.13** The restructure when completed will result in the following :

- There will be just one manager i.e. the Head of Audit (down from 4) controlling 6 FTE's – 4 working on the Bromley audit plan and 2 on sold services.
- The audit planned days will reduce by some 36% from 1208 days to 775 days with only high risk audits being carried out. School days will reduce from 160 days to 60 days which although resource driven, also reflects conversation to academy status and the abolition of the financial management standard.
- The number of meetings of this committee will reduce from four to three. It is proposed to supplement the reduction with a couple of briefings to the Chair and Vice Chair of this committee. Last year we spent over 100 days servicing this committee and apart from the reduction in one meeting for 2012/13 we also propose to cut down on this time by having briefer reports that will be less time consuming to produce.
- Although we have allowed 100 days for fraud in 2012/13 we intend to fully utilise the services of the Royal Borough of Greenwich fraud team whenever possible and ensuring that management assist where appropriate with investigations but closely advised by internal audit.
- The restructured team should result in a leaner but efficient team.

**3.14 Housing Benefit Update**

**3.15** Since the inception of the partnership in April 2002, through to January 2012, the Council has successfully prosecuted 288 claimants to date for benefit fraud; issued 268 court summonses; given 94 formal cautions; and administered 307 penalties. The full details and appendices on trends are shown in Appendices C, D and E.

**3.16** In the case reported to the last meeting which began in 2008 resulting in recovering fraudulent overpayments by confiscation of assets using the Proceeds of Crime legislation it has now become the subject of a BBC programme highlighting notorious frauds and scams which was aired in January 2012. In this case the Police and others have acknowledged the diligence of the Investigators which led to the successful prosecution which may well have failed had it not been for the initial vigilance of Bromley staff member and the determination of the Greenwich investigating officer both of whom have been subsequently recognised for this work.

**3.17** The proposal towards a single integrated fraud service SFIS for housing benefits under the control of the DWP is still scheduled for April 2013. We had previously reported that the DWP had confirmed on 01/12/2011 that the ministerial decision made by Lord Freud is to implement option one. Option one stated that the Local Authority staff will remain employed by LAs, but operate under SFIS powers, policies, processes and priorities. At this stage it is not known how this will work in respect responsibility for sanctions i.e. prosecutions, formal cautions and administrative penalties.

**3.18 Waivers**

**3.19** We are now submitting the list of waivers across the Authority since the last report in September 2011. See appendices F and G. 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 as follows;

**3.20** There were no waivers sought in Renewal and Recreation and in Resources according to records kept by these directorates in the period from September 2011 to mid February 2012.

*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.

**3.21 Future of Public Audit**

Following the end of the consultation period with public authorities which we responded to and previously reported to this committee, the CLG published in January 2012 a 34 page document detailing appointment of an auditor from the register of local public auditors, on the advice of an Independent Auditor Appointment Panel

The Independent Audit Appointment Panel (IAAP) will have an independent chair and a majority of independent members. The Government will frame requirements in a way that will allow local public bodies to share appointment panels (and therefore independent members) to ease admin burdens and reduce costs. The Government intends to prescribe specific functions to the IAAP but it is envisaged that it would have a key role in the appointment of the auditor and monitoring the independence, quality and performance of external audit. The IAAP may also have a role in the removal of an auditor

**3.22** The appointments process will be transparent. The document hints at demarcation of responsibilities between the IAAP and the audit committee and also the possibility of interface between the two bodies.

**3.23** The document can be found at:

3.24 <http://www.communities.gov.uk/documents/localgovernment/pdf/2060619.pdf>

### 3.25 **Partnership Working**

3.26 The new Partnership agreement with the London Borough of Greenwich is working well and we have issued eight reports with four others as work in progress. We have now invoiced for £35,100 in respect of the work done. We have continued where possible, used the same auditor for carrying out similar audits in both authorities to promote consistency and knowledge of the area.

### 3.27 **Value for Money (VfM)**

3.28 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.

3.29 In our report to this committee in September 2011 we had indicated 13 audits that would be subject to a review of VfM arrangements. Six of these audits will not now be reviewed - housing register, CCTV, libraries, street cleaning, property maintenance and parks and green spaces for reasons that they been cancelled, deferred, subject to shared services or have been subject to an audit investigation. A Waste VfM review was carried out a year ago by internal audit as part of this process. Two VfM studies have been completed i.e. legal costs and children's placements and are detailed below. This leaves four that are due a review - customer contact centre, CYP safeguarding, personal budgets and residential care placements.

### 3.30 **Review of legal costs VfM arrangements**

Based on the findings of the review for Value for Money (VfM) arrangements, Internal Audit has concluded that the service scored an overall 3 (Substantially met). This was on the basis of using a methodology agreed by members of the Audit Sub-Committee to review VfM in a scoring range of 1 – 4, with 1 equating to not met and 4 equating to fully.

1. Benchmarking rated as a 4. The benchmarking carried out centrally via CIPFA's Benchmarking Group compares information from 59 councils. In the main Bromley was performing just above average in the cost of legal services.
2. Customer surveys a rating of 3 based on customer satisfaction survey's issued in 2007 and 2009 and which we have an average score of 2.3 (close to good).
3. External assessments are rated as 3 based on the Lexcel assessment that was carried out in February 2011. This report highlighted 4 areas for minor improvement, 5 areas of minor non-compliance with standards but also 5 areas of good practice.
4. Budget as 3 based on the budget in the first six months monitoring which shows the budget is predicted a small overspend as at December 2011, due to a reduction in income being received.

### 3.31 **Review of Children's Placements VfM arrangements**

Based on the findings of the review for Value for Money (VfM) arrangements, Internal Audit has concluded that the service scored an overall 3 (Substantially met). This was

on the basis of using a methodology agreed by members of the Audit Sub-Committee to review VfM in a scoring range of 1 – 4, with 1 equating to not met and 4 equating to fully

1. Benchmarking rated as a 3. The benchmarking carried out centrally via London council's compares information from 33 councils. In the main Bromley was performing above average in the commissioning areas however in the section on "Children's core assessments completed within 35 days" Our score was 61% which is below our performance indicator of 75%. This was due to problems outside the commissioning service and is improving. The commissioning Service also undertook a Gateway Review of various aspects of CCT commissioning activity in the past 12 months.

2. Customer surveys a rating of 3 based on Social Work teams using commissioning services being consulted as part of the Gateway Review process.

3. External assessments are rated as 3 based on the annual internal audit reports most recently giving the service "substantial assurance and the Social Care Ofsted inspection of Fostering dated 21/01/08 in which Bromley was rated "good" and the Key Ofsted inspection of Fostering dated 31/01/07 in which Bromley was rated "good".

4. Budget rated as 3 based on the first quarter budget monitoring which indicated a small overspend.

### **3.32 Other Matters**

**3.33** At the previous meeting members had raised a query about an insertion in one of the appendices to the report that implied only one oral quote was needed for expenditure up to £5,000. In fact this was not correct and both the financial regulations and contract procedure require one oral quote for expenditure up to £1,000 but one written quote from £1,000 up to £5,000.

**3.34** The Vice-Chairman of this committee stated that he had concerns that where the Council put a charge on a property to recoup care costs there appeared to be no check to ensure that the money was received. It was noted that these charges would be picked up as part of any conveyance process, but officers undertook to check for the next meeting. From our enquiries we have been informed that for deferred payment agreements where a charge is placed, records are kept and annual statements sent out to clients detailing how much is owed. A copy of the building insurance certificate is also requested annually together with an annual valuation statement. Other cases that are not deferred such as those for care charges are also recorded. There is a spreadsheet recording all charges. When a property is sold, Bromley are notified as part of the conveyance process and when the money has been recovered the charge is removed.

### **3.35 Risk Management**

### **3.36 Annual Governance Statement**

The preparation and publication of an AGS in accordance with the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* is necessary to meet the statutory requirement set out in Regulation 4 of the Accounts and Audit (England) Regulations 2011. This requires a relevant body to 'conduct a review at least once in a year of the effectiveness of its system of internal control' and 'to approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.'

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.

**3.29** As risk management features strongly in the AGS process this year's review is again being co-ordinated by the Risk Management Group. The purpose of the review is to provide assurance from a number of sources including Members, Chief Officers, internal and external audit, other review agencies and inspectorates that corporate governance arrangements are adequate and operating effectively; or where gaps are revealed, action is planned that will ensure effective governance in future.

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. Further guidance can be found on the Risk Management and Insurance page on onebromley:

<http://onebromley/HDol/ManKit/wikisite/Wiki%20Pages/Annual%20Governance%20Statement.aspx>

The AGS is signed off by the Chief Executive and the leader of the Council and accompanies the Annual Report and Statement of Accounts.

**3.30** Given the scale of budget cuts and ongoing uncertainties as to future funding the following significant issues were identified last year for ongoing review:

- Capacity to achieve further budget savings
- 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
- Uncertainty with the Council's major partnerships due to political changes and governance issues arising from shared services

In addition the Localism Bill, which has now been passed, contains a number of proposals which will impact on how the Council works.

We continue to monitor these issues in order that we can identify any resulting risks.

**3.31** Although the risk register is currently being updated to reflect organisational change and to feed into AGS process we attach a copy of the current high risks (see Appendix I) and the cross-cutting corporate risks (see Appendix J) for the record.



**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.

<b>Non-Applicable Sections:</b>	
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
RD/005/01/2009	<b>Review of debtors</b>	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 & Head Of Revenues & Bens.	As reported to this committee in December 2011, Liberata have put forward a proposal to undertake additional income and debt recovery functions for Bromley that would deliver estimated savings of £46K per annum over the next three years. Their approach would involve using centralised revenue collection and recovery dashboard reporting and tracking mechanisms, a bailiffs review and more robust tracing processes to deliver improved collection rates. Long term debt for ACS was also reported to ACS PDS Committee in November 2011. Audit will review long term debtors later in 2012/13 when Liberata would have had time to implement recovery procedures.	High
ACS/068/01/2009	<b>Emergency Accommodation &amp; Rent Accounts</b>	Nil Assurance	10/s	Part 2	In progress	Head of Revenues & Benefits/ Exchequer Manager	One outstanding recommendation on rent arrears will be assessed following transfer of operational control of rent accounts to Liberata.	High
RD/096/01/2010	<b>IT Disaster Recovery</b>	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 revised implementation date for this Recommendation is 01/06/2011 has slipped. Discussions with management indicate that this recommendation is being addressed but has yet to be completed.	Low
CYP/Inv/2010	<b>Primary School B</b>	N/A	1	Part 2	In Progress	HT	Part 2	High
LD/001/01/2010	<b>Out of Hours Site Security</b>	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.  This recommendation will now be followed up in Qtr 1 2012/13.	High
CYP/024/01/2011	<b>Pupil Referral Unit 2011-12</b>	Limited Assurance	1	Part 2	In Progress	Head of Access and Admissions	All relevant managers in the Behaviour service, inc Pupil Referral Service, have been formally reminded of this responsibility and issued with relevant extracts from LBB financial regulations. Compliance will be monitored by Head of Access and Admissions This will be followed up in Qtr 1 2012/13	High
R&R/Inv/2011	<b>CDM 2007</b>	N/A	9	Part 2	In progress	Director R&R	Expanded in Part 2	

The following priority one recommendations have been implemented:

- Emergency accommodation & Rent accounts - 3 of the 4 priority ones have been implemented. Rent arrears recommendation outstanding
- Childrens Centres - 8 priority 1 recommendations have been fully implemented
- Malware - Evidence of contract monitoring other documents required and documented procedures provided to audit.

