

Central Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ

**This meeting
may be filmed.***



**Central
Bedfordshire**

please ask for Leslie Manning
direct line 0300 300 5132
date 23 March 2017

NOTICE OF MEETING

AUDIT COMMITTEE

Date & Time

Monday, 3 April 2017 10.00 a.m.

Venue at

Room 15, Priory House, Chicksands, Shefford

Richard Carr
Chief Executive

To: The Chairman and Members of the AUDIT COMMITTEE:

Cllrs M C Blair (Chairman), D J Lawrence (Vice-Chairman), P Downing,
F Firth, R Morris, D Shelvey and A Zerny

[Named Substitutes:

Cllrs R D Berry, D Bowater, Mrs J G Lawrence and I Shingler]

All other Members of the Council - on request

**MEMBERS OF THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THIS
MEETING**

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AGENDA

1. **Apologies for Absence**

To receive apologies for absence and notification of substitute Members.

2. **Minutes**

To approve as a correct record the minutes of the meeting of the Audit Committee held on 9 January 2017 (copy attached).

3. **Members' Interests**

To receive from Members any declarations of interest.

4. **Chairman's Announcements and Communications**

To receive any announcements from the Chairman and any matters of communication.

5. **Petitions**

To receive petitions from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part A4 of the Constitution.

6. **Questions, Statements or Deputations**

To receive any questions, statements or deputations from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

Reports

Item	Subject	Page Nos.
7.	Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments	* 23 - 30
	To consider an update on the operation of the current Risk Based Verification (RBV) Policy and seek approval for the proposed Policy for 2017/18.	
8.	Update of ICT Disaster Recovery (DR) Plan	* 31 - 58
	To consider an update on current plans for dealing with disaster recovery (DR) and the changing nature DR.	

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|-----|---|-------------|
| 9. | Revised Local Code of Corporate Governance | * 59 - 84 |
| | To consider the updated Local Code of Corporate Governance. | |
| 10. | Updated 2017-19 Internal Audit Plan | * 85 - 100 |
| | To consider the updated risk based Internal Audit Plan for 2017-19. | |
| 11. | Risk Update Report | * 101 - 106 |
| | To consider an overview of the Council's risk position as at March 2017. | |
| 12. | Internal Audit Progress Report | * 107 - 118 |
| | To consider an update on the progress of work by Internal Audit for 2016/17. | |
| 13. | Tracking of Internal Audit Recommendations | * 119 - 130 |
| | To consider a summary of high priority recommendations arising from Internal Audit reports together with the progress made in their implementation. | |
| 14. | Work Programme | * 131 - 134 |
| | To consider the Audit Committee's work programme. | |

Exempt Appendix

- | <i>Item</i> | <i>Subject</i> | <i>Exempt Para.</i> | <i>Page Nos.</i> |
|-------------|--|---------------------|------------------|
| 15. | Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments | * 7 | 135 - 140 |
| | To receive the exempt appendix. | | |

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **AUDIT COMMITTEE** held in Room 14, Priory House, Chicksands, Shefford on Monday, 9 January 2017

PRESENT

Cllr M C Blair (Chairman)

Cllrs F Firth
R Morris

Cllrs D Shelvey
A Zerny

Apologies for Absence: Cllrs P Downing
D J Lawrence

Substitutes: Cllrs R D Berry (In place of P Downing)
D Bowater (In place of D J Lawrence)

Officers in Attendance: Ms M Damigos Corporate Lawyer
Mr R Gould Head of Financial Control
Mr L Manning Committee Services Officer
Ms K Riches Head of Internal Audit & Risk
Mr C Warboys Director of Resources

Others In Attendance: Mr N Harris Executive Director – Ernst & Young
LLP
Ms C Ryan Manager – Ernst & Young LLP

AUD/16/29 Minutes

RESOLVED

that the minutes of the meeting of the Audit Committee held on 26 September 2016 be confirmed and signed by the Chairman as a correct record.

AUD/16/30 Members' Interests

Councillor Bowater declared an interest as an Appointed Governor of the South Essex Partnership University NHS Foundation Trust (SEPT).

AUD/16/31.Chairman's Announcements and Communications

The following announcements and communications were made:

- the Chairman informed Members that Kathy Riches, the Council's Head of Internal Audit and Risk, would be retiring from the Council and this was the last meeting of the Audit Committee which she would attend in that capacity. The Chairman asked that his thanks for Ms Riches' help and assistance, as well as that of her team, be recorded and he gave her his best wishes. The previous Chairman of the Committee and the Committee as a whole also expressed their gratitude and best wishes to Ms Riches.
- the Chairman welcomed two members of the Internal Audit team who were attending the meeting as observers.

AUD/16/32.Petitions

No petitions were received from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part A4 of the Constitution.

AUD/16/33.Questions, Statements or Deputations

No questions, statements or deputations were received from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

AUD/16/34.Certification of Claims and Returns Annual Report 2015-16

The Committee considered the annual report from Ernst & Young LLP which summarised the results of the certification and other assurance work undertaken by the company.

Points and comments included:

- errors relating to income assessment and the misclassification of overpayments in the housing benefits subsidy claim had been extrapolated across the relevant cell totals and reported to the Department for Work and Pensions (DWP). A Member requested additional information and the Ernst and Young Manager undertook to share the letter containing this information with him
- a qualification letter had been issued by Ernst & Young with regard to the errors reported above. The meeting noted why such overpayments could occur

- some payroll providers were still failing to provide full assurance over the data they provided on teachers' pensions. Officers of the Council's Human Resources team contacted the relevant schools and made them aware of any shortcomings.

RECEIVED

the certification of claims and returns annual report 2015-16.

AUD/16/35 Annual Audit Letter for the Year Ended 31 March 2016

The Committee considered a report from Ernst & Young LLP which presented the Annual Audit Letter for the year ended 31 March 2016. The letter set out the key issues arising from the work undertaken by Ernst & Young as the Council's external auditor.

Points and comments included:

- the report before Members contained information of a largely historical nature. Detailed findings from Ernst & Young's audit work had already been submitted to the Committee on 26 September 2016 (minute AUD/16/22 refers)
- the Annual Audit Letter would be submitted to an earlier meeting of the Committee in future because the Statement of Accounts would be presented for approval to the July meeting.

RECEIVED

the 2015/16 Annual Audit Letter.

AUD/16/36 Audit Plan

The Committee considered a report which provided Members with a basis to review the proposed audit approach and scope for the 2016/17 audit by Ernst & Young LLP. The Ernst & Young Executive Director informed the meeting that the Plan was for the year ending 31 March 2017 and not 31 March 2016 as was stated on the front of the document.

Points and comments included:

- the Council's 'proper arrangements' when working with its Sustainability and Transformation Plan (STP) partners during 2016/17 had been identified as the only significant value for money risk. Ernst & Young had held discussions with senior management at the Council and had established that the latter was already actively engaged in the STP process

- Ernst & Young provided the external audit service for nearly all the bodies involved with the local STP and so it was able to provide a risk assessment of the individual partners as well as an overview of risk across the STP as a whole.

(Note: Councillor D Bowater declared an interest as a governor of the South Essex Partnership University NHS Foundation Trust (SEPT) at this point).

NOTED

the external Audit Plan for the year ending 31 March 2017.

AUD/16/37 Statement of Accounts 2016/17

The Committee considered a report by the Director of Resources which outlined any changes required in the preparation of the Council's statutory Statement of Accounts for 2016/17.

Points and comments included:

- reference was made to the possible extension of Public Rights (which included the rights of objection, inspection of the local authority accounting documentation and questioning of the external auditor with regard to the Statement of Accounts) under the Local Audit (Public Access to Documents) Bill to journalists as 'interested parties'. The Director of Resources stated that he believed that there were sufficient staff resources to cope with a possible increase in demand for information should the extension be approved
- in view of the introduction of earlier closedown requirements regarding the accounts for the year 2017/18 under the Accounts and Audit Regulations 2015 the Head of Financial Control advised of the measures that would be taken to deal with the impact of this requirement including assistance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The meeting was advised that, in addition, the Statement of Accounts for 2016/17 would be completed to the accelerated timetable as a trial run in preparation for the changes which would apply to the 2017/18 financial year.

NOTED

the changes required in the preparation of the Council's statutory Statement of Accounts for 2016/17.

AUD/16/38 Local Government Pension Scheme Update

The Committee considered an update on the governance of the Local Government Pension Scheme (LGPS) including the results of the 2016 actuarial valuation.

Points and comments included:

- the LGPS funding level in respect of the Council had remained unchanged since the 2013 valuation at 66% but the increase in liabilities and assets since that date had resulted in a net £28.8m increase in the value of the deficit to £217.6m
- lower than anticipated bond yields had been the most significant contribution to the increase in the financial deficit between March 2013 and March 2016 adding £37.2m towards the liabilities whilst lower than anticipated pay and price inflation had offset some of the growth in liabilities
- investment returns had been in line with the actuarial assumptions.

NOTED

the Local Government Pension Scheme update.

AUD/16/39 Revised Confidential Reporting Code

The Committee considered a report which set out proposed revisions to the Confidential Reporting Code to ensure that it was up to date and reflected current legislation and reporting channels within the Council. Members were aware that, although it was the Committee's responsibility to maintain an overview of the Code, any proposed revisions would need to be recommended to full Council for approval.

Points and comments included:

- the suggestion of additional revisions by the Chairman
- the need to make minor updates to the Code to ensure that it remained fully applicable at all times and the appropriate means of achieving this.

RECOMMENDATION TO COUNCIL

- 1 that the revised Confidential Reporting Code, as set out at Appendix A to these minutes, be approved;**
- 2 that paragraph 4.1.15 of Part E2 of the Constitution be amended to authorise the Director of Resources, in consultation with the Monitoring Officer, to undertake minor amendments to the Confidential Reporting Code.**

(Note: Subsequent to the meeting, the Monitoring Officer confirmed that suitable authorisation was already provided for within paragraph 9 of the Confidential Reporting Code and at paragraphs 4.2.74 and 4.2.76 of Part H3 of the Constitution, thereby enabling the Monitoring Officer to authorise and implement minor amendments to maintain the Code as up to date. On this

basis recommendation 2 above was not submitted to full Council for consideration).

AUD/16/40 Revisions to the Internal Audit Charter

The Committee considered a report which proposed the adoption of revisions to the Internal Audit Charter in compliance with the Public Sector Internal Audit Standards following the revision of the latter in April 2016.

Points and comments included:

- that future revisions to the document be track changed so that any proposed changes were readily apparent.

RESOLVED

that the proposed revisions to the Council's Internal Audit Charter, as set out within the revised copy of the Charter attached at Appendix A to the report of the Director of Resources, be approved.

AUD/16/41 Risk Update Report

The Committee considered a report which provided an overview of the Council's risk position as at December 2016.

Points and comments included:

- the Assets Team now had an effective monitoring system in place with regard to Operational Risk COMS040008 (Assets – Non realisation of capital receipts) and significant improvements had taken place over the past 18 months to two years. The capital receipt figure was coming close to budget this year and the Operational Risk could possibly be removed from the dashboard if the improvement was maintained for a suitable period.

NOTED

the strategic and operational risks facing Central Bedfordshire Council as set out in the Risk Register Dashboard attached at Appendix A to the report of the Director of Resources.

AUD/16/42 Internal Audit Progress Report

The Committee considered a report outlining the progress made on Internal Audit work against the 2016/17 Internal Audit Plan up to the end of November 2016.

Points and comments included:

- the audit of Assets Compliance had resulted in the issue of a Limited Assurance Opinion because of concerns regarding the robustness of the management arrangements for those Council properties (non residential) which were not under the control of the Council's own Facilities Management Team
- following the investigation which had led the dismissal of an officer for the non banking of cash, it was noted that action was being taken to recover the missing money. A Member stressed the importance of avoiding the use of cash where ever possible because of the risk of fraudulent activity that it generated
- to date there were only approximately three local authorities which had decided not to opt in to the sector led arrangement for external auditor appointments.

NOTED

the progress made against the 2016/17 Internal Audit Plan.

AUD/16/43.Tracking of Internal Audit Recommendations

The Committee considered a report which summarised the high priority recommendations arising from Internal Audit Reports and the progress made in implementing them.

NOTED

the report setting out the high priority recommendations arising from Internal Audit reports and the progress made in implementing the recommendations to date.

AUD/16/44.Work Programme

Members considered a report which set out the Committee's proposed work programme for part of the 2016/17 municipal year and for the first meeting in the 2017/18 municipal year.

RESOLVED

that the proposed Audit Committee work programme for part of the 2016/17 municipal year and the first meeting of the 2017/18 municipal year, as attached at Appendix A of the report of the Committee Services Manager and Committee Services Officer, be approved.

(Note: The meeting commenced at 10.00 a.m. and concluded at 11.35 a.m.)

Chairman

Dated

APPENDIX A



**Central
Bedfordshire**

Confidential Reporting Code (Also known as “Whistle Blowing”)

July 2013 – Updated January 2017

CONFIDENTIAL REPORTING
(Also known as 'Whistle Blowing')

1.0 Introduction

- 1.1 Central Bedfordshire Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees and others that we deal with who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis.
- 1.2 Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.3 The Public Interest Disclosure Act 1998 encourages individuals to raise concerns about malpractice in the workplace and this policy document makes it clear that employees can raise serious concerns without fear of victimisation, subsequent discrimination or disadvantage and is intended to encourage and enable employees to raise those concerns within the Council, rather than overlooking a problem.
- 1.4 This code acknowledges the amendments recently made to the Public Interest Disclosure Act by the introduction of the Enterprise and Regulatory Reform Act 2013.
- 1.5 The code applies to all employees and those contractors working for the Council on Council premises, for example, agency staff, builders, and drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example care homes. Members of the public are also encouraged to raise concerns, which will be responded to in accordance with this code.
- 1.6 These procedures are in addition to the Council's complaint procedures and other statutory reporting procedures applying to some service areas. Service managers are responsible for making service users aware of the existence of these procedures if and when necessary.
- 1.7 This code has been discussed with the relevant trade unions and professional organisations and has their support.

2.0 Aims and Scope of this Code

- 2.1 This code aims to:-
- encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice
 - provide avenues for you to raise those concerns and receive feedback on any action taken
 - ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied

- reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that any disclosure is made in the public interest.

2.2 The Confidential Reporting Code is intended to cover major concerns that fall outside the scope of other policies and procedures (such as the Grievance procedure, which is in place to enable you to lodge a grievance relating to your own contract of employment). Personal grievances (e.g. bullying, harassment, discrimination) are not usually covered by whistleblowing law, unless your particular case is in the public interest. If the Monitoring Officer or delegated officer considers that a concern raised under the Confidential Reporting Code should more properly be dealt with under the provisions of another policy, the whistle-blower will be referred to that policy. Advice from relevant officers should be sought where required.

Those major concerns that fall outside of other policies and procedures are called "qualifying disclosures". A qualifying disclosure is one made in the public interest by someone who has a reasonable belief that any of the below matters are being, have been, or are likely to be, committed:

- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as other employees
- damage to the environment
- the unauthorised use of public funds
- possible fraud and corruption, including bribery
- sexual or physical abuse of clients, or
- other unethical conduct
- covering-up of any of the above.

2.3 Therefore, any serious concerns that you have about any aspect of service provision or the conduct of officers or members of the Council or others acting on behalf of the Council can be reported under the Confidential Reporting Code. This may be about something that:

- makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribe to; or
- is against the Council's Constitution and policies; or
- falls below established standards of practice; or
- amounts to improper conduct.

2.4 This code does not replace the corporate complaint procedure which is in place to address complaints about the Council's services.

2.5 The Council encourages you to raise your concerns under this procedure in the first instance. If you are not sure whether or not to raise a concern, you should discuss the issue with your line manager, trade union representative or the Monitoring Officer.

2.6 Individuals who make a public interest disclosure ('whistleblow') within the context of protections provided within the Employment Rights Act 1996¹ would normally be expected to first raise the issue with their employer directly. However, they can also make disclosures to prescribed persons or bodies. The Government has recently updated the List of prescribed persons and bodies. Under the list, individuals need to raise the issue with the correct prescribed person for the sector or industry concerned. Across sectors and industries, there are over 80 persons and bodies listed, a number of them relating to local authorities depending on their areas of responsibility. Guidance in the list also provides information for individuals to help them identify the relevant auditor for a particular local authority.

3.0 Safeguards

3.1 Harassment or Victimisation

3.2 The Council is committed to good practice and high standards and wants to be supportive of employees and others covered by this code.

3.3 The Council recognises that the decision to report a concern can be a difficult one to make. If what you are saying is true, and you have reasonable belief that the disclosure is being made in the public interest, you should have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service.

3.4 The Council will not tolerate any bullying, harassment or victimisation (including informal pressure) by managers and colleagues and will take appropriate action to protect you when you raise a concern in the public interest. Victimisation of a worker for raising a qualifying disclosure will be a disciplinary offence.

3.5 If you report your concerns via a disclosure you have the right not to be dismissed or subjected to any other detriment because of it.

3.6 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary, sickness, capability or redundancy procedures that already affect you or may affect you in the future.

4.0 Confidentiality

4.1 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. However, it must be appreciated that the investigation process may reveal the source of the information and a statement by the whistle-blower may be required as part of the evidence. This may mean that witness statements or correspondence is also disclosed. In these situations the Council will contact you and any additional witnesses to advise of this and to offer any guidance where necessary.

4.2 The Council may need to reveal your identity and disclose information where there are legal proceedings following on from the whistleblowing disclosure and as above will inform you prior to this information being released.

¹ The protections are that the dismissal of an employee will be automatically unfair if the reason, or principal reason, for their dismissal is that they have made a "protected disclosure" and that workers are protected from being subjected to any detriment on the ground that they have made a protected disclosure.

4.3 If the Council feels for example that allegations relate to serious criminal offences which the Police should investigate we may also be required to disclose your identity to third parties.

5.0 Anonymous Allegations

5.1 This code encourages you to put your name to your allegation whenever possible.

5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council. You should remember that wherever possible, confidentiality will be preserved.

5.3 In exercising this discretion the factors to be taken into account would include:

- the seriousness of the issues raised
- the credibility of the allegation; and
- the likelihood of confirming the allegation from attributable sources.

