
Internal Audit and Anti-Fraud Strategy & Annual Plan and Risk Management Approach 2014-15

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Table of Contents

• Introduction	3
• Overall Approach	7
• Internal Audit Plan	9
• Risk Assurance Plan	30
• Corporate Anti-Fraud Plan	31
• Performance Indicators	33

Introduction

This document presents the Council's strategy and operational internal audit, risk management and anti-fraud plan for the period 2014-15. The plan covers the work of both the combined in-house teams for Internal Audit and Anti-Fraud and Risk Management working with the Council's current supplier – Price Waterhouse Coopers (PwC).

Within this plan is the acknowledgment that the Council is required to make £72.5m savings between 2011 and 2015. This plan summarises the assurance framework and work to be undertaken in 2014-15.

Risk-Based Plan

In line with the Public Sector Internal Audit Standards, the 2014-15, fully risk-based plan, has been formulated by:

- Reviewing the updated corporate and group risk registers and selecting a number of the high to medium risk areas for audit review;
- Undertaking a workshop between Internal Audit, Risk Management and Fraud colleagues to challenge areas for review;
- Meeting with officers in order to understand strategic and operational plans for 2014-15 that are likely to have a significant impact on the control environment;

- Asking officers for confirmation of any grant payments that require internal audit oversight;
- Asking officers for information that would help to inform our plan, for example regarding self-assessments, recovery or action plans, projects, contracts or IT issues; and
- Ensuring coverage of the core aspects of the Council's governance and control environment in order to be able to support achievement of the Council's overall objectives.

Corporate Objectives

This strategy and plan demonstrate how Internal Audit, the Corporate Anti-Fraud Team (CAFT) and Risk Management support the Council in achieving its overall aims and objectives whilst maintaining the necessary professional standards.

The focus for the upcoming year for the Council is the following strategic objectives:

- Create the right environment to promote responsible growth, development and success across the borough;

Introduction - Continued

- Support families and individuals that need it – promoting independence, learning and well-being; and
- Improve the satisfaction of residents and businesses within the London Borough of Barnet as a place to live, work and study.

These objectives will be reviewed as part of each audit, as applicable.

Independence

The Assurance Group is organisationally independent from the Strategic Commissioning Board.

Officer and Management Responsibilities

For the Assurance Group to contribute to the Council's overall achievement of its objectives, it is essential that officers and management play a full role in the work of the Group. The expectations are that there is:

- Strategic level involvement to inform the annual plan;
- Operational level involvement with individual reviews;
- Being open and honest with audit and CAFT staff;
- Making staff and records available when requested;
- Responding to draft reports in the agreed timescale;

- Only accepting recommendations with which they agree, and providing timescales for implementation that are achievable; and Implementing the agreed actions (by the agreed date) arising from the reviews.

The responsibility for a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management. Work performed by the Assurance Group should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Those risks identified and recommendations raised should be considered in line with the Council's current Risk Management strategy.

Managed Audit Approach

Internal Audit, CAFT and Risk Management are committed to the managed audit approach, which ensures joining up with External Audit to make the best use of resources and to avoid duplication of effort. We liaised with External Audit during the preparation of this Annual Plan thereby ensuring coverage of the corporate risks.

Introduction - Continued

Emerging issues

There is a contingency in place to enable this plan to be responsive to changes in risks throughout the year. The Council is undergoing a period of rapid change, with numerous significant change projects underway. The contingency will allow internal audit and anti-fraud to respond as required.

During the year, if changes are required to the plan in response to this or any new local or national risks, this will be communicated to the Audit Committee in a timely manner.

Internal Audit

Internal audit will provide independent and objective assurance to the Council, its Members, the Strategic Commissioning Board (including the Chief Operating Officer) to support them in discharging their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.

Internal Audit will ensure a positive culture of internal control improvement, effective risk management and good governance. The purpose, authority and responsibility of the internal audit activity are formally defined in the Internal Audit Charter, which will be periodically reviewed and presented to senior management and the Audit Committee.

Corporate Anti Fraud Team

CAFT supports the Council in its statutory obligation under section 151 of the Local Government Act 1972 to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption.

All CAFT investigation staff are fully qualified and internal investigation procedures are efficient, effective and demonstrate value for money.

CAFT operate in accordance with appropriate legislation, powers and responsibilities assigned to it as set out within the financial regulations section of the Council's constitution and the Counter Fraud Framework.

This strategy demonstrates and supports the Council's commitment to a zero tolerance approach to fraud, corruption, bribery and other irregularity including any Money Laundering activity by applying the appropriate sanction.

The strategy and plan detail and demonstrate CAFT's response to the local fraud risks facing the Council as well as national fraud risks identified within various public sector good practice guidance.

CAFT will provide progress reports to the Council's Senior Management and Audit Committee on a quarterly and Annual cycle.

Risk Assurance

The Council's Risk Management Policy is to proactively identify, understand and manage risks inherent in the delivery of our services and associated with our plans and strategies, so as to encourage responsible, informed risk taking. Risk Assurance focuses on enabling the organisation to identify, monitor, report and escalate risks as well as playing an intervention and support role as required.