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**AUDIT PLAN 2011/12 SUMMARY OF PROGRESS**

Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
<b>CHIEF EXECUTIVES</b>					
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
	<b>Follow-ups</b>				
	Training (Expenditure) f/u	2			Final Report Issued
	Single Status Audit f/u	2			Work In Progress
	Policy & Partnerships Audit f/u	2			Audit cancelled - recommendations no longer relevant as board no longer exists

**RESOURCES**

RD/CCC	Customer Contact Centre Audit	10	A review of compliance with Customer Service Standards and Getting It Right policy.	Head of Customer Service	Work In Progress
RD/FIN	Housing and Council Tax Benefits Audit	35	A review of the Housing Benefits system to include coverage of Change Of Circumstances processing and changes arising out of Central Government Policy. Key Financial Controls to be covered as part of a Fundamental System Review.	Head of Benefits and Revenue	Work In Progress
RD/ICT	Contract Management Audit	15	To cover contract monitoring arrangements under the new IT contract.	Head of ICT	Work In Progress
RD/ES	Election Expenses Audit	7	A probity review of electoral expenses.	Assistant Director, Democracy and Registration	Final Report Issued - Limited Assurance

Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
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	Final Report Issued - Limited Assurance
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)	Final Report Issued - Substantial Assurance
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	Final Report Issued - Substantial Assurance
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	Final Report Issued - Substantial Assurance
RD/FIN	Payroll-Expenses Audit	20	To include a review of Overtime claims and compliance with vetting and barring requirements for new starters.Key Financial Controls to be covered as part of a Fundamental System Review.	Revenues Manager (Operations)	Draft Report Issued - Substantial Assurance
RD/FIN	Pensions Audit	10	To include a review of school contributions to the scheme where the school does not use Resourcelink. Key Financial Controls to be covered as part of a Fundamental System Review.	Head of Finance (CYP)	Final Report Issued - Substantial Assurance
RD/FIN	Creditors-Cheque Control Audit	20	To include coverage of new cheque printing and supplier set up arrangements. Key Financial Controls to be covered as part of a Fundamental System Review. Testing of iProc controls will be covered where applicable.	Exchequer Manager	Work In Progress
RD/ICT	Virus Protection	10	A review of virus protection controls over files and data transfer.	Head of ICT	Final Report Issued - Limited Assurance
RD/ICT	Data management	10	A review of data management changes arising out of the new data classification requirements.	Head of ICT	Final Report Issued - Limited Assurance
RD/ICT	Software Licence Management	10	A review of software licence management controls.	Head of ICT	Work In Progress

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Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
ACS/CYP	Carefirst System	15	A review of system access controls in light of CYP and other areas using Carefirst (Respite and BSAP). Also to cover controls around invoicing from Carefirst.	Head of ICT	Work In Progress
RD/LDS	Legal Costs	10	This audit will assess how legal costs are budgeted for, monitored and managed.	Assistant Director, Legal & Support Services	Draft Report Issued - Substantial Assurance
RD/PRO	Prepayment Cards Audit	10	A systems based review of the control framework around pre-payment cards including monitoring arrangements and compliance with Financial Regulations.	Head of Corporate Procurement	Work In Progress
RD/PRO	Purchasing Cards Audit	10	To include a review of Purchasing Card usage and monitoring arrangements.	Head of Corporate Procurement	Draft Report Issued - Substantial Assurance
	<b>Follow-ups</b>				
	Data Quality f/u	2			Final Report Issued
	Oneway Programme f/u	2			Final Report Issued
	Disaster Recovery f/u	2			Work in Progress
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)	Final Report Issued - Substantial Assurance
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	Audit cancelled- work done by Capita

**ADULT & COMMUNITY SERVICES**

ACS/ALL	Care services charging	10	Review of financial assessments to ensure that eligibility to benefits is considered when concluding on charging. To include follow up of previous internal audit recommendations	AD Care Services	Work In Progress
ACS/HOU	Housing Grants follow-up	1	Follow up of previous internal audit recommendations	AD Housing and Residential Services	Final Report Issued
ACS/C&P	Carers Grant follow-up	2	Follow up of previous internal audit recommendations	AD Commissioning & Partnerships	Final Report Issued
ACS/ADT	Supported living	12	Review of process for assessing clients with learning disabilities for supported living. To ensure contracts are in place and Care First records are accurate. Review process for allocating personal budgets and direct payments where relevant.	AD Commissioning & Partnerships	Work In Progress

Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
ACS/CRS	Adult placements follow-up	2	Follow up of previous internal audit recommendations	AD Care Services	Final Report Issued
ACS/QUA	Investigation follow-up	2	Follow up of previous internal audit recommendations	AD Care Services	Final Report Issued
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	Youth Service plus follow-up	8	Review of new structure plus follow-up to previous recommendations	AD Learning & Achievement	Work In Progress
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	Final Report Issued
CYP/R&R	Children's placements	10	Review of process for allocating children's placements including compliance with procedures. VfM	AD Safeguarding & Social Care	Final Report Issued - Substantial Assurance
CYP/R&A	Children in Care follow-up	2	Follow-up previous recommendations	AD Safeguarding & Social Care	Work In Progress
CYP/R&A	Fostering & Adoption follow-up	2	Follow-up previous recommendations	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	2	Follow-up previous recommendations	AD Safeguarding & Social	Final Report Issued
CYP/PRU	Pupil Referral Unit	Unplanned	Request from management	Head of Behavioural Unit	Final Report Issued
CYP/ACC	Children & Families	Unplanned	Issues arising from investigation	Director CYP	Final Report Issued
	<b>Schools</b>				
CYP/PRI	Alexandra Junior 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	Blenheim 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



Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
CYP/PRI	Edgebury Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/PRI	Holy Innocents 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	Manor Oak Primary School	3.25	School Audit	Head Teacher	Work in Progress
CYP/PRI	Poverest Primary School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/SEC	Burwood School	3.25	School Audit	Head Teacher	Final Report Issued - Substantial Assurance
CYP/PRI	St Vincent's Catholic 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	The Glebe School	3.25	School Audit	Head Teacher	Draft Report Issued - Substantial Assurance
CYP/PRI	Balgowan Primary School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Biggin Hill Primary School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Darrick Wood Primary School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Green St Green Primary School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Hayes Primary School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Pickhurst Infant School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Pickhurst Junior School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Stewart Fleming Primary School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Valley Primary School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Warren Road Primary 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	Bullers Wood School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Cator Park School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Charles Darwin School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued

Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
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
CYP/SEC	Kelsey Park Sports College	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Langley Park School for Boys	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	Langley Park School for Girls	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/SEC	Ravens Wood School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/SEC	The Priory School	3.25	Closure Audit Academy	Head Teacher	Work in Progress
CYP/SEC	The Ravensbourne School	3.25	Closure Audit Academy	Head Teacher	Final Report Issued
CYP/PRI	Balgowan Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Burnt Ash Primary School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	Churchfields Primary School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	Crofton Infant School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	Darrick Wood Infant School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	Gray's Farm Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Hillside Primary School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	Marian Vian Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Midfield Primary School	1	Follow Up	Head Teacher	Final Report Issued
CYP/PRI	Mottingham Primary School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	Parish CE Primary School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	Perry Hall 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	Royston Primary School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	St Mark's CE Primary School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	St Mary's Catholic Primary School	1	Follow Up	Head Teacher	Work in Progress

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Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
CYP/PRI	Southborough Primary School	1	Follow Up	Head Teacher	Work in Progress
CYP/PRI	Tubbenden Primary School	1	Follow Up	Head Teacher	Work in Progress
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/SPE	Marjorie McClure School	1	Follow Up	Head Teacher	Work in Progress
CYP/SEC	Hayes Secondary Academy	Unplanned	Academy Responsible Officer Report 1	Head Teacher	Final Report Issued
CYP/SEC	Langley Park School for Boys	Unplanned	Academy Responsible Officer Report 1	Head Teacher	Final Report Issued
CYP/SEC	Langley Park School for Boys	Unplanned	Academy Responsible Officer Report 2	Head Teacher	Final Report Issued
CYP/SEC	Langley Park School for Boys	Unplanned	Academy Responsible Officer Report 3	Head Teacher	Work in Progress
CYP/SEC	Ravens Wood School	Unplanned	Academy Responsible Officer Report 1	Head Teacher	Final Report Issued
CYP/SEC	Ravens Wood School	Unplanned	Academy Responsible Officer Report 2	Head Teacher	Final Report Issued
CYP/SEC	Ravens Wood School	Unplanned	Academy Responsible Officer Report 3	Head Teacher	Final Report Issued
CYP/PRI	Balgowan Primary School	Unplanned	Academy Responsible Officer Report 1	Head Teacher	Work in Progress
CYP/PRI	Biggin Hill Academy Trust	Unplanned	Academy Responsible Officer Report 1	Head Teacher	Final Report Issued
CYP/PRI	Hayes Primary Academy	Unplanned	Academy Responsible Officer Report 1	Head Teacher	Final Report Issued
CYP/PRI	Pickhurst Infant School	Unplanned	Academy Responsible Officer Report 1	Head Teacher	Work in Progress
CYP/PRI	Valley Primary Academy	Unplanned	Academy Responsible Officer Report 1	Head Teacher	Final Report Issued

**ENVIRONMENTAL SERVICES**

Page 75 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	Draft Report Issued - Limited Assurance
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	Draft Report Issued - No Assurance
ENV/SAG	Street services follow-up	2	Follow-up of recommendations	AD Streetscene & Greenspace	Work In Progress

Dept	Audit	Planned Days	Coverage	Responsible Officer	Audit Outcome/Status
ENV/TAH	Transport planning follow-up	2	Follow-up of recommendations	AD Transport & Highways	Work In Progress
ENV/TDG	Emergency Planning follow-up	2	Follow-up of recommendations	AD Public Protection	Work In Progress
ENV/TDG	Licensing follow-up	2	Follow-up of recommendations	AD Public Protection	Work In Progress
ENV/TAH	New Street Deposits	Unplanned	Investigation into New Street Deposits	AD Transport & Highways	Final Report Issued
ENV/PKS	Investigation	Unplanned	Investigation in ENV	AD Streetscene & Greenspace	Draft Report Issued