5.4 Anonymous whistle-blowers should also bear in mind that, if they do not make their name known, the Monitoring Officer or delegated officer will not know whose identity to keep confidential. It will also not be possible to provide direct feedback to them on the progress and outcome of any investigations.

6.0 False or Unproven Allegations

6.1 Where it is established, after investigation, that the allegations are unproven, the whistle-blower will be notified. The Council will deem the matter “closed” and will not expect the issue to be raised again unless new evidence becomes available.

6.2 If you make an allegation which you believe to be in the public interest, but it is not confirmed by the subsequent investigation, no action will be taken against you. If however, you make an allegation maliciously or for personal gain, disciplinary action may be taken against you. (The Council will manage such situations using its agreed Disciplinary Procedure).

7.0 How to raise a concern

7.1 As a first step, you should normally raise concerns with your immediate manager or their superior. This depends however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved you should approach the Chief Executive, Director of Resources, the Monitoring Officer or the Head of Internal Audit and Risk. Should the concern be relating to the Chief Executive, Director of Resources, the Monitoring Officer or the Head of Internal Audit and Risk your concerns should be raised with the Assistant Director – People.

7.2 Concerns may be raised verbally or in writing. Staff who wish to make a written report are invited to use the following format:

- the background and history of the concern (giving relevant dates)
- the reason why you are particularly concerned about the situation

- and providing as full and comprehensive information as is known at the time of the disclosure

If you raise your concern verbally, a written note will be taken in accordance with the above format.

All concerns received will be registered with the Monitoring Officer.

7.3 The earlier you express the concern the easier it is to take action.

7.4 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.

7.5 Advice and guidance on how matters of concern may be pursued can be obtained from:

- Monitoring Officer
- Director of Resources
- Head of Internal Audit and Risk
- Chief Executive.

7.6 You may wish to consider discussing your concern with a colleague or your trade union representative first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns. *However, once you have raised a concern under the Confidential Reporting Code you should be mindful that any further discussions with other parties may impede the maintenance of confidentiality or compromise any investigation.*

7.7 You may invite your trade union or friend to be present during any meetings or interviews in connection with the concerns you have raised.

8.0 How the Council will respond

8.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as adjudicating the validity of them.

8.2 Where appropriate the matters raised may:

- be investigated thoroughly by management, internal audit, or through the disciplinary process
- be referred to the police
- be referred to the external auditor
- form the subject of an independent inquiry.

8.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle, which the Council will have in mind, is the public interest. Concerns or allegations, which fall within the scope of specific procedures (for example, child protection or discrimination issues), will normally be referred for consideration under those procedures.

- 8.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- 8.5 Within ten working days of a concern being raised, the Monitoring Officer will write to you:
- acknowledging that the concern has been received
 - indicating how we propose to deal with the matter
 - giving an estimate of how long it will take to provide a final response
 - telling you whether any initial enquiries have been made
 - supply you with information on staff support mechanisms, and
 - telling you whether further investigations will take place and if not, why not.
- 8.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.
- 8.7 Where any meeting is arranged, off-site if you so wish, a union or professional association representative or a friend can accompany you.
- 8.8 The Council will take steps to minimise any difficulties, which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.
- 8.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

9.0 The Responsible Officer

- 9.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this code. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council. They will also ensure that proper and timely progress is made in dealing with any complaint and that the principles and requirements of this code are met.

10.0 How the matter can be taken further

- 10.1 This code is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, possible contact points are set out after paragraph 10.4.
- 10.2 Before taking matters outside the Council you may wish to take independent advice and the charity Public Concern at Work offers such facilities to employees. They can be contacted through their web site www.pcaw.org.uk or via their telephone number: 0207 404 6609 which is operated Monday to Friday, 9.00 a.m. to 6.00 p.m.

10.3 The following are possible external contact points:

- the Council's external auditor
- your trade union/professional association representative
- your local Citizens Advice Bureau
- relevant professional bodies or regulatory organisations
- a relevant voluntary organisation
- the police.

10.4 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information.

Further Information:

Charles Warboys – Director of Resources

TEL: 0300 300 6147

EMAIL: charles.warboys@centralbedfordshire.gov.uk

Kathy Riches – Head of Internal Audit and Risk

TEL: 0300 300 6155

EMAIL: kathy.riches@centralbedfordshire.gov.uk

24 Hours CBC Fraud Hotline

TEL: 0300 300 8182

EMAIL: tellusaboutfraud@centralbedfordshire.gov.uk

Quentin Baker - Monitoring Officer

TEL: 0300 300 4204

EMAIL: quentin.baker@centralbedfordshire.gov.uk

Richard Carr - Chief Executive

TEL: 0300 300 4009

EMAIL: richard.carr@centralbedfordshire.gov.uk

Catherine Jones – Assistant Director – People

TEL: 0300 300 6048

EMAIL: Catherine.Jones@centralbedfordshire.gov.uk

NSPCC National Whistleblowing Helpline for employees

TEL: 0808 800 5000

EMAIL: help@nspcc.org.uk

WEBSITE: <https://www.nspcc.org.uk/fighting-for-childhood/news-opinion/new-whistleblowing-advice-line-professionals>

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Central Bedfordshire Council

AUDIT COMMITTEE

3 April 2017

Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments

Advising Officers: Charles Warboys, Director of Resources
(charles.warboys@centralbedfordshire.gov.uk)

Gary Muskett, Head of Revenues and Benefits
(gary.muskett@centralbedfordshire.gov.uk)

Purpose of this report

1. The purpose of the report is to update Members on the operation of the current RBV policy and seek approval of the Risk Based Verification policy for the coming year.

RECOMMENDATION

The Committee is asked to:

1. Consider and comment on the current operational impact of the Risk Based Verification Policy and
2. Approve the Risk Based Verification Policy for 2017/18 at exempt Appendix A

Comments from Overview and Scrutiny

1. This report has not been discussed by the Overview and Scrutiny Committee. The Department for Works and Pensions guidance states that it is good practice for Risk Based Verification Policies to be examined and approved by the authority's Audit Committee.

Background

2. The Housing Benefit Regulations require local authorities to obtain information which allows an accurate assessment of a claimant's entitlement to benefit to be made. However with the exception of a national insurance number and proof of identity, they do not specify what evidence is required.

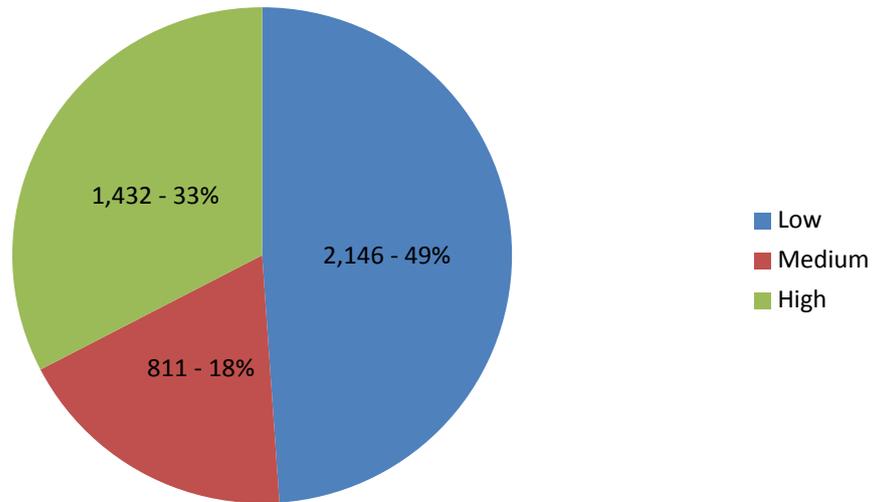
3. In 2011 the Department for Work and Pensions (DWP) changed the requirement and now allows Local Authorities to carry out this verification using a risk based approach for new benefit claims.
4. Risk Based Verification (RBV) is a method of applying different levels of checks to new Housing Benefit and Local Council Tax Support claims according to the risk associated with those claims.
5. Claims are assessed prior to payment and put into 1 of 3 categories – **Low, Medium or High** and this determines the requirement to gather proof.
6. The risk category is determined by proprietary software using statistical information and risk propensity data gathered over many years about what type of claim represents what type of risk.
7. The RBV software is integrated with the benefit processing software and on-line electronic form. When a customer submits an on-line claim / application form, it is immediately risk scored with the relevant evidence requirement being displayed to the customer before the claim is finally submitted.
8. Central Bedfordshire Council adopted this new approach for new claims with effect from 1 April 2015 following approval of the Policy by the Audit committee on 30 March 2015.

Monitoring of Risk Scores

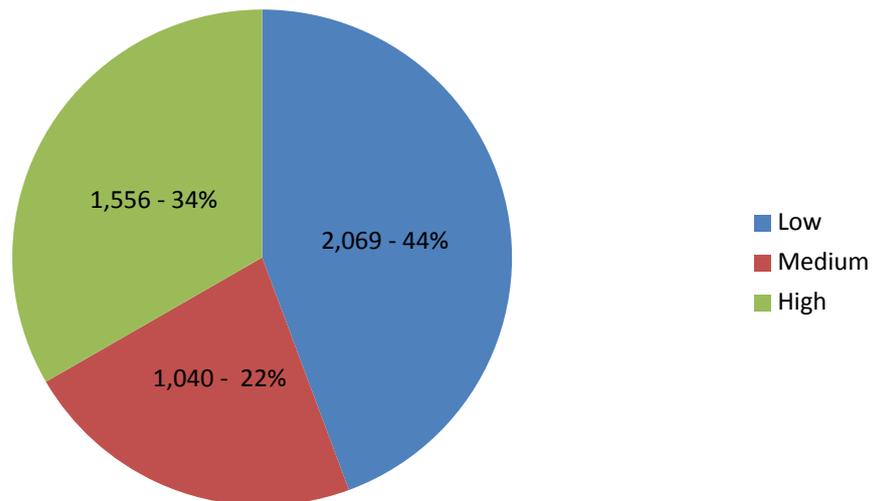
9. We have monitored the effectiveness of RBV since its introduction in April 2015 and can report as follows:

Risk Score	2015/16	2016/17	Variance
Low	2,146 (48.89%)	2,069 (44.35%)	-77 (-4.54%)
Medium	811 (18.47%)	1,040 (22.30%)	+229 (+3.83%)
High	1,432 (32.64%)	1,556 (33.35%)	+124 (+0.71%)

Distribution of risk scores for 2015/16



Distribution of risk scores for 2016/17



These scores fall outside of our expected risk scores which were forecast to be 55% low, 25% medium and 20% high.

We have been advised by our RBV software supplier that the variation in risk scores is quite normal as the original distribution percentage was calculated in 2011 when RBV was introduced nationally and due to changes in caseload demographics that have taken place over the last four years, specifically the increase in the number of in-work claims, there has been an increase in the number of high risk cases.

Our RBV software supplier has analysed the outturn from our new claims and whilst our number of high risk cases are higher than the expected average, the results show we receive a proportionally higher number of claims from claimants who do not receive social security benefits. There is a greater propensity for such claims to be deemed as “higher risk”. A very small number of claims from pension age applicants were found to be high risk.

Error Detection

- 10. There were 1,432 high risk cases submitted in the 2015/16 year, only 663 of which were still in receipt of Housing Benefit/ Local Council Tax Support at the end of that year. For 2016/17 (April 2016 to end of February 2017) the number of high risk cases submitted increased to 1,556 with 691 claims still being in receipt of Housing Benefit/Local Council Tax Support.

- 11. Analysis of these high risk cases by claim type is shown below. Some cases fall into more than one category and this combination maybe the reason for the high risk score as opposed to the claim type itself, so for example we could not say all student claims are high risk:

Type of claim / income	No. of claims 2015/16	No. of claims 2016/17
In receipt of DWP out of work benefit	58	88
Has a non-dependant(s)	36	56
Student	7	12
Receiving a discretionary housing payment	7	5
Claimant earnings	403	399
Claimant self employed	65	75
Partner earnings	98	84
Partner self employed	32	21
Child care costs	3	3
Tariff income from capital	13	15
Social housing reduction applied	36	32

- 12. A random 10% sample of the highest risk cases (high risk definitions are split across 3 levels) that are still in receipt of Housing Benefit / Local Council Tax Support was undertaken in February 2016 to provide a test group for further analysis. This group was subject to a full review of the income details used in the assessment of the claim in order to detect any instances of undeclared changes of circumstance e.g. an increase in wages.

13. 28 review letters were issued in February 2016 which were followed up by telephone calls and visits to the claimants in order to verify their income details. All 28 review forms were returned and have all been processed.
14. 6 of the 28 cases reviewed were found to have had an undisclosed change in circumstances. 4 of these undisclosed changes led to an increase in Housing Benefit/Council Tax Support entitlement, with the other 2 unreported changes resulting in a reduction in entitlement.
15. The trial was extended in March 2017 with a sample review of category 1 high risk cases where no changes to the claim have been reported in the last 12 months. The review will continue on a rolling basis for 3 months when the results will be evaluated in order to shape the future selection and category of cases to assess.
16. The categories of claims likely to be selected for review will be for claimants who are working, either employed or self employed, and initially the claimants will be written to in order to arrange a telephone interview at an agreed time when the details of their claim will be checked to ensure nothing has changed e.g. their wages.
17. Over the period that RBV has been in place, the speed of processing time has been comparable from 2015/16 to 2016/17 although the second half of 2016/17 has seen an improvement of about 4 days over the same period in 2015/16.
18. Measuring the impact of RBV on the speed of processing time has proved difficult due to a number of unforeseen problems with Citrix which affected the availability of our back office system, Civica, and a high turnover of experienced staff leaving the service who we have been unable to replace due to recruitment issues. The recruitment of 7 trainees to fill some of the vacancies will lead to an improvement in the speed of processing, as will the move away from Citrix to a more stable network environment.
19. Initial take up of new claims being made on-line was very rapid when the facility was introduced, but since then the proportion has remained fairly stable, at approximately 35% at present, compared to 30% in 2015/16. This position is expected to improve in 2017/18 as the on-line form is publicised further following the implementation of our customer portal and e-billing / e-benefit notifications in the first Quarter of the 2017/18 year.
20. We have seen a reduction in the number of documents scanned and indexed in support of new claims, since July 2015 when the on-line benefits claim form was launched.

21. Just over 44% of new claims are returned as low risk which means more resources are targeted at the medium and high risk cases. This enables a more efficient targeting of potential fraud and error.

DWP Requirements

22. The DWP require any local authority adopting RBV to have in place a RBV policy and for this to be reviewed on an annual basis. The DWP circular S11/2011 issues guidance on what should be contained in the policy and who should approve it. The Central Bedfordshire Council policy was drawn up in accordance with these guidelines and this was approved by the Audit Committee last year.
23. The current policy has been reviewed and no changes are proposed for 2017/18.

Options for consideration

24. None. Whilst the Council could abandon the use of RBV technology this is seen as a backward step given the progress made to date.

Reasons for decision

25. To enable the continued use of RBV technology in 2017/18.

Council Priorities

26. By protecting vulnerable and elderly people as well as providing incentives to work, the proposed Local Council Tax Support (LCTS) scheme is designed to support the Council's Medium Term Plan priorities of:
 - Promoting health and wellbeing and protecting the vulnerable.
 - Improved educational attainment.

Corporate Implications

Risk Management

27. The Risk Based Verification software package is delivered with reports that enable the scheme to be monitored. Blind-sampling is automated within the system to validate the process. This will move a sample of those cases identified as low and high risk to medium risk status and therefore mitigate the risk of error in the allocation of the risk category. Furthermore benefit assessment officers are able to increase the risk category at any time should they have concerns about an individual case. However they must never reduce a risk rating. The Risk Based Verification procedure will detail when and how this will be carried out and monitored.

28. Risk Based Verification reduces the risk of payment of Housing Benefit and Local Council Tax Support to fraudulent applicants as it allows targeting of resources toward high risk cases.
29. In circular HB/CTB S11/2011, the DWP has laid out the procedure required to implement Risk Based Verification to ensure local authorities meet auditing requirements. Central Bedfordshire Council is following these requirements and therefore reducing any risk to the Housing Benefit subsidy claim. The scheme has been piloted in other local authorities, and rolled out nationally from November 2011, allowing Central Bedfordshire Council to benefit from experiences of others.
30. The risk category assigned to each claim will automatically be flagged on the Civica software to enable our external auditors to identify and check the verification requirements of the claim have been correctly categorised and documentary evidence has been obtained in support of the claim as per our policy.

Legal Implications

31. Adoption of Risk Based Verification (RBV) is voluntary for an authority but if an authority chooses to adopt it, it must have in place a RBV Policy setting out the risk profiles, and verification standards that will apply and the minimum number of claims to be checked. Such a policy must be approved by Members and have the agreement of the authority's Section 151 Officer. Due to the nature of the content of the policy, it is not made publicly available. It is also expected that there is monthly monitoring of RBV to ensure it is effective and that there is reporting of this.
32. The use of RBV is supported by legislation, DWP circulars, guidance and local policy.

Financial Implications

33. Implementation and on-going costs of the RBV technology are contained within existing budgets; however this new approach to claim verification will in time improve the processing times for benefit claims, which should reduce the likelihood of overpayments being made to claimants that then have to be recovered.
34. RBV will also enable the delivery of efficiency savings, as fewer benefit assessors will eventually be required to deliver higher service levels that will result from its adoption.

Equalities Implications

35. Pursuant to the Equality Act 2010 ("the Act"), the Council, in the exercise of its functions, has to have due regard to (i) eliminating

discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (ii) advancing equality of opportunity between those with a relevant protected characteristic and those without; and (iii) fostering good relations between those with a relevant protected characteristic and those without. The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.

36. RBV will apply to all New Claims for Housing Benefit and Localised Council Tax Support. A mathematical model is used to determine the Risk score for any claim. This model does not take into account any of the protected characteristics dealt with by the Equalities Act.
37. The Risk score profiles are determined by a propensity model; a mathematical formula which uses historical outcome data to establish the likelihood of fraud and error appearing in any given claim. Each benefit claim is analysed by the risk score software to identify if any of the characteristics associated with the occurrence of fraud and error are present. Likelihood is expressed by a risk category of high, medium or low risk'.
38. The course of action to be taken in respect of the risk score is governed by this policy. As such there should not be any equalities impact.

Conclusion and next Steps

39. Approval is being sought to extend the use of RBV technology for New Claims of Housing Benefit / Local Council Tax Support claimants for 2017/18.

