

Notice of Meeting

Governance and Audit Committee

Monday, 9th July, 2012 at 6.00 pm
in Council Chamber Council Offices
Market Street Newbury

Date of despatch of Agenda: Friday, 29 June 2012

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Andy Day / Moira Fraser on (01635) 519459 / (01635) 51904

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Further information and Minutes are also available on the Council's website at www.westberks.gov.uk



Agenda - Governance and Audit Committee to be held on Monday, 9 July 2012 (continued)

To: Councillors Jeff Beck (Chairman), Paul Bryant, David Holtby, Tony Linden, Julian Swift-Hook (Vice-Chairman), Tony Vickers and Quentin Webb

Substitutes: Councillors Peter Argyle, Brian Bedwell, Alan Macro and David Rendel

Agenda

Part I

Page No.

1. **Apologies**
To receive apologies for inability to attend the meeting (if any).
2. **Minutes** 1 - 4
To approve as a correct record the Minutes of the meetings of this Committee held on 20 February 2012 and 10 May 2012.
3. **Declarations of Interest**
To receive any Declarations of Interest from Members.
4. **Internal Audit - Annual Report 2011-12 (GA2499)** 5 - 10
Purpose: To provide the Committee with an opinion from the 'Head of Internal Audit' on the Council's internal control framework and to support the approval of the Annual Governance Statement.
5. **Internal Audit Plan 2012-15 (GA2477)** 11 - 46
Purpose: To propose a programme of Internal Audit Work for 2012-2015.
6. **Annual Review of Internal Audit (GA2476)** 47 - 60
Purpose: To review the Internal Audit Service of the Council.
7. **Recording of Questions and Answers at Council and Executive Meetings** 61 - 66
Purpose: To ensure that mechanisms are put in place to ensure the question and answers at Council and Executive are recorded accurately.
8. **Amendment to Start Time of Budget Setting Council Meeting** 67 - 72
Purpose: To recommend that the annual budget setting Council meeting commences earlier.
9. **To Consider Returning to the Committee System** 73 - 78
Purpose: To request the Committee to carry out a review in relation to returning to a Committee System of Governance.



Agenda - Governance and Audit Committee to be held on Monday, 9 July 2012 (continued)

Andy Day
Head of Strategic Support

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If you require this information in a different format, such as audio tape, or in another language, please ask an English speaker to contact Moira Fraser on telephone (01635) 519045, who will be able to help.



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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY, 20 FEBRUARY 2012

Councillors Present: Brian Bedwell (Substitute) (In place of Tony Vickers), Paul Bryant, David Holtby, Tony Linden and Quentin Webb

Also Present: Andy Day (Head of Policy and Communication) and Ian Priestley (Chief Internal Auditor),

Apologies for inability to attend the meeting: Councillor Jeff Beck, Councillor Julian Swift-Hook and Councillor Tony Vickers

PART I

23. Election of Chairman

In the absence of the Chairman and Vice-Chairman, Councillor Quentin Webb was elected Chairman for this meeting.

24. Minutes

The Minutes of the meeting held on 21 November 2011 were approved as a true and correct record and signed by the Chairman.

25. Declarations of Interest

There were no declarations of interest received.

26. Internal Audit - Interim Report for 2011/12 (GA2388)

The Committee considered a report (Agenda item 4) in connection with an interim report on outcomes of work performed by Internal Audit during 2011/12. The Chief Internal Auditor reported that of the work streams audited only one area, Grounds Maintenance – Planning and Countryside) was considered to have weak processes. The “weaknesses” related to not having a signed contract in place, the overall performance management framework needed strengthening and the process and procedures for monitoring the contract need to be more clearly defined and documented.

The Chief Internal Auditor reported that the contract had now been signed and only the issue of documenting the processes and procedures required completing.

The Committee, in noting the report of the Chief Internal Auditor, requested that this issue be revisited in six months time to ensure that the last remaining action was completed.

RESOLVED that:

- (1) the report of the Chief Internal Auditor be noted;
- (2) a progress report in relation to the Planning and Countryside (Grounds Maintenance) audit issue be made in six months time.

27. Amendments to the Constitution - Scheme of Delegation (C2454)

The Committee considered a report (agenda item 5) in connection with proposed amendments to the Council's Scheme of Delegation. The Head of Policy and Communication reported that the proposed changes to the Scheme of Delegation were due to:

- (a) the need to make references to the Personnel Committee;
- (b) changes in delegation to the Returning Officer;
- (c) amendments following the Senior Management Review;
- (d) changes in legislation.

RESOLVED that Council be recommended to approve the proposed changes to the Scheme of Delegation.

28. Amendments to the Constitution - Part 14 Management Structure (C2462)

The Committee considered a report (agenda item 6) relating to proposed changes to Part 14 - Management Structure of the Council's constitution. The proposed changes to the Management Structure were due to the recent Senior Management Review.

RESOLVED that Council be recommended to approve the proposed changes to Part 14 - Management Structure of the Council's Constitution.

(The meeting commenced at 6.00 pm and closed at 6.24 pm)

CHAIRMAN

Date of Signature

GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON THURSDAY, 10 MAY 2012

Councillors Present: Jeff Beck, Brian Bedwell (Substitute) (In place of David Holtby), Paul Bryant, Tony Linden, David Rendel (Substitute) (In place of Tony Vickers), Julian Swift-Hook and Quentin Webb

Apologies for inability to attend the meeting: Councillor David Holtby and Councillor Tony Vickers

PART I

1. Election of Chairman

RESOLVED that Councillor Jeff Beck be elected Chairman of the Governance and Audit Committee for the 2012/13 Municipal Year.

2. Appointment of Vice-Chairman

RESOLVED that Councillor Julian Swift-Hook be appointed Vice-Chairman of the Governance and Audit Committee for the 2012/13 Municipal Year.

(The meeting commenced at 8.26 pm and closed at 8.27 pm)

CHAIRMAN

Date of Signature

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Agenda Item 4.

Title of Report:	Internal Audit - Annual Report 2011-12
Report to be considered by:	Governance and Audit Committee
Date of Meeting:	9 th July 2012
Forward Plan Ref:	GA2499

Purpose of Report: To provide the Committee with an opinion from the "Head of Internal Audit" on the Council's internal control framework, and to support the approval of the Annual Governance Statement

Recommended Action: Note the report

Reason for decision to be taken: This report forms part of the Council's Performance Monitoring Framework

Other options considered: None

Key background documentation: Internal Audit reports

The proposals contained in this report will help to achieve the following Council Strategy priorities:

- CSP1 – Caring for and protecting the vulnerable**
- CSP2 – Promoting a vibrant district**
- CSP3 – Improving education**
- CSP4 – Protecting the environment**

The proposals will also help achieve the following Council Strategy principles:

- Putting people first**
- Living within our means**
- Empowering people and communities**
- Transforming our services to remain affordable and effective**
- Doing what's important well**

The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by:

Providing assurance that the Council's internal control framework is effective

Portfolio Member Details	
Name & Telephone No.:	Councillor Alan Law - Tel (01491) 873614
E-mail Address:	alaw@westberks.gov.uk
Date Portfolio Member agreed report:	31 st May 2012

Contact Officer Details	
Name:	Ian Priestley
Job Title:	Chief Internal Auditor
Tel. No.:	01635 519253
E-mail Address:	ipriestley@westberks.gov.uk

Implications

Policy: none

Financial: none

Personnel: none

Legal/Procurement: none

Property: none

Risk Management: Internal Audit identifies solutions to risks posed by weaknesses in the Council's systems and procedures

Equalities Impact Assessment: None required.

Corporate Board's Recommendation: The report should be noted.

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council		<input type="checkbox"/>
Delays in implementation could compromise the Council's position		<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months		<input type="checkbox"/>
Item is Urgent Key Decision		<input type="checkbox"/>
Report is to note only		<input checked="" type="checkbox"/>

Executive Summary

1. Introduction

- 1.1 This report sets out the Annual Report on the work of Internal Audit as required by the CIPFA Code of Practice for Internal Audit in Local Government.

2. Proposals

- 2.1 This report is intended to provide evidence to support the Council's Annual Governance Statement by setting out the results of the work Internal Audit has done over the last year.
- 2.2 This report builds on the interim report made to Governance and Audit earlier in the year, but does not repeat the detail of that report.
- 2.3 The report highlights the fact that no fundamental weaknesses were identified during the year and that where weaknesses were identified then management action has been taken to remedy them.

3. Equalities Impact Assessment Outcomes

- 3.1 There is no decision to be made and therefore no Equality Impact Assessment has been undertaken.

4. Conclusion

- 4.1 The Council's internal control framework is robust

Executive Report

1. Introduction

1.1 The CIPFA Code of Practice for Internal Audit in Local Government requires the “Head of Internal Audit” to make a formal report annually to the Council. The report should:

- (1) include an opinion on the overall adequacy and effectiveness of the organisation’s risk management systems and internal control environment.
- (2) disclose any qualifications to that opinion, together with the reasons for the qualification.
- (3) present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- (4) draw attention to any issues the “Head of Internal Audit” judges particularly relevant to the preparation of the Annual Governance Statement.
- (5) compare the work actually undertaken with the work that was planned and summarise the performance of the Internal Audit function against its performance measures and criteria.

1.2 In addition to the formal annual report, the Head of Internal Audit should make arrangements for interim reporting to the organisation in the course of the year. Such interim reports should address emerging issues in respect of the whole range of areas to be covered in the formal annual report. An interim report was made to the Governance and Audit Committee at the February meeting of the Committee.

1.3 This annual report meets the requirements of the CIPFA Code of Practice.

2. Opinion on the “Internal Control Framework”

2.1 No fundamental weaknesses were identified in Council’s internal control framework through the work carried out by Internal Audit. Where audit work identified weaknesses then management action has been taken to resolve issues identified.

2.2 Overall the internal control framework remains robust.

3. Issues identified in the course of the year

3.1 The following summarises the results of the audit work where an opinion was given, and this table demonstrates that, in particular, the main financial systems of the Council are robust. In addition it should be noted that the identification of weaknesses is an inevitable part of the auditing process. What is then key is that Management responds positively by implementing agreed recommendations.