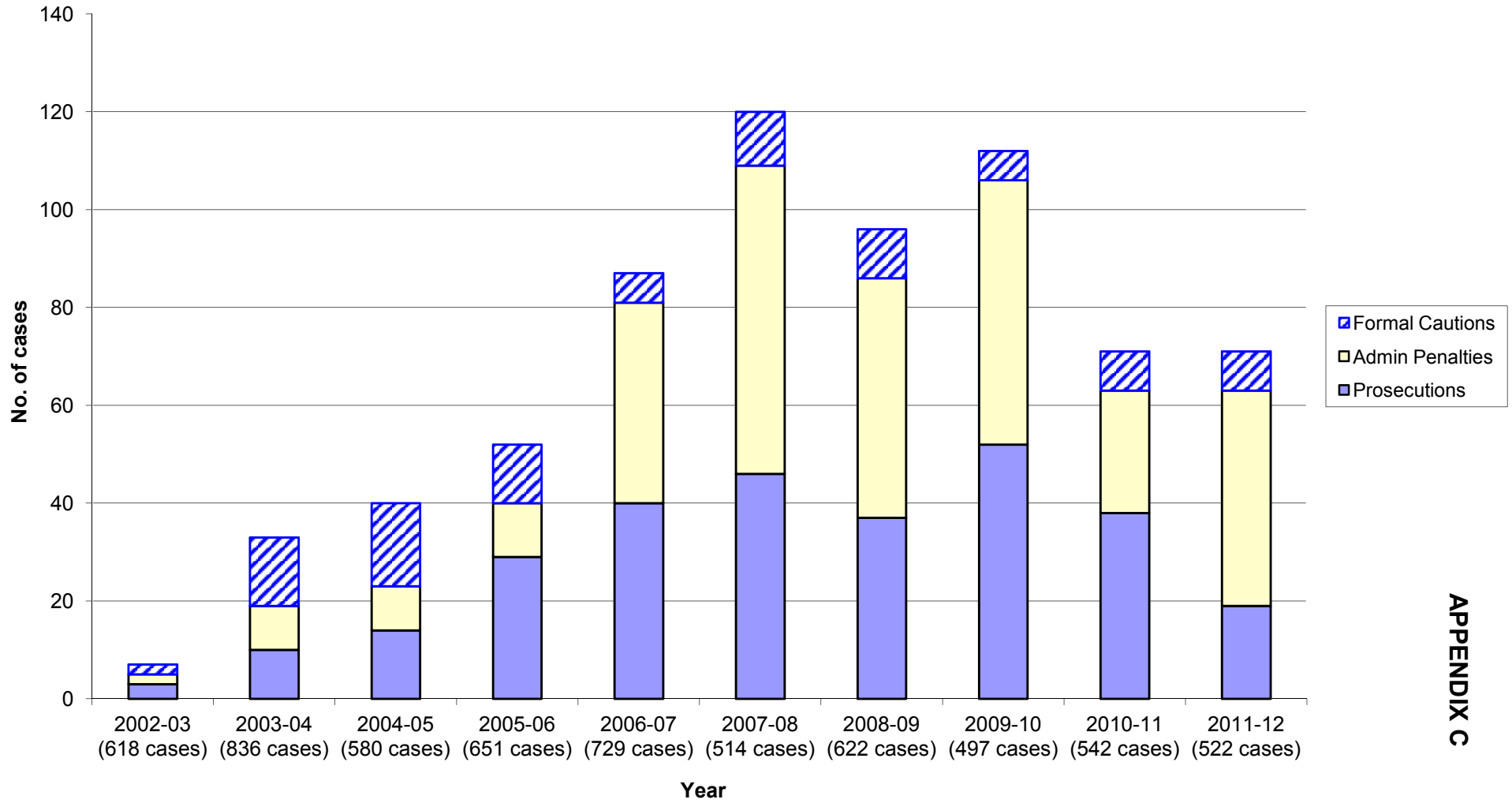
**RENEWAL & RECREATION**

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

**OTHER**

	Greenwich Audits			4 Audits	Final Report Issued
				4 Audits	Draft Report Issued
				4 Audits	Work in Progress

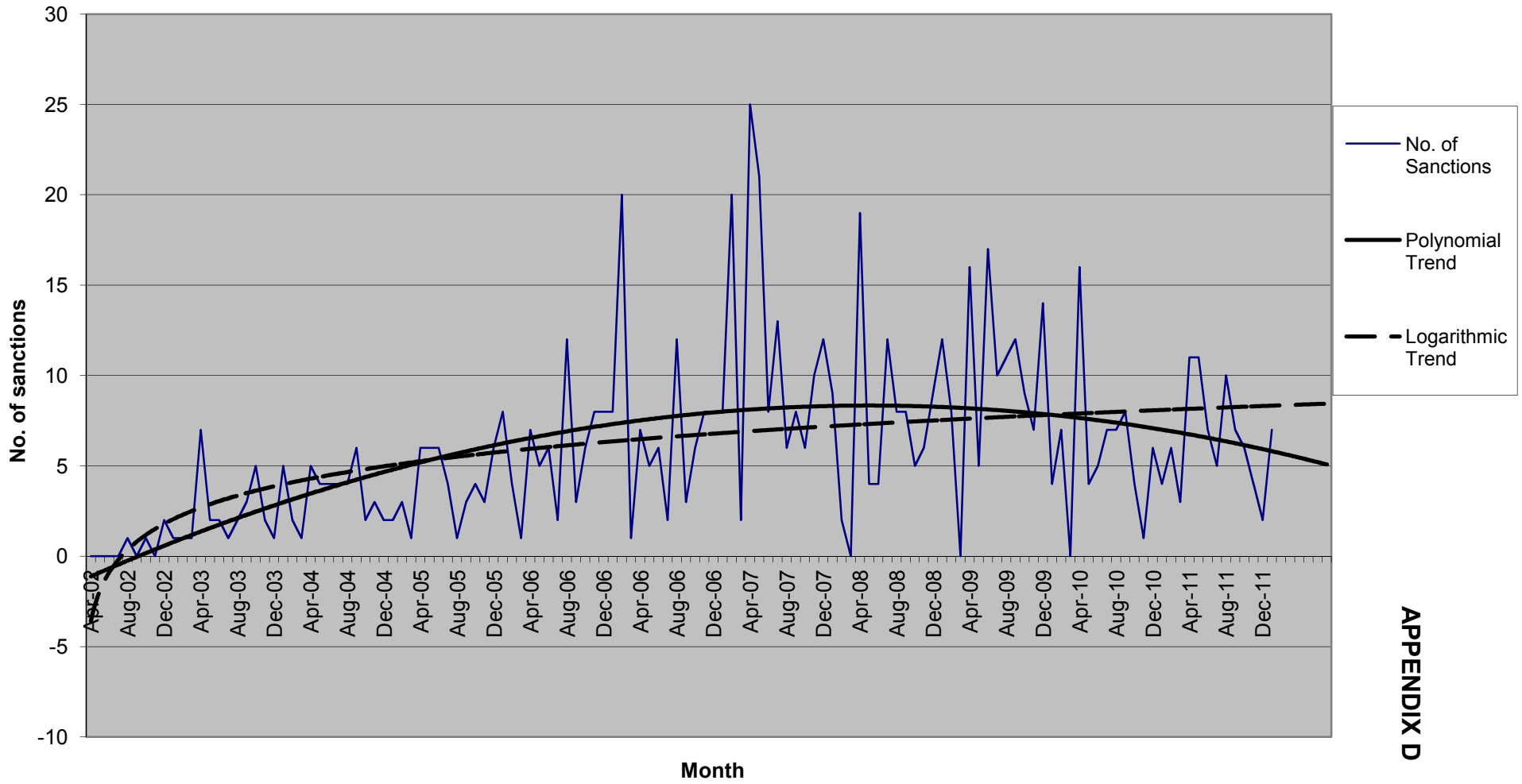
### HB Sanctions - Annual Comparison



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### Sanctions Trend

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



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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		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

2011/12	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	52	60	56	57	30	64	58	68	31	46			522
Confidential Hotline	23	11	11	10	4	13	15	11	8	6			112
Interviews	18	28	24	21	19	10	16	18	17	18			189
Claimant Visits	10	10	4	3			1	6	6	4			44
Prosecutions	4	1	2		1	3	2	2		4			19
Court Summonses		3	1	4	4		7	3		1			23
Admin Penalties	6	10	4	5	8	3	4	2	1	1			44
Formal Cautions	1		1	1	1	1			1	2			8

Waivers - From  
September 2011

Waivers > £50,000 <£100,000						
DIRECTORATE	SERVICE AREA	ANNUAL AMOUNT	DETAILS	PERIOD FROM	PERIOD TO	APPROVAL
CYP	Early years	55,500	Support to Early Years Settings in the Private and Voluntary Sector and delivery of 'Two Year Old' Pilot	01/09/11	31/03/12	Approved by Director CYP; Director of Resources; Finance Director. Six month contract awarded via exemption. Originally planned to go out to tender, but holding contract put in place pending delayed government legislation on the requirements of the specification.
CYP	Commissioning and Children's Education Services	56,276.00	Placement contract	01/09/11	31/03/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Commissioning and Children's Education Services	63,010.00	Placement contract	01/09/11	31/03/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Commissioning and Children's Education Services	63,524.00	Placement contract	01/09/11	31/03/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Commissioning and Children's Education Services	80,598.00	Placement contract	01/09/11	31/03/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	73,200	Community Homes with Education placement	01/04/11	31/03/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	70,627	Community Homes with Education placement	01/04/11	08/09/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	96,258	Community Homes with Education placement	01/04/11	11/10/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	85,518	Boarding Schools placement	04/09/11	16/12/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	64,087	Boarding Schools placement	01/04/11	12/07/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	86,358	Boarding Schools placement	03/07/11	08/10/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care	50,065	Fostering Independent	01/04/11	06/10/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care	94,112	Fostering Independent	01/04/11	06/12/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care	50,281	Fostering Independent	01/04/11	12/12/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	73,200	Community Homes with Education placement	01/04/11	31/03/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	72,252	Community Homes with Education placement	01/04/11	20/03/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee

CYP	Social Care/SEN	96,258	Community Homes with Education placement	01/04/11	04/01/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	92,415	Boarding School placements	01/04/11	06/01/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care/SEN	85,518	Boarding School placements	04/09/11	16/12/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care	57,513	Fostering Independent	01/04/11	06/01/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Social Care	53,428	Fostering Independent	31/05/11	31/10/11	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
CYP	Education	51932	Commissioning and Children's Education Services	01/04/11	31/03/12	Approved by Director of Children and Young People's Services. Reported to CYP PDS Committee
All Directorates	Transport Operations, Central Depot	£83,779	Consideration for Agreement to Extend the Contract for the Provision of Motor Vehicles by Contract Hire with Full Maintenance - London Hire Ltd	06/11/12	05/11/13	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources and Director of Environment services
ENV	Parking Services	Parkeon -£61,864, Parkare - £4,153. Total £ 66,017. Contained within 2011/12 budget	Purchasing of Coin Selectors for Pay & Display Machines from Parkeon Ltd and Parkare Group	17/01/12	N/A	Chief Officer obtained approval of the Director of Legal, Democratic and Customer Services and Director of Resources and Director of Environment services
ACS	Inspire Community Trust - Direct Payment support services	92,159	To facilitate the transfer of simple DP management to Care Management	01/04/11	30/09/11	Approved by Director of ACS and Portfolio holder
ACS	Stonham Housing Association (part of Home Group) Supported Accommodation for Ex-Offenders	69,220	Extended to allow for retendering of ex-offenders service	01/04/11	31/10/11	Approved by Director of ACS and Portfolio holder
ACS	John Draper Minor Adaptations	66,000	Extension to allow completion of a major options appraisal for the service	01/07/09	31/03/12	Approved by Director of ACS and Portfolio holder. ACS PDS 14/6/11
ACS	Inspire Community Trust - Direct Payment support services	92,159	To facilitate the transfer of simple DP management to Care Management	01/10/11	31/03/12	Approved by Director of ACS and Portfolio holder
ACS	Kent Association for the Blind	99,614	To await the results of KAB audit before considering bringing the service in house	01/04/12	31/03/13	Approved by Director of ACS and Portfolio holder. PDS 14/12/11