Appendices

Appendix A - Risk Based Verification Policy

(Note: Appendix A is exempt under paragraph 7 Part 1 of Schedule 12A to the Local Government Act 1972 as it contains information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime).

Background Papers

None.

Central Bedfordshire Council

AUDIT COMMITTEE

3 April 2017

Update of ICT Disaster Recovery (DR) Plan

Report of: Stephan Conaway, Chief Information Officer
(stephan.conaway@centralbedfordshire.gov.uk)

This report relates to current plans for recovery of the Council's IT operations after a major outage at one of the Council's Data Centres.

Purpose of this report

To update the Audit Committee on current plans for disaster recovery (DR) and to inform the Committee of the changing nature of DR

RECOMMENDATIONS

The Audit Committee to review and to note the changes in the DR environment and the work that is on-going in IT and to comment on these plans as it sees as appropriate.

Issues

1. This report on ICT DR planning was requested by the Audit Committee as an update to how changes in external hosting arrangements are affecting CBC IT DR planning.
2. The original plan from 2016 has now been updated with the progress of moving applications to externally hosted sites thus reducing dependency on the on-site DR recovery process.
3. The migration to externally hosted data services does bring with it new challenges, but in terms of Disaster Recovery, it eases the challenges that would have been faced through internal systems loss.
4. Applications progressed since the last report are:-
 - CBC email services, migration to Microsoft cloud based services to be completed by end of April 2017.
 - Office documents - hosted in Box
 - Telephony – hosted by Vodafone
 - SAP finance (HANA S4) – scheduled completion May 2018
 - SAP HR – success factors – scheduled completion June 2017

Corporate Implications

Legal Implications

5. No changes from existing arrangements

Financial and Risk Implications

6. Move to cloud hosting, when established, is targeted to provide the same or somewhat reduced total cost base for the organisation.
7. Targeted is an overall reduction in risk to the Council through the use of more modern technologies and a professional hosting environment.

Equalities Implications

8. N/A

Implications for Work Programming

9. N/A

Appendices:

Appendix A - ICT DR Plan (Current Architecture)

Background Papers:

None

APPENDIX A

ICT Disaster Recovery

Statement Plan – Revised March 2017

Security classification:
Not-Protected

Document Control

Owner

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Stephan Conaway	March 2017

Distribution

Recipient	Organisation

Amendment History

Version	Date	Description
0.1	October 2012	First draft
0.2	October 2012	Initial Internal Review
0.3	October 2012	Updated following review
1.0	November 2012	Initial Final Draft
1.1	November 2012	Updates following reviews
1.2	December 2012	Update due to DataCentre move
1.3	December 2012	Utilise CBC document template. Include DR technology overview; 2013 DR plan; update assumptions
1.4	December 2013	DataCentre updates
1.5	April 2015	Personnel and contract updates
1.6	August 2016	Personnel and Application updates
1.7	March 2017	Update on Impact of Planned Data Centre Changes

Confidentiality

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Glossary of Terms

RTO – Recovery Time Objective - Period of time within which minimum levels of service and/or products and the supporting systems, applications, or functions must be recovered after a disruption has occurred and a decision has been made to invoke disaster recovery.

RPO - Recovery Point Objective - Point in time to which data must be recovered after a disruption has occurred

ATOD – At Time of Disaster

IRBC – ICT Readiness for Business Continuity

CBC – Central Bedfordshire Council

Primary DC – a datacentre facility that hosts production services

Secondary DC – a datacentre facility that provides standby services

Co-Lo – External 3rd facility where space and power is procured for the hosting of CBC ICT equipment

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1. Background & Scope

This DR Statement and Plan covers the Central Bedfordshire Council (CBC) IT services that are located at the CBC Luton and Hoddesdon facilities and incorporates systems where data and applications are supported from the same infrastructure.

The term “Disaster Recovery” requires a brief explanation, as it is sometimes confused with either high availability/local resilience and/or business continuity. Disaster Recover is a component of CBC service protection, but is not the sole element and although DR will be managed by IT, the key decisions on service restoration must be led by the CBC divisions and sanctioned by the CMT.

High Availability

High Availability is a strategy to prevent potentially full service failure following a local (and typically isolated) event; for example an internal component failure of a server. Without HA, should a component fail, the server will fail and access to the CBC service may be lost or impaired.

The ICT infrastructure has a degree of inbuilt resilience to mitigate the risk of impact associated with “local” failure scenarios, thus already offering a high level of protection against incidents relating to power and network connectivity.

Disaster Recovery

Disaster Recovery covers the loss of an entire data centre/computer room that would result in multiple CBC service failure. The purpose of the disaster recovery strategy is to ensure the timely resumption of ICT services and maintain the integrity of data, focussing on critical services first, should there be a total failure of either of the production environments.

Business Continuity

Business Continuity incorporates the above two scenarios, however the scope is considerably wider than just IT managed systems and provided services, as it includes processes and procedures to continue business operations across all CBC divisions. This may include the adoption of manual processes to temporarily replace ICT services or provision of facilities and staff to perform required functions

Scope

The scope of this strategy document covers Disaster Recovery is defined as a site-wide failure at the Luton or Hoddesdon locations. It will form a key part of CBC Business Continuity Planning (BCP), however the overall responsibility for BCP is outside the remit for IT.

This DR strategy document is structured to include the following elements in alignment with BS ISO/IEC FDIS 27031 – ‘Guideline for Information and Communications Technology Readiness for Business Continuity’:

- Facilities
- Technology
- Data
- Processes

- People
- Suppliers

This document is a working document and is subject to regular updates following component and full DR tests and any subsequent change to the ICT infrastructure or DR provision.

ICT Services External to CBC Data Centres

A growing number of CBC ICT systems are delivered by 3rd party IT services hosting discrete applications for the Council. The services are delivered either via the Internet or via Virtual Private Networks to Council users.

The 3rd party hosting arrangements that are growing in number are covered by the Cabinet Office sponsored Public Services Network (PSN) Cloud Hosting Principles standards. Prior to engaging with external services a review of the Cloud Hosting Principles is made with each vendor and agreed.

Each of these hosting arrangements will have their own procedures and policies for Disaster Recovery in the event of loss of services. These individual arrangements are not covered by this report.

Use of External IT Services Impact on CBC Disaster Recovery

As more and more services are moving to individual hosting arrangements with their individual service vendors the impact on CBC in terms of Disaster Recovery becomes more profound.

As more services move out of CBC managed data centres, the impact of a loss of one or both of the in-house data centres is reduced. In the event of a loss of both data centres, a total loss of CBC internal data resources, the externally hosted services would continue to operate. The remaining challenge for CBC service continuation would be to assure that **access** to the external services was maintained.

The migration to externally hosted data services does bring with it new challenges, but in terms of Disaster Recovery, it eases the challenges that would have been faced through internal systems loss.

2. Management Summary

CBC's objective is to provide a reasonably balanced DR strategy that takes account of the increasing importance of ICT systems to front line service delivery, whilst recognising that maintaining DR capability will require on-going investment and resource.

Central Bedfordshire Council has implemented an ICT infrastructure that sees the majority of its services being provisioned in two data centres, one in Luton and one in Hoddesdon. In the event of a total loss of one of the centres, the other centre would be capable of continuing to provide data services for the majority of CBC applications. In the case where a large and complex application is not reasonably capable of being serviced from both centres, a continuous on line replication of the applications data is made from one data centre to the other. In the event of the loss of the primary centre for that service, the system can be rebuilt from the information stored on line at the second centre.

There are a number of threats that could result in disruption to ICT services, and may ultimately require the disaster recovery process to be invoked if severe enough. These include

- Malicious attack - Unauthorised access, virus attack
- Accidental data loss, software failure
- Equipment, link failure
- Uncontrolled changes to infrastructure or systems resulting in failure or corruption
- Building related events (loss of power or other critical services, prevention of access, structural issue)
- External incidents (bomb threat, major crash, civil unrest)

A range of measures are already in place to mitigate these threats, including:

- Identity management, physical and logical access security, anti-virus protection. This facility warranted a major upgrade in 2016 to bring it up to latest standards.
- Resilient central equipment & networks, virtualised servers, off-site backups
- Controlled, managed, monitored and maintained ICT infrastructure and systems. This service was also upgraded in 2016 in line with Public Service network standards.
- ITIL based change control and support services in-house and via 3rd party contracts
- Replicated data storage between two facilities

3. ICT Resilience

The first principle of ICT Readiness for Business Continuity (IRBC) is Incident Protection. CBCs existing ICT infrastructure has a degree of inbuilt resilience to protect ICT services from the threat of hardware failures and therefore the need to invoke the DR plan for many failure scenarios.

The production infrastructure within the two datacentres is a mixture of physical and virtual servers, with all data held on a centralised storage infrastructure, one at each site. For some applications, data is frequently replicated via log shipping to the secondary facility, while others are backed up to disk and tape, thereby providing various levels of data protection and options for recovery.

3.1. Premises

Most of the critical infrastructure is currently located at the following locations:

- Luton ONI . not owned by CBC. Contains 8 racks
- Interroute, Hoddesdon, not owned by CBC. Contains 6 racks
- Prioory House, Shefford. Contains critical telephony systems (which will be hosted by Vodafone by November 2016), GCSX Exchange and a Domain Controller

Production services are hosted from both the Luton and Hoddesdon premises, so a failure at either site would not impact all business services. Data centre resilience is delivered via the following:

- Each computer rack is provided with dual power supplies with each supply being fed from different distribution boards, protecting against the failure of circuit breakers or distribution boards. Most Networking equipment has dual power supplies.
- Luton and Hoddesdon datacentres have multiple, independent, physically isolated systems that provide redundant (fault tolerant) capacity components and multiple, independent, diverse, active distribution paths simultaneously serving the computer equipment
- Luton and Hoddesdon datacentres are rated Tier 3

3.2. Storage

The data storage environment is currently based on an HP 3par storage area network (SAN). The array has inbuilt resilience to protect against the failure of: power modules, disk controller and disk drives. Production data is replicated between the two storage arrays located at Luton and Hoddesdon

3.3. Servers

Applications run on a mix of physical and virtual servers. Virtual servers enable CBC to rapidly deploy new server instances, and move application services to an alternate host

server within the same site should one fail, thus minimising the impact of any outage. Virtual machine configuration information is backed up so that recovery of the system images is possible on an alternate host, or at an alternate site where there is hardware available.

Physical servers are backed up for the purposes of disaster recovery.

3.4. Network

The CBC wide area network infrastructure is based on a DUCL MPLS with inbuilt resilience and dual path connectivity. The Internet service is delivered by JANET via 2 virtual machines located at the Co-Lo facility. The resilience is built into the network infrastructure so there are only a few identified single point of failure at the component level i.e. one internet connection. The Network diagram can be found at the following file location:

<https://centralbedfordshire.box.com/s/gy4pq0gfjhoch1a160hk1su2btbd4kfa>

3.5. Telephony

Telephony Contact Centre is provided from the cloud by Vodafone

3.6. Data Backup

All CBC production servers are backed up using the council's standard backup processes and software to enable a recovery point in the event of unforeseen server / application interruptions or failures.

Backups from one datacentre e.g. Luton are replicated on disk to the other datacentre e.g. Hoddesdon. Virtual servers can be instanced directly from a vmware backup file.

Reports are produced and checked on a daily basis

Failures are then investigated and remediated as appropriate.

3.7. Security and Access Control

User identity, password and access controls are in place to help ensure that users have authority to access business applications and to prevent unauthorised access. Firewall and anti-virus controls are in place to minimise risk from external threats to data and systems.

External users connect using 2 factor authentication i.e. Google Authenticator

3.8. Management and Monitoring Systems

Server, storage and network performance and capacity are managed to ensure that business applications operate effectively.

Certain parts of the infrastructure are monitored. E.g., HP 3par storage.

The alerts are emailed to an ICTAlerts mailbox which is monitored on a daily basis and alerts highlighted in the morning daily checks report to relevant team members.

3.9. ICT Support Services

CBC have support arrangements with external suppliers to support the ICT team in the areas of backup software, voice communication, server hardware break/fix and applications.

Details can be found on Box:

<https://centralbedfordshire.box.com/s/85rjgp3nhn0lm4g20lcyobfrfcpm6ytd>

On LanDesk (servicedesk system)

3.10. Change Control Processes

ICT processes and procedures are in place to challenge and control changes to the ICT environment so that the risk of introducing a change that causes an incident is minimised.

Details can be found at the following file

<https://centralbedfordshire.box.com/s/0a4pr60vh9fb20qkpm5jp4h1nc8ju6us>

4. DR Foundations and Concepts

4.1. Objective

To support the Council's critical services to maintain a service in line with the Council's business continuity plans and objectives, as defined within the document produced by the Emergency Planning Team:

"Business System Requirements, Version 1.0, 27th May 20120"

The DR strategy, and following sections of this document, assumes the complete failure of a primary datacentre.

Recovery priority will be determined at the time of the incident, based on available hardware, and in a priority order agreed with the Incident Management Team, dependent upon factors such as:

- Time of incident (critical business activities)
- Nature and scale of incident
- Likely period of disruption

4.2. Datacentre Strategy

On the loss of a data centre. (DC)

Test and Dev services at the surviving data centre will be closed down

Production servers from the stricken DC will be recreated from the replicated 3par data.

#	Component	Comment
1	SAN Asynchronous Replication	Data is replicated from SAN to SAN over the MPLS network on a period basis (every 5 minutes) to ensure integrity across sites and a consistent RPO point. Recovered virtual servers will access the data to enable service to continue.
2	Application Recovery (e.g. Log Shipping)	A small number of services utilise application driven data protection techniques (e.g. Log Shipping) as well as SAN based replication. This is typically used for data roll-back/forward following data corruption. Where practical, these systems will utilise SAN based replication for DR purposes in preference to application driven.
3	Backup	Backup used to provide temporary DR capability to in-scope locations that have local servers that are not attached to the SAN (Note: Future strategy will be to relocate these servers into main data centres).
4	Telephony fail-over process	DR recovery currently requires re-routing of telephony using a Hunt Group and re-direct of specific 0300 numbers into Watling House Will be hosted by Vodafone come November 2016 which has dual site resiliency

4.3. Concepts

The DR strategy is based on the following:

The failover of ICT services to the secondary datacentre is a manual process

The RTO commences from the point of decision to invoke DR

This strategy is for resumption of ICT services. The business is to address business resumption and Incident Management.

All critical application data, files and folders are held on the Storage Area Network

4.4. Change Control

Any change to the ICT Services that may affect DR capability will only be implemented once the business continuity implications have been assessed and agreed.

4.5. Assumptions

When running in disaster recovery mode, the following assumptions apply:

In agreement with the business some services delivered may be reduced in capacity

All non-essential systems maintenance will be suspended

All system upgrades will be suspended

Break/fix calls will take priority

There will be a change freeze for application deployment or modification

5. DR ICT Components

5.1. Technology

5.1.1. Servers

On datacentre failure to Luton or Hoddesdon, IT will recreate the production servers at the surviving DataCentre from the replicated data

The recovery priority will be based on the circumstances and nature of the event at the time, the storage tiering system and input from the emergency planning team..

5.1.2. Data

Dual Enterprise class storage arrays (3Par) replicate production data between DCs.. Each array has inbuilt resilience against power and single component failure. All production SAN data is replicated via the storage hardware from the primary site to the secondary.

Recovery of data will be prioritised by application recovery priority.

5.2. Applications

The following details the DR strategy for applications:

Application	DR Strategy
Email	CBC hosted is a Clustered solution. DR server at Hoddesdon. All CBC email services will be provided by Microsoft cloud based services by April 2017.
Office 365 (Word, excel etc.)	Office documents in Box (Cloud)
SWIFT	Data replicated to server at Hoddesdon
CCMS	Data replicated to server at Hoddesdon
Fsa (S: drive files)	Data replicated to server at Hoddesdon
Citrix	With 6.5 a load balanced solution with nodes at Luton and Hoddesdon
Modern.gov	Cloud hosted by vendor.
Telephony	Cloud hosted by Vodafone
MDM/mobile iron SSO OKTA	Cloud hosted by Qolcom
Terms	Cloud solution
All other	Production Disk and Non-production Tape based recovery

5.3. Network

Two independent network access services are deployed to the Internet so that in the case of a total failure of one service, the second service would be capable of continuing full operations for Council users.

6. DR Processes

6.1. Recovery Priority

The recovery priority of applications will be determined at the time of the incident in accordance with the Emergency Planning Team procedures.

ICT have aligned servers and associated datastores to application tiers by criticality.

This is documented in the following location:

<https://centralbedfordshire.box.com/s/jt7yjjw6k7bo5u40y4lai8yb5pfe0yq7>

6.2. Recovery Process

ICT Service Continuity is described in terms of the following incident levels:

- Single user
- Department
- Council Wide

The high level process for recovery is as follows:

6.2.1. Roles and Responsibilities

CBC IT/DR Staff

The CBC Emergency Planning Team (EPT) and/or an appointed Incident Controller (IC) will notify one or more of the IT/DR personnel listed below.