Type	Very weak	Weak	Satisfactory	Well Controlled	Very Well Controlled
Key Financial System	0	0	0	6	2
Other systems	0	1	12	3	0

3.2 The following paragraph highlights the issues raised in respect of the weak opinion audit noted above.

- (1) Grounds Maintenance – this was covered in detail, in the interim report to Governance and Audit in February, and as noted below the follow up audit indicated that satisfactory progress has been made in implementing agreed actions.

3.3 The following summarises the results of follow up audit work. A follow up review is carried out, usually six months after the audit has been finalised. The purpose of this review is to assess the extent to which agreed recommendations have been implemented by management.

3.4 This table demonstrates that the Council has responded effectively where weaknesses were identified. In all cases the follow up audit found satisfactory progress had been made with implementing agreed action plans. Overall this represents very good performance.

Type	Unsatisfactory	Satisfactory
Key Financial System	0	5
Other systems	0	12

3.5 What the above demonstrates is that the Council has responded quickly and effectively to the items of concern identified. This provides further evidence of the robust nature of the system of internal control within the Council.

4. Performance of Internal Audit

4.1 Delivery of the audit plan was within target in the current year, 82% against a target of 80%.

Appendices

There are no appendices to this report

Consultees

Local Stakeholders: N/a

Officers Consulted: Corporate Board

Trade Union: N/a

Agenda Item 5.

Title of Report:	Internal Audit Plan 2012-15
Report to be considered by:	Governance and Audit
Date of Meeting:	9 th July 2012
Forward Plan Ref:	GA2477

Purpose of Report: To propose a programme of Internal Audit work for 2012-15.

Recommended Action: Review and approve the work programme.

Reason for decision to be taken: To ensure that there is adequate internal audit coverage in compliance with the Accounts and Audit Regulations

Other options considered: None

Key background documentation: None

The proposals contained in this report will help to achieve the following Council Strategy priorities:

- CSP1 – Caring for and protecting the vulnerable**
- CSP2 – Promoting a vibrant district**
- CSP3 – Improving education**
- CSP4 – Protecting the environment**

The proposals will also help achieve the following Council Strategy principles:

- Living within our means**
- Transforming our services to remain affordable and effective**
- Doing what's important well**

The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by:

Ensuring that a robust internal audit programme is in place.

Portfolio Member Details	
Name & Telephone No.:	Councillor Alan Law - Tel (01491) 873614
E-mail Address:	alaw@westberks.gov.uk
Date Portfolio Member agreed report:	21st May 2012

Contact Officer Details	
Name:	Ian Priestley
Job Title:	Chief Internal Auditor
Tel. No.:	01635 519253
E-mail Address:	ipriestley@westberks.gov.uk

Implications

Policy: none
Financial: none.
Personnel: none
Legal/Procurement: none
Property: none
Risk Management: The internal audit process complements the Council's risk management by helping managers identify and manage weaknesses in systems and procedures
Equalities Impact Assessment: none required
Corporate Board's Recommendation: Plan agreed

Is this item subject to call-in?	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval	<input type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input type="checkbox"/>	
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	
Report is to note only	<input type="checkbox"/>	

Executive Summary

1. Introduction

- 1.1 This report sets out the proposed plan of work for internal audit over the next three years.
- 1.2 The report outlines the method used to compile the plan, which is based around risk.

2. Proposals

- 2.1 The audit plan sets out a range of proposed audits. In addition work carried out in the previous year will be followed up. A copy of the audit plan is at appendix C.
- 2.2 The main areas of focus will be the "Key Financial Systems" and the anti fraud work, particularly the National Fraud Initiative.

3. Equalities Impact Assessment Outcomes

- 3.1 There is no decision to be made and therefore no Equality Impact Assessment has been undertaken.

4. Conclusion

- 4.1 The work of internal audit is designed to provide the Council with assurance on the state of the Council's internal control framework. The work is also designed to highlight and remedy weaknesses identified in the Council's service delivery systems.

Executive Report

1. Introduction

- 1.1 The purpose of this report is to outline an Audit Strategy for the Council and to set out a programme of work for Internal Audit that will provide assurance to the Governance and Audit Committee on the operation of the Council's internal control framework and support the Committee's review of the Annual Governance Statement.
- 1.2 The report covers the following points:
- (1) Audit objectives and outcomes
 - (2) How audit work is planned to ensure significant local and national issues are addressed.
 - (3) Basis for the opinion of the Chief Internal Auditor on the internal control framework
 - (4) Methods of providing and resourcing the service.
- 1.3 The main areas of focus will be the audits of the "Key Financial Systems" and anti fraud work.
- (1) The audits of the "Key Financial Systems", in Customer Services and Finance, are carried out annually, partly because of the scale and materiality of them and partly as the Council's external auditor relies on the work Internal Audit does on these systems. These audits are highlighted in the audit plan with an **F**.
 - (2) The main element of anti fraud work is in relation to the National Fraud Initiative, which is a data matching exercise run by the Audit Commission.

2. Audit Objectives and Outcomes

- 2.1 The CIPFA Code of Practice for Internal Audit in Local Government provides the following definition of the purpose and role of Internal Audit.

"Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources."

- 2.2 In plain English, Internal Audit is there to help Services deliver the Council Plan by identifying and helping to mitigate weaknesses in service delivery systems and procedures.
- 2.3 The objectives for Internal Audit are set out in the Audit Charter which forms an appendix to the Terms of Reference of the Governance and Audit Committee. . The full charter is attached at appendix B.

2.4 The main outcomes from the work of Internal Audit are:

- (1) Audit reports produced at the conclusion of each audit, for the relevant Head of Service and Director.
- (2) Monitoring reports on progress with implementation of agreed audit recommendations.
- (3) An annual assurance report and an interim update report for Management Board and Governance and Audit Committee on the outcomes of Internal Audit work.

3. Audit Planning

3.1 The work programme for Internal Audit for the period 2012-15 is attached at appendix C. The plan analyses the different areas of Council activity that Internal Audit feel require auditing. The Plan is laid out by, Corporate Audits, then by Head of Service and for each audit covers:

- (1) The key risks that the audit will cover
- (2) The level of risk associated with the subject, as assessed by Internal Audit
- (3) The complexity of the audit.
- (4) The type of audit
- (5) An initial estimate of the number of days that will be required to complete the audit, and the year in which the audit is planned

3.2 The process of putting the plan together is extensive in terms of the documents and people who are consulted. The following identifies the key drivers:

- (1) The Council Strategy. This is reviewed to ensure that audit resources are used to support the delivery of Council objectives.
- (2) The Council's risk registers, particularly the Strategic Risk Register. This is used to highlight areas where assurance is required for controls that are in place to significantly reduce levels of risk to the Council.
- (3) Results of previous audit, inspection and scrutiny work, by internal teams and external agencies, is considered.
- (4) The views of stakeholders, Heads of Service, Corporate Board, Management Board are considered.
- (5) Plans are made available to the Council's external auditor to ensure that there is no unnecessary duplication of effort.

3.3 The work programme is based on levels of risk. The risk registers are used to inform the level of risk where appropriate and this is supplemented by an audit view of risk. This takes account of:

- (1) Results of risk self assessments (Strategic and Operational Risk Registers);
- (2) Complexity/scale of system and processes / volume and value of transactions;
- (3) Fraud and corruption - eg the risk of fraud or corruption occurring;
- (4) Inherent risk - eg degree of change/instability/confidentiality of information;
- (5) Internal Audit knowledge of the control environment based on previous audit work.

4. Audit approach and opinion

4.1 The work of Internal Audit forms the basis of the opinion given by the Chief Internal Auditor on the Council's internal control framework. The work of Internal Audit is regulated by the CIPFA Code of Practice for Internal Audit in Local Government. This sets out the standards and methods that should be applied in doing the work. At an operational level Internal Audit have a procedure manual that explains in detail how work is delivered. In addition an Audit Protocol is published to all Heads of Service setting out how the service operates. A copy of this is at Appendix D

4.2 There are a number key elements to the process that ensure the output from audit is fit for purpose.

- (1) Consultation takes place at various stages of each audit with the service under review (Terms of reference, rough and formal draft and final reports and action plans are all discussed and agreed with the service under review)
- (2) Audits are followed up to ensure that agreed actions are implemented. (Method and approach to follow up work varies depending on the nature of the issues identified in the original audit)
- (3) All audit work is reviewed before being released. (The review process is ongoing during the course of each audit)
- (4) An annual review of Internal Audit is now carried out by the Governance and Audit Committee.
- (5) The External Auditor comments annually on the work of Internal Audit, the extent to which it complies with the Code of Practice and the extent to which the External Auditor can rely on the work.

4.3 The work produced by Internal Audit is designed to identify and remedy weaknesses in the internal control framework. Weaknesses that are identified are categorised according to their severity (fundamental, significant, moderate and minor).

4.4 Taken together, the above provides a sound basis for the Chief Internal Auditor to provide an annual opinion of the internal control framework of the Council.

5. Service provision and resources

- 5.1 Resources have been reduced for the section, in order to support the need to reduce the Council's budget. The Chief Internal Auditor now has the support of 6 FTE's compared to 8 FTE's in previous years. Corporate Board take the view that this is the minimum level of resource to provide adequate assurance to the Council.
- 5.2 Planned vacancies include one Senior Auditor, one of the 6, who is expected to be on maternity leave for most of 2012-13.
- 5.3 In an effort to provide greater resilience and cover for vacancies such as the maternity leave noted above the Council is in negotiation with other Berkshire Councils to set up reciprocal arrangements to supply audit staff.

Appendices

Appendix A - Equality Impact Assessment – Stage 1

Appendix B - Audit Charter

Appendix C - Audit Plan

Appendix D - Audit Protocol

Consultees

Local Stakeholders: Not consulted

Officers Consulted: Corporate Board

Trade Union: Not consulted

Equality Impact Assessment – Stage One

Name of item being assessed:	Internal Audit Plan
Version and release date of item (if applicable):	
Owner of item being assessed:	Ian Priestley
Name of assessor:	Ian Priestley
Date of assessment:	5.3.12

1. What are the main aims of the item?
To outline a plan of work for internal audit for 2012-15

2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)

Group Affected	What might be the effect?	Information to support this.
none		

Further comments relating to the item:

3. Result (please tick by clicking on relevant box)	
<input type="checkbox"/>	High Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Medium Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Low Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment

For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

4. Identify next steps as appropriate:

Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

Name: Ian Priestley

Date: 17.4.12

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Appendix B

AUDIT CHARTER

1 Definition and Purpose of Internal Audit

- 1.1 The CIPFA Code of Practice for Internal Audit in Local Government (2006) defined Internal Audit

Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment' as a contribution to the proper, economic, efficient and effective use of resources.