ACS	Deaf Access	58,461	Extended as sole provider. Negotiated savings on contract cost going forward.	01/04/12	31/03/13	Approved by Director of ACS and Portfolio holder PDS 14/12/11
ACS	Shaw Trust - Bromley Local Involvement Network (LINK)	90,000	Extension to allow for the implementation of Healthwatch	01/04/12	31/03/13	Approved by Director of ACS and Portfolio holder
ACS	Nursing Home	64,676	Placement	26/07/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	52,722	Placement transferred from the PCT	01/04/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	67,776	Placement transferred from the PCT	01/04/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	89,806	Placements	04/07/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Nursing Home	57,357	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	159,406	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	63,338	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	128,184	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	89,806	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	89,806	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	89,806	Placements	01/08/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Residential	125,143	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Supp Living	72,303	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder
ACS	Residential Care	53,186	Placements	01/09/11	N/A	Approved by Director of ACS and Portfolio holder

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Waivers from  
September 2011

Waivers > £100,000						
DIRECTORATE	SERVICE AREA	ANNUAL AMOUNT	DETAILS	PERIOD FROM	PERIOD TO	APPROVAL & COMMENTS
CYP	Social Care/ SEN	131,965	Community Homes with Education placement	16/06/11	15/09/11	Financial commitment figure represents full year cost and is SEN 13.46%, SS 86.54%. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care/ SEN	112,003	Community Homes with Education placement	01/04/11	30/09/11	Financial commitment figure represents full year cost and is SEN 28.5%, SS 71.5%. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care/ SEN	136,481	Community Homes with Education placement	01/04/11	11/10/11	Financial commitment figure represents full year cost and is SEN 23%, SS 77%. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	156,794	Community Homes with Education placement	01/04/11	13/11/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care/ SEN	138,440	Community Homes with Education placement	01/04/11	15/09/11	Financial commitment figure represents full year cost and is SEN 24%, SS 76%. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	203,112	Community Homes with Education placement	01/04/11	25/10/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care/ SEN	137,451	Community Homes with Education placement	01/04/11	02/10/11	Financial commitment figure represents full year cost and is SEN 11.47%, SS 88.53%. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS.
CYP	Social Care	112,177	Community Homes placement	08/07/11	09/12/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	105,650	Community Homes placement	01/04/11	06/10/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	149,013	Community Homes placement	01/04/11	08/11/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	118,318	Community Homes placement	29/06/11	09/11/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS

CYP	Social Care	119,686	Community Homes placement	22/06/11	21/09/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	130,713	Community Homes placement	01/04/11	03/11/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	107,781	Community Homes placement	23/07/11	31/10/11	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Education	256,736	Commissioning and Children's Education Services	01/09/11	31/03/12	Financial commitment relates to full financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Children With Disabilities	227,709	Boarding School	17-Aug-11	30th June 2012	Looked after child placement. Start date: 17Aug11 Funding agreed on an annual basis. 50:50 split funding with SEN. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Children With Disabilities	197,531	Community Homes with Education	29-Jul-11	31st October 2011	Looked after child placement. Start date: 29Jul11 Funding agreed on an annual basis. 50:50 split funding with SEN. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	137,500	Bromley Welcare	01/09/11	31/03/12	Approved by CYP Portfolio Holder at CYP PDS July 2011. Holding contract put in place pending service review followed by open and competitive tendering for contracts commencing from April 2012 as appropriate.
CYP	Social Care	131,965	Community Homes with Education	16/06/11	15/12/11	Financial commitment figure represents full year cost and is SEN 13.46, SS 86.54%. Approved by Director of CYP. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	112,003	Community Homes with Education	01/04/11	31/10/11	Financial commitment figure represents full year cost and is SEN 28.5%, SS 71.5%. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	136,481	Community Homes with Education	01/04/11	11/01/12	Financial commitment figure represents full year cost and is SEN 23%, SS 77%. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	203,112	Community Homes with Education	01/04/11	25/01/12	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS



CYP	Social Care	105,620	Community Homes	01/04/11	06/01/12	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	130,713	Community Homes	01/04/11	11/01/12	Fee shown is to end of financial year. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	107,781	Community Homes	23/07/11	18/01/12	Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS. Fee shown is to end of financial year
CYP	Education	227,708	Commissioning and Children's Education Services	17/08/11	31/03/12	Financial commitment relates to full financial year split 50/50 with CDS. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	£179,688	Spec Comm Home	01-May-05	01-Jun-12	Looked after child placement. Start date: 1May05. Funding agreed on an annual basis. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care/PCT	£197,531	Spec Comm Home	09-Apr-09	01-Jun-12	Looked after child placement. Start date: 9Apr09. Funding agreed on an annual basis. 50/50 split funding with PCT. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
CYP	Social Care	£172,206	Spec Comm Home	28-Apr-11	01-Jun-12	Looked after child placement. Start date: 28Apr11. Funding agreed on an annual basis. Approved by Director of CYP. Approved by CYP Portfolio Holder at CYP PDS
ACS	Avenues Trust support at Swingfield Court	1,040,000	Rolling contract, renewed for another year. Payment on invoice basis	22/06/09	21/06/12	First reported to the Executive on 30th March 2009, (exempt minutes no 198), then on 17th June 2009. An extension to the original 2 year contracts as part of the provision for annual extensions (up to 5 years). Extension approved by the Director of ACS. Reported to ACS PDS 14/6/11
ACS	Avenues Trust support at 213 Widmore Road	416,000	Rolling contract, renewed for another year. Payment on invoice basis	20/06/09	19/06/12	Approved by the Director of ACS. Reported to ACS PDS 14/6/11
ACS	ICES Home Loan Equipment	317,340	Extension while service review is completed	01/04/11	02/04/12	Approved by the Director of ACS. Reported to ACS PDS 14/6/11

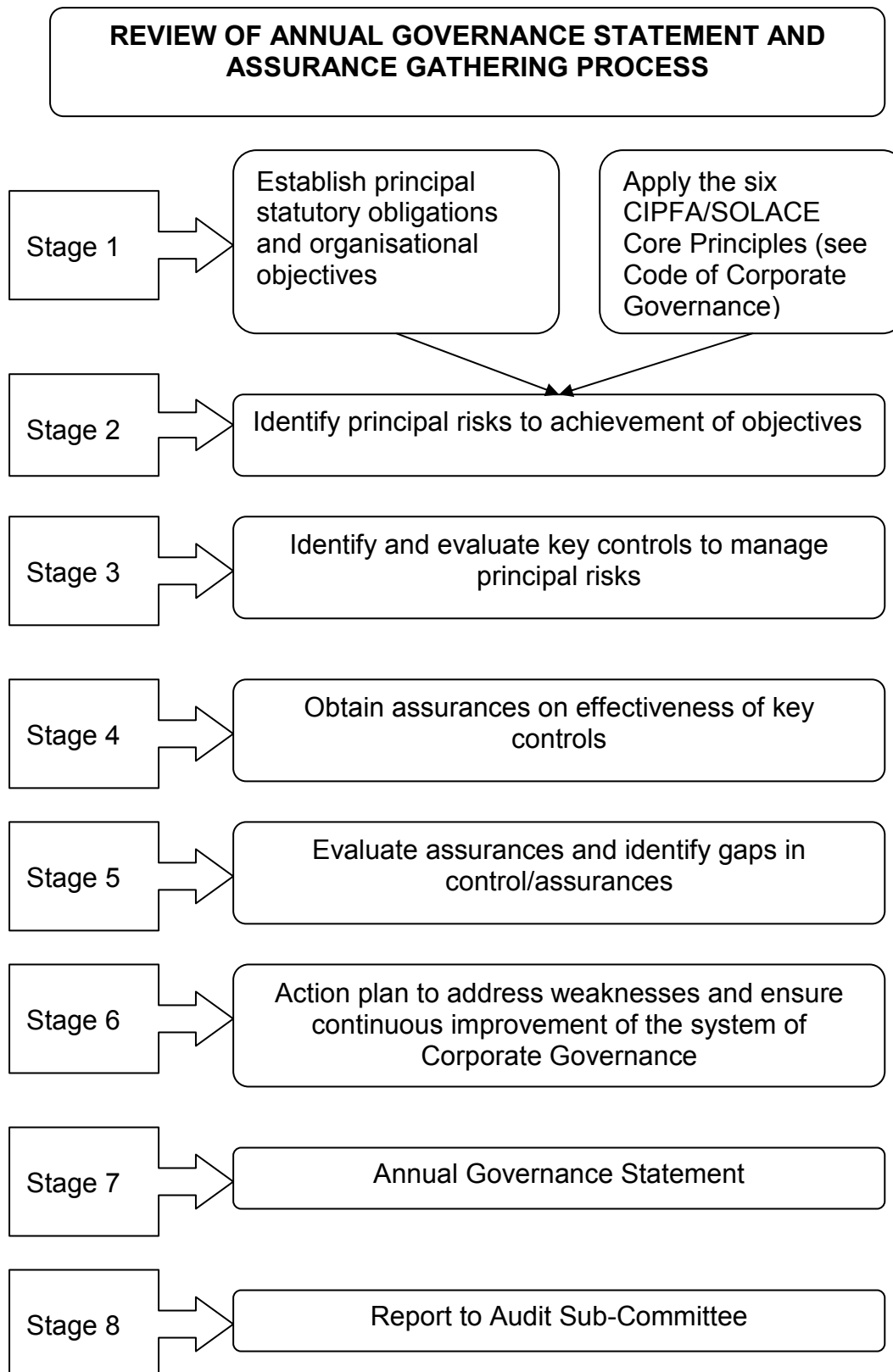
ACS	MCCH - Interim support for Tugmutton and Ashtree Close	182,400	Interim contract pending completion of clients permanent homes	04/07/11	30/11/11	Approval by Director of ACS. Reported to ACS PDS on 29/06/2011
ACS	Avenues Trust support at The Elms and Brosse Way	416,000	Align to other Supported Living Contracts	01/10/08	30/09/13	Approval by Assistant Director of ACS. Reported to Executive on 7/9/11
ACS	Citizens Advice Bureau - General and Housing services	294,049	Extension while considering alternate arrangement	01/11/11	31/03/12	Approval by Director of ACS and portfolio holder.
ACS	Mission Care - Intermediate Care	900,458	Extension while retendering is considered	29/11/05	29/11/13	Approval by Director of ACS and portfolio holder.
ACS	Community Links Bromley - Core Funding and Volunteer Centre	155,271	Extension for 6 months to allow determination of council budget.	01/10/11	31/03/12	Approval by Director of ACS and portfolio holder.
ACS	BAT Winsford House	185,720	To allow time for service users to switch to direct payments	01/10/11	31/03/12	Approval by Director of ACS and portfolio holder.
ACS	Carers Bromley Respite at Home Services	100,204	Continue service to allow Gateway review	01/03/12	31/08/12	Approval by Director of ACS and portfolio holder.
ACS	Bromley Mind Respite at Homes Services	122,678	Continue service to allow Gateway review	28/02/12	31/08/12	Approval by Director of ACS and portfolio holder.
ACS	Supp Living	137,660	Placement	01/04/2011	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Supp Living	108,816	Placement	04/07/2011	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Supp Living	108,816	Placement	04/07/2011	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Supp Living	108,816	Placement	04/07/2011	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Supp Living	108,816	Placement	04/07/2011	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Supp Living	108,816	Placement	04/07/2011	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Supp Living	108,816	Placement	04/07/2011	n/a	Approved by the Director of ACS. Reported to ACS PDS