Name	Responsibility	Contact Via
Stephan Conaway	CIO	Stephan.conaway@centralbedfordshire.gov.uk 07816873947
Bernard Sykes	Ops and Networks Manager	Bernard.sykes@centralbedfordshire.gov.uk 07391 411863
Steve Holton	Data Centre Manager	Steve.Holton@centralbedfordshire.gov.uk 07792 129480
Jeremy Wood	Network Services Manager	Jeremy.wood@centralbedfordshire.gov.uk 07795 257448

CBD IT/DR Management

It is the responsibility of CBC IT/DR management to:

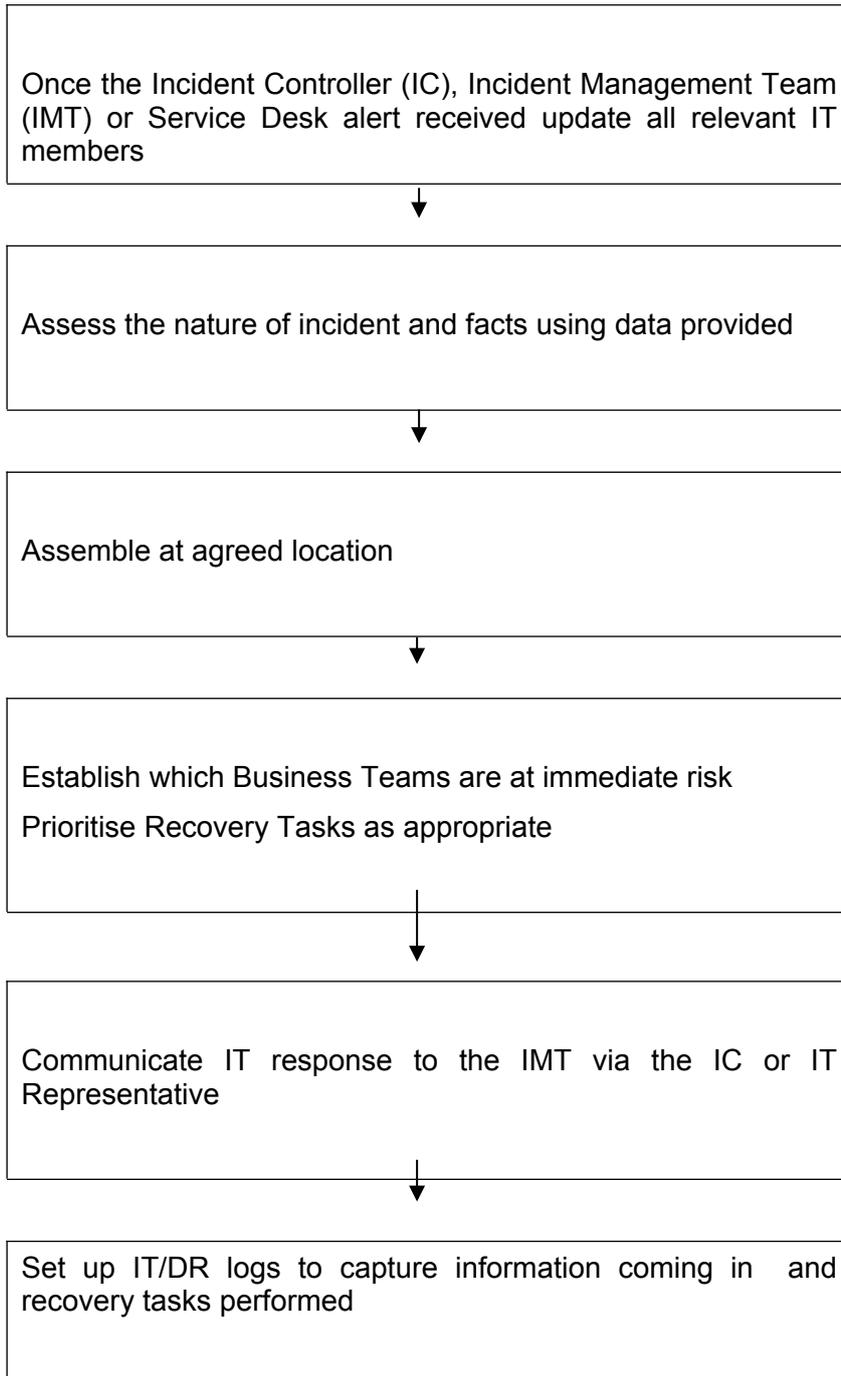
- Notify the appointed Incident Controller of the disaster (if 'first at scene')
- Evaluate the extent of the problem/incident in relation to underpinning IT Infrastructure and associated services that may lead to an invocation in association with the appointed Incident Controller.
- Review, evaluate and communicate potential consequences of underpinning IT to the Emergency Planning Team, in order for strategy to be agreed (relevant to the time and nature of the disaster.)
- Initiate IT/DR procedures

- Co-ordinate and communicate recovery operations to the EPT.
- Monitor recovery
- Document and update recovery processes
- Liaise with Business Recovery Team leaders on user acceptance and/or handover.
- Support Business Recovery Team as required
- Expedite authorisation where necessary
- Ensure conversion to standby facilities and the final resumption of operations are under sufficient audit control to provide reliability and consistency for auditing.

CBC IT Staff

- Install and configure ESX environment
- Install and configure backup/recover environment – including tape library
- Install and configure physical servers
- Provision and configure storage from supplied pool
- Configure network to accommodate recovery requirements
- Restore data (for tape-based recoveries)
- Apply latest replicated data (for replicated environments)
- Test services and applications in conjunction with business and application owners to ensure services and applications are fully recovered and

6.2.2. Incident Response



6.2.3. Invocation

CBC has personnel within the IT department and the Emergency Planning Team (EPT) who are nominated key invocation personnel. The IT personnel are:

Bernard Sykes
Stephan Conaway
Steve Holton
Jeremy Wood

6.2.4. Recovery Steps

6.2.4.1. Recovery from Replication (application level replication)

Applications using log shipping for 'failover'-based recovery are:

CCMS (data replicated to server at Watling House)

SWIFT (data replicated to server at Watling House)

CITRIX (load-balanced with nodes at Bedford and Watling House)

Exchange (clustered solution)

As the data will already be at the alternate site, recovery will typically consist of 'failing over' servers, with elements of re-configuration specific to each application.

After 'fail over' Business/Application owners will ensure recovered applications and services are fully functional and read for use (before handover to users)

6.2.4.2. Recovery from Backup disk and (tape for non-production systems if required)

NOTE: Some of the following steps may be implemented in parallel, depending on resource availability.

Steps to recover from backups at the DR site are as follows.

Close down non-production servers

Build Netbackup environment – including all Catalog metadata, DR configuration, and tape library (may be hosted on physical or virtual server – TBC)

Create servers from replicated backups

Configure applications into running state and test

Business/Application owners will ensure recovered applications and services are fully functional and read for use (before handover to users)

6.3. Recovery Documentation

The recovery documentation is held in a "battlebox" directory at

<https://centralbedfordshire.box.com/s/6kiccchnv7a57gmd1s2alkz9t7hqlexq>

On Box and on the S: drive

The recovery plan makes an assumption that the following skills/technical specialisms and technical competencies are in place at CBC:

Microsoft servers 2003, 2008, 2012

VMware 5.5

Netbackup 7.6

IP skillsets

7. DR Personnel

7.1. ICT

Members of the ICT team would be assigned to the recovery operation based on the nature of the incident and availability.

Members of the Network Team would be assigned to the recovery as required.

Members of the Application Team will be assigned to the recovery operation once the server environment has been recovered.

7.2. External

The following third party suppliers would be involved in recovery and validation of the products that they support:

SWIFT
CCMS

7.3. Business Users / Business Application Owners

Business users will be involved in testing to ensure that recovered applications are fully functional and ready for use, before wider access is permitted.

7.4. Emergency Planning Team

The Emergency Planning team plays a key role during a disaster situation. For ICT DR, they act as co-ordinators to prioritise recovery with the business and act as a primary communications conduit between ICT and the user base.

7.5. Other ICT Service Users

The Emergency Planning Team will manage communications to impacted officers, members and external parties and agencies outside CBC.

The Emergency Planning team will be notified of all P1 incidents /major incidents which by definition would include DR events. The Emergency Planning Team operate a 24/7 duty system. In the event of a DR event the Duty First Contact Officer would be contacted on the following number **07964 111942**. A voicemail service is available for this number along with instructions on the voicemail about what information should be provided. There is also an emergency email account which is monitored by the Duty First Contact Officer emergency@centralbedfordshire.gov.uk."

8. Return to Normal Operation

At some point restoration will be deemed feasible and desirable and services will be transitioned back to “normal” operations. Depending on the nature and severity of the incident, and the duration of running in disaster recovery mode, the return of services could be to either the original infrastructure, or to a new arrangement, especially where the disruption has forced a permanent change to the business. It is acknowledged that this task will be substantial.

For this reason, return to normal is not prescriptive and must be planned carefully with the business to ensure the transition schedule has minimal business impact.

The return process must:

- Ensure that all needed infrastructure services, such as power, cooling, connectivity, and security are operational
- Schedule installation of system hardware and software
- Establish connectivity between internal and external systems and premises
- Reverse or establish data replication from DR site
- Test system operations to ensure full functionality
- Transition services from the DR facility
- Gain business sign off
- Terminate contingency operations

When returning services to a new infrastructure, careful consideration must be given to:

- Software licensing, especially if hardware dependent
- Legacy equipment
- Original version of operating system, patches and software compared to what is available at the time of restoration of services

For CBC, the preference is to return to operations in the primary datacentre. However if the incident results in the total failure and destruction of the primary datacentre, then an alternate strategy will be reviewed with the business.

9. DR Testing

As we are in the process of continuous moves to the cloud there will be a full comprehensive DR test on completion of the first datacentre move to the cloud after March 2017

An annual DR testing programme will be agreed subsequently with the business

In most instances testing the whole set of DR elements and processes in one test is impractical and therefore a structured phased approach is recommended, fully aligned to the wider business continuity management scope and complementing the broader exercise programme.

DR testing will require input from the following teams:

- ICT – recovery of core infrastructure, application servers, software and data
- Applications – recovery and validation of applications and databases
- Business – user testing

10. Risks

10.1. Restrictions

- There is no statement from the CMT on the level of impact they are prepared to accept in a Disaster situation. This would validate the recovery objectives as defined by each area of the business.

10.2. Vulnerabilities

The following list itemises known shortfalls within the provision of DR. This document will be updated in accordance with any actions taken to address these items.

- The current recovery objectives or expectations of the business have not been validated
- There is limited formal documentation linking business systems to ICT infrastructure. This means a heavy reliance on key individuals and could impact an efficient large scale recovery.
- Current testing is at an ICT component level and a full test of business system recover will be required to give complete assurance over the recovery capabilities.

-END-

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Central Bedfordshire Council

AUDIT COMMITTEE

3 April 2017

Revised Local Code of Corporate Governance

Report of: Charles Warboys, Director of Resources
(charles.warboys@centralbedfordshire.gov.uk)

Contact Officer: Kathy Riches, Head of Internal Audit and Risk
(kathy.riches@centralbedfordshire.gov.uk)

Purpose of this report:

The purpose of this report is to present the updated Local Code of Corporate Governance for review and approval.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and approve the updated 2017 Local Code of Corporate Governance, and
2. Support the publication of the revised Local Code of Corporate Governance on the Council's website.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as it is a matter for the Audit Committee under the delegations of the Constitution.

Background

2. The current Code of Corporate Governance was adopted by the Audit Committee in April 2011. This code was consistent with the framework and guidance published by CIPFA (Chartered Institute of Public Finance and Accountancy) at that time.
3. In April 2016 CIPFA revised their framework and guidance (Delivering Good Governance in Local Government) and therefore the opportunity has been taken to review the Council's code and align it with the new guidance.
4. As one would expect in a framework dealing with 'good governance' there is a lot of correlation between the content of the old CIPFA framework and the new framework. The main changes are the positioning of sustainable,

social and environmental outcomes as a key focus of governance processes and structures. CIPFA consider the focus on sustainability and the links between governance and public financial management are crucial in these times of austerity and underpin the need for local authorities to focus on long term solutions. The framework is guidance to local authorities which they may adapt as they consider fit.

5. Under the new framework there are seven core principles (A-G) each with a number of sub-principles. Although the wording of the principles has been revised there is a lot of commonality between the sub-principles.
6. The previous framework contained six core principles. A comparison between these and the principles (A-G) in the new guidance is set out in Appendix A. This shows how the old and new principles are aligned.

Local Code of Governance

7. The updated Local Code of Corporate Governance is based upon the CIPFA / SOLACE publication entitled “Delivering Good Governance in Local Government: Framework 2016 Edition.”
8. The Code is based on seven core principles:-
 - A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
 - B. Ensuring openness and comprehensive stakeholder engagement;
 - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
 - D. Determining the interventions necessary to optimize the achievement of the intended outcomes;
 - E. Developing the Council’s capacity, including the capability of its leadership and the individuals within it;
 - F. Managing risks and performance through robust internal control and strong public financial management; and
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
9. The Local Code specifically identifies the actions and behaviours taken by the Council in relation to each of these core principles and associated sub principles. These are summarised within Appendix A of the Code. These behaviours and actions have been summarised following a review of the CIPFA Local Government Guidance Notes for Local Authorities. Appendix B of the Local Code sets out the Local Corporate Governance Framework
10. The Audit Committee is responsible for approving this Code and it is recommended that this is annually reviewed and updated accordingly.
11. The updated Local Code of Corporate Governance is attached at Appendix B.

12. Once approved, it is suggested that the CBC Local Code of Corporate Governance is published both on the intranet and also on the Council's website. If the detailed governance arrangements for the Council are easily accessible to the public in this way, there would be scope to rationalise the detail contained within the Annual Governance Statement that is produced each year, and published alongside the Statement of Accounts.

Council Priorities

13. A sound system of corporate governance provides the framework and assurance within which the council can deliver its priorities with confidence.

Corporate Implications

Legal Implications

14. The Council must adopt a Code of Corporate Governance which has been produced to the standards prescribed in the best practice guidance in order to prepare the Annual Governance Statement. The best practice guidance is recognised as the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government (2016).

Financial and Risk Implications

15. None directly from this report. However good governance enables the Council to pursue its vision effectively as well as underpinning that vision with sound arrangements for control and management of risk. The council must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk. Failure to develop and maintain a local Code of Corporate Governance and publish an Annual Governance Statement would mean that the Council would be failing in its responsibilities for ensuring accountability and the proper conduct of public business.

Equalities Implications

16. None directly from this report.

Conclusion and next Steps

17. Approval of the updated Local Code of Corporate Governance by the Audit Committee will ensure that the Council has a robust framework in place to support good governance

Appendices:

Appendix A – Comparison between updated CIPFA/SOLACE Framework
April 2016 and previous framework

Appendix B - Local Code of Corporate Governance

Background Papers:

None

Appendix A

The following table compares the principles from the CIPFA/SOLACE Framework (2007) with those included in the revised Framework (2016).

Principles from 2016	Principles from 2007
<p>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Behaving with integrity • Demonstrating strong commitment to ethical values • <input type="checkbox"/> Respecting the rule of law 	<p>Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</p> <ul style="list-style-type: none"> • Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance • Ensuring that organisational values are put in place and are effective
<p>B. Ensuring openness and comprehensive stakeholder engagement</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Openness • Engaging comprehensively with institutional stakeholders • Engaging with individual citizens and service users effectively 	<p>Engaging with local people and other stakeholders to ensure robust public accountability</p> <ul style="list-style-type: none"> • Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships • Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership, or by commissioning • Making the best use of human resources by taking on active and planned approach to meet responsibility to staff

Principles from 2016	Principles from 2007
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</p> <ul style="list-style-type: none"> • <input type="checkbox"/> <input type="checkbox"/> Defining outcomes • Sustainable economic, social and environmental benefits 	<p>Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area</p> <ul style="list-style-type: none"> • Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users • Ensuring that users receive a high quality of service whether directly, or in partnership or by commissioning • Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <ul style="list-style-type: none"> • <input type="checkbox"/> <input type="checkbox"/> Determining interventions • <input type="checkbox"/> <input type="checkbox"/> Planning interventions • Optimising achievement of intended outcomes 	
<p>E. Developing the entity's capacity, including the capability of its leadership and the individuals within it</p> <ul style="list-style-type: none"> • <input type="checkbox"/> <input type="checkbox"/> Developing the entity's capacity • Developing the capability of the entity's leadership and other individuals 	<p>Developing the capacity and capability of members and officers to be effective</p> <ul style="list-style-type: none"> • Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles • Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group • Encouraging new talent for membership of the authority so that best use can be made of individuals skills and resources in balancing continuity and renewal

Principles from 2016	Principles from 2007
	<p>Members and officers working together to achieve a common purpose with clearly defined functions and roles</p> <ul style="list-style-type: none"> • Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function • Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of authority members and officers are carried out to a high standard • Ensuring relationships between the authority and the public are clear so that each knows what to expect of the other
<p>F. Managing risks and performance through robust internal control and strong public financial management</p> <ul style="list-style-type: none"> • <input type="checkbox"/> <input type="checkbox"/> Managing risk • <input type="checkbox"/> <input type="checkbox"/> Managing performance • <input type="checkbox"/> <input type="checkbox"/> Robust internal control • <input type="checkbox"/> <input type="checkbox"/> Managing data • <input type="checkbox"/> <input type="checkbox"/> Strong public financial management 	<p>Taking informed decisions which are subject to effective scrutiny and managing risk</p> <ul style="list-style-type: none"> • Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny • Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs • Ensuring that an effective risk management system is in place • Using their legal powers to the full benefit of the citizens and communities in their area
<p>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> <ul style="list-style-type: none"> • Implementing good practice in transparency • Implementing good practices in reporting • Assurance and effective accountability 	

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APPENDIX B

Local Code of Corporate Governance

Effective from 2016/17



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Code of Corporate Governance

1 Introduction

- 1.1 The Council's Code of Corporate Governance is based upon the CIPFA / SOLACE publication entitled "Delivering Good Governance in Local Government: Framework 2016 Edition." This supersedes the previous Code approved by the Audit Committee in April 2011.