- 1.2 Internal Audit is a statutory service in the context of the Accounts and Audit Regulations 2006, which state in respect of Internal Audit:
- 1.3 'A relevant body shall maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper internal audit practices.'
- 1.4 The existence of an Internal Audit function does in no way diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in an efficient, secure and well ordered manner within the Authority.

2 Responsibility & Objectives

- 2.1 As an independent appraisal function within the Authority, the objectives of Internal Audit are:
- To review, appraise and report on the adequacy of internal controls as a contribution to the economic, efficient and effective use of resources.
 - Ascertain the extent of compliance with procedures, policies, regulations and legislation.
 - Provide reassurance to management that their agreed policies are being carried out effectively
 - Facilitate good practice in managing risks
 - Recommend improvements in control, performance and productivity in achieving corporate objectives.
 - Review the value for money processes, best value arrangements, systems and units within the Authority.
 - Work in partnership with External Audit
 - Identify fraud as a consequence of its reviews and deter crime.

3 Scope and Accountability

- 3.1 Internal Audit as a function will remain independent of the Authority's operational activities, and its auditors will undertake no operational duties. This will allow auditors to perform duties in a manner which facilitates impartial and effective professional judgements and recommendations.
- 3.2 The scope of Internal Audit allows for unrestricted coverage of the Authority's activities and access to all staff, records and assets deemed necessary in the course of the audit.
- 3.3 Accountability for the response to advice and recommendations made by Internal Audit lies with the management of the Authority. Management can accept and implement advice and recommendations provided or formally reject it. Internal Audit is not responsible for the implementation of recommendations or advice provided.
- 3.4 Internal Audit sits within the Finance Service and supports the statutory functions of the Head of Finance. However, Internal Audit is also accountable to the Governance and Audit Committee for the delivery of assurance in relation to the Council's system of internal control

4 Reporting

- 4.1 All audit assignments will be the subject of a formal report written by the appropriate auditor. The report will include an 'opinion' on the adequacy of controls in the area that has been audited.
- 4.2 Every Internal Audit report issued, is subject to a follow up in order to ascertain whether actions stated by management in response to the audit report have been implemented. Internal Audit will determine if progress made in response to recommendations stated in the issued audit report is satisfactory, or if a further follow up is required.
- 4.3 Internal Audit will prepare half yearly reports for the Governance and Audit Committee and give an opinion on the Council's internal control framework.
- 4.4 Internal Audit will bring to the attention of the Governance and Audit Committee any serious matters of concern that may arise in the course of audit work

5 Resources

- 5.1 Internal Audit will prepare an Audit Strategy each year that sets out the aims and objectives of the service.
- 5.2 A detailed risk based plan of work will be prepared for approval by the Governance and Audit Committee, including the resources required to carry out the work. This will set out the key areas / risks that are to be subject to audit.

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)

Audit Type

Date last audited

2012-13 Days Est

2013-14 Days Est

2014-15 Days Est

TOTAL Days 2012-2015 Est

AUDIT PLAN RATIONALE

- 1) Frequency of review is based on the overall risk rating and when the previous review was carried out.
- 2) Level of audit resource is dependent on complexity of the area to be reviewed and the level of assurance required for the risks identified.
- 3) Risk assessment factors taken into account when determining the risk category:- degree of instability/complexity of system/sensitivity of information/likeness of fraud or corruption/previous audit control opinion

AUDIT TYPE - KEY

SR Strategic Risk

KFS Key Financial System

AFW Anti Fraud Work

ACW Anti Corruption Work

VFM Value for Money

OR Operational Risk

Sch Schools

Corporate Audits

Income collection - spot checks	a) Theft/Fraud	1	High	AFW	2011-12	20	20	60
Capital planning / programme / use of PMM	a) Ineffective project management - budgets exceeded/deadlines exceeded/outcome does not meet client needs b) Implementation and usage of PMM	4	High	SR	2004-05	20		20
F NFI Investigation work	a) fraud by employees/residents	2	High	AFW	2011-12	25	25	75
	a) Inappropriate use of equipment/ineffective monitoring of personal calls resulting in unnecessary expenditure being incurred possibility of Fraud/abuse b) There isn't a consistent approach when determining Ineffective monitoring of card usage resulting in inappropriate expenditure being incurred	3	Medium	AFW	2010-11			0
Procurement cards	Ineffective monitoring of card usage resulting in inappropriate expenditure being incurred	2	High	AFW/SR	New	20	15	50
Public Health	a) Non compliance with legislation b) Ineffective joint working arrangements resulting in poor budgetary control and/or service provision	3	High	SR	New		20	20
Assurance process covering key Strategic Risks	a) Control mechanisms have not been determined and/or are not working effectively.	3	High	SR	New	15		15
total						100	60	240

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)

Date last audited

Audit Type

Risk Assessment Category

2012-13 Days Est

2013-14 Days Est

2014-15 Days Est

TOTAL Days Est

2012-2015

Est

Resources Directorate

Travel Claims	a) Fraudulent claims b) Inaccurate payments	1	Medium	AFW	2010-11	10	10	10	10
total						0	0	10	10

Head of Finance

Insurance	a) Inappropriate assessment of uninsured losses b) inaccurate claims record for management information	2	High	SR	2011-12				0
Governance / Risk Management	a) Non compliance with Legal requirements b) Ineffective framework for AGS reporting	3	High	SR	2007-08	15			15
Health and Safety	a) Non compliance with H&S Legislation - legal action/penalties	2	High	SR	2005-06	15			15
Webrisk	a) Poor use of information	2	Medium	SR	2008-09				0
General Ledger (managed audit)	a) Inaccurate information for management decisions b) Budgets exceeded c) Qualified accounts	2	Medium	KFS	2011-12	10	10	10	30
Asset Management Strategy	b) Non compliance with legislation, b) Mis mgt of asset portfolio	2	Medium	SR	2005-06		15		15
Fixed Asset Register	a) Non compliance with accounting standards b) Qualified Accounts	2	Low	SR	2010-11		15		15
Budget Monitoring	a) Inaccurate Information b) poor decision making	2	High	SR	2007-08	15			15
MTFS	a) Council's financial targets are not realised b) Budget pressures c) Increases in Council Tax	4	High	SR	2006-07		15		15
Treasury Management (managed audit)	a) Inappropriate cashflow decisions - income not maximised b) Legislation/Internal policies not complied with	2	Low	KFS	2011-12	10	10	10	30
Bank Reconciliation (cover Chaps payments)	a) Inappropriate transactions processed through the bank b) Inaccurate year end accounts c) Qualified opinion from External Auditors	2	Medium	OR	2010-11			10	10
VAT	a) Non compliance with Revenues & Customs requirements - financial penalties	2	Medium	OR	2003-04	15			15
Commercial Rents	a) Non compliance with legislation, b) Loss of income/increased void periods, c) Misappropriation of leases	3	High	OR	2008-09	20			20
Total						85	50	60	195

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)

Date last audited

Audit Type

Risk Assessment Category

2012-13 Days Est

2013-14 Days Est

2014-15 Days Est

TOTAL Days 2012-2015 Est

Head of HR

Recruitment (process)	a) Delays in appointing staff - disruption to service delivery b) Non compliance with employment legislation C) CRB failure	2	High	AFW/SR	2008-09	15			15
Absence Management	a) Council's sickness policy not being adhered to b) Inaccurate information for performance management	2	High	SR	2011-12		10		10
Code of Conduct / HR Policies & Procedures	a) Staff not being managed consistently/to the Council's standards required standards b) New managers not being aware of the required standards and related procedures	1	Low	SR	2007-08				0
Corporate Training	a) failure to develop staff /inform staff of corporate policies and procedures	1	Medium	SR	2003-04			15	15
Total						15	10	15	40

Head of Legal Services

Legal Services	a) Ineffective budgetary control	2	High	OR	2010-11				0
Contract letting	a) Non-compliance with Contract rules of Procedure b) Non compliance with EU legislation (Remedies Directive) c) Corruption	3	High	ACW	2004-05	20			20
Contract monitoring	a) Non-compliance with Contract rules of Procedure b) Contract spec not met c) Contract costs exceeded	3	Medium	SR	2007-08		20		20
total						20	0	20	40

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)

Date last audited

Audit Type

Risk Assessment Category

2012-13 Days Est

2013-14 Days Est

2014-15 Days Est

TOTAL Days Est 2012-2015

Head of Strategic Support

Key risks to be covered	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Date last audited	Audit Type	2012-13 Days Est	2013-14 Days Est	2014-15 Days Est	TOTAL Days Est 2012-2015
Service Planning/targets and performance management	4	Not audited	SR	25			25
Equality Impact Assessments	3	Not audited	SR		20		20
Grants (inc Economic Development)	2	2006-07	SR	15			15
Members expenses	1	2009-10	OR			15	15
Complaints / Code of Conduct	3	Not audited	SR	15			15
Data Protection / Freedom of Information	3	2006-07	SR			20	20
Intranet/Internet/Communication/Publications	2	2011-12	SR				0
Civil Contingencies	2	2011-12	SR				0
Electoral Services	2	2005-06	OR		10		10
Land Charges	2	2007-08	OR				0
total				40	45	35	120