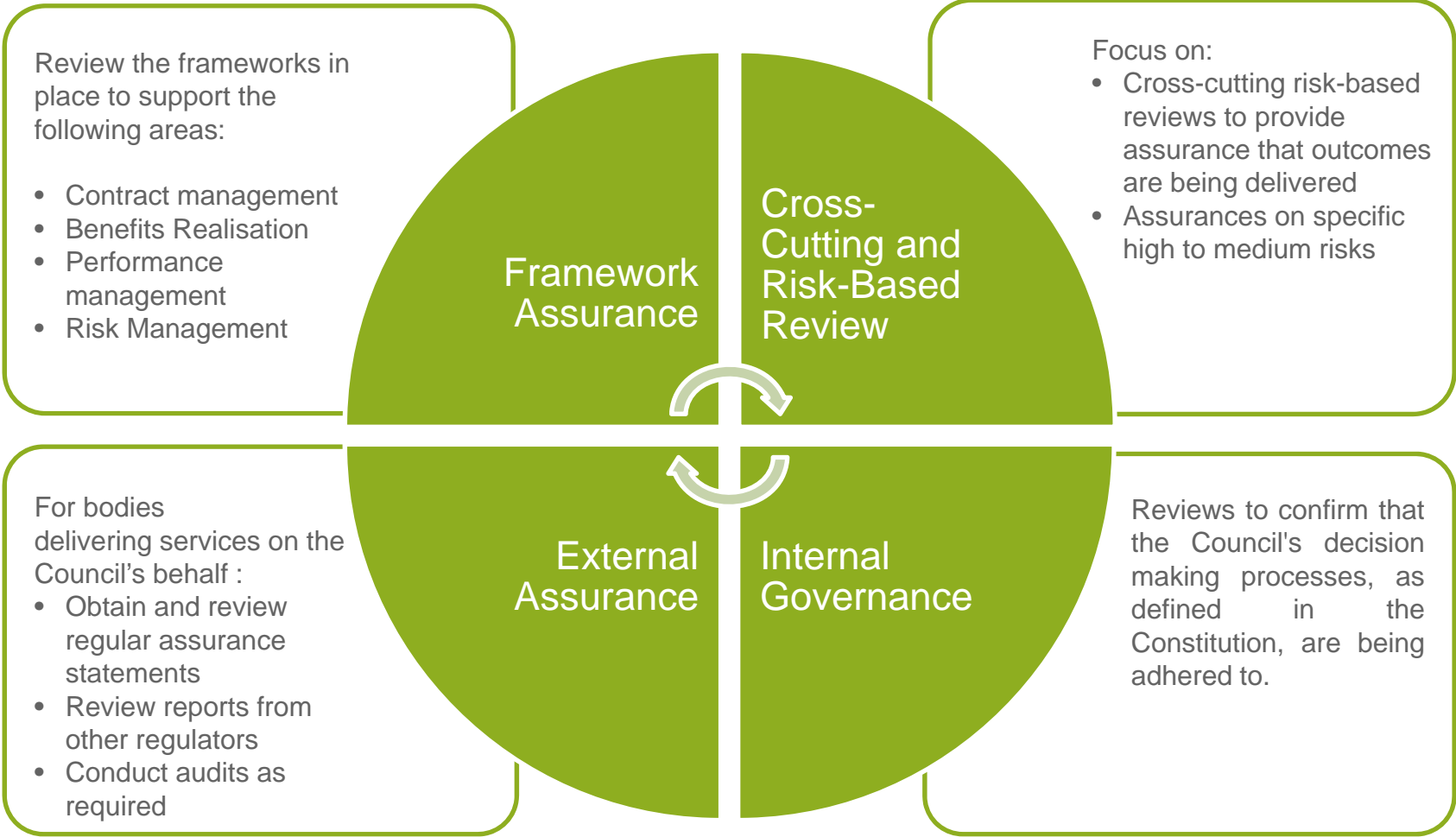
Risk Assurance is responsible for delivering a robust risk assurance function through the risk management framework that ensures the Council meets the highest standards of risk management. Risk management should be a central part of strategic management and business planning; it is the process whereby the organisation methodically addresses the opportunities and threats attached to their activities with the goal of achieving sustained benefit across the portfolio of all activities.

The Risk Assurance function provides challenge, ensures consistency of approach, advises on joint risks, cross cutting risks, risk conflicts and responds to serious incidents. Risk Assurance plays a role in the development and management of the SCB Risk Register, Quarterly Performance reports (which include risks that have been challenged by the risk assurance function and delivery board prior to submission to SCB and Cabinet for publishing) and quarterly reports to Audit Committee providing oversight of SCB risks and level of mitigating actions taken by officers



Overall Approach

The following four quadrants underpin the Audit and Anti-Fraud programme:



Overall Summary

As summarised in the tables below Internal Audit, CAFT and Risk Management will deliver 1050 audit, 3520 corporate anti-fraud and 180 risk management days in 2014-15. The following pages detail the assurance plan for each aspect of the Council.

The budget and resources allocated to the service are deemed sufficient to enable an annual audit opinion to be prepared and reported. In deriving this plan the resources have been considered in terms of the skills of both the in-house team and the strategic partner, PwC. During the course of the year, if the Head of Internal Audit believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, this will be brought to the attention of the Audit Committee.

Area	Days 2014/15	Days 2013/14
Cross-Cutting	80	124
Internal Governance	40	82
Internal Delivery Units	210	169
External Delivery Units & Support Services	215*	245
Commissioning Group	305	205
Management, Follow-up and Reporting	200	215
Risk Management	180	85
CAFT proactive work	165	395
CAFT reactive and continuous investigation	3355	2125**
Total Days	4750	3654

* Please note that in 2014/15 external delivery units will also be considered, where appropriate, in cross-cutting reviews and within some Commissioning Group reviews.

** Please note that in 2014/15 we have included all the chargeable days for CAFT proactive and reactive work, whereas in previous years we only included an estimate for CAFT proactive work within the plan.

Detailed Plan: Cross-cutting reviews

Delivery Units will have the objective of delivering outcomes within the resources available. Assurance will review on a risk basis whether the appropriate governance structures are in place to deliver outcomes efficiently and effectively; and also that key risks are being mitigated according