2 What do we mean by Governance?

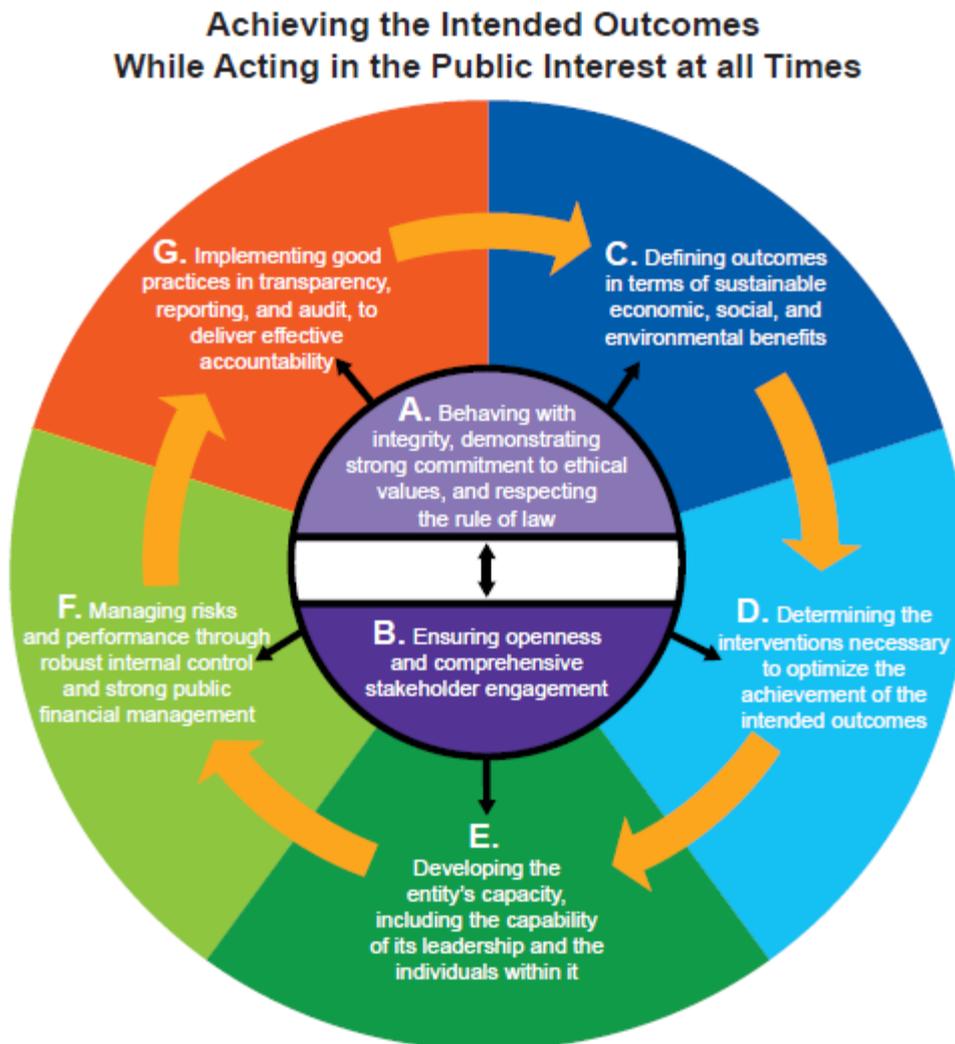
- 2.1 'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The Framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must aim to achieve the Council's objectives while acting in the public interest at all times.

3. Core Principles

- 3.1 The Council's Code of Corporate Governance is based on seven core principles:-

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimize the achievement of the intended outcomes;
- E. Developing the Council's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

3.2 The diagram below, taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), illustrates the various principles of good governance in the public sector and how they relate to each other.



3.3 The Local Code specifically identifies the actions and behaviours taken by the Council in relation to each of these core principles and associated sub principles. These are summarised within Appendix A. Appendix B sets out the Local Corporate Governance Framework..

3.4 The Audit Committee is responsible for approving this Code and it is recommended that this is annually reviewed and updated accordingly. This Code was approved by the Committee at its meeting on XXXX

Appendix A - Actions and behaviours taken by the Council that demonstrate good governance.

Principle	Sub Principle	Council's Actions and Behaviours
(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Behaving with integrity	<ul style="list-style-type: none"> Ensure that Members and Officers behave with integrity and lead a culture where acting in the public interest is visible and consistently demonstrated thereby protecting the reputation of the Council;
		<ul style="list-style-type: none"> Ensure that Members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. These will build on the Seven Principles of Public Life (The Nolan Principles);
		<ul style="list-style-type: none"> Lead by example and use the above standard operating principles or values as a framework for decision making and other actions; and
		<ul style="list-style-type: none"> Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which will be reviewed on a regular basis to ensure they are operating effectively.
	Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> Seek to establish, monitor and maintain the Council's ethical standards and performance;
		<ul style="list-style-type: none"> Underpin personal behaviour with ethical values and ensure they permeate all aspects of the Council's culture and operation;
		<ul style="list-style-type: none"> Develop and maintain robust policies and procedures which place emphasis on agreed ethical values; and
		<ul style="list-style-type: none"> Ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the Council.
	Respecting the Rule of Law	<ul style="list-style-type: none"> Ensure Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations;
		<ul style="list-style-type: none"> Create the conditions to ensure that the statutory officers, other key post holders, and Members are able to fulfil their responsibilities in accordance with legislative and regulatory provisions;
		<ul style="list-style-type: none"> Strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders;
		<ul style="list-style-type: none"> Deal with breaches of legal and regulatory provisions effectively; and
		<ul style="list-style-type: none"> Ensure corruption and misuse of power is dealt with effectively.

Principle	Sub Principle	Council's Actions and Behaviours
(B) Ensuring openness and comprehensive stakeholder engagement	Openness	<ul style="list-style-type: none"> ▪ Ensure an open culture through demonstrating, documenting and communicating the Council's commitment to openness; ▪ Make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption will be for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential will be provided; ▪ Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and will be explicit about the criteria, rationale and considerations used. In due course, the Council will ensure that the impact and consequences of those decisions are clear; and ▪ Use formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.
	Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> ▪ Effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably; ▪ Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively; and ▪ Ensure that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.
	Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> ▪ Establish a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes; ▪ Ensure that communication methods are effective and that Members and Officers are clear about their roles with regard to community engagement; ▪ Encourage, collect and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs; ▪ Implement effective feedback mechanisms in order to demonstrate how their views have been taken into account; ▪ Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity; and ▪ Take account of the interests of future generations of tax payers and service users.

Principle	Sub Principle	Council's Actions and Behaviours
(C) Defining outcomes in terms of sustainable economic, social and environmental benefits	Defining outcomes	<ul style="list-style-type: none"> ▪ Have a clear vision, which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council's overall strategy, planning and other decisions;
		<ul style="list-style-type: none"> ▪ Specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer;
		<ul style="list-style-type: none"> ▪ Deliver defined outcomes on a sustainable basis within the resources that will be available;
		<ul style="list-style-type: none"> ▪ Identify and manage risks to the achievement of outcomes; and
	Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> ▪ Manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available.
		<ul style="list-style-type: none"> ▪ Consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision;
		<ul style="list-style-type: none"> ▪ Take a longer- term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints;
		<ul style="list-style-type: none"> ▪ Determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs; and
<ul style="list-style-type: none"> ▪ Ensure fair access to services. 		

Principle	Sub Principle	Council's Actions and Behaviours
(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	Determining interventions	<ul style="list-style-type: none"> ▪ Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided; and
	Planning interventions	<ul style="list-style-type: none"> ▪ Consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
		<ul style="list-style-type: none"> ▪ Establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets;
		<ul style="list-style-type: none"> ▪ Engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered;
		<ul style="list-style-type: none"> ▪ Consider and monitor risks facing each partner when working collaboratively including shared risks;
		<ul style="list-style-type: none"> ▪ Ensure arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances;
		<ul style="list-style-type: none"> ▪ Establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured;
		<ul style="list-style-type: none"> ▪ Ensure capacity exists to generate the information required to review service quality regularly;
	Optimising achievement of intended outcomes	<ul style="list-style-type: none"> ▪ Prepare budgets in accordance with organisational objectives, strategies and the medium term financial plan; and
		<ul style="list-style-type: none"> ▪ Inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
		<ul style="list-style-type: none"> ▪ Ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints;
		<ul style="list-style-type: none"> ▪ Ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term;
<ul style="list-style-type: none"> ▪ Ensure the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage; and 		
<ul style="list-style-type: none"> ▪ Ensure the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes". 		

Principle	Sub Principle	Council's Actions and Behaviours
(E) Developing the Council's capacity, including the capability of its leadership and the individuals within it	Developing the Council's capacity	<ul style="list-style-type: none"> ▪ Review operations, performance use of assets on a regular basis to ensure their continuing effectiveness; ▪ Improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently; ▪ Recognise the benefits of partnerships and collaborative working where added value can be achieved; and ▪ Develop and maintain an effective workforce plan to enhance the strategic allocation of resources.
	Developing the capability of the County Council's leadership and other individuals	<ul style="list-style-type: none"> ▪ Develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained; ▪ Publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body; ▪ Ensure the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority; ▪ Develop the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> ➤ ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged; ➤ ensuring Members and Officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; and ➤ ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. ▪ Ensure that there are structures in place to encourage public participation; ▪ Take steps to consider the leadership's own effectiveness and ensure leaders are open to constructive feedback from peer review and inspections; ▪ Hold staff to account through regular performance reviews which take account of training or development needs; and ▪ Ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

Principle	Sub Principle	Council's Actions and Behaviours
(F) Managing risks and performance through robust internal control and strong public financial management	Managing Risk	<ul style="list-style-type: none"> ▪ Recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making;
		<ul style="list-style-type: none"> ▪ Implement robust and integrated risk management arrangements and ensure that they are working effectively; and
		<ul style="list-style-type: none"> ▪ Ensure that responsibilities for managing individual risks are clearly allocated.
	Managing Performance	<ul style="list-style-type: none"> ▪ Monitor service delivery effectively including planning, specification, execution and independent post implementation review;
		<ul style="list-style-type: none"> ▪ Make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook;
		<ul style="list-style-type: none"> ▪ Ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible;
		<ul style="list-style-type: none"> ▪ Provide Members and senior management with regular reports on service delivery plans and on progress towards outcome achievement; and
		<ul style="list-style-type: none"> ▪ Ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).
	Robust internal control	<ul style="list-style-type: none"> ▪ Align the risk management strategy and policies on internal control with achieving objectives;
		<ul style="list-style-type: none"> ▪ Evaluate and monitor the Council's risk management and internal control arrangements on a regular basis;
		<ul style="list-style-type: none"> ▪ Ensure effective counter fraud and anti-corruption arrangements are in place;
		<ul style="list-style-type: none"> ▪ Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor;
		<ul style="list-style-type: none"> ▪ Ensure an Audit Committee which is independent of the executive and accountable to the Council: <ul style="list-style-type: none"> ➤ provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and ➤ that its recommendations are listened to and acted upon.

Principle	Sub Principle	Council's Actions and Behaviours
(F) Managing risks and performance through robust internal control and strong public financial management	Managing Data	<ul style="list-style-type: none"> ▪ Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data;
		<ul style="list-style-type: none"> ▪ Ensure effective arrangements are in place and operating effectively when sharing data with other bodies; and
		<ul style="list-style-type: none"> ▪ Review and audit regularly the quality and accuracy of data used in decision making and performance monitoring;
	Strong public financial management	<ul style="list-style-type: none"> ▪ Ensure financial management supports both long term achievement of outcomes and short-term financial and operational performance; and
		<ul style="list-style-type: none"> ▪ Ensure well –developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

Principle	Sub Principle	Council's Actions and Behaviours
(G) Implementing good practices in transparency, reporting and audit to deliver effective accountability	Implementing good practice in transparency	<ul style="list-style-type: none"> ▪ Write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience ensuring that they are easy to access and interrogate; and ▪ Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
	Implementing good practices in reporting	<ul style="list-style-type: none"> ▪ Report at least annually on performance, value for money and the stewardship of its resources to stakeholders in a timely and understandable way; ▪ Ensure Members and senior management own the results; ▪ Ensure robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publish the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement); ▪ Ensure that the Framework is applied to jointly managed or shared service organisations as appropriate; and ▪ Ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.
	Assurance and effective accountability	<ul style="list-style-type: none"> ▪ Ensure that recommendations for corrective action made by external audit are acted upon; ▪ Ensure an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and that recommendations are acted upon; ▪ Welcome peer challenge, reviews and inspections from regulatory bodies and implement recommendations; ▪ Gain assurance on risks associated with delivering services through third parties and evidence this in the annual governance statement; and ▪ Ensure that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

Appendix B – Central Bedfordshire Council’s Corporate Governance Framework

‘The International Framework: Good Governance in the Public Sector’ defines ‘governance’ as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must try to achieve the Council’s objectives while acting in the public interest at all times.

Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social, and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council’s capacity, including the capability of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practices in transparency, reporting, and audit to deliver effective accountability
Evidence of Good Governance	Constitution	Constitution	Committee Reports	Budget Consultation	Constitution	Constitution	Audit Committee
	Code of Financial Governance	Decision making Committees	Five Year Plan, setting out objectives	Other Consultations	Member Induction	Code of Financial Governance	Overview and Scrutiny Committees
	Code of Procurement Governance	Overview and Scrutiny Committees	Consultations	Stakeholder Engagement	Member Development Programme	Audit Committee	Decision Making Protocols
	Ethical Handbook within Constitution	Council website includes published calendar of meetings, including agenda printed minutes and key decisions.	Risk Management Strategy	Option Appraisals	Workforce and Organisational Development Strategy and Work streams	Overview and Scrutiny Committees	External audit of accounts and value for money opinion
	Member Induction	Webcasting of meetings	Strategic performance, financial and risk reporting framework	Five Year Plan, setting out objectives	Secondments	Risk Management Strategy	Annual Statement of Accounts

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must try to achieve the Council's objectives while acting in the public interest at all times.

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	Member Development Programme	Public Meetings	Scrutiny Framework	Medium Term Financial Plan	Leadership Development Programme	Emergency/Business Continuity Management	Annual Governance Statement / Assurance Framework
	Schemes of Delegation / Decision making protocols	FOI Request Information	Procurement/Commissioning toolkit	Decision Making Protocols	Staff Performance Development Review	Financial Procedures	Head of Internal Audit and Risk's Annual Opinion / Report
	Audit Committee	Online Council Tax information	Environmental Information Regulations (EIR)	Strategic Commissioning Plans	Your Year/360 reviews	External audit of accounts and value for money opinion / Statement of Accounts	Internal Audit Service
	Standards Sub Committee	Five Year Plan, setting out objectives	Medium Term Financial Plan	Risk Management Strategy	Consideration of alternative service delivery models/ Shared Services e.g. LGSS	Medium Term Financial Plan	Strategic performance, financial and risk reporting framework

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must try to achieve the Council's objectives while acting in the public interest at all times.

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	Scrutiny Framework	Consultations	Capital Programme	Consideration of alternative service delivery models/ Shared Services e.g. LGSS	Continuing Professional Development Programmes	Consideration of risk in decision making processes (e.g. Committee reports).	Open Data and Transparency Code
	Financial Procedures	Open Data and Transparency Code	New School Places Programme	Strategic performance, financial and risk reporting framework	Peer Reviews / External Inspections	Strategic Risk Register / Operational Risk Registers	Website
	Scheme for Financing Schools	Customer feedback / Complaints Policy	Transport Strategy and associated strategies	Medium Term Financial Plan	Benchmarking	Risk Based Internal Auditing Service / planning	External inspections/peer reviews
	Financial Regulations for Schools	Annual Statement of Accounts and Annual Governance Statement published			Safety, Health and Wellbeing	Head of Internal Audit and Risk's Annual Opinion / Report	Publication Scheme Statement

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must try to achieve the Council's objectives while acting in the public interest at all times.

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	Statutory Officers Roles Chief Executive, Chief Financial Officer/Monitoring Officer / Legal Services	Community Engagement Strategy			Staff 1:1	Strategic performance, financial and risk reporting framework	Complaints Annual reports (Adult Social Care and Children's)
	Members and Officers Codes of Conduct	Partnership arrangements.			Periodic staff surveys	Anti-Fraud and Corruption Strategy	
	Members / Officers Register of Interests / Register of Gifts and Hospitality	Partnership Protocol				Information Risk Management Process	
	Protocol for Member Officer Relations	Publication Scheme Statement				Information Asset Risk Register	
	Anti-Fraud and Corruption Strategy (including Anti Bribery)	Local Code of Governance				IT Acceptable Usage Policy	

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must try to achieve the Council's objectives while acting in the public interest at all times.

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	Confidential Reporting Code (Whistleblowing)	Social Media				Information Sharing Protocols	
	Risk Management Strategy						
	Procurement Guidance						
	Complaints Procedure						
	IT Acceptable Usage Policy						
	Transsexual, Transgender and Gender Re-assignment guidance						
	Council's Vision and Values						

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Central Bedfordshire Council

AUDIT COMMITTEE

3 April 2017

Updated 2017-19 Internal Audit Plan

Report of Charles Warboys, Director of Resources
(charles.warboys@centralbedfordshire.gov.uk)

Contact Officer: Kathy Riches, Head of Internal Audit and Risk
(kathy.riches@centralbedfordshire.gov.uk)

Purpose of this report:

The purpose of this report is to present the revisions to the 2017 to 2019 Internal Audit Plan for review and approval.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and approve the updated 2017 to 2019 Internal Audit Plan.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as it is a matter for the Audit Committee under the delegations of the Constitution.

Background

2. The Public Sector Internal Auditing Standards, effective from 1st April 2013, require the Head of Internal Audit to establish risk based plans to determine the priorities of internal audit activity, consistent with the organisation's goals. This should be supported by a documented risk assessment, giving consideration to the input of senior management.
3. A Strategic Audit Plan covering the period 2016 to 2019 was approved by the Audit Committee in April 2016. 2017-18 represents the second year of the plan.
4. The plan has been updated following discussion with senior officers. The plan for 2017-18 is detailed. The plan for the following year contains less detail and will be reviewed and updated next year to ensure that it remains relevant.

2017/19 Internal Audit Plan

5. In preparing the audit plan, consideration has been given to the requirement for the Head of Internal Audit to deliver an annual internal audit opinion on the overall adequacy and effectiveness of the Councils framework of governance, risk management and control (as required by the Public Sector Internal Auditing Standards).
6. The updated plan has been informed through:
 - reference to the previous Audit Needs Assessment undertaken
 - consultation with senior management
 - Internal Audit's own analysis of risk areas
 - outcomes of previous audits
 - reference to the strategic and operational risk registers
 - the outcome of the assurance mapping exercise on the risks documented within the Strategic Risk Register, and
 - consideration of the requirements of the Public Sector Internal Audit Standards to include reviews on control, risk, ethics and governance issues.
7. In developing the audit plan, consideration has been given to ;
 - providing assurance on the Council's fundamental systems
 - ICT assurance work
 - grant claim sign off work
 - system reviews of key service activities
 - follow up work, where appropriate
 - consultancy and advice
 - engagement in key transformation programmes and projects, as appropriate
 - new Government initiatives
 - local initiatives
 - the need to ensure that basic systems and controls are robust and being complied with at a time when the Council is refining a number of processes to improve service delivery and increase efficiencies.
8. It is important to recognise the need for flexibility in the approach to our audit work. The approach adopted recognises that organisational and business transformation changes are continuous within Central Bedfordshire and acknowledges that, as a result, the control environment is subject to change. A contingency has been included within the plan to ensure that Internal Audit can respond accordingly. The plan includes provision for a rolling programme of reviews in several areas, including information governance, corporate governance, contracts management and partnership governance. The recent discussions with directors have identified potential areas to audit. The specific areas for review will be determined based on the progress of planned initiatives and may involve Internal Audit being involved in the early stages of development, as appropriate.