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

		Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Risk Assessment Category	Audit Type	Date last audited	2012-13 Days Est	2013-14 Days Est	2014-15 Days Est	TOTAL Days 2012-2015 Est
Head of Customer Services									
F	Payroll / PAYE (managed Audit)	a) Ghost employees set up b) Inaccurate payments made c) Inaccurate deductions made	High	KFS	2011-12	15	15	15	45
F	Accounts Payable (managed audit)	a) Inappropriate/fraudulent payments b) budgets exceeded	High	KFS	2011-12	15	15	15	45
F	Accounts Receivable (managed audit)	a) Council's cashflow affected b) Income not maximised	High	KFS	2011-12	15	15	15	45
	Car Loans & Car Leasing	a) Inaccurate payroll deductions b) Non compliance with Inland Revenue requirements	Low	OR	pre 2001	15			15
	Cash Office	a) Inaccurate processing of income - affecting cash flow decisions b) Fraud/theft c) Accounts could be qualified	Medium	AFW	2006-07		10		10
F	National Non-domestic Rates (managed audit)	a) Non compliance with legislation b) Inaccurate calculation of contribution to pool c) Qualified accounts	High	KFS	2011-12	15	15	15	45
F	Housing Benefits (managed audit)	a) Non compliance with legislation b) Inaccurate/inappropriate payments made c) Accounts qualified	High	KFS	2011-12	15	15	15	45
F	Council Tax (managed audit)	a) Non compliance with legislation b) Income collection not maximised c) Accounts qualified	High	KFS	2011-12	15	15	15	45
	Registrars Service	a) Ineffective budgetary control, b) Insufficient control of income, c) Insufficient control of assets, d) Inappropriate expenditure	Low	OR	2010-11				0
	Total					105	100	90	295

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Head of I.C.T. and Corporate Services

	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Risk Assessment Category	Audit Type	Date last audited	2012-13	2013-14	2014-15	TOTAL
					Days Est	Days Est	Days Est	Days Est
I.T. Strategy	3	Medium	SR	2007-08				
Software licenses	2	Low	OR	2003-04				
Change control Management	3	High	OR	2005-06	15			15
Project Management (IT investment)	3	High	SR	2006-07		20		20
Post Implementation Reviews (IT investment)	3	Medium	SR	2004-05				
Ensure continuous service (Disaster Recovery for I.T. Service)	3	High	SR	2011-12				
Compliance with CoCo	4	Low	SR	2010-11				
Ensure systems security	3	High	SR	2011-12				
Manage problems and incidents (help desk)	3	High	OR	2004-05	15			15
Manage data (File controls)	3	Medium	OR	2004-05				
EDI	3	Low	OR	Not audited				
Printing Service	2	Low	OR	Pre 2001	15			15
Business Continuity Planning	3	High	SR	2007-08	20			20
I.T. Asset Management	3	Medium	OR	2007-08			15	15
Facilities Management	3	Medium	OR	2011-12				
Total					15	50	35	100

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)

Date last audited

2012-13 Days Est

2014-15 Days Est

TOTAL Days Est

Communities Directorate

	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Date last audited	2012-13 Days Est	2014-15 Days Est	TOTAL Days Est
Travel Claims	1	2011-12			0
total					0
Head of Adult Social Care					
Agency Staff	2	2009-10	15		15
Assessment of Needs/Purchase of Care - (MH/LD)	3	2008-9		20	20
Assessment/Purchase of Care - Respite	3	Not audited	15		15
Resource Centres (3)	1	2006-07	5		5
Carers grant	2	2009-10	20		20
Residential Homes - Elderly (4)	1	2010-11		6	6
Assessment of needs/Purchase of care - Home Care	3	2006-07	20		20
Assessment/Purchase of Care - Residential	3	2001-02	15		15
O/T - Equipment - pooled budget	2	2011-12			0
Personal Budgets	4	New	20		20
Personal Budgets - Direct Payments	3	2011-12		20	20
total			50	46	156

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)

Date last audited

Audit Type

Risk Assessment Category

2013-14 Days Est

2014-15 Days Est

TOTAL Days 2012-2015 Est

Head of Care Commissioning, Housing and Safeguarding

Key risks to be covered	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Date last audited	Audit Type	Risk Assessment Category	2013-14 Days Est	2014-15 Days Est	TOTAL Days 2012-2015 Est
Fairer Charging	3	2008-09	OR	High	15		15
Residents Property (Receivership)	2	2007-08	OR	High		15	15
Residents Property - (Appointeeship)	2	2001-02	OR	Medium	15		15
Contract Letting/Management (Care)	3	2001-02	OR	High	20		40
Common Housing Register / Advice	2	2009-10	OR	Medium			0
Homelessness	2	2011-12	OR	Low			0
Renovation Grants/Disabled Facility Grants	2	2006-07	OR	Medium	15		15
Supporting People	4	2011-12	OR	Medium			0
Safeguarding	4		SR	High			0
Total					35	30	100

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Date last audited	2012-13 Days Est	2013-14 Days Est	2014-15 Days Est	TOTAL Days 2012-2015 Est
Head of Education						
Education Psychologist Service	a) Non compliance with legislation, b) Inappropriate/insufficient assessments of need undertaken/produced. 2	Not audited	10			10
Secondary Schools (10)	Review of key risks - budgetary control, income collection, control of assets, school governance 2	Sch	5	20	30	55
Primary Schools (68)	Review of key risks - budgetary control, income collection, control of assets, school governance 1	Sch	126	120	120	366
Nursery Schools (2) to include Children's Centres	Review key risks: Compliance with legislation, accurate completion of grant claims 1	Sch	14			14
Special Schools (2)	Review key risks: Compliance with legislation, budgetary control, control of assets, 1	Sch		20		20
Formula funding / DSG	a) Non compliance with legislation, b) Ineffective budget builds 2	OR		2009-10		0
PLASC (80 schools)	a) Submission of incorrect returns, b) Inaccurate funding 1	Sch	10			10
Family Support Packages for Disabled Children (to include short breaks)	a) Non compliance with legislation, b) Inappropriate packages, c) Overspends on budgets 3	OR		2009-10		0
Use of Family Support Worker Funding in secondary schools	a) Mis-utilisation of designated funding by secondary schools 2	OR		Not audited		10
School admissions policy	a) Non compliance with legislation, b) Unsuitable school offers, c) Invalid admissions data 2	OR		2009-10		0
Home to School Transport Entitlement	a) Employment of inappropriate individuals, b) Misallocation of free transport, 2	OR		2008-09		0
Child Protection in Schools	a) Non compliance with legislation, b) Schools are not adequately supported/trained by WBC 2	OR		2008-09		0
Central Administration - Childcare Grant	a) Non compliance with legislation b) Inappropriate payments and awards, c) Insufficient documentary evidence 3	OR	15			15
Nursery Provision - central review	Review key risks: Compliance with legislation, accurate completion of grant claims 1	OR		2010-11		15
Extended Schools / After Schools Clubs	a) Non compliance with government targets/legislation, b) Misuse of grant funds, c) Activities are not effectively monitored 3	OR		2007-08	15	15
Special Needs Assessment & Statementing and Recoupment	a) Non compliance with legislation, b) Incorrect assessments, 3	OR		New		15
Home Tuition	a) Non compliance with legislation/standards, b) Service does not meet requirements of users. 2	OR		Not audited		0
Resource Units (7)	Review key risks: Compliance with legislation, budgetary control, control of assets, 1	OR		2011-12		0
Adult Education	a) Non compliance with legislation, b) Non achievement of targets and standards, c) Overspends on budgets 2	OR		Not audited		0
Alternative Curriculum	Review key risks: Budgetary control, appropriateness of expenditure 1	OR		2011-12		0

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Audit Category	Audit Type	Date last audited	2012-13 Days Est	2013-14 Days Est	2014-15 Days Est	TOTAL Days 2012-2015 Est
Reintegration Service	1	Low	OR	2011-12				0
Building Maintenance	3	High	OR	2008-09		20		20
Asset Project Management	4	High	SR	2011-12			20	20
School Meals Contract	3	Medium	OR	2011-12				0
total					170	210	205	585

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Head of Children's Services

Key risks to be covered	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Risk Assessment Category	Audit Type	Date last audited	2012-13 Days Est	2013-14 Days Est	2014-15 Days Est	TOTAL Days 2012-2015 Est
Castlegate Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	1	Medium	OR	2010-11			5	5
Assessment of Need/Review process a) Non compliance with legislation/standards, b) Inaccurate assessments, monitoring of assessments and referrals	3	Medium	OR	2005-06	20			20
Purchasing Care - Residential a) Non compliance with legislation, b) Inappropriate packages, c) Overspends on budgets	3	High	OR	2008-09	15			15
Assessment & collection of contributions a) Non compliance with legislation, b) Incorrect assessments, c) Contributions	3	Medium	OR	2011-12				0
Foster Care (including recruitment) a) Non compliance with legislation/standards, b) Inability to recruit sufficient levels of suitable placements, c) Incorrect payments	3	Medium	OR	2008-09			15	15
Adoption - Recruitment, Placement and Allowances a) Non compliance with legislation, b) Ineffective training/strategies in place, c) Inappropriate people recruited, d) Inaccurate payments	3	Low	OR	Not audited			10	10
Payment of Carers a) Non compliance with legislation, b) Incorrect payments, c) Overspends on budget	2	Medium	OR	2007-08	15			15
Child Care Lawyers a) Incorrect submission of charges by WB, b) Ineffective communication with Children's services, c) Cases wrongly undertaken by WB, d) Reading costs in WB figures	2	Medium	OR	2004-05			15	15
Unaccompanied Children - Asylum a) Non compliance with legislation, b) Asylum seekers/care leavers are not adequately supported, c) Inadequate financial controls re payment of allowances/fraud.	3	Medium	OR	2004-05	15			15
Agency Staff a) Non compliance with legislation, b) Inappropriate people recruited	2	Medium	OR	2008-09			15	15
Pooled budget Child & Adolescent mental health (section 37 contract) a) Effectiveness of arrangements & monitoring, b) Achievement of targets and objectives, c) Ineffective communication between parties	3	Low	OR	Not audited	15			15
Child Protection Conferencing Processes a) Inappropriate arrangements in place, b) Non adherence to guidance, legislation.	2	Medium	OR	2010-11				0
Youth Centres (3) Review of key risks: Budget monitoring, control of expenditure, collection of income, security of assets	1	Medium	OR	2010-11			5	5
Area Teams (2 teams - Youth Services) Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	1	Low	OR					0
Offsite Activities - review of external provision of service a) Non compliance with legislation, b) Poor risk assessment c) Inappropriate activities undertaken	1	Medium	OR	2005-06				0
total					15	65	65	145