Waivers over £100,000

Appendix G

ACS	Supp Living	108,816	Placement	04/07/2011	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Supp Living	159,406	Reprovision	01/09/11	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Supp Living	128,184	Reprovision	01/09/11	n/a	Approved by the Director of ACS. Reported to ACS PDS
ACS	Residential	125,143	Placement	01/08/11	n/a	Approved by the Director of ACS. Reported to ACS PDS

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Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
ACS/HSD.0370	Adult and Community Services	Housing	Housing Development	Lack of availability of Capital Grant to deliver key schemes for range of client groups and corporate / portfolio plan priorities especially from 2011/14 Housing Communities Agency (HCA) programme  Financial - Operational	David Gibson	<b>Controls:</b> 1. Areas identified ----- <b>Actions:</b> - Planning to address impact
ACS/HSD.0372	Adult and Community Services	Housing	Housing Development	Lack of planning permission. Significant reduction in applications and starts due to recession.  Financial - Operational	David Gibson	<b>Controls:</b> 1. Areas identified ----- <b>Actions:</b> - Planning to address impact
ACS/HSN.0371	Adult and Community Services	Housing	Housing Needs	Housing client pressures and the effects of bed and breakfast accommodation. Rising use and cost of B&B.  Social - Strategic (sub: Operational - Financial)	David Gibson	<b>Controls:</b> 1. Housing avoidable contact Project 2. Continue to focus on preventing homelessness and diversion to alternative housing options ----- <b>Actions:</b> - Seeking new and alternative forms of temporary accommodation and supply
CEX/COM.0007	Chief Executive's	Communications	Communications	Failure to handle crisis communications in a major incident correctly  Political - Strategic	Chief Executive	<b>Controls:</b> 1. Emergency plan 2. Close liaison with Emergency Services 3. Liaison with team, periodic refresher training 4. Well trained senior spokesperson 5. Learning from London Resilience Team, Home Office Guidance etc. ----- <b>Actions:</b> - Regular refresher sessions on communications issues with wider team - Assessment of communications training needs of senior plan officers / spokesperson - Review of resources available to staff communications activities (media, public helplines etc.)

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
CEX/IEE.0353	Chief Executive's	Organisational Improvement	Improvement, Effectiveness and Efficiency	<p>Failure to deliver on efficiency projects with the Organisational Improvement Programme will result in savings having to be made elsewhere, for example frontline services</p> <p>Political - Strategic</p>	Chris Spellman	<p><b>Controls:</b></p> <p>1. Programme Board set up chaired by Chief Executive with cross-organisation representatives and monthly monitoring reports</p> <p>-----</p> <p><b>Actions:</b></p> <p>- Closer Member engagement and involvement in OIP process</p>
CYP/ALL.0245	Children and Young People	All CYP Divisions	All CYP Sections	<p><b>Council Budget Savings</b></p> <p>CYP contribution of £6.8m towards 2011/12 and 2012/13 savings has an adverse impact on CYP service delivery and jobs.</p> <p>As at Jan 2012, the CYP contribution towards 2012/13 savings is being consulted upon.</p> <p>Risk that budget savings within CYP will leave insufficient financial resources for the CYP Dept to discharge its statutory responsibilities and key priorities.</p> <p>Flagged as 'Corporate Risk' due to severity of cuts and the number of redundancies arising from the cuts.</p> <p>Financial - Operational</p> <p>(See also CYP/149-0272 - cuts to Govt Grant Funding)</p>	Director CYP / Chief Executive	<p><b>Controls:</b></p> <p>1. Existing financial risk management strategies. 2. Medium Term Financial Strategy.</p> <p>-----</p> <p><b>Actions:</b></p> <p>- 2010/11 in-year Government grant reductions of £1.4m within CYP Services. - Report DCYP11020 to CYP PDS 24/1/11 identified £6.8m CYP savings for 2011/12 and 2012/13 for consultation. - All CYP savings except funding for the Volunteers in Child Protection Project approved at 28/2/11 Council meeting. Council agreed additional funding for SEN children entitled to transport provision, referrals into Children's Social Care and Children's Placements. - Production of Action Plan to monitor and review achievement of savings and their effect. - Report DCYP12012 to CYP PDS 24/1/12 identified further budget savings for 2012/13 and 2013/14 for consultation. - Decision on Council Budget for 2012/13 to be made at 1/2/12 Executive meeting-endorsement by Full Council 20/2/12.</p> <p>-----</p> <p><b>Financial Implications:</b></p> <p>- Savings are embedded in the budget. Risks being monitored monthly by managers/finance to see the potential financial impact of this.</p>



Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
CYP/ALL.0247	Children and Young People	All CYP Divisions	All CYP Sections	<p><b>Inspections - CYP Services</b></p> <p>Risk of poor inspection outcomes for CYP Services.</p> <p>Annual Ofsted inspection of Children's Services (Nov 2011) resulted in a Rating of 3 out of 4 - 'Performs Well'.</p> <p>Professional - Operational</p>	Director CYP	<p><b>Controls:</b></p> <ol style="list-style-type: none"> <li>1. Robust performance management at manager, Member and Partnership Board level.</li> <li>2. Learning from other local authorities.</li> <li>3. Good project management and achievement of key milestones.</li> </ol> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Strengthen areas of weakness.</li> <li>- CYP Plan achieves desired outcomes.</li> <li>- Strive for 'outstanding' judgements in 2011 inspections through robust monitoring and review of service provision and good preparation for scheduled inspections.</li> <li>- Production of Action Plans following inspections.</li> </ul>

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
CYP/ALL.0272	Children and Young People	All CYP Divisions	All CYP Sections	<p><b>Government Grant Funding</b></p> <p>Adverse impact of withdrawal of Government Grants on CYP Service delivery and jobs.</p> <p>2010/11 in-year Government grant reductions of £1.4m within CYP Services. Flagged as 'Corporate Risk' due to the severity of the cuts and the number of redundancies arising from the cuts.</p> <p>In 2011/12 Grants such as Standards Funds &amp; Surestart Grant were either withdrawn by Govt completely or amalgamated into other non-ringfenced grant such as Early Intervention Grant.</p> <p>(See also CYP/ALL.0245 - Council Budget Savings)</p> <p>Financial - Operational Economic - Strategic</p>	Director CYP / Chief Executive	<p><b>Controls:</b></p> <p>1. Continue to monitor Coalition Government announcements to react to financial/statutory changes.</p> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Report DCYP10114 identified the savings to be made to meet the £1.4m reduction.</li> <li>- Achievement of savings required changes in planned service activity and staff re-organisation.</li> <li>- Invoke established HR procedures for managing redundancies and redeployment.</li> <li>- Investigate potential for sold services.</li> </ul> <p>-----</p> <p>Financial Implications:</p> <ul style="list-style-type: none"> <li>- In year not a huge impact now as this has been managed. DSG reductions are known and are managed. The huge issue/risk here are the future funding cuts. LACSEG cuts in RSG will affect CYP and all other departments. It could be as much as £6.25m. This is being looked at corporately. The more academies we have the greater the impact it will have on both RSG and DSG clawback.</li> <li>- Generally the cuts in LA funding will have an impact as CYP will have to find additional savings in future years like all other departments. There is a risk around whether we can provide our statutory duties and whether there is the critical mass to provide services to the schools that remain maintained. Council is lobbying Govt on these issues.</li> </ul>

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
CYP/ALL.0374	Children and Young People	All CYP Divisions	All CYP Services	<p><b>Academy Status</b></p> <p>Impact of Academies Act - uptake of Academy Status by schools results in following risks:</p> <ul style="list-style-type: none"> <li>- financial; loss of budget to CYP Dept and Council as a whole;</li> <li>- strategic; implications for LA strategic responsibilities e.g. pupil place planning, school org'n, pupil adms, SEN position, excluded pupils, School Improvement, safeguarding, child protection, Looked After Children;</li> <li>- local Education framework; unity, cohesion, collective accountability, future capacity of the Local Authority.</li> </ul> <p>The more schools that attain Academy Status the higher the impact.</p> <p>Financial threat to the Local Authority as a whole has resulted in this being flagged as a 'Corporate' Risk.</p> <p>Financial - Operational</p>	Director CYP / Chief Executive	<p><b>Controls:</b></p> <p>1. Monitor and review Government announcements and plan accordingly.</p> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Assess and manage impact and plan accordingly; 15 of the 17 Sec Schools &amp; 10 of the 74 Primary Schools had attained Academy Status by Dec 2011.</li> <li>- LBB Finance Officers are modelling the financial implications to enable assumptions to be made about 'Top Slicing' - this will include CYP functions, HR, Property, Finance and Legal Services.</li> <li>- Investigate selling Council Services to schools.</li> </ul> <p>-----</p> <p>Financial Implications:</p> <ul style="list-style-type: none"> <li>- The uncertainty of the actual number of schools becoming academies, and the timing of the in year reduction to DSG funded services. There are time delays between being able to reduce expenditure (downsizing of services, HR rules etc.) and the funding being removed from the LA.</li> <li>- Removal of DSG funding from centrally funded CYP Services. This is dependent upon the actual number of conversions, but there is a risk that there may be insufficient remaining funding to deliver the statutory support functions to schools remaining LA maintained.</li> <li>- Removal of RSG for 2012/13 ltd to £1.4m already known about in previous budget rounds. 2013/14 potential top slice remains unclear-current estimates suggest add'l £3m will be removed from the budget. Potential that RSG would not accurately reflect the savings that could be achieved or leave sufficient funding for statutory or regulatory functions.</li> <li>- Potentially huge cuts in RSG and DSG in 2013/14.</li> <li>- Issues around further reductions in Council services as a result of this, implications on sold services.</li> </ul>