9. The approach to the delivery of the fundamental systems audits has been discussed with Ernst and Young, the Council's external auditors.
10. The plan has been discussed and agreed with the Corporate Management Team.
11. The main revisions to the 2017-19 Plan are indicated in grey in the attached Appendix, along with an explanatory comment, and the key changes are summarised below:
 - Following discussions with the external auditors and the Director of Resources, it has been agreed that the Asset Management Audit for 1017/18 will be removed from the plan
 - A review of Democratic Services has been added to the plan for 2017/18 and 2018/19. This area has not been reviewed since the creation of the Council.
 - A review of debt management arrangements has been added to the plan for 2018/19.
 - A review to provide assurance over the implementation of any actions arising as a result of the expected OFSTED has been added to the 2018/19 plan
 - The review of MANOP planned for 2017/18 has been taken out and replaced with a review of Direct Payments
 - The timing of the Community Infrastructure Levy (CIL) audit has been revised and deferred to 2018/19. This will be reviewed again later in the year.
 - The provision for supporting major projects has increased for 2017/18 and the time requirement for some audits has been revised.
 - The plan has been realigned to reflect changes in directorate responsibilities.
12. The Audit Plan is attached at Appendix A.

Available Resources

13. It is estimated that there will be 1,260 productive audit days available for 2017/18.

Council Priorities

14. The activities of Internal Audit are crucial to the governance arrangements of the organisation and as such are supporting all of the priorities of the Council.

Corporate Implications

Legal Implications

15. None directly from this report.

Financial Implications

16. None directly from this report. However, sound systems assist in preventing loss of resources (by other wastage or fraud), thereby improving effectiveness and efficiency.

Equalities Implications

17. None directly from this report.

Conclusion and next Steps

18. Approval by the Audit Committee of the revisions to the Internal Audit Plan will ensure that Internal Audit can progress its work in line with an agreed approach.
19. The Audit Committee can then use the final plan to monitor the work of internal audit to ensure that appropriate assurance is provided on the Council's systems.

Appendices:

Appendix A – Internal Audit Plan 2017 to 2019.

Background Papers:

None

APPENDIX A

Internal Audit & Risk 2017-19 Audit Plan

Updated March 2017



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2 STRATEGIC AIMS AND OBJECTIVES..... 1
3 AUDIT NEEDS ASSESSMENT 2
4 PRIORITIES FOR INTERNAL AUDIT WORK 3
5 AUDITOR INDEPENDENCE 3
6 INTERNAL AUDIT RESOURCES 3
7 REPORTING..... 4

Internal Audit Plan 2017 to 2019

1 Background

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the Head of Internal Audit and Risk to establish risk based audit plans to determine the priorities for internal audit work, consistent with the Council's objectives. In preparing this plan, the Head of Internal Audit and Risk is required to take account of the Council's:
 - Risk management framework, and relative risk maturity of the organisation
 - Assurance framework
 - Vision, objectives and priorities and
 - How the work will address local and national issues and risks.
- 1.2 The Head of Internal Audit and Risk is required to provide an annual opinion to the Council and to the Chief Finance Officer, through the Audit Committee, on the adequacy and the effectiveness of the internal control system for the whole Council. The plan, therefore, needs to be sufficient to enable this opinion to be issued. In addition the results of Internal Audit's reviews will help inform the Annual Governance Statement.
- 1.3 The 2016-2019 three audit plan was agreed with senior management and approved by the Audit Committee on 4th April 2016. 2017/18 represents the second year of the three year plan. It has been reviewed and refreshed following discussion with senior management and the updated plan is attached at Appendix 1.
- 1.4 The plan will be delivered in accordance with the Internal Audit Charter and Internal Audit Engagement Protocol.

2 Strategic Aims and Objectives

- 2.1 Internal Audit supports the Council in its vision and strategic priorities, which sets the Council's focus over the coming years.
- 2.2 Internal Audit strives to provide a high quality service that gives management reasonable assurance on the effectiveness of the Council's internal control environment and acts as an agent for change by making recommendations for continual improvement. The service aims to be flexible, pragmatic and deliver a service in collaboration with management to suit organisational needs. Through a risk based approach, the service will aim to make a positive contribution to corporate governance arrangements and assist management in developing a framework for achieving objectives within acceptable levels of risk. Within the team, it is intended to provide a work environment that is both supportive and challenging to facilitate the development and retention of high calibre staff.

3 Audit Needs Assessment

- 3.1 The original 2016 to 2019 Internal Audit Plan was prepared following an audit needs assessment.
- 3.2 The audit needs assessment focuses internal audit work on key risk areas whilst ensuring comprehensive coverage by prioritising its work and considering;
- previous audit needs assessments undertaken
 - consultation with senior management
 - Internal Audit's own analysis of risk areas
 - outcomes of previous audits
 - known areas of concern
 - reference to the strategic and operational risk registers
 - the outcome of the assurance mapping exercise on the risks documented within the Strategic Risk Register
 - the requirements of the Public Sector Internal Audit Standards to include reviews of risk, control, ethics and governance.
- 3.3 In developing the audit plan consideration was also given to;
- providing assurance on the Council's fundamental systems
 - ICT assurance work
 - grant claim sign off work
 - Anti Fraud activity
 - system reviews of key service activities, including governance arrangements
 - follow up work, where appropriate
 - key contracts and partnership arrangements
 - consultancy and advice
 - special investigations
 - engagement in key transformation programmes and projects, as appropriate
 - new Government initiatives, such as the Better Care Fund and the Community Infrastructure Levy
 - local initiatives, including the Medium Term Plan
 - the need to ensure that basic systems and controls are robust and being complied with at a time when the Council is going through a period of significant change.
- 3.4 The 2017/18 plan is detailed. However, the plan for 2018/19 includes less detail and will be reviewed later in the year to ensure that the work programme remains relevant.
- 3.5 The plan includes provision for a rolling programme of reviews in several areas, including information governance, corporate governance, contracts management and partnership governance. The specific areas for review will be determined based on the progress of planned initiatives and may involve Internal Audit being involved in the early stages of development, as appropriate.
- 3.6 In addition to delivering the agreed audit plan, Internal Audit also carry out special reviews or assignments where requested by management, which fall outside the approved work plan and for which a contingency is included within the audit plan.

4 Priorities for Internal Audit Work

- 4.1 When preparing the audit plan, the following list represents the classification within which audits are considered:
- audits in progress from previous year
 - fundamental system assurance work
 - mandatory work, such as grant certification
 - follow up of “No assurance” audits or audits where on going risks have been identified
 - audits to mitigate key control weaknesses identified in the risk registers and through research and discussion with senior managers
 - new developments
 - unplanned work (contingency).

5 Auditor Independence

- 5.1 Internal Audit will remain independent of the activities that it audits to enable auditors to perform their duties in a manner which facilitates impartial and effective professional judgements and recommendations.
- 5.2 Internal auditors are required to declare any personal interests which may impact on their objectivity and these are factored into audit planning.
- 5.3 Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. However, any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the Audit Committee. To maintain independence, any audit staff involved in significant consulting activity will not be directly involved in the audit of that area for at least 12 months, or their involvement will be managed by someone independent of the consultancy activity.

6 Internal Audit Resources

- 6.1 Internal Audit will be appropriately staffed in terms of numbers, qualifications and experience, having regard to its objectives and to the standards within which it is required to operate.
- 6.2 The Head of Internal Audit and Risk is responsible for ensuring that the resources of the Internal Audit section are sufficient to meet its responsibilities and achieve its objectives. They will also ensure that the appropriate mix of qualifications, experience and audit skills exist within the unit.
- 6.3 If a situation arose whereby Internal Audit resources were insufficient, the Head of Internal Audit and Risk would discuss this with the Director of Resources.
- 6.4 Internal Auditors will maintain their professional competence through an appropriate ongoing development programme.
- 6.5 It may be necessary, from time to time, to buy in either agency staff or sub-contractors, of a suitable quality.

7 Reporting

- 7.1 Reporting will be in accordance with the Internal Audit Charter.
- 7.2 As required by the PSIAS any significant consulting activity not already included in the Audit Plan and which might affect the level of assurance work undertaken will be reported to the Audit Committee.

Appendix 1

Priority	Audit Title	2017/18 Original Days	2017/18 Updated Days	2018/19 Provisional Days	Comments	Linked to Risk
Fundamental Systems						
H	Accounts Payable/Purchase Ledger (including feeder systems)	35	35	35	No change 17/18. Will review for later years	STR0001/22
H	Accounts Receivable/Sales Ledger	30	30	30	As above	STR0001
H	Council Tax (including Council Tax Support Scheme)	35	35	35	As above	STR0001
H	Housing Benefits	40	40	40	As above	STR0001
H	Main Accounting Systems (MAS)	30	30	30	As above	STR0001
H	National Non Domestic Rates NNDR	35	35	35	As above	STR0001
H	Payroll	35	35	35	As above	STR0001
H	SWIFT Financials	15	15	15	As above	STR0001
H	Housing Rents including tenant arrears	25	25	25	As above	STR0001
H	Cash And Banking (Non Invoiced Income)	20	20	20	As above	STR0001
M	Asset Management (incl. Asset Register)/Capital Accounting	30	0	30	Audit removed for 2017/18. Will review for later years.	STR0001
H	Treasury Management	25	20	25	Time requirement reviewed.	STR0001
Total - Fundamental Systems		355	320	355		
Assurance Audits –Chief Executive						
M	Data Quality	15	15	15	Rolling programme planned	
M	Information Governance	15	15	15	Rolling programme planned	STR0013
	IT Reviews:					
M	Cloud Hosting Data Storage	15	15	0		STR0008
M	Project Management - IT Governance	15	15	0		
M	Desk Top Environment - End User Compliance	15	15	0		STR0008
H	IT Disaster Recovery	10	10	10		STR0008
H	SAP Access and Security	10	10	10		STR0013
M	Partnership Relationship Hosting	15	15	15	Rolling programme to capture areas provided by	STR0008

Appendix 1

<u>Priority</u>	<u>Audit Title</u>	2017/18 Original Days	2017/18 Updated Days	2018/19 Provisional Days	Comments	Linked to Risk
					third party providers	
Total – Chief Executive		110	110	65		
Assurance Audits - Resources						
M	VAT reviews	10	10	10	Rolling programme	STR0001
M	Budgetary Control	15	15	15	Rolling programme - to focus on SCHH in 17/18	STR0001
M	Highways Infrastructure - processes for accounting	5	15	0	Time requirement revised	STR0001
L	Ethics – Officers Gifts and Hospitality and Declaration of Interests -	15	10	0	Time requirement revised	
L	Ethics - Code of Conduct - Members and Officers	0	0	15		
M	Corporate Governance Reviews	15	15	15	Rolling programme	
L	Democratic Services Review	0	10	10	Additional review	
M	Debt Management Arrangements	0	0	15	Additional review	
Total - Resources		60	75	80		
Assurance Audits - Children's Services						
M	Schools General - School Improvement	80	80	80		
M	Themed Reviews	15	15	15	Financial Management and Safeguarding have been identified for review	STR0001/10
M	Assurance over implementation of OFSTED action plan	0	0	10	Additional review	
Total - Children's Services		95	95	105		

Appendix 1

Assurance Audits - Social Care, Health and Housing						
L	Day Centres	10	10	10	Rolling programme of establishment visits	
M	Better Care Fund Integration	15	15	0	Was originally planned for 15/16	STR0028
M	New Generation Housing	0	15	0	Was 18/19. Move to 17/18	
M	Review of MANOP (Managing the Accommodation Needs of Older People)	15	0	0	Taken out – Substitute Direct Payments	
M	Direct Payments – review of controls	0	15	0	Additional review	
Total - Social Care, Health and Housing		40	55	10		
Assurance Audits - Community Services						
M	Highways - assurance on client assurance arrangements	10	10	0		
M	Corporate Asset Management Strategy	15	0	15	Timing of audit revised	
M	Compliance - Assets	0	10	0	Was originally planned for 15/16	
M	School Transport	15	15	0	Was originally planned for 15/16	
Total - Community Services		40	35	15		
Assurance Audits - Regeneration and Business Support						
M	European Social Fund	15	15	15		
M	Community Infrastructure Levy (CIL)	0	0	15	Timing of audit revised	STR0027
M	Building Control	0	0	15	Was previously shown as one line. Now split, with a review in each year.	
M	Albion Archaeology	15	15	0		
Total - Regeneration and Business Support		30	30	45		

Appendix 1

Assurance Audits - Contracts and Partnerships						
M	Contracts Management	20	20	20	Will consider Strategic procurement arrangements in 17/18	STR0010
M	Value for Money reviews	15	15	15	Rolling programme. To include review of NEPRO in 17/18	STR0010
M	Partnership Governance	15	15	15	Rolling programme	STR0009
Total - Contracts and Partnerships		50	50	50		
Assurance Audits - Public Health						
M	Public Health compliance with best practice	15	15	15	Rolling programme proposed -	
M	Joint Procurement Arrangements	15	15	0	Moved from SCHH as Director of Public Health is lead for some elements.	STR0010
Total - Public Health		30	30	15		
Special Investigations						
M	National Fraud Initiative (NFI)	20	20	20		
M	Special Investigations	40	40	40	Will include a review of Anti Fraud Strategy	
Pro active anti fraud reviews						
L	Procurement processes	0	0	10		STR0010
L	Allocation of Grants	10	10	10	To include Grants for 2 year olds and Disabled Facilities Grant (DFG)	
Total - Special investigations		70	70	80		

Appendix 1

Ad Hoc Consultancy etc.						
H	Risk Management Activities	35	35	35		
M	Major projects - Consultancy	40	70	40	Provision increased	
M	Supporting Annual Governance Statement	5	5	5		
M	Audit of Individual Grants	20	20	20	To include Troubled Families	
M	General Advice	20	20	20		
M	Head of Audit Chargeable Against Plan	60	60	60		
M	Assurance Mapping Review	5	5	5		
M	Benchmarking Exercise	5	5	5		
L	Contingency	70	50	130		
Total - Ad Hoc Consultancy etc.		260	270	320		
Carry over Work						
H	Completion of reviews in progress as at 31st March	120	120	120		
Total - Carry over Work		120	120	120		
TOTAL CHARGEABLE DAYS REQUIRED		1260	1260	1260		

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Central Bedfordshire Council

AUDIT COMMITTEE

3 April 2017

Risk Update Report

Report of Charles Warboys, Director of Resources
(charles.warboys@centralbedfordshire.gov.uk)

Contact Officer: Kathy Riches, Head of Internal Audit and Risk
(kathy.riches@centralbedfordshire.gov.uk)

Purpose of this report:

The purpose of this report is to give an overview of the Council's risk position as at March 2017.

RECOMMENDATIONS:

The Committee is asked to:

1. Consider and comment on the contents of the report.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as this is the responsibility of the Audit Committee.

Background

2. The Terms of Reference of the Audit Committee include the monitoring of the operation of the Risk Management Strategy. This report is the regular update report to assist the Committee in discharging its responsibilities.
3. The purpose of this report is to give an overview of the Council's risk position as at March 2017.

Strategic Risks

4. The March 2017 risk report is contained at Appendix 1. The report contains 16 strategic risks.
5. There are 12 strategic risks with a residual risk score of 9 or more. A score of 9 or more generally represents an unacceptable risk exposure, with further mitigation required.
6. The risks have been reconsidered and the key revisions are set out below. There has been one revision to the residual risk scores.

7. STR0019 – The risk relating to failure to deliver effective and cohesive health and social care to residents has been reviewed. There is an acknowledgement that the external health market is poor. This continues to be the highest scoring strategic risk and there continues to be significant challenges to the National Health System.
8. STR0027- The risk of failing to adopt a Local Plan and Community Infrastructure Levy has been updated to reflect the current anticipated timeframe for the Draft (Regulation 18) Plan to be published, which is now May/June 2017. The draft plan is due to be published for consultation in December 2017 and is planned for adoption in April 2018. The process has been delayed due to the publication of the Housing White Paper.
9. STR0032 - The risk of not being able to access a sustainable market for social care at a reasonable price as a result of the implementation of the National Living Wage and other legislation has been updated to reflect the additional mitigating actions taken. Domiciliary care is currently being retendered, and work is underway to develop Market Position Statements for Vulnerable People (e.g. Learning Disability, Mental Health and Physical Disability).
10. STR0035 – The risk of failing to deliver major transformation programmes within Children’s Services has been reviewed and updated to reflect the restructure of the management team and the resultant instability.
11. STR0036 – The risk of failure to deliver social cohesion has been updated to reflect progress made. This includes the establishment of the CBC Prevent Group, the development of an action plan to address recommendations arising from the Counter Terrorism Local Profile, and Police initiatives. There has been no change in the residual risk score.
12. STR0038 - The risk of an ineffective response to emergency planning has been reviewed and the residual risk score has been amended to reflect the reduced likelihood of this risk occurring. The residual likelihood risk score has decreased from 4 to 3, resulting in an overall residual risk score of 9. The reduction is due primarily to the outcome of the NHS England Core Standards for Emergency Preparedness, Resilience and Response (EPRR) Assurance Process; an annual process where NHS organisations and providers of NHS funded care (including CCGs, Acute Trusts and Community Service Providers) are required to undertake a self assessment and provide evidence that their organisation can meet the minimum EPRR standards required by NHS England. The results for 2016/17 have indicated that NHS organisations and providers operating in Bedfordshire are (either fully or) substantially compliant with the Core Standards (on a scale of: non-compliant, partially compliant, substantially compliant and fully compliant); a marked improvement on the 2015/16 Core Standard results. In addition, the response of health organisations to the Gas Outage which affected Ampthill, Maulden and Clophill was considered effective and efficient, alleviating concerns raised previously

that some health organisations may not be able to provide the required level of support in a major incident.

13. In addition, the assurance maps for the strategic risks have been updated following discussions with relevant officers.

14. There have been no changes to the remaining strategic risks.

Operational Risks

15. The risk report also highlights the key operational risks facing the Council. These have been drawn directly from Directorate risk registers as uploaded onto the JCAD risk management system.