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)

Date last audited

Audit Type

Risk Assessment Category

2012-13 Days Est

2013-14 Days Est

2014-15 Days Est

TOTAL Days Est 2012-2015

Est

Environment Directorate

Travel Claims	a) Fraudulent claims b) Inaccurate payments	1	Medium	AFW	2010-11	0	0	0	0
total						0	0	0	0

Head of Culture and Environmental Protection

Clean and Green agenda	a) Failure to deliver change b) failure to deliver cost savings	4	Medium	SR	not audited	15			15
Waste Management and disposal PFI	a) Poor waste minimisation b) Low levels of Recycling	4	High	SR	2009-10		20		20
Service requests for intervention	a) Non compliance with Legislation b) Customer complaints	2	Low	OR	2002-03				0
Health and Safety	a) Non compliance with Legislation b) Service targets not achieved	2	Low	OR	2002-03				0
Food Safety and Standards	a) Non compliance with Legislation b) Service targets not achieved	2	Low	OR	2002-03				0
Licensing Reform Income	a) Non compliance with Legislation b) Ineffective income collection	2	High	OR	2005-06	15			15
Taxi licensing	a) Inappropriate granting of licenses b) Ineffective income collection	2	Medium	OR	2008-09		15		15
Purchase/Disposal of samples	a) Inappropriate expenditure incurred b) Non compliance with disposal procedures	2	Low	OR	2002-03		10		10
Service requests for intervention	a) Non compliance with Legislation b) Customer complaints	2	Low	OR	2002-03				0
Trading Standards - Joint Arrangement	a) Non compliance with terms of the joint arrangement/ineffective monitoring of service provision	2	Low	OR	2009-10				0
Leisure Centre Management	a) Non compliance with legislation, b) Ineffective contract monitoring and management	3	High	ADV	2009-10		20		20
Museums (1)	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	1	Low	OR	2004-05				0
Archaeology	a) Non compliance with legislation and government guidelines, b) Ineffective communication between services	2	Low	OR	2011-12				0
Tourist Information Centre	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	1	Low	OR	2010-11				0
Berkshire Archive Service	Non compliance with terms of the joint arrangement/ineffective management of facilities	1	Low	OR	New		10		10
Libraries Purchasing/stock control	a) Budgets overspent b) Inaccurate financial information for management decisions c) Stock may be misappropriated d) Purchasing arrangements are not cost effective	3	Medium	OR	2008-09				15
Libraries Income	a) Loss of stock is not reimbursed, resulting in additional expenditure b) Income collection not maximised	3	Medium	OR	2010-11		15		15
Shaw House	a) Facilities' use/income opportunities are not being maximised b) The facilities do not offer value for money c) Costs are not being effectively controlled	3	Medium	OR	2008-09		15		15
Adventure Dolphin & Outdoor Youth Activity	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	1	Low	OR	2008-09		10		10
total						30	65	65	160

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Risk Assessment Category	Audit Type	Date last audited	2012-13 Days Est	2013-14 Days Est	2014-15 Days Est	TOTAL Days 2012-2015 Est
Head of Highways and Transport								
Structural Maintenance / Engineering	3	Medium	OR	2002-03	15			15
a) Non compliance with legislation, b) Ineffective maintenance programme								
Traffic Management	3	Medium	OR	2004-05		15		15
a) Projects/schemes targets not met, b) Non compliance with internal policies, plans								
Highway Term Contract	2	High	OR	2011-12				0
a) Non compliance with H&S legislation, b) Ineffective contract monitoring, c) Non compliance with policies								
Home to School Transport / CRB checks	3	High	OR	2007-08		15		15
a) Employment of inappropriate individuals, b) Misallocation of free transport, c) contracts for transport								
Electrical (including Street Lighting)	2	Low	OR	Not audited			15	15
a) Income not maximised, b) Misappropriation of funds								
Street Naming/numbering	2	Low	OR	2004-05				0
Concessionary Fares / Bus Passes	2	Medium	OR	2010-11				0
a) Fraud/theft, b) Non compliance with regulations								
Parking	3	High	OR	2011-12	10	10	10	30
a) Non compliance with legislation, b) Loss of income c) Fraud/theft								
Fleet Management	3	High	OR	2010-11			15	15
a) Use of vehicles b) contracts for non fleet transport								
total					25	40	40	105

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

	Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Audit Category	Audit Type	Date last audited	2012-13 Days Est	2013-14 Days Est	2014-15 Days Est	TOTAL Days 2012-2015 Est
Head of Planning and Countryside								
Enforcement	2	Low	OR	2010-11				0
a) Planning Legislation is not adhered to b) Management information is not up-to-date/accurate								
Development Control	2	High	AFW	2011-12			20	20
a) Planning Legislation is not adhered to b) Government targets are not met c) Corruption d) Income is not maximised								
Developer contributions	4	High	AFW	2007-08	20			20
a) Planning Legislation is not adhered to b) Corruption c) Income is not maximised								
Building Control	2	high	OR	2009-10			20	20
a) Building Control Regulations are not adhered to b) Income is not maximised								
Nature Discovery Centre	1	Low	OR	2011-12				0
Establishment review - key risks - income not maximised/expenditure not being effectively managed								
Grounds Maintenance Con.	2	Low	OR	2010-11				0
a) Contract specification is not met b) Inappropriate/inaccurate payments could be made								
Management of Parks and Commons - Partnership Arrangement			ADV	New	10			10
a) Non compliance with terms of the joint arrangement/ineffective monitoring of service provision								
total					10	20	40	70

Appendix C - Internal Audit Work Programme - 2012-15

Key risks to be covered

Complexity (Using a Risk Assessment scale of 1-4, with 1 being the least complex)	Audit Type	Date last audited	2012-13	2013-14	2014-15	TOTAL Days 2012-2015 Est
			Days Est	Days Est	Days Est	
Other Chargeable work (non service specific)						
Preparation of the audit plan			10	10	10	30
Monitoring the audit plan			15	15	15	45
Liaison with Portfolio Members			5	5	5	15
Governance and Audit Committee updates			6	6	6	18
Audit Follow-ups			90	80	100	270
Audit Advice			20	20	20	60
School advice			10	10	10	30
External Professional Liaison			5	5	5	15
Total			161	151	171	483
Contingencies						
Total			80	100	100	280
			80	100	100	280
Planned Audit Days total			956	1,061	1,107	3,124

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Appendix D - INTERNAL AUDIT REPORTING PROTOCOL April 2011

1 Purpose and Scope

- 1.1 This document outlines the way internal audit will initiate, and report on work for the Council. This protocol relates only to Council Services, a separate protocol exists for Schools.
- 1.2 In terms of this protocol there are three types of audit work that will involve different approaches to reporting. These are:
 - Routine planned audits to provide assurance
 - Advisory work carried out at the request of the client
 - Unannounced audits – to check cash accounting on site.
- 1.3 A set of tables are attached which summarise the key elements of this protocol for each of the above.

2 Initiating work

- 2.1 The following highlights the key stages for commencing Internal Audits
- 2.2 Terms of reference will be issued for all audits, apart from establishments and unannounced audits that will set out the scope of the work to be carried out and confirm the reporting arrangements.
- 2.3 In the case of Establishments a formal memo will be issued to outline the key areas that will be covered by the work.
- 2.4 In the case of unannounced audits the Head of Service will be informed that the audit has been carried out immediately after the conclusion of the visit. (These audits are expected to take no more than half a day.)

3 Reporting the results of Internal Audit work

- 3.1 The reporting process planned work has three key stages :-

Rough Draft Report (Memo in the case of unannounced cash audits);
Draft Report / Memo;
Final Report / Memo.
- 3.2 The rough draft will be issued to the Service Manager to check the factual accuracy, and to obtain their initial observations.
- 3.3 The formal draft will be issued once the Service Manager is satisfied with the accuracy of the report. The circulation of the formal draft report will ensure that all relevant people have had an opportunity to comment on the content of the report, prior to it being finalised.
- 3.4 We request comments/observations from all recipients, however, we treat the relevant Head of Service/Unit Manager as the main client, and as such we require the Head of Service to agree to the details, and comment on the

Appendix D - INTERNAL AUDIT REPORTING PROTOCOL April 2011

recommendations, of the report before it is finalised. Where a recommendation is not agreed, we require the Client's reasoning for this, and this detail is included in the action plan (attached to the report) for future reference.

- 3.5 Where, during an audit, a serious problem is discovered which requires immediate attention, it may be necessary to issue an interim report. The relevant auditor will contact the Head of Service to discuss any such issues prior to an interim report being issued.
- 3.6 Internal Audit reports will normally be issued within 3 weeks of the completion of the work. The Terms of Reference for the audit should give an indication of the timescales for reporting.

3 Follow Up of Audit Recommendations

- 3.1 A follow up process is required in order to be able to give management/members assurance that the agreed action plans have been implemented. A follow will normally be carried out for all audits where recommendations have been made
- 3.2 A follow-up review is carried out roughly six months after the audit report was finalised. The exception to this is where an annual review is required to be undertaken in accordance with KPMG's requirements (usually the key financial systems in Benefits and Exchequer and Finance). The follow-up then forms part of the following year's review.

4 Timescales for receipt of Client Responses to Audit Requests for information/Responses to Audit Reports

- 4.1 This protocol sets out the timeframes by which we require a response from the Client, together with the processes to be followed where these timeframes are not met.

Suggestion of Timeframe protocol:-

	Timeframe For Receipt of Response	Action where no response is received
Rough Draft Report	Within 3 weeks of receipt (or notification of when a response will be received)	Stage 1 - Reminder issued to the Line Manager (Head of Service copied in) specifying a response is required within two weeks otherwise the Corporate Director is to be informed.
	Within two weeks of stage 1	Stage 2 - Corporate Director informed of lack of a response (Copied to the Line Manager and Head of Service) specifying a response is required

Appendix D - INTERNAL AUDIT REPORTING PROTOCOL April 2011

		within two weeks otherwise this will be reported to the Corporate Board
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	Timeframe For Receipt of Response	Action where no response is received
Draft Report	Within 3 weeks of receipt (or notification of when a response will be received)	Stage two of the Rough draft will apply

4.2 These timeframes, together with action to be taken where no response is received will be incorporated into the standard letters/memos we issue with each report.