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
CYP/SAA.0320	Children and Young People	Education	School Improvement Services	<p><b>School Standards - Under-Performance in Primary Schools</b></p> <p>Failure to improve under-performance in Primary Schools against a background of down-sizing the School Improvement Service as a result of re-organisation following Departmental budget reductions. The reduction in the number of inadequate primary schools was one of the 2 priorities for action identified in the Annual Ofsted inspection of Children's Services (Dec 2010).</p> <p>Sustain and improve standards in Bromley schools and deal effectively with the schools causing concern.</p> <p>Professional - Operational</p>	AD Education	<p><b>Controls:</b></p> <p>1. Primary School Improvement Policy.</p> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Re-organisation of School Improvement Service spring 2011.</li> <li>- Aim of primary school improvement policy is to raise standards in all Bromley schools and reduce disparity of performance.</li> <li>- Ensure early intervention in schools where there is cause for concern.</li> <li>- Target support to bring schools out of special measures.</li> <li>- Categorise schools according to need and deploy resources appropriately to ensure bespoke support/challenge.</li> <li>- Evaluate effectiveness of the support provided to schools causing concern through detailed plans for improvement and ensure accountability rests with school stakeholders.</li> </ul> <p>-----</p> <p><b>Financial Implications:</b></p> <ul style="list-style-type: none"> <li>- If schools start to fail and/or school standards start to fall we may have to put funding in to support this. This is a LA function. However this would be limited as funding already cut. May have to use schools funding to support this. Schools moving to academies would mean we would not have this responsibility. As schools turn to academies there is also a risk of the LA not having the critical mass to offer services to the remaining schools.</li> </ul>
ENV/ALL.0157	Environmental Services	All ENV Divisions	All ENV Sections	<p>Operational Emergencies (e.g. extreme heat, storms, floods, snow)</p> <p>Physical - Operational</p>	All ENV ADs	<p><b>Controls:</b></p> <p>1. Emergency Plan</p> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Cross discipline trained Local Authority Liaison Officers</li> <li>- Invicta out of hours service - published number and escalation procedure</li> </ul>
ENV/CSS.0209	Environmental Services	Customer and Support Services	All CSS Sections	<p>Failure to implement and keep up-dated effective council-wide Business Continuity Plans</p> <p>Reputational - Strategic</p>	Steve Lewis	<p><b>Controls:</b></p> <ol style="list-style-type: none"> <li>1. Key critical systems identified</li> <li>2. Updating Business Continuity Plan and database (Civil Contingencies Act 2004)</li> <li>3. Emergency Planning and Business Continuity training</li> </ol> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Individual service continuity plans need updating annually</li> <li>- Contractors' BCPs to be checked</li> </ul>

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
R&R/TCD.0281	Renewal and Recreation	Planning	Town Centre Development	Failure to secure development on key sites due to the downturn in the economy  Economic - Strategic	Kevin Munnelly	<b>Controls:</b> 1. Renewal team to proactively seek to broker developer interest ----- <b>Actions:</b> - In tandem with the Area Action Plan (AAP) currently being implemented to continue dialogue with interested parties, development agents and consultants
RES/ALL.0075	Resources	All RES Divisions	All RES Sections	Failure to deliver project stated aims within timescale or budget as a result of project management failings  Personnel - Operational	All RES Managers	<b>Controls:</b> 1. Effective training in project management techniques ----- <b>Actions:</b> - Identify key management staff - Through PADS/PRP, identify need for and provide project management training
RES/ALL.0077	Resources	All RES Divisions	All RES 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 RES Managers	<b>Controls:</b> 1. Register of all relevant statutory requirements 2. Regular review of compliance 3. Effective training of managers in requirements of relevant legislation ----- <b>Actions:</b> - Identify, document and review all relevant statutory requirements - Identify and train all staff responsible for meeting statutory requirements
RES/ALL.0099	Resources	All RES Divisions	All RES Sections	Failure to meet the current and changing needs of customers; risk of censure at local level  Customer / Citizen - Strategic	Director RES / Joy Connor	<b>Controls:</b> 1. Systematic consultation 2. Robust internal customer service standards 3. Continuous learning and feedback ----- <b>Actions:</b>

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
RES/FIN.0019	Resources	Finance	All Finance Sections	<p>Systems for identifying and alerting managers on budgetary failures</p> <p>Financial - Operational</p>	Pete Turner	<p><b>Controls:</b></p> <ol style="list-style-type: none"> <li>1. Monthly budget monitoring to DMTs, and COE after reporting to service managers. Annual timetable produced, standards agreed and implemented</li> <li>2. Reports during June to March period with early warnings/key budget areas identified during remainder of year.</li> <li>3. Escalation routes agreed re overspend areas including option of early reporting to Members</li> <li>4. Review and continuation of Heads of Finance obtaining 'sign off' budget monitoring statements with managers establishing the robustness of the systems</li> <li>5. Heads of Finance required to review systems and introduce improvements</li> <li>6. Further review of key budget systems where high risk of volatility in projections e.g. SEN, SS placements, parking income and report impact of recession</li> <li>7. Budget monitoring reports to include identification of impact on future years</li> </ol> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Formal structures and procedures in place for monitoring and corrective action to minimise risk (Process and structures to be reviewed monthly)</li> <li>- Implemented changes to monitoring arrangements to support any further structural / accountability changes</li> </ul>
RES/FIN.0282	Resources	Finance	All Finance Sections	<p>Failure to produce and deliver a balanced budget which meets priorities.</p> <p>Greater financial uncertainty to reflect impact of economic downturn, credit crunch, volatile inflation, future public spend constraints for local government and the impact of the property market.</p> <p>Economic - Strategic</p>	Pete Turner	<p><b>Controls:</b></p> <ol style="list-style-type: none"> <li>1. Management of Risks document covering inflation, capping, financial projections etc. attached to budget reports</li> <li>2. Departmental risk analysis</li> </ol> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Regular reporting of financial forecast updates (5 times a year) to provide an update of financial impact and action required</li> <li>- Obtain monthly trend / current data to assist in any early action required</li> <li>- 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)</li> </ul>

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
RES/TEC.0298	Resources	Finance	Technical and Control	Banking failure  Financial - Operational	Martin Reeves	<p><b>Controls:</b></p> <ol style="list-style-type: none"> <li>1. Annual investment strategy</li> <li>2. Review of counterparty list</li> <li>3. Monitoring via Sector (external advisors)</li> <li>4. CIPFA Treasury Management Code of Practice</li> </ol> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Quarterly reports to Executive</li> <li>- Quarterly reports to PDS and Portfolio Holder</li> <li>- Detailed review of approach</li> <li>- Intensified monitoring of position</li> <li>- Adoption of Code of Practice</li> <li>- Approval of annual strategy by Full Council (February)</li> </ul>
RES/TEC.0299	Resources	Finance	Technical and Control	<p>The Pension Fund does not have sufficient resources to meet all liabilities as they fall due:</p> <ol style="list-style-type: none"> <li>1. Investment markets fail to perform in line with expectations</li> <li>2. Market yields move at a variance with assumptions</li> <li>3. Investment managers fail to achieve their targets over the longer term</li> <li>4. Longevity horizon continues to expand</li> <li>5. Deterioration in pattern of early retirements</li> <li>6. Changes to regulations e.g. more favourable benefits package</li> <li>7. Administering authority unaware of structural changes in an employer's membership e.g. large fall in employee members, large number of retirements</li> </ol> <p>Financial - Operational</p>	Pete Turner	<p><b>Controls:</b></p> <ol style="list-style-type: none"> <li>1. Financial: Monitoring of investment returns - analysis of valuation reports</li> <li>2. Demographic: Longevity horizon monitored at triennial reviews - quarterly review of retirement levels</li> <li>3. Regulatory: Monitor draft regulations and respond to consultations - actuarial advice on potential where appropriate</li> <li>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</li> </ol> <p>-----</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Quarterly reports to Pensions Investment Sub-Committee</li> <li>- Funding Strategy Statement</li> <li>- Statement of Investment Principles</li> <li>- Communications Policy</li> <li>- Governance Policy</li> <li>- Triennial valuation by actuary</li> </ul>

Risk Ref	Department	Division	Section	Risk / Consequences and Risk Category	Risk Owner	Existing Controls and Proposed Actions
RES/TEC.0300	Resources	Finance	Technical and Control	Failure to manage and control Treasury Management activities:  Liquidity, Interest rate, Exchange rate, Inflation, Credit and counterparty, Refinancing, Legal and regulatory risks  Financial - Operational	Martin Reeves	<b>Controls:</b> 1. Regular strategy meetings 2. Use of external advisors 3. Internal Audit review of activities 4. Reporting to Members 5. Adoption of CIPFA Treasury Management Code of Practice ----- <b>Actions:</b> - Periodic reviews of approach in light of economic downturn
RES/TEC.0305	Resources	Finance	Technical and Control	Capital income shortfall due to a reduction in capital receipts and delays in disposals as a result of the economic downturn  Economic - Strategic	Tracey Pearson	<b>Controls:</b> 1. Close monitoring of spend and income 2. Reporting to Members 3. Tight control of spending commitments ----- <b>Actions:</b>



## INSTANT GUIDE TO RISK MANAGEMENT

The Process	Identify your risks	Assess your risks	Control your risks	Monitor and Review your risks
<p>Risk Management is an important element of the system of internal control. It is based on a process designed to identify and prioritise risks to achieving Bromley's policies, aims and objectives.</p> <p>The Risk Management process is a continuous cycle:</p> <p>Using your objectives Identify your risks&gt; Assess your risks &gt; Control your risks&gt; Monitor and Review your risks.</p> <p>Useful definitions:</p> <p><b>Risk Management</b> is the identification, analysis and overall control of those risks which can impact on the Council's ability to deliver its priorities and objectives.</p> <p><b>Risk</b> is the chance of something happening which will have an impact on objectives.</p> <p>The message is that if you don't manage your risks then you are unlikely to achieve your objectives</p>	<p>Brainstorming session using IE&amp;E plans and departmental objectives, to identify threats and opportunities.</p> <p>Useful analytical tools:</p> <p><b>Political</b> <b>Economic</b> <b>Social</b> <b>Technological</b> <b>Legal</b> <b>Environmental</b></p> <p><b>PESTLE</b> provides a simple and useful framework for identifying and analysing external factors which may have an impact on your service.</p> <p><b>Strengths</b> <b>Weaknesses</b> <b>Opportunities</b> <b>Threats</b></p> <p>Using the <b>PESTLE</b> output <b>SWOT</b> is a technique that can help a service to focus on areas for improvement and opportunities that could be pursued.</p> <p>Remember if it can go wrong it will go wrong.</p>	<p>We use a 5 x 5 matrix to assess risks (see Risk Matrix worksheet).</p> <p>Risk is scored using the RAG traffic light system:</p> <p>Red = High Amber = Medium Green = Low</p> <p>There are two risk variables that make up the overall risk rating:</p> <p>Impact – how minor / severe is it when it happens? Likelihood – how likely is it / how often does it happen?</p> <p>The Risk Management Toolkit provides detailed guidance on how to score these.</p> <p>Some of these assessments can be based on past experience. In other cases you will need to take a view.</p> <p>We measure both gross risk (before any controls are taken into account) and net or residual risk.</p>	<p>Consider the controls you have in place to mitigate or reduce the risk.</p> <p>What further controls are required? Record these as actions until they are completed.</p> <p>Consider the cost of any controls against the potential benefit gained.</p> <p>What is our <b>Risk Appetite</b>? An element of risk is unavoidable or we would never do anything!</p> <p><b>RETAIN</b> a risk – monitor to ensure the impact and likelihood do not change</p> <p><b>REDUCE</b> a risk – put additional controls in place</p> <p><b>TRANSFER</b> a risk – by insuring or passing the risk to a third party</p> <p><b>AVOID</b> a risk – stop doing the activity</p> <p>Risk of service failure can be minimised by ensuring effective <b>Business Continuity</b> Plans are in place. For guidance contact the Emergency Planning Manager Steve Lewis x4388.</p>	<p>Risks should be reviewed at least annually and whenever your business plans change.</p> <p>Remember risks evolve and change over time. Are the controls still effective?</p> <p>Your aim should be to:</p> <p>Manage <b>threats</b> that may hinder delivery of priorities and maximise <b>opportunities</b> that will help to deliver them.</p> <p>The Bromley Risk Register is maintained centrally by Audit and includes details of the risks, risk owners, controls and actions.</p> <p>Further guidance on <b>Risk Management</b> can be found in the Managers' Toolkit on onebromley. This also provides links to the <b>Risk Management Strategy, Risk Management Toolkit</b> and <b>Risk Register</b>.</p> <p>The site also provides a link to the <b>Health and Safety</b> Unit who carry out H&amp;S risk assessments. For guidance contact the Occupational H&amp;S Manager Elaine Pilkington x4386.</p>