16. The operational risks with a risk score of 15 or above have been regularly reported to the Audit Committee. There have been no changes to the key operational risks since the last update.

Emerging Risks

17. No emerging risks were identified as a result of this risk review.

Council Priorities

18. Good risk management enables delivery of the Council's aims and objectives. Good risk management ensures that we adopt a planned and systematic approach to the identification and control of the risks that threaten the delivery of objectives, protection of assets, or the financial wellbeing of the Council.

Corporate Implications

Legal Implications

19. None directly from this report.

Financial Implications

20. None directly from this report.

Equalities Implications

21. None directly from this report.

Conclusion and next Steps

22. Internal Audit and Risk will continue to coordinate and update the Strategic Risk register and an update will be presented to the next Audit Committee.

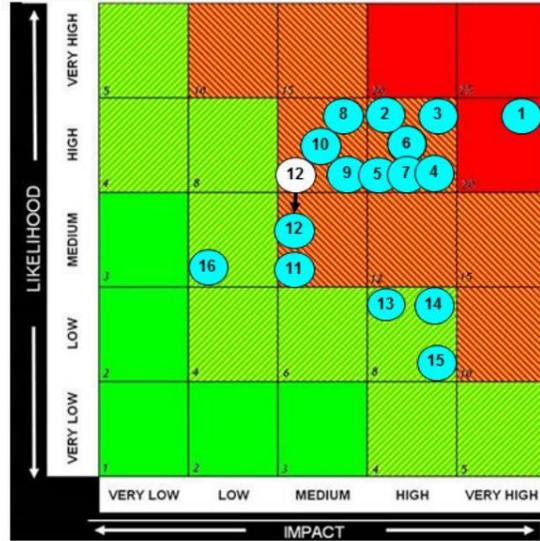
Appendices

Appendix A – March 2017 Risk summary dashboard.

Background Papers

None.

CBC Strategic Risk Register - Residual Risk Rating



#	Reference	The	Key													
			2014/15			2015/16			2016/17							
			Sept	Dec	Mar	Sept	Dec	Mar	May	Aug	Dec	Mar				
1	STR0019	The risk to the Health and Social Care System and local residents brought about by significant changes in the National Health system.	20	20	20	20	20	20	20	20	20	20	20	20	20	20
2	STR0001	Continuing significant reduction in or redirection of funding due to Central Government cuts, or loss of grant or other funding e.g. Health funding, Schools' Finance Regulations.	12	12	12	16	16	16	16	16	16	16	16	16	16	16
3	STR0035	Failure to deliver major transformation programme within Children's Services.							16	16	16	16	16	16	16	16
4	STR0036	Failure to deliver social cohesion.							16	16	16	16	16	16	16	16
5	STR0009	Failure of partnerships as a result of conflicting priorities: there is a risk that the Council is unable to develop and manage effective partnerships and influence the activities of the partnerships.	8	16	16	16	16	16	16	16	16	16	16	16	16	16
6	STR0027	Failure to adopt a Local Plan and Community Infrastructure Levy (CIL) .	20	16	16	16	16	16	16	16	16	16	16	16	16	16
7	STR0032	Unsustainable market for social care.							12	16	16	16	16	16	16	16
8	STR0039	Failure to manage demand for rented and specialist accommodation as a consequence of constrained housing supply.											12	12	12	12
9	STR0037	Failure to support vulnerable people and families, which results in higher demand for more intensive services.							9	12	12	12	12	12	12	12
10	STR0040	Political and economic uncertainty arising from UK leaving EU and other significant international events.											12	12	12	12
11	STR0031	The capacity of the Council to deliver services in the light of further shifts in Government Policy.							9	9	9	9	9	9	9	9
12	STR0038	Ineffective partnership response to Emergency Planning.							12	12	12	12	12	12	12	9
13	STR0008	Failure or disruption to key elements of core infrastructure (data centre, environment and networks) leading to no functionality for more than 24 hours.	12	12	12	8	8	8	8	8	8	8	8	8	8	8
14	STR0013	Information Management: a lack of consistent information management and data accuracy across the organisation leading to non compliance with the Data Protection Act and a breach of information security.	12	12	12	8	8	8	8	8	8	8	8	8	8	8
15	STR0034	Failure to deliver the Organisational Development Plan.							8	8	8	8	8	8	8	8
16	STR0033	The impact of cyber crime.							6	6	6	6	6	6	6	6

Overview of Risk Position - March 2017

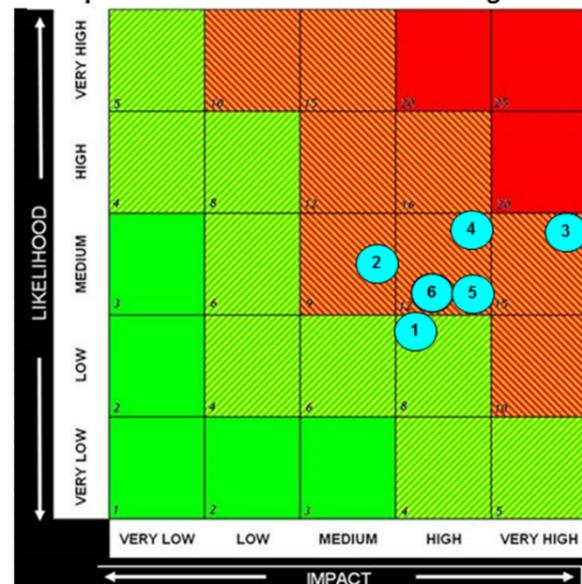
The risk with the highest residual risk score remains: STR0019 - The risk to the Health and Social Care System and local residents brought about by significant changes in the National Health system.

STR0038 - The risk of an ineffective response to emergency planning has been rescored.

Revisions to the descriptions or mitigating actions/further actions have been made to the following risks:
 STR0027 - Failure to adopt a Local Plan and CIL
 STR0032 - Unsustainable market for social care
 STR0035 - Failure to deliver major transformation programme within Children's Services
 STR0036 - Failure to deliver social cohesion

The matrix also highlights the most noteworthy operational risks facing CBC.

CBC Operational Risks - Residual Risk Rating



#	Reference	Nature of Risk	Key													
			2014/15			2015/16			2016/17							
			Sept	Dec	Mar	Sept	Dec	Mar	May	Aug	Dec	Mar				
1	CHS0005	Failure to retain and recruit staff within Children's Services.	16	16	16	16	16	16	16	8	8	8	8	8	8	8
2	CHS0023	Failure to manage and secure information leading to security alert and privacy breach.				15	15	15	15	15	15	15	9	9	9	9
3	SUC030007	Traffic accidents causing damage to network	12	12	12	15	15	15	15	15	15	15	15	15	15	15
4	SCH0004	Insufficient staff resources resulting in under or mis-direction of investment in the transformation of adult social care services.	16	16	16	16	16	16	12	12	12	12	12	12	12	12
5	SCH0008	Insufficient capacity, expertise and competency to deliver Adult Social Care and Housing agenda.	16	16	16	16	16	16	12	12	12	12	12	12	12	12
6	COMS040008	Assets - Non realisation of capital receipts.	20	12	12	12	12	12	12	12	12	12	12	12	12	12

Key
 New Risk (Yellow circle)
 Current Position (Blue circle)
 Previous Position (White circle)

Assessing Impact

Impact Score	Impact Title	Example Description
5	Catastrophic	Total system dysfunction, total shutdown of operations, financial loss over £5m, key person resignation/removal, sustained adverse publicity in national media, fatality or permanent disability
4	Severe	All operational areas of a location compromised, other locations may be affected, financial loss up to £5m, sustained adverse publicity in national media, greater than 6 months absence for more than 5 people (single event)
3	Major	Disruption to a number of operational areas within a location and possible flow on to other locations, financial loss up to £1m, significant adverse publicity national media, greater than 20 days absence for more than 5 people (single event),
2	Reasonable	Some disruption manageable by altered operational routine, financial loss up to £250k, significant adverse publicity in local media, short term absence for up to 5 people (single event)
1	Low	Minimal interruption to service, financial loss up to £100k, Minor adverse publicity in local media, short term absence for up to 5 people (single event)

Assessing Likelihood

Scale	Description	Likelihood of Occurrences
5	Almost Certain	Likely to occur each year/over 60% chance of occurrence
4	Likely	Likely to occur every 3 years/up to a 60% chance of occurrence
3	Possible	Likely to occur every 5 years/up to a 40% chance of occurrence
2	Unlikely	Likely to occur every 10 years/up to a 20% chance of occurrence
1	Rare	Likely to occur every 10+ years/up to a 10% chance of occurrence

APPENDIX A

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Central Bedfordshire Council

AUDIT COMMITTEE

3 April 2017

Internal Audit Progress Report

Report of Charles Warboys, Director of Resources
(charles.warboys@centralbedfordshire.gov.uk)

Contact Officer: Kathy Riches, Head of Internal Audit and Risk
(kathy.riches@centralbedfordshire.gov.uk)

Purpose of this report:

This report provides a progress update on the status of Internal Audit work for 2016/17.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and comment on the contents of the report.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as it is the responsibility of the Audit Committee.

Background

2. Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. Internal audit reviews, appraises and reports on the efficiency, effectiveness and economy of financial and other management controls.
3. The Audit Committee is the governing body charged with monitoring progress on the work of Internal Audit.
4. The Audit Committee approved the 2016-19 (3 year) Internal Audit Plan in April 2016. This report provides an update on progress made against the plan up to the end of February 2017.

Progress on the 2016/17 Audit Plan

Fundamental System Audits

5. At the time of the last audit, a number of the fundamental reviews had been completed to draft report stage and provisional audit opinions had

been issued. The current position is set out in Appendix A. 9 final reports have now been issued. The Treasury Management, Council Tax, NDR and Housing Rents systems have each received a Full Assurance Opinion. Adequate opinions have been given to the Accounts Receivable, Housing Benefits, Main Accounting, Cash and Banking and Payroll systems. No issues of particular concern have been identified. The opinions given are based upon limited sample testing in view of the light touch approach adopted. Although the Accounts Payable report has still to be finalised, the provisional opinion is adequate.

6. The work undertaken covers the period April – October. The opinions given are based upon audit testing undertaken to date. During discussions with the external auditors it has been agreed that some further substantive testing to cover the whole year may be required and the opinions may be revised once the substantive testing for the whole year has been undertaken.
7. The Asset Management 2016/17 and SWIFT Financials audits have still to be finalised.

Other Audit Work

8. Internal Audit has continued to be engaged in several projects, in order to provide advice and guidance on the control environment during project implementation. These include the Success Factors project which relates to core HR and recruitment processes. Work has also been undertaken on grant certification work. In addition, Internal Audit has supported Public Health in developing their approach to undertaking a review of work to reduce the impact of harm to children and families caused by drugs and alcohol.
9. In addition to the fundamental audit reviews the following audits have been finalised since the last Committee:
 - Information Governance - assessment against Information Governance Toolkit (briefing note produced)
 - Proactive Anti Fraud – timesheets (briefing note produced)
 - Proactive Anti Fraud – Expenses (briefing note produced)
 - Safer Recruitment – Adequate assurance
 - Housing repairs follow up – Satisfactory progress
10. The work undertaken with regard to timesheets and expense claims will be used to help inform the future development of SAP.
11. A number of other reviews are currently progressing, and these are also shown within Appendix A. The outcomes will be reported to a future Committee meeting.
12. The planned review of Section 106 agreements has been deferred, pending the outcome of an external review, which is currently in progress.

Schools

13. The rolling programme of school audit visits has continued. To date this year 5 school reports have been finalised. Two further reports are in preparation.

Investigations

14. No investigations have been concluded since the last Committee. One review is in progress.

Other Matters of Interest – External Auditor Appointment

15. The Council has been advised that from 1st April 2018 Public Sector Audit Appointments (PSAA Ltd) will no longer oversee or appoint auditors for Housing Benefit (HB) Certification work. From the aforementioned date, the DWP will assume responsibility for issuing guidance and providing support for this assurance process. However, the DWP will not appoint auditors on behalf of Local Authorities. The Sector-Led Body arrangement with PSAA Ltd for the appointment of auditors for final accounts, will not include the assurance of HB, this must be procured separately. The deadline for this appointment will be the 1st March 2018 for the 2018/19 subsidy year.
16. The DWP is due to publish the full HB assurance guidance including engagement instructions and detailed testing instructions on gov.uk shortly.
17. It is understood that the quantum of work will remain unchanged and the current procedures for testing will remain the same.

Performance Management

18. The Internal Audit Charter requires Internal Audit to report its progress on some key performance indicators. The indicators include both CBC audit activities and school audit activity.

Activities for 1 April 2016 –28th February 2017

KPI	Definition	Current Year		Previous Year	Annual target
		Actual	Target	Actual	
KPI01	Percentage of total audit days completed.	81%	73%	76%	80%
KPI02	Percentage of the number of planned reviews completed.	60%	66%	62%	80%
KPI03	Percentage of audit reviews completed within the planned time budget, or within a 1 day tolerance.	74%	75%	76%	75%
KPI04	Time taken to respond to draft reports: Percentage of reviews where the first final draft report was returned within 10 available working days of receipt of the report from the Auditor.	79%	80%	77%	80%
KPI05	Time taken to issue a final report: Percentage of reviews where the final report was issued within 10 available working days of receipt of the response agreeing to the formal report.	94%	80%	100%	80%
KPI06	Overall customer satisfaction.	88%	80%	92%	80%

19. Analysis of indicators:

- KPI01 - As at the end of February, Internal Audit has delivered a total of 1023 productive audit days against a total of 1260 planned days for the year. This is above target.
- KPI02 - This KPI measures final reports issued to date. 60% of the planned reviews have been completed to final report stage along with milestones reached for fundamental systems audit work. In addition, a number of reviews have been completed to draft report stage.
- KPI03 - 74% of planned reviews have been completed either within the planned time budgets, or within a 1 day tolerance. This is just below the target agreed for the year. Some reviews have taken longer than originally planned because the audits identified issues that took some time to resolve.
- KPI04 - This indicator measures the time taken for Internal Audit to receive a response from the auditee to the draft report. During the period up to the end of February 79 % of draft reports were responded to within the target set.
- KPI05 - This indicator measures the time taken by Internal Audit to issue the final report upon receipt of an agreed response from the auditee, and continues to be positive.
- KPI06 – 28 satisfaction surveys have been sent out and 15 of these have been returned. The overall customer satisfaction is 88%.

Council Priorities

20. The activities of Internal Audit are crucial to the governance arrangements of the organisation and as such are supporting all of the priorities of the Council.

Corporate Implications

Legal Implications

21. None directly from this report.

Financial Implications

22. None directly from this report. However, sound systems assist in preventing loss of resources (by other wastage or fraud), thereby improving effectiveness and efficiency.

Equalities Implications

23. None directly from this report.

Conclusion and next Steps

24. Internal Audit has continued to support the drive to strengthen internal control within Central Bedfordshire Council. Work is progressing to deliver the agreed plan by the year end.

25. A further update on audit progress will be presented to the next Audit Committee.

Appendices

Appendix A – Progress on Audit Activity

Background Papers

None.

<u>Priority</u>	<u>Audit Title</u>	2016/17	Position as at end February	Opinion (* indicates provisional)
		Days		
	Carry Over Work			
	Completion of Reviews in Progress as at 31 March 2016	120		
	2015/16 Asset Management (incl Asset Register)		Final report issued	Adequate
	2015/16 Accounts Payable Phase 2 (Comensura)		Final report issued	n/a
	Residential Care Homes		Final report issued	Limited.
	Car Parks - Cash Collection		Final report issued	Adequate
	Children's Centres		Final report issued	Adequate
	Contracts Management - Data Centre Visits		Fieldwork substantially completed	
	Customer First		Briefing note issued	n/a
	Direct Payments for Care		Final report issued	Adequate
	Domiciliary Care Framework Agreement		Final report issued	Adequate
	European Social Funding		Final report issued	Adequate
	Financial Assessment and Charging for Residential Care		Draft Report Issued.	
	Grants		Final report issued	Limited.
	Information Governance - Transparency		Final report issued	Adequate
	Information Governance - IG Toolkit		Briefing Note issued	n/a
	IT Governance Follow Up		Final report issued	Satisfactory progress
	IT Network Management and Security		Scoping in progress	
	Mosaic		Fieldwork in Progress	
	2015/16 Payroll Phase 2		Final report issued	Adequate
	Proactive anti fraud - Timesheets		Briefing note issued	n/a
	Proactive anti fraud - Cash Income		Fieldwork in Progress	n/a
	Proactive anti fraud - Expense claims		Briefing note issued	n/a

<u>Priority</u>	<u>Audit Title</u>	<u>2016/17</u>	<u>Position as at end February</u>	<u>Opinion (* indicates provisional)</u>
		Days		
	Proactive anti fraud - Imprests		Final report issued	Adequate
	Proactive anti fraud - Purchasing Cards		Final report issued	Limited
	Public Health - Follow up on Data Quality for Health Checks		Final report issued	Good Progress
	Public Health - Teenage Pregnancies Information Governance.		Briefing note issued	n/a
	Residential Care Homes		Final report issued	Limited
	Section 106 Agreements		Deferred pending outcome of external review currently in Progress.	
	Supporting Delivery of New Housing		Not started	
	SWIFT Financials		Final report issued	Limited
	Third Party Hosting		Fieldwork In progress	
	Supporting Families - Jan 2016 claim		Final report issued	n/a
	Supporting Families - Data Quality		Final report issued	Limited
Total - Carry Over Work		120		
Fundamental Systems				
H	Accounts Payable/Purchase Ledger (including feeder systems)	35	Report being Drafted	Adequate *
H	Accounts Receivable/Sales Ledger	30	Final report issued	Adequate
H	Asset Management (incl. Asset Register)/Capital Accounting	30	Fieldwork in Progress	
H	Council Tax (including Council Tax Support Scheme)	35	Final report issued	Full
H	Housing Benefits	40	Final report issued	Adequate
H	Main Accounting Systems (MAS)	30	Final report issued	Adequate
H	Non Domestic Rates (NDR)	35	Final report issued	Full

<u>Priority</u>	<u>Audit Title</u>	<u>2016/17</u>	<u>Position as at end February</u>	<u>Opinion (* indicates provisional)</u>
		Days		
H	Payroll	35	Final report issued	Adequate
H	SWIFT Financials	15	Report being drafted	
H	Treasury Management	25	Final report issued	Full
H	Housing Rents including tenant arrears	25	Final report issued	Full
H	Cash And Banking (Non Invoiced Income)	20	Final report issued	Adequate
Total - Fundamental Systems		355		
Assurance Audits - Improvement and Corporate Services				
M	Data Quality - Permanent Admission of Older People (65+) to Residential or Care Homes	15	Fieldwork In Progress	
L	Ethics - Gifts and Hospitality - Members and Officers	15	Fieldwork In Progress	
M	Information Governance	15	Scoping in progress	
M	Safer Recruitment	15	Final Report issued.	Adequate
M	Comensura	15	Fieldwork In Progress	
M	Corporate Governance Reviews	15	Not started	
IT Reviews:				
M	IT inventories	15	Brief Issued	
M	IT contracts managed outside IT	15	Field work in progress	
H	IT Disaster Recovery	10	Brief Issued	
H	SAP Access and Security	10	Field work in progress	
M	IT Customer Service - Problem Resolution	10	Brief Issued	
Total- Improvement and Corporate Services		150		
Assurance Audits - Finance				
M	VAT reviews	10	Fieldwork In Progress	
M	Teachers' Pensions	15	Report being drafted	

<u>Priority</u>	<u>Audit Title</u>	<u>2016/17</u>	<u>Position as at end February</u>	<u>Opinion (* indicates provisional)</u>
		Days		
M	Budgetary Control	15	Fieldwork in progress	
Total - Finance		40		
Assurance Audits - Children's Services				
M	Schools General - School Improvement	80	Rolling programme. Five reports finalised to date. See below	
	Greenleas Lower School Follow Up		Final report issued.	Good progress.
	Moggerhanger Lower School		Final report issued.	Limited
	Southill Lower School		Final report issued.	Adequate
	Stondon Lower School		Final report issued.	Adequate
	Westfield Nursery School		Final report issued.	Adequate
	Maulden Lower School		Report being drafted	
	Sandy Upper School		Draft Report Issued	
M	Themed Reviews	15	Not started	
Total - Children's Services		95		
Assurance Audits - Social Care, Health and Housing				
M	Housing Repairs Follow Up	10	Final report issued	Satisfactory progress
L	Day Centres	10	Fieldwork completed	
Total - Social Care, Health and Housing		20		
Assurance Audits - Community Services				
M	Assets Disposal Programme	10	Scoping in progress	
M	Section 38 income	10	Deferred to 17/18 due to Business Restructure	

Priority	Audit Title	2016/17	Position as at end February	Opinion (* indicates provisional)
		Days		
H	Section 278 Follow Up audit	5	Final report issued	Satisfactory progress
M	Highways - assurance on client assurance arrangements	10	Scoping in progress	
M	Compliance - Assets	15	Final report issued	Limited
M	Leisure Services Outcomes - Post implementation review of Flitwick Leisure Centre	15	Fieldwork In Progress	
Total - Community Services		65		
Assurance Audits - Regeneration and Business Support				
M	European Social Fund	15	Scoping in progress	
M	Community Infrastructure Levy (CIL)	15	Deferred to 18/19	n/a
Total - Regeneration and Business Support		30		
Assurance Audits - Contracts and Partnerships				
M	Contracts Management	20	Not started	
M	Value for Money reviews	15	Scoping in progress	
M	Partnership Governance	15	Scoping in progress	
Total - Contracts and Partnerships		50		
Assurance Audits - Public Health				
M	Public Health compliance with best practice	15	supporting service area with their review	n/a
Total - Public Health		15		
Special Investigations				
M	National Fraud Initiative (NFI)	20	Ongoing throughout year	n/a
M	Special Investigations and supporting the Corporate Fraud Team	40	Ongoing throughout year	n/a
Pro Active Anti Fraud:				
L	Cash disbursements	10	Not started	
L	Allocation of Grants	10	Not started	

<u>Priority</u>	<u>Audit Title</u>	<u>2016/17</u>	<u>Position as at end February</u>	<u>Opinion (* indicates provisional)</u>
		Days		
Total - Special investigations		80		
Ad Hoc Consultancy etc.,				
H	Risk Management Activities	35	Ongoing throughout year	n/a
M	Major projects - Consultancy	40	Ongoing throughout year	n/a
M	Supporting Annual Governance Statement	5	2015/16 statement completed	n/a
M	Audit of Individual Grants	20	Ongoing throughout year	Social Care Capital grant audited
M	General Advice	20	Ongoing throughout year	n/a
M	Head of Audit Chargeable Against Plan	60	Ongoing throughout year	n/a
M	Assurance Mapping Review	5	Ongoing throughout year	n/a
M	Benchmarking Exercise	5	Completed	n/a
L	Contingency	50		n/a
Total - Ad Hoc Consultancy etc.		240		
TOTAL CHARGEABLE DAYS REQUIRED		1260		

Central Bedfordshire Council

AUDIT COMMITTEE

3 April 2017

Tracking of Internal Audit Recommendations

Report of Charles Warboys, Director of Resources
(charles.warboys@centralbedfordshire.gov.uk)

Contact Officer: Kathy Riches, Head of Internal Audit and Risk
(kathy.riches@centralbedfordshire.gov.uk)

Purpose of this report:

This report summarises the high priority recommendations arising from Internal Audit reports and sets out the progress made in their implementation.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and comment on the updates, as presented.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as this is the responsibility of the Audit Committee.

Background

2. One of the purposes of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework and the associated control environment.
3. To further strengthen the Audit Committee's role in monitoring the internal control environment within the Council, Internal Audit has developed a system for monitoring and reporting progress against high priority recommendations arising from internal audit inspections.
4. This paper presents the regular summary of high priority recommendations made to date, along with the progress made against implementation of those recommendations, as at the end of February 2017.

Tracking High Priority Recommendations

5. Only one high priority recommendation made prior to April 2012 remains outstanding. This relates to the 2009/10 SAP Access and Security (including IT Disaster Recovery) audit. A detailed report providing an

update on the ICT Disaster Recovery (DR) Plan, prepared by the Chief Information Officer, was presented to the September Audit Committee and a further update is included elsewhere on this agenda.

6. One high priority recommendation made during 2013/14 remains outstanding. This relates to the reconciliation of Housing Repairs expenditure held in QL to SAP. Work is progressing on this and the current position is detailed at Appendix A (rec.5).
7. 4 reports containing high priority recommendations were issued during 2015/16, and 8 high priority recommendations were made. These are summarised at Appendix B and the current position of the 4 outstanding recommendations is set out in Appendix A.
8. 4 reports containing high priority recommendations have been issued to date during 2016/17. These are summarised at Appendix C. 9 high priority recommendations have been made, of which 8 have been implemented. The remaining recommendation is currently on target for implementation by the due date.
9. Wherever possible evidence has been obtained to verify the implementation of recommendations. However, in some instances, verbal assurance has been obtained. Where this is the case, further evidence will be obtained to support the assurances given.
10. Progress will continue to be monitored. The follow up of audit recommendations forms an integral part of the fundamental system audit reviews.

Future Monitoring

11. Officers responsible for the implementation of recommendations will be contacted regularly to provide updates on progress made. Evidence will be required to support progress made. Where recommendations are still being implemented these will continue to be monitored.

Council Priorities

12. An effective internal audit function will indirectly contribute to all of the Council's priorities.

Corporate Implications

Legal Implications

13. None directly from this report.

Financial Implications

14. Although there are no direct financial risks from the issues identified in the report, the outcome of implementing audit recommendations is for the Council to enhance internal control, and better manage its risks, thereby increasing protection from adverse events.

Equalities Implications

15. None directly from this report.

Conclusion and next Steps

16. Further work is required to ensure that the outstanding recommendations are implemented and to monitor additional recommendations made during the year.
17. This continuous tracking and reporting of progress on Internal Audit inspections to the Audit Committee ensures that the Committee has the means to monitor how effectively the high priority recommendations have been implemented.

Appendices

Appendix A – Details of High Priority recommendations made during 2013/14, 2014/15 and 2015/16 that remain outstanding

Appendix B – Summary of monitoring of High Priority Internal Audit recommendations - Reports issued during 2015/16

Appendix C – Summary of monitoring of High Priority recommendations made during 2016/17 to date.

Background Papers

None.

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Appendix A

**Details on those recommendations outstanding
Status – all Amber (Ongoing with deadline missed)**

Improvement and Corporate Services

IT Disaster Recovery (including back up and restore arrangements)

<p>Recommendation R1: (Carried forward from previous audits) A disaster recovery plan should be developed and approved. As a minimum, this should include:</p> <ul style="list-style-type: none"> • the identification and prioritisation of key IT systems • the roles and responsibilities of relevant officers and third party suppliers • a set of IT procedures which should be executed initially to react to crises/disaster • escalation procedures • salvage procedures that deal with retrieval of items from affected • the recovery and reconfiguration of all IT and communications systems • details of additional accounts where monies may be sourced to aid recovery efforts • a schedule in respect of the testing of the plan
<p>Rationale for Recommendation: As has been previously reported to the Committee, a thorough review of the existing data centre provisioning at CBC is in progress. It is anticipated that there will be significant changes made in the technologies in use and how they are supported. ICT is undertaking to deliver a refreshed and renewed DR plan.</p>
<p>Target Dates: September 2015 (Original) April 2016 (Revised) March 2017 (Revised.)</p>
<p>Current Position and Explanation for Slippage: A detailed report providing an update on the ICT Disaster Recovery (DR) Plan was been prepared by the Chief Information Officer and presented to the September Audit Committee. An update report is included elsewhere on this agenda.</p>

<p>Recommendation R2: A review of resources alongside disaster recovery processes should be undertaken to confirm if the Council could cope without third party support and expertise. Arrangements should be clearly documented in the DR Plan.</p>
<p>Rationale for Recommendation: The Council no longer has a contractual agreement with an external party for the recovery of services.</p>
<p>Target Dates: September 2015 (Original) April 2016 (Revised) March 2017 (Revised)</p>
<p>Current Position and Explanation for Slippage: As above.</p>

Social Care, Health and Housing

Housing Tenancy Management

<p>Recommendation R3: The Director of Social Care, Health and Housing and the Director of Regeneration and Business should clarify how housing responsibilities are allocated across their directorates. This should include the responsibility for and ownership of the Tenancy Strategy.</p>
<p>Rationale for Recommendation: The Housing Tenancy Strategy was drafted by the Assistant Director - Housing Services with an Executive Foreword jointly signed by the Executive member with responsibility for Social Care, Health and Housing and the Director of Social Care Health and Housing (SCHH). It was approved by the Executive in March 2013 however during the course of this review it became apparent that responsibility for and ownership of the strategy is unclear. Discussions between the Director of Social Care, Health and Housing and the Director of Regeneration and Business confirmed that housing responsibilities lie across 2 Directorates, SCHH and Regeneration and Business, and that both Directors will clarify how this will be addressed.</p>
<p>Target Dates: November 2015 March 2016 (revised) August 2016 No updated target provided.</p>
<p>Current Position and Explanation for Slippage: A restructure is in progress. The recommendation will be addressed once this is finalised.</p>

<p>Recommendation R4: A Monitoring Group should be established, with clear terms of reference, to monitor and review the effectiveness of the Tenancy Strategy.</p>
<p>Rationale for Recommendation: Each Provider is responsible for its own individual tenancy policies, as well as arrangements for review and appeals. However, the Tenancy Strategy proposed that the Council establish a monitoring group consisting of representatives of registered providers and other key stakeholders. This group is meant to support the Council in its role of monitoring and reviewing the effectiveness of this Strategy but the group is yet to be set up.</p>
<p>Target Dates: November 2015 March 2016 (revised) August 2016 No updated target provided.</p>
<p>Current Position and Explanation for Slippage: This will be addressed as part of the action plan being developed in response to the earlier recommendation.</p>

Recommendation R5:

Housing Repairs expenditure in QL and SAP should be regularly reconciled.

Rationale for Recommendation:

There is no reconciliation between Housing Repairs expenditure in QL and SAP. Actions to resolve this are defined within an invoice review process. Three specific objectives are to be achieved:

- 1) A robust interface between the SAP system and the QL system, so that these systems effectively function as one system within the Invoice Process.
- 2) A business process that includes pre-payment on account (subject to reconciliation) related to invoicing where work supplied is goods receipted and approved for payment, concurrent with the contractors process to provide an invoice for payment.
- 3) Updated procedures which define management accountability, including delegation of task related authority, to ensure that a robust reconciliation of Repairs works to invoices takes place.

Target Dates:

End September 2014
 End March 2015 (revised)
 End June 2015 (revised)
 October 2015 (revised, self billing)
 January 2016.(revised)
 June 2016 .(revised)
 July 2016 .(revised)
 Nov 2016 .(revised)
 June 2017

Current Position and Explanation for Slippage:

The current position is that substantial progress has been made towards a reliable, accurate interface being in place between SAP and QL, in four main areas (Planned maintenance; Voids works; Electrical works and Gas related servicing). In these areas, the interface is reliable and the reconciliation is accurate without any intervention by CBC staff. This is because there is limited variation of repairs type orders. However, there are on going issues in relation to the interface for Responsive Repairs, and some key decisions regarding this will be taken shortly.

The revised date is June 2017, at which time a solution will have been agreed that does not require staff intervention to correct data variation related to daily uploads through the current interface.

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Summary of Monitoring of High Priority Internal Audit recommendations as at End February 2017

Reports issued during 2015/16

Name	Date of Report	Original Expected completion of all Recommendations (Where identified)	Number of Recs	Completed GREEN	Ongoing - On schedule for completion with set timescales GREEN	Ongoing - with deadline missed AMBER	No work started - within target GREEN	No work started - target missed RED	APP. A
IMPROVEMENT AND CORPORATE SERVICES									
Accounts Payable Phase 2 (Comensura) 2014/15	13/08/15	31/10/15	2	2					
SAP Access and Security	28/05/15	28/05/15	1	1					
IT Disaster Recovery	29/09/15	30/09/15	3	1		2			Recs. 1-2
SOCIAL CARE, HEALTH & HOUSING									
Housing Tenancy Management	04/09/15	30/11/15	2			2			Recs.3-4
Total			8	4		4			

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Summary of Monitoring of High Priority Internal Audit recommendations as at End February 2017

Reports issued during 2016/17 to date

Name	Date of Report	Original Expected completion of all Recommendations (Where identified)	Number of Recs	Completed GREEN	Ongoing - On schedule for completion with set timescales GREEN	09/03/17	No work started - within target GREEN	No work started - target missed RED	
RESOURCES									
Accounts Payable Phase 2 Comensura 2015/16	17/05/16	31/07/16	4	4					
SOCIAL CARE, HEALTH & HOUSING									
Domiciliary Care Framework Agreement	09/06/16	30/06/16	3	3					
Residential Care Homes	13/07/16	13/07/16	1	1					
COMMUNITY SERVICES									
Assets Compliance	08/12/16	30/06/17	1		1				
Total			9	8	1	0	0	0	

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Central Bedfordshire Council

AUDIT COMMITTEE

3 April 2017

Work Programme

Advising Officers:

Mel Peaston, Committee Services Manager
(mel.peaston@centralbedfordshire.gov.uk)

Leslie Manning, Committee Services Officer
(leslie.manning@centralbedfordshire.gov.uk)

Purpose of this report

The purpose of this report is to assist the Audit Committee in discharging its responsibilities by providing a proposed work programme for consideration.

RECOMMENDATION

That the Committee considers the proposed work programme attached at Appendix A.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny as the Audit Committee provides independent scrutiny of the Authority's financial performance.

Background

2. To assist the Audit Committee a work programme is attached at Appendix A to this report. The work programme contains the known agenda items that the Committee will need to consider.
3. Additional items will be identified as the municipal year progresses. The work programme is therefore subject to change.

Council Priorities

4. The activities of the Audit Committee are crucial to the governance arrangements of the organisation.

Corporate Implications

Legal Implications

5. There are no legal implications.

Financial Implications

6. There are no financial implications.

Equalities Implications

7. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
8. Report authors will be encouraged to work with the Corporate Policy Advisor (Equality & Diversity) in order to ensure that relevant equality implications are identified.

Conclusion and next Steps

9. This report will assist the Audit Committee in discharging its responsibilities. Any amendments approved by the Committee will be incorporated in the work programme.

Appendices

Appendix A – Audit Committee Work Programme

Background Papers

None

Appendix A

Audit Committee Work Programme

2016/17 Municipal Year	
9 January 2017	<ul style="list-style-type: none"> • Certification of Claims and Returns Annual Report 2015/16 (NH) • Annual Audit Letter for the Year Ended 31 March 2016 (NH) • Audit Plan (NH) • Statement of Accounts 2016/17 (RG) • Local Government Pension Scheme Update (RG) • Revised Confidential Reporting Code (KR) • Revisions to the Internal Audit Charter (KR) • Risk Update Report (KR) • Internal Audit Progress Report (KR) • Tracking of Internal Audit Recommendations (KR) • Work Programme (LM)
3 April 2017	<ul style="list-style-type: none"> • Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments (GM) • Update on the Development and Approval of the IT Disaster Recovery Plan (SC) • Revised Local Code of Corporate Governance (KR) • Updated 2017-19 Internal Audit Plan (KR) • Risk Update Report (KR) • Tracking of Internal Audit Recommendations (KR) • Internal Audit Progress Report (KR) • Work Programme (LM)
2017/18 Municipal Year	
29 June 2017	<ul style="list-style-type: none"> • Statement of Accounts 2016/17 (presentation) (CW/RG) • Annual Audit and Certification Fees 2016/17 (NH) • Annual Governance Statement 2015/16 (MC) • Local Government Pension Scheme Update (RG) • Annual Counter Benefit Fraud Update (GM) • 2015/16 Internal Audit Annual Audit Opinion (CH) • Tracking of Audit Recommendations (CH) • Risk Update Report (CH) • Work Programme (LM)
27 September 2017	<ul style="list-style-type: none"> • Statement of Accounts 2016/17 (RG) • External Audit Results Report 2016/17 (NH) • Risk Update Report (CH) • Tracking of Internal Audit Recommendations (CH) • Internal Audit Progress Report (CH) • Work Programme (LM)

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