4.3 The auditor will use his/her judgement on each case to take into account any extenuating circumstances, and will notify the Head of Finance where there are issues with non-compliance that needs to be reported to Corporate Board. The Head of Finance will raise the matter with the relevant Director.

5 Reporting to the Governance and Audit Committee

5.1 The Chief Internal Auditor will provide the Committee, on a half yearly basis with a report that will summarise the results of completed audits and follow up audits.

5.2 Where an audit is categorised as weak or very weak a written comment from Internal Audit will be provided to the Committee and a written response / comment / update will be sought from the Head of Service.

5.3 Where a follow up is classed as unsatisfactory then again written comment and response will be provided. In addition the Head of Service will normally be asked to attend the Governance and Audit Committee to outline the reasons for the failure to implement the agreed action plan and answer Members questions on the audit.

6. Role of Portfolio Holders in the audit process

6.1 Portfolio Holders are involved in the audit process at their discretion and to the extent that they choose.

6.2 Portfolio Holders can choose to vary the extent of their involvement at any time. In addition if they wish they can vary their involvement on an audit by audit basis, by informing the Chief Internal Auditor.

6.3 The role of the Portfolio Holder in the audit process is to:

Appendix D - INTERNAL AUDIT REPORTING PROTOCOL April 2011

- Feed in any issues of concern at the start of the audit so that these can be considered by the auditor in scoping the review.
 - Support the relevant Head of Service in considering weaknesses identified during the audit and action plans proposed by the auditor at the conclusion of the audit
 - Support the Head of Service in implementing agreed action plans
- 6.4 The lead auditor is responsible to the Chief Internal Auditor for managing the audit in compliance with the CIPFA Code of Practice for Internal Audit. Responsibility for the content of the resulting audit report will remain with the relevant lead auditor and the Chief Internal Auditor.
- 6.5 The Head of Finance as s151 Officer has overall responsibility for ensuring that the Internal Audit service complies with the CIPFA Code of Practice for Internal Audit

Reporting arrangements

1 Audit Reviews to provide Assurance

Client	Terms of reference	Rough Draft Report	Formal Draft Report	Final Report	Follow-up details
S151 Officer (Head of Finance)	All cases		Where there are fundamental weaknesses in the service	All cases	All cases
Service / Unit Manager	All cases	All cases	All cases	All cases	All cases
Head of Service	All cases	Only where serious issues relating to the service, i.e. lots of fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written	All cases	All cases	All cases
Corporate Director	All cases		Where there are fundamental weaknesses in the service	All cases (except for schools)	All cases
Chief Executive	For his service areas		Only where serious issues relating to the service, i.e. lots of fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written.	Any report with fundamental weaknesses	Any report with fundamental weaknesses

Reporting arrangements

Client	Terms of reference	Rough Draft Report	Formal Draft Report	Final Report	Follow-up details
			The Chief Internal Auditor will decide on the necessity to issue a report at this level.		
Relevant Portfolio Member and the Portfolio Member for Finance (in all cases) (Include the two Councillors that are Shadowing the Finance Portfolio holder)	All cases		If the Portfolio member for the service has expressed an interest when the TOR have been issued.	All reports	All Cases
Chief Internal Auditor	All cases		All cases	All cases	All Cases

Reporting arrangements

2 Advisory/VFM Reviews

(The approach will be agreed with the Client prior to commencing a review, and to be noted in the terms of reference to provide clarity of how the findings are to be reported). Advisory reviews may arise from the need for advice on key controls in systems where the Service concerned is already aware that improvement is needed or where the systems are being changed by the service area, (eg a new ICT system is being implemented).

Client	Terms of Reference	Rough Draft Report	Formal Draft Report	Final Report
Line Manager	All cases	All cases	All cases	All cases
Head of Service	All cases		All cases	All cases
Corporate Director	All cases			All cases
Chief Internal Auditor	All cases		Relevant auditor will decide on the necessity to issue a report at this level where there are serious issues relating to the service, i.e. lots of fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written.	All cases

Further escalation of the advisory / VFM reviews reporting to the Chief Executive and the relevant portfolio Member will depend upon the significance of issues / number of weaknesses identified and will be determined by the relevant auditor. Due to the nature of the work an overall opinion will not be given for an advisory/VFM review. However, these reviews will follow the standard follow process for follow-ups (progress categorisation/circulation of findings).

Reporting arrangements

3 Unannounced Audits

<u>Client</u>	<u>Terms of Reference</u>	<u>Rough Draft Memo</u>	<u>Formal Draft Memo</u>	<u>Final Memo</u>
Line Manager / Headteacher	None issued	All cases	All cases	All cases
Head of Service	None issued		All cases	All cases
Corporate Director	None issued			All cases
Relevant Portfolio Holder and Finance Portfolio Holder	None issued			All cases
Chief Internal Auditor	None issued		All Cases	All cases

Agenda Item 6.

Title of Report:	Annual Review of Internal Audit
Report to be considered by:	Governance & Audit Committee
Date of Meeting:	9 th July 2012
Forward Plan Ref:	GA2476

Purpose of Report: To review the internal audit service of the Council .

Recommended Action: Note the review

Reason for decision to be taken: To comply with the Accounts and Audit Regulations

Other options considered: None

Key background documentation: None

The proposals contained in this report will help to achieve the following Council Strategy priorities:

- CSP1 – Caring for and protecting the vulnerable**
- CSP2 – Promoting a vibrant district**
- CSP3 – Improving education**
- CSP4 – Protecting the environment**

The proposals will also help achieve the following Council Strategy principles:

- Putting people first**
- Living within our means**
- Empowering people and communities**
- Transforming our services to remain affordable and effective**
- Doing what's important well**

The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by:

Ensuring the Council has an effective internal audit service in place

Portfolio Member Details	
Name & Telephone No.:	Councillor Alan Law – Tel (01491) 873614
E-mail Address:	alaw@westberks.gov.uk
Date Portfolio Member agreed report:	21 st May 2012

Contact Officer Details	
Name:	Ian Priestley
Job Title:	Chief Internal Auditor
Tel. No.:	01635 519253
E-mail Address:	ipriestley@westberks.gov.uk

Implications

Policy: none
Financial: none.
Personnel: none
Legal/Procurement: none
Property: none
Risk Management: none
Equalities Impact Assessment: Not required

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
<p>If not subject to call-in please put a cross in the appropriate box:</p> <p>The item is due to be referred to Council for final approval <input type="checkbox"/></p> <p>Delays in implementation could have serious financial implications for the Council <input type="checkbox"/></p> <p>Delays in implementation could compromise the Council's position <input type="checkbox"/></p> <p>Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months <input type="checkbox"/></p> <p>Item is Urgent Key Decision <input type="checkbox"/></p> <p>Report is to note only <input checked="" type="checkbox"/></p>		

Executive Summary

1. Introduction

1.1 The purpose of this report is to provide an annual review of the Internal Audit Service of the Council. This is a requirement of the Accounts and Audit Regulations, and complements the requirement for the Council to carry out an annual review of the system of internal control that is also a requirement of the Accounts and Audit regulations.

1.2 The review takes the form of a self assessment of the Internal Audit service by the Chief Internal Auditor, which has then been reviewed by the Finance and Governance Group.

2. Proposals

2.1 The service is presently meeting the requirements of the CIPFA code of practice. However, there is limited resilience in the service, and steps are being taken to address this, through a mutual support arrangement with other Berkshire Councils.

2.2 Negotiations are underway with other Berkshire Authorities to put in place a reciprocal agreement to supply audit staff to cover temporary staff shortages.

3. Equalities Impact Assessment Outcomes

3.1 There is no decision to be made and therefore no Equality Impact Assessment has been undertaken.

4. Conclusion

4.1 There are no issues of concern, the Internal Audit service is functioning effectively.

Executive Report

1. Introduction

- 1.1 The purpose of this report is to allow the Governance and Audit Committee to consider and comment on the effectiveness of Internal Audit at the Council.
- 1.2 It is intended that the Committee's comments will feed into, and support, the Annual Governance Statement for the Council.

2. Background

- 2.1 The Accounts and Audit Regulations 2011 required the Council to review the effectiveness of its internal audit service on an annual basis and feed this into the Annual Governance Statement.
- 2.2 The revised regulation requires the result of the review to be considered by the Council's Audit Committee. CIPFA guidance indicates that the review should not be carried out by external audit or the head of internal audit, however they are best placed to do such a review. Consequently this review has been prepared by the Chief Internal Auditor and reviewed by the Finance and Governance Group.
- 2.3 The review of Internal Audit is based on an assessment of the extent to which internal audit complies with
 - (1) the CIPFA Code of Practice for Internal Audit in Local Government (appendix A)
 - (2) the CIPFA checklist for effectiveness measures for internal audit (appendix B)

3. Results of the review.

- 3.1 No issues have been identified from the review. The results are summarised in the appendix B. The table highlights the key aspects / requirements of the work of internal audit and provides a commentary on the extent to which Internal Audit complies with those requirements.
- 3.2 In addition it is also worth noting the results of the last review of Internal Audit by KPMG for their 2009-10 Audit. KPMG confirmed that they were able to rely on the work of internal audit and that Internal Audit fully complied with the CIPFA Code of Practice for Internal Audit. This was reported to G&A at the September 2010 meeting of the Committee.

4. Resources

- 4.1 Although the service is presently meeting the requirements of the CIPFA code of practice, present levels of staffing are considerably less than in previous years, 10 FTE in 1998 when the Council was set up to 6.3 at present. Corporate Board have determined that the staffing of the service can not be safely reduced any further. However, with existing resources there is very limited resilience within the service, which means that the delivery of the service could be at risk.
- 4.2 Such risks are:

- (1) An inability to provide assurance to the Council
- (2) An inability to respond to irregularities / fraud / corruption.
- (3) Additional external audit fees if KPMG are unable to rely on the work of Internal Audit.

4.3 The Heads of Internal Audit across Berkshire are presently discussing a formal agreement to allow sharing of staff. This will provide mutual support and allow the Council to draw on other experienced and qualified staff when required.