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1	<p><b>Failure to achieve strategic BBB objectives and organisational change</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Departmental business and portfolio plans do not achieve desired outcomes</li> <li>2. Failure to develop and implement key strategies</li> <li>3. Lack of demonstrable progress on the Customer Access Programme</li> <li>4. Failure to keep Local Development Framework documentation to timetable leading to planning risks in meeting BBB priorities</li> <li>5. Long term future of schools</li> </ol> <p><b>RESPONSIBLE OFFICER:</b> TBA</p>
2	<p><b>Failure to embed effective and robust professional disciplines to drive improvement and enable good practice and consistency in delivering change and the achievement of outcomes and benefits</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Failure to strengthen programme and project management arrangements across the council</li> <li>2. Capacity to lead projects and consequent ability to respond to change initiatives</li> <li>3. Failure to embed effective performance management across the organisation</li> <li>4. Failure to embed an effective risk management process throughout the council</li> </ol> <p><b>RESPONSIBLE OFFICER:</b> Chief Executive</p>
3	<p><b>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</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Ability to recruit and retain qualified and experienced staff</li> <li>2. Failure to develop and implement effective recruitment and retention strategies</li> <li>3. Deterioration of service quality through loss of experienced staff as a result of age profile of workforce</li> <li>4. Failure to succession plan</li> <li>5. Potential future shortage of professionally qualified practitioners in key areas</li> <li>6. Managing change in the workforce including organisational downsizing</li> </ol> <p><b>RESPONSIBLE OFFICER:</b> Assistant Chief Executive Human Resources</p>
4	<p><b>Failure of a contractor / partner / provider to maintain agreed service levels resulting in an interruption to or deterioration of service delivery</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Failure of a contracted provider</li> <li>2. Potential for operational errors by contractors</li> <li>3. Volatile markets; procurement / commissioning</li> <li>4. PCT and 'health' uncertainty as a result of re-provisioning of services in London sub-regions and NHS reforms</li> </ol> <p><b>RESPONSIBLE OFFICER:</b> TBA</p>
5	<p><b>Failing to develop IT information systems to reliably support departmental service delivery and to promote efficiency; data collection and management information quality (including our partners)</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Failure of key business IT systems to reliably support departmental service delivery</li> <li>2. Information systems; established and maintained as fit for business purpose</li> <li>3. Failure to ensure the confidentiality, integrity and availability of information assets</li> </ol> <p><b>RESPONSIBLE OFFICER:</b> Director Resources</p>

6	<p><b>Failure to implement an effective council-wide Business Continuity Plan with the result that services are severely disrupted as a consequence of:</b></p> <ol style="list-style-type: none"> <li>1. loss of premises due to explosion / fire / flood etc.</li> <li>2. loss of a key business system due to power problems or system failure</li> <li>3. severe weather conditions</li> <li>4. other factors</li> </ol> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Unavailability of council depots</li> <li>2. Failure of CCTV system</li> <li>3. Operational emergencies due to severe weather conditions, fire, major incident</li> <li>4. Inadequate IT disaster recovery arrangements leading to dislocation of council services</li> <li>5. IT failure impacting on an operational system e.g. CONFIRM and/or contractor liaison</li> <li>6. Sustained industrial action affecting key service areas</li> <li>7. Flu pandemic</li> </ol>
<b>RESPONSIBLE OFFICER:</b> Director Environmental Services	

7	<p><b>Failure to produce and deliver a sustainable Financial Strategy which meets BBB priorities and failure of individual departments to meet budget</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Government funding and 'grant floor'</li> <li>2. Effect of Comprehensive Spending Review, inflation, interest rates etc.</li> <li>3. Failure to meet departmental budgets</li> <li>4. Increased demand on key services resulting in overspends</li> <li>5. Dependency on external grants to fund services - effect if grant ceases</li> <li>6. Capital expenditure (sustainable strategy that meets council priorities; affordable and prudent)</li> </ol>
<b>RESPONSIBLE OFFICER:</b> Finance Director	

8	<p><b>Failure to comply with legislation / statutory obligations</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Failure to track change in legislation and policy</li> <li>2. Continued change to government strategy and policies</li> <li>3. Safeguarding / Equalities agenda</li> <li>4. The Localism Act will have a direct impact on how local authorities work</li> </ol>
<b>RESPONSIBLE OFFICER:</b> Director Resources	

9	<p><b>Failure to ensure policies and strategies are 'Fit for Future Purpose'</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Failure to adequately consult residents, service users, businesses and other interested parties</li> <li>2. Failure to meet customers' changing needs</li> <li>3. Organisational structure (having the right people and the right finance in place)</li> <li>4. Availability of quality data to support decisions</li> </ol>
<b>RESPONSIBLE OFFICER:</b> TBA	

10	<p><b>Reputational Risk (damage to an organisation through loss of its reputation or standing)</b></p> <p>Causes:</p> <ol style="list-style-type: none"> <li>1. Inspection regime (Value for Money and service inspectorates) and resulting ratings in relation to 'excellent in the eyes of local people'</li> <li>2. Failure to identify and highlight frauds and weaknesses in the system of internal control</li> <li>3. Failure to disseminate 'lessons learned'</li> </ol>
<b>RESPONSIBLE OFFICER:</b> Head of Audit	

# Agenda Item 8

Report No.  
CEO1191

London Borough of Bromley

Agenda  
Item No.

PART 1 - PUBLIC

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**Decision Maker:**      **Audit Sub Committee**

**Date:**                      **8th March 2012**

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

**Title:**                      **INTERNAL AUDIT PLAN 2012/13**

**Contact Officer:**      Luis Remedios, Head of Audit  
Tel: 020 8313 4886      E-mail: luis.remedios@bromley.gov.uk

**Chief Officer:**              Doug Patterson Chief Executive

**Ward:**                      All

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1.      Reason for report

This report informs Members of internal audit plan for 2012-13.

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2.      **RECOMMENDATION(S)**

**Members are asked to comment on the Internal Audit Plan for 2012-13.**

### 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: £616,250 excluding the benefit fraud partnership costs but subject to reduction.
  5. Source of funding: N/A
- 

### Staff

1. Number of staff (current and additional): 10.7FTE currently
  2. If from existing staff resources, number of staff hours: 302 days per quarter
- 

### Legal

1. Legal Requirement: Statutory requirement. Accounts and Audit Regs 2011
  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 now very limited
- § Identify the key risks facing the Council to achieving its objectives and determine the corresponding level of audit resources
- § Ensure effective audit coverage of high risk areas 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 Council's nominated Section 151 Officer
- § Deliver an internal audit service that meets the requirements of the Accounts & Audit Regulations 2011.
- § Reviewing Value for Money arrangements for designated audits in the plan where possible.

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 2012/2013 the methodology is as follows:

3.5 Consultation with Chief Officers, the Finance Director and other senior officers

3.6 Use of the directorate risk registers.

3.7 Limited use of an audit risk methodology questionnaire. This methodology takes into account monetary/financial values for both income and expenditure; volume of transactions per annum; people risk; risk relating to contracted out services; information systems risk; regulatory and compliance risk; operational risk that includes reference to previous audit reports; sensitivity including reputational and strategic risk.

3.8 A number of different ways of working have been introduced such as control self assessment for schools, to streamline the audit process and reduce the audit input as a result of an overall reduction in staff numbers to just 4 FTE's for the Bromley audits. In addition there will be a further 2 FTE's that will carry out audit sold services work totalling about 330 days on behalf of the London Borough of Greenwich and the responsible officer role at currently 10 Bromley Academies. This will generate income in the region of £95K.

3.9 In common with many other Boroughs there has been a significant downsizing of planned audit coverage days from 1208 days to 775 days a drop of 36%.

- 3.10 **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. 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 and external audit placing reliance on the work of Internal Audit. This assists in keeping the External Audit fee below the Audit Commission benchmark resulting in significant savings to the overall fee.
- 3.11 The plan includes the following audits that are designated fundamental systems where key financial controls need to be covered to allow an opinion on the overall control environment as part of the statutory Annual Governance Statement. These systems include debtors, creditors, payroll, NNDR, pensions, council tax, housing and council tax benefits, treasury management, rent accounts, parking, cash and banking, main accounting system, fixed assets. These are all included in the attached 2012/13 plan – Appendix A.
- 3.12 In order to discharge its responsibility Internal Audit has to focus work on the key fundamental 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 annual governance 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.
- 3.13 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, ensuring standards of financial/business conduct and arrangements to prevent and detect fraud and corruption are in place.
- 3.14 The plan is expected to cover key core deliverables:
- To deliver the statutory requirements of the Accounts and Audit Regulations 2011.
  - To provide ongoing assurance to management on the integrity, effectiveness and operation of the Authority's internal control system.
  - Delivery of the Annual Audit Plan in particular high risk audit reviews.
  - To be responsive to transformational change and service demands.
  - To continue to meet the requirements of Bromley's External Auditors.
  - To further develop our partnership working relationships.
  - To further embed integration of internal audit work with governance and managing risk to produce a clearly coordinated risk-based approach to the audit of business/operational systems across the Authority.
  - To ensure agreed management actions to audit recommendations made are fully implemented in particular the high priority ones.
  - To continue to develop and have a lead in the Borough's corporate governance arrangements including review and production of the 'Annual Governance Statement' to provide assurance on the Authority's governance arrangements and any areas for improvement.
  - To provide an effective reactive corporate counter fraud service in accordance with the Borough's anti fraud and corruption strategy.
  - In conjunction with the London Borough of Greenwich continue to be proactive in counter fraud including delivery of comprehensive fraud awareness for staff in the prevention and detecting of fraud and irregularities.
  - To continue to develop our role and work closely with the Audit Sub Committee.
  - To contribute and support the Value for Money Programme assessment arrangements.



- 3.15 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 direct assurances from management responsible for internal controls in particular areas. These direct assurances will be relied on more frequently as the core internal audit resource has reduced in recent years.
- 3.16 The total number of audit days allocated for corporate and operational departmental audits including schools, time for investigating fraud, monitoring the Greenwich fraud partnership is 775 days. This is a significant reduction compared to last year (1,208 days) as efficiencies and savings have been found through reduced staffing levels and an allowance of 330 days has been made for partnership working with LB Greenwich and sold services to Academies to generate income. We have continued to restrict non productive time such as training, section meetings and administrative duties.
- 3.17 The individual scope and terms of reference for each audit area is finalised at the time of the audit. A summary of the coverage for next year is attached at Appendix A. 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.
- 3.18 An approximate contingency of 10% has been built into 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 more 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.
- 3.19 The table below provides a summary of the main types of reviews to be undertaken.

**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.
A combination of self assessment and internal audit testing for schools	Internal audit carry out the self assessment audits complemented by audit testing of schools to make sure compliance with the

Audit Method/Technique	Explanation
	schools' financial regulations and to provide an assurance to head teachers and governors.
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 and review of cumulative spends.
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

- 3.20 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.
- 3.21 The objective of the audit is primarily to discharge the Finance Director'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 self assessment standard programme combined with audit testing for schools. The number of days allocated to schools is 60 days (which will cover 15 schools plus time allowed for follow ups) compared to 160 days in 2011/12. This reflects the fact that several Schools including most of the Secondary Schools having chosen to go to Academy status and reduction of audit staffing resources. The figure excludes days provided by Internal Audit for the responsible officer role at 10 Academies.
- 3.22 **Risk-Based Audits**
- 3.23 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 enable 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

3.24 The most common use of these types of audit is on the fundamental systems which are required to be audited each year.

### 3.25 **Standards**

3.26 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.
- Audit also has a comprehensive internal audit manual that acts as a guide for internal auditors.
- 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 Chief Executive and this Committee.
- The Head of Audit 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 Head of Audit 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.
- A summary of all audit reports giving details of opinion, number of recommendations and the category of priority i.e. 1, 2 or 3 and type of findings will be reported to this Committee as part of the annual audit report.
- 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. Given the level of time spent on fraud and investigations in 2011/12 we have been prudent in allowing for at least 100 days provision for this purpose. This will be supplemented by the availability of the Royal Borough of Greenwich's Internal Audit and Anti Fraud Team's expertise to assist us with any fraud investigation.

- 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 the Accounts and Audit Regulations 2011 require the Council to maintain an adequate and effective internal audit function.

#### **6. PERSONNEL IMPLICATIONS**

There will be 4.5 FTE in post (including a proportion of the Head of Audit's time) to carry out this plan.

<b>Non-Applicable Sections:</b>	Policy
Background Documents: (Access via Contact Officer)	None

**AUDIT PLAN 2012/13 SUMMARY**

<b>Department</b>		<b>Total Days</b>
Chief Executives	CEX	33
Resources	RD	279
Education & Care Services	ECS	278
Environmental Services	ENV	55
Renewal & Recreation	R&R	30
Anti-Fraud Work		100
<b>Total Audit Days</b>		<b>775</b>

## INTERNAL AUDIT PLAN 2012/13

Dept	Audit	Planned Days	Coverage
<b>CHIEF EXECUTIVES</b>			
	Essential Car Users	10	Initially planned for 2011/12, due to investigation commitments this has been deferred to 2012/13
	Governance Arrangements	3	Work required for input into Annual Governance Statement
	<b>Follow-ups</b>		
	Money Laundering policy	2	follow-up
	Communications Audit	2	follow-up
	Information Requests	2	follow-up
	Sickness Procedures	1	follow-up
	Advice & Support	2	
	Contingency	11	To be utilised in discussion with management
<b>Total CEX</b>		<b>33</b>	

## INTERNAL AUDIT PLAN 2012/13

Dept	Audit	Planned Days	Coverage
<b>RESOURCES</b>			
	Housing and Council Tax Benefits Audit	20	Annual review of Housing Benefits, specific scope to be agreed but will include overpayments.
	Creditors-Cheque Control Audit	20	Annual review of creditors, including selected document tests as required by Audit Sub Committee. To include coverage of the transfer of function to Liberata and how system and process controls and segregation of duties are ensured.
	Council Tax Audit	15	A review of liability and recovery and capture arrangements under the localism bill.
	NNDR Audit	10	A review of exemptions and discounts and recovery.
	Cash & Banking-Cashiers Audit	10	To include coverage of collection and security relating to the payment kiosk.
	Pensions Audit	10	To include coverage of transfer from final salary pension scheme to career average scheme and increase in employees' contribution.
	Payroll-Expenses Audit	15	Coverage of key controls including compliance with leaver arrangements.
	Debtors-Income Audit	20	To include coverage of the transfer of function to Liberata and how system and process controls and segregation of duties are ensured. To cover all areas of income accept parking and domicilliary care
	Treasury Management Audit	5	To cover key controls in relation to Treasury Management.
	Main A-C System Audit	5	To cover key controls in relation to the Main Accounting System.
	Revenue Budget Control Audit	10	A review of the Full Budget Monitoring framework and reporting processes.
	Pre-payment Cards	15	Originally planned for 2011/12, deferred due to delays in implementation.
	Network Upgrade North Block	10	Planned for 2011/12, deferred due to delays in implementation.
	Data Security	10	A review of data security regarding arrangements in place to mitigate data loss, including how data is shared with 3rd parties.
	Procurement	15	Review of cumulative spend with organisations across all Departments and payment methods. Including a review of processes in place to ensure compliance with Contract Procedures.
	Building Maintenance and Capital Projects	20	To include coverage of surveying work and formation of the maintenance plan. Also to include coverage of controls around expenditure on capital projects.
	Modern.gov	10	Planned for 2011/12, deferred due to delays in implementation and client request due to issues identified during training sessions.
	Bribery & Corruption	3	Compliance review regarding Local Authority requirements.
	<b>Follow-ups</b>		
	Customer Contact Centre Audit	2	follow-up
	Election Expenses Audit	2	follow-up
	VAT	2	follow-up
	Contract Management Audit	2	follow-up
	Malware	2	follow-up

**INTERNAL AUDIT PLAN 2012/13**

Dept	Audit	Planned Days	Coverage
	Data management	2	follow-up
	Software Licence Management	1	follow-up
	Carefirst System	2	follow-up
	Legal Costs	2	follow-up
	Purchasing Cards Audit	2	follow-up
	Contracts Register	2	follow-up
	Site Access	2	follow-up
	Advice & Support	10	
	Contingency	15	
	Work in Progress b/fwd from 2011/12	8	
		<b>279</b>	
	<b>Other Audit Work</b>		
	NFI	15	Processing SPD matches and data.
	Small Fraud/Investigations	50	Processing and filtering fraud allegations prior to passing to Greenwich Fraud Team.
	Greenwich Fraud Partnership	35	Management of the Greenwich Fraud Partnership including new arrangements with the DWP
	<b>Total RD</b>	<b>379</b>	



**INTERNAL AUDIT PLAN 2012/13**

Dept	Audit	Planned Days	Coverage
<b>EDUCATION &amp; CARE SERVICES</b>			
	CareFirst	15	Review of the process for recording client details on the CareFirst system. To test appropriate approval, authorisation and timeliness of entries. To include 'ordinary residents' who have moved to the borough.
	Domiciliary Care	10	Review of systems for assuring quality of provision. To include the annual review, visits to contractors and client feedback.
	Housing	10	Review of the invest to save initiative providing landlords with incentives for taking clients.
	Admission avoidance team	5	Review of function of the team which is made up of staff seconded to Bromley Health Care. To be carried out if the team exists beyond March 2012.
	Care and Supported Living Homes	10	Review of working practices to include procedures for claiming hours.
	Mental Health	10	Review of system for identifying section 117 clients.
	Learning Disabilities	10	Review of practice and procedures for use of the recreational budget across the service.
	Charging Policy	5	Review to include follow up of any previous recommendations made on the implementation of the charging policy.
	Residential and Nursing Care	5	Review of procedure for recovering client contributions to care.
	Retail Model	10	Review of the retail model to include the policy for client contributions to purchase of prescribed equipment.
	Direct Payments	10	Review of procedure for monitoring clients receiving direct payments.
	Housing Register	5	Review of the Housing Register
	Early Years	10	review of monitoring arrangements of funds allocated to settings
	Children and Family Project	5	Brief review of expenditure and follow up work.
	Behaviour Support Services	10	To include follow up of Pupil Referral Unit audit
	SEN and Inclusion	10	Review of third party payments excluding SEN transport
	Childrens social care payments	10	Review the eligibility of payments to a sample of children social care clients
	Schools	60	Audit of 15 schools, closure audits and follow ups
	Contingency	30	To be utilised in discussion with management
	Work in progress b/fwd from 2011/12	10	
		<b>250</b>	
	ACS Rent accounts	2	follow-up
	ACS Residential care placements	2	follow-up
	ACS Care services charges	2	follow-up
	ACS safeguarding	2	follow-up
	ACS Supported living	2	follow-up
	ACS Procurement (including Health partnerships and Domiciliary Care)	2	follow-up
	ACS Drug Action Team	2	follow-up
	CYP Budget monitoring EDC	2	follow-up
	CYP Youth Service	2	follow-up
	CYP Childrens Placements	2	follow-up
	CYP Safeguarding	2	follow-up
	CYP SEN Transport	2	follow-up
	CYP Early Years	2	follow-up
	CYP Commissioning	2	follow-up
<b>Total</b>		<b>278</b>	

## INTERNAL AUDIT PLAN 2012/13

Dept	Audit	Planned Days	Coverage
<b>ENVIRONMENT</b>			
	Car parking - Income- multi storey and on street	10	Review and follow-up including key control of reconciliation
	Car parking - PCNs	10	Audit review to ensure that PCNs are raised in accordance
	Waste services/street services	10	Areas covered to be decided in consultation with management
	Transport and Highways	10	Review of monitoring arrangements in an area of spend to be agreed with mangement.
	Parks and Green Spaces	10	follow-up
	Contingency	5	
	<b>Total</b>	<b>55</b>	
<b>RENEWALS &amp; RECREATION</b>			
	Adult Education College	5	Annual audit
	Property Mangement	10	Review of asset management -cover key controls
	Libraries	10	Review that shared services arrangements are operating satisfactorily
	F/up CDM recommendations	2	Follow up
	Contingency	2	
	Advice and Support	1	
	<b>Total</b>	<b>30</b>	

# Agenda Item 10

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

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# Agenda Item 11

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