Appendices

Appendix A - Assessment against the CIPFA Code of Practice for Internal Audit

Appendix B - Assessment against the CIPFA Code of Practice, characteristics of effectiveness

Consultees

Local Stakeholders: N/a

Officers Consulted: Corporate Board

Trade Union: N/a

Appendix A
CIPFA Code of Practice – Standards

2006 Code standard	Evidence of Achievement	Areas for development
1. Scope of internal audit Terms of Reference	Terms of reference for Internal Audit are included in the Audit Charter which was endorsed by the Governance and Audit Committee	
Scope	Scope of audit work takes into account risk management processes and wider internal control issues. Resource levels reviewed and commented on in the annual Internal audit plan. Corporate Board have reviewed the staffing of internal audit and confirmed that it is now at minimum level with. 0.3 x Chief Internal Auditor 1 x Audit Manager 2 x Senior Auditor 3 x Auditor	
Responsibilities in respect of other organisations	The terms of reference do identify responsibilities in respect of other organisations.	
Fraud and corruption	Terms of reference define audit responsibilities in relation to fraud. This is backed up by the Authority's Anti-Fraud Strategy	

2006 Code standard	Evidence of Achievement	Areas for development
2. Independence		
Organisational independence	The Audit Charter lays down the independence of internal audit.	
Status of head of internal audit	The Chief Internal Auditor has direct access to those charged with governance through the Governance and Audit Committee Reports are made in auditors own names to management and to the Audit Committee by the Chief Internal Auditor.	
Independence of individual internal auditors	No conflict of interest between operational responsibilities and audit has been found.	
Declaration of interest	All staff are reminded annually of the need to declare any interests that may conflict with their duties	

2006 Code standard	Evidence of Achievement	Areas for development
3. Ethics		
Integrity Objectivity Competence Confidentiality	Staff appraisal system considers these issues; no significant points have been identified. Staff are made aware of ethics requirements through the CIPFA Code of Practice. (reminder issued to all staff annually).	

2006 Code standard	Evidence of Achievement	Areas for development
4. Audit Committee		
Purpose of the Audit Committee	<p>Terms of reference have been formally approved and are regularly reviewed. They include responsibility for the review of the Annual Governance Statement.</p> <p>Governance & Audit Committee approves and monitors audit strategy and plan.</p>	
Internal audit's relationship with the Audit Committee	The Chief Internal Auditor attends the meetings of the Governance and Audit Committee to report on the outcome of internal audit work, identify necessary changes to the audit plan, and present an annual report and opinion and assurance on the internal control framework.	

2006 Code standard	Evidence of Achievement	Areas for development
5. Relationships		
with management	<p>Managers are consulted on the audit plan and on the scope of each audit. This is reflected in terms of reference for each audit.</p> <p>Responsibilities for managers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters.</p>	
with other internal auditors	Regular meetings are held with the Home Counties Chief Internal Auditors Group and the Berkshire Audit Group	
with external auditors	Good working relations established with KPMG, including consultation on plan and regular meetings.	
with other regulators and inspectors	<p>Sharing of information is undertaken with other internal review agencies.</p> <p>There is liaison with external regulators when necessary</p>	
with elected Members	The responsibilities of internal audit staff and Members, particularly those of the	

	Governance and Audit Committee are laid out in the Audit Charter, and in the Audit Reporting Protocol, and the Terms of Reference for the G&A Committee.	
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2006 Code standard	Evidence of Achievement	Areas for development
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6. Staffing, training and continuing professional development (CPD)

Training needs are identified	<p>The skills and competencies required of each post have been determined through job descriptions and people specifications.</p> <p>Actual skills and competencies have been assessed and individual training and development plans have been agreed through the appraisal process and are being delivered.</p> <p>Professional staff are required to complete CPD by their respective institutes. The Council is a CIPFA accredited training organisation.</p> <p>The Auditor posts are on long linked grades from D-H. A clear criteria for progression has been drawn up to ensure training and qualifications match advancement.</p> <p>An Audit Manual has been produced in house and this is used to provide guidance and ensure consistency of work.</p>	
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2006 Code standard	Evidence of Achievement	Areas for development
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7. Audit Strategy and Planning

An effective Audit Strategy is in place	<p>An Audit Strategy accompanies the annual audit plan. The Strategy complies with the Code of Practice and has been formally endorsed by the Governance and Audit Committee as part of the planning process.</p> <p>The risk-based Audit Plan has been prepared in accordance with the Strategy.</p> <p>The Council's risk registers have been used as the basis of the plan to the extent</p>	
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	<p>deemed appropriate. This has been assessed by the Chief Internal Auditor.</p> <p>The plan has been endorsed by the Governance and Audit Committee.</p>	
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2006 Code standard	Evidence of Achievement	Areas for development
8. Undertaking Audit Work		
Planning	Terms of reference are prepared and agreed with management for each audit	
Approach	<p>A risk-based approach is used and an audit opinion is given for every audit.</p> <p>Issues are discussed with management as they arise and at the post audit discussion.</p>	
Recording and Assignments	<p>Standards of working papers are specified and checked as part of the file review.</p> <p>Internal audit use an industry standard audit management system (Galileo). Reports are produced for management information.</p> <p>Adequate working papers supporting conclusions drawn and recommendations made are maintained and retained on Galileo.</p> <p>Reports are issued to appropriate managers in accordance with the agreed reporting protocol.</p>	

2006 Code standard	Evidence of Achievement	Areas for development
9. Due professional care		
Responsibilities of the individual auditor	All internal auditors are aware of their individual responsibilities for due professional care.	

Responsibilities of the Head of Internal Audit	<p>Arrangements are in place to monitor this:</p> <ul style="list-style-type: none"> • Chief Internal Auditor reviews a sample of audit files and reports. • Appraisal and training. <p>A whistle-blowing procedure is maintained through the Whistle-blowing Policy.</p> <p>Work is assigned so as to avoid potential conflicts of interest, although none have arisen to date.</p>	
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2006 Code standard	Evidence of Achievement	Areas for development
10. Reporting		
Reporting on audit work	<p>Audit reports give an opinion on risks and controls, using approved methodology.</p> <p>Scope of audit is set out in the audit report.</p> <p>Recommendations are prioritised according to risk. Draft reports are discussed with management and action plans agreed in response to recommendations made</p> <p>Reports are issued to appropriate managers, including Directors, they are also issued to Portfolio Holders.</p> <p>Assurances are sought from managers on delivery of agreed actions.</p> <p>An escalation procedure has been defined.</p> <p>Implementation of agreed recommendations are followed up.</p>	
Annual reporting	<p>An annual report to support the Annual Governance Statement is presented to the Governance & Audit Committee. The report includes the opinion on the control environment and any qualifications to that opinion. The work on which the opinion is based is set out in the report.</p> <p>The report highlights significant issues and</p>	

	<p>key themes arising from audit work in the year.</p> <p>An Interim progress report is submitted to the Governance and Audit Committee.</p>	
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2006 Code standard	Evidence of Achievement	Areas for development
11. Performance, quality and effectiveness		
Principles of performance, quality and effectiveness	Policies and procedures are defined in an audit manual. The Finance Service Plan includes performance indicators, which are reported to management	
Quality assurance of audit work	Audits are assigned according to the skills mix required and there is adequate supervision by the Audit Manager or Senior Auditor.	
Performance and effectiveness of the internal audit service	<p>Performance measures are defined in the service plan and results reported to management</p> <p>Internal quality reviews are undertaken by the Chief Internal Auditor</p> <p>Post audit questionnaires are issued with each final report.</p> <p>An annual assessment of the work of internal audit is undertaken by the external auditor (and reported to members in the annual audit letter) in terms of the reliance the externals can place on the work of internal audit. The Audit Commission, and now KPMG have always placed full reliance on the work of internal audit.</p>	

**Appendix B
CIPFA Code of Practice - Characteristics of Effectiveness**

An effective internal audit service:-	Evidence of achievement	Areas for development
Understands its position in respect to the organisation's other sources of assurance and plans its work accordingly.	<p>Internal audit identifies other sources of assurance and takes these into account when preparing the Internal Audit Strategy and Plan:-</p> <ul style="list-style-type: none"> • Use of risk registers to inform audit planning; • Has regular meetings with the external auditors • Has regular meetings with service managers • Effective liaison with Risk Management audit reports and risk registers are shared 	
Understands the whole organisation, its needs and objectives.	<p>The Internal Audit Strategy and plan demonstrates how audit work will provide assurance in relation to the authority's objectives and risks.</p> <p>Individual audit assignments identify risks to the achievement of those objectives.</p>	
Is seen as a catalyst for change at the heart of the organisation.	<p>Supportive role of audit for corporate developments such as corporate governance review, risk management. Major new systems implementations</p> <p>Individual assignments may be catalyst for change through the identification of improvements in control</p>	
Adds value and assist the organisation in achieving its objectives.	<p>Demonstrated through individual audit assignments and also corporate work. Post audit questionnaires give auditees the chance to comment on added value of audit.</p>	
Is involved in service improvements and projects as they develop, working across internal and external boundaries to understand shared goals and individual obligations.	<p>Internal audit provides help and advice on request and supports specific projects identified in plan and on ad hoc basis. A resource is identified in the audit plan for general guidance and advice.</p> <p>Services are asked to inform internal audit of any planned changes to systems.</p>	

An effective internal audit service:-	Evidence of achievement	Areas for development
<p>Is forward looking – knowing where the organisation wishes to be and aware of the national agenda and its impact.</p>	<p>When identifying risks and in formulating the plan, changes on the national agenda are considered. The Home Counties Chief Internal Auditors Group provides updates on national issues.</p> <p>The audit section maintains awareness of new developments in the services it audits through meetings, perusal of documents etc.</p> <p>The Internal Audit Strategy is updated annually and is based around the Council Plan</p>	
<p>Is innovative and challenging – shaping the values and standards of the organisation; providing internal inspection and validation and encouraging service managers to take ownership of processes, systems and policy.</p>	<p>Internal audit has taken an innovative approach to its reporting arrangements by focusing on risks and helping managers to develop their own responses to the risks. The aim of this is to encourage greater ownership of the control environment amongst managers.</p>	
<p>Ensures the right resources are available – the skills mix, capacity, specialisms and qualifications/experience requirements all change constantly</p>	<p>This is reported to the Audit Committee as part of the audit plan.</p>	

Agenda Item 7.

Title of Report:	Recording of Questions and Answers at Council and Executive Meetings
Report to be considered by:	Governance and Audit Committee
Date of Meeting:	9 July 2012
Forward Plan Ref:	N/a

Purpose of Report: To ensure that mechanisms are put in place to ensure the question and answers at Council and Executive are recorded accurately.

Recommended Action: That a reliable recording device be used in meetings, with a back up in case this fails.

Reason for decision to be taken: A number of issues have arisen recently which have meant that questions have not been recorded

Other options considered: None

Key background documentation: None

The proposals will also help achieve the following Council Strategy principle:

CSP9 - Doing what's important well

The proposals contained in this report will help to achieve the above Council Strategy principle by:
being open and transparent in the way we do business

Portfolio Member Details

Name & Telephone No.:	Councillor Tony Vickers
E-mail Address:	tvickers@westberks.gov.uk

Contact Officer Details

Name:	Gillian Durrant
Job Title:	Group Executive Lib Dems
Tel. No.:	01635 509097
E-mail Address:	gdurrant@westberks.gov.uk

Implications

Policy: None

Financial: £350 for an additional piece of recording equipment

Personnel: None

Legal/Procurement: None

Property: None
Risk Management: None
Equalities Impact Assessment: Appendix A

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
<p>If not subject to call-in please put a cross in the appropriate box:</p> <p>The item is due to be referred to Council for final approval <input checked="" type="checkbox"/></p> <p>Delays in implementation could have serious financial implications for the Council <input type="checkbox"/></p> <p>Delays in implementation could compromise the Council's position <input type="checkbox"/></p> <p>Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months <input type="checkbox"/></p> <p>Item is Urgent Key Decision <input type="checkbox"/></p> <p>Report is to note only <input type="checkbox"/></p>		

Executive Report

1. Introduction

- 1.1 At the meeting of the Executive on 12 April 2012 the device used for recording questions and answers failed to work. Due to the importance of properly recording public meetings, a reliable system needs to be implemented to prevent this happening again.

2. Proposals

- 2.1 That Governance and Audit Committee discuss how a proper record of Questions and Answers can be achieved, and then recommend a course of action to Council.

3. Equalities Impact Assessment Outcomes

- 3.1 See Appendix A

4. Conclusion

- 4.1 A recommendation to improve the recording of meetings of Executive be agreed by Governance and Audit committee.

Appendices

Appendix A – Equality Impact Assessment – Stage 1

Consultees

Local Stakeholders: n/a

Officers Consulted: Andy Day, Moira Fraser

Trade Union: n/a

Equality Impact Assessment – Stage One

Name of item being assessed:	Recording of Questions and Answers at Executive meetings
Version and release date of item (if applicable):	
Owner of item being assessed:	Gillian Durrant
Name of assessor:	Elaine Walker
Date of assessment:	29 July 2012

1. What are the main aims of the item?
To purchase an additional voice recorder for Executive and Council meetings, as a back up

2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)

Group Affected	What might be the effect?	Information to support this.

Further comments relating to the item:
This has a very minimal impact on any of the groups mentioned above, and will be discussed in a public meeting.

3. Result (please tick by clicking on relevant box)
<input type="checkbox"/> High Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/> Medium Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/> Low Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input checked="" type="checkbox"/> No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment

For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

4. Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

Name:

Date:

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Agenda Item 8.

Title of Report:	Amendment to Start Time of Budget Setting Council Meeting
Report to be considered by:	Governance and Audit Committee
Date of Meeting:	9 July 2012
Forward Plan Ref:	N/a

Purpose of Report: To recommend that the annual budget setting Council meeting commences earlier.

Recommended Action: The annual budget Council meeting to start at 6.30pm.

Reason for decision to be taken: To ensure that the budget can be debated in full

Other options considered: None

Key background documentation: None

The proposals will also help achieve the following Council Strategy principle:

CSP9 - Doing what's important well

The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by:

Ensuring that there is sufficient time for this important area to be discussed

Member Details

Name & Telephone No.:	Tony Vickers
E-mail Address:	tvickers@westberks.gov.uk

Contact Officer Details

Name:	Gillian Durrant
Job Title:	Group Executive Lib Dems
Tel. No.:	01635 519097
E-mail Address:	gdurrant@westberks.gov.uk

Implications

Policy: None

Financial: None

Personnel: None

Legal/Procurement: None

Property: None

Risk Management: None
Equalities Impact Assessment: See Appendix A

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval	<input checked="" type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input type="checkbox"/>	
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	
Report is to note only	<input type="checkbox"/>	

Executive Report

1. Introduction

- 1.1 The budget setting Council meeting always contains a large number of complex and important items. An earlier start time would give more time to debate these important items.

2. Proposals

- 2.1 This one Council meeting a year (usually in early March) should start at 6pm or 6.30pm (in line with other meetings, including Executive), and end at 10pm, or 10.30pm with an extension, to recognise the importance of the items being discussed, and to allow time for a democratic debate. For the last two years this meeting has been extended to allow time to conclude the business of the meeting, and it is preferable to make important decisions earlier rather than later in the day, before people become tired. This meeting is publicised 15 months in advance, which would give members adequate notice to make plans to be at the meeting in time. The date of this meeting never changes.

3. Equalities Impact Assessment Outcomes

- 3.1 See Appendix A

4. Conclusion

- 4.1 An earlier start time for this annual meeting would allow more time for the discussion of important business of the Council.

Appendices

Appendix A – Equality Impact Assessment – Stage 1 (*To Follow*)

Consultees

Local Stakeholders: n/a

Officers Consulted: Andy Day, Moira Fraser

Trade Union: n/a

Equality Impact Assessment – Stage One

Name of item being assessed:	Amendment to start time of budget setting Council meeting
Version and release date of item (if applicable):	
Owner of item being assessed:	Gillian Durrant
Name of assessor:	Elaine Walker
Date of assessment:	29 June 2012

1. What are the main aims of the item?
To start the Budget meeting of Council at 6.30pm instead of 7pm

2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)		
Group Affected	What might be the effect?	Information to support this.
Further comments relating to the item:		
This has a very minimal impact on any of the groups mentioned above, and will be discussed in a public meeting.		

3. Result (please tick by clicking on relevant box)	
<input type="checkbox"/>	High Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Medium Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Low Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input checked="" type="checkbox"/>	No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment

For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

4. Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

Name:

Date:

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Title of Report:	To Consider Returning to the Committee System
Report to be considered by:	Governance and Audit Committee
Date of Meeting:	9 July 2012
Forward Plan Ref:	N/a

Purpose of Report: To request the Committee to carry out a review in relation to returning to a Committee System of Governance.

Recommended Action: To support a review of the benefits of returning to a Committee System of Governance.

Reason for decision to be taken: An extant decision of the committee has not been actioned.

Other options considered: None

Key background documentation: None

The proposals will also help achieve the following Council Strategy principle:

CSP7 - Empowering people and communities

The proposals contained in this report will help to achieve the above Council Strategy principle by:
making the Council's decision making process more democratic, accountable, efficient and effective.

Member Details	
Name & Telephone No.:	Councillor Tony Vickers
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Contact Officer Details	
Name:	Gillian Durrant
Job Title:	Group Executive Lib Dems
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Implications

Policy: None

Financial: None

Personnel: None

Legal/Procurement: None
Property: None
Risk Management: None
Equalities Impact Assessment: See Appendix A

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval	<input checked="" type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input type="checkbox"/>	
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	
Report is to note only	<input type="checkbox"/>	

Executive Report

1. Introduction

- 1.1 The G&A Committee resolved the following at its meeting on 15.11.10. The Localism Act 2011 enables all Councils to change their decision making process at any Annual Council Meeting. It is suggested that the Task Group should therefore progress without further delay.
- (1) “To undertake a review of the current Executive and Scrutiny arrangements which should include the cost of the current arrangements together with how effective, efficient and inclusive the current system is perceived to be.
 - (2) To consider alternative governance options including a committee based decision making structure to ensure that any new system is democratic, accountable, efficient and effective.
 - (3) To examine the resources that will be required to effectively run any revised or current system.
- 1.2 Andy Day reported that despite the Minister’s pledge the Council was not in a position at the current time to introduce any new governance arrangements until the existing legislation (Local Government Act 2000) had been amended or repealed. The Committee agreed that rather than wait for the appropriate legislation to be amended or repealed that work could commence on (1) above. It was agreed that a questionnaire seeking views on the current governance arrangements should be designed and circulated to all Members to complete. This would help to inform the Group’s work moving forward.

RESOLVED:

- (i) That the terms of reference for the Working Group, as set out above, be approved.
- (ii) That arrangements be made for a questionnaire to be circulated to all members seeking their views on the current governance arrangements.
- (iii) That each Group Leader be requested to nominate the appropriate number of Members for the Working Group.”

2. Proposals

- 2.1 Given the Localism Act 2011, the committee is requested to consider undertaking a review in relation to returning to a committee system of Governance as set out above

3. Equalities Impact Assessment Outcomes

- 3.1 There is no decision to be made and therefore no Equality Impact Assessment has been undertaken.

4. Conclusion

- 4.1 The Task Group should now meet as soon as possible to progress the review of the Council's decision making process.

Appendices

Appendix A – Equality Impact Assessment – Stage 1

Consultees

Local Stakeholders: n/a

Officers Consulted: Andy Day

Trade Union: n/a

Equality Impact Assessment – Stage One

Name of item being assessed:	To Consider returning to the Committee System
Version and release date of item (if applicable):	
Owner of item being assessed:	Gillian Durrant
Name of assessor:	Gillian Durrant
Date of assessment:	29 June 2011

1. What are the main aims of the item?
To ask that a Task Group considers the possibility of returning to a Committee System of Governance

2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)

Group Affected	What might be the effect?	Information to support this.

Further comments relating to the item:
This has a very minimal impact on any of the groups mentioned above.

3. Result (please tick by clicking on relevant box)	
<input type="checkbox"/>	High Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Medium Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Low Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input checked="" type="checkbox"/>	No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment

For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

4. Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

Name:

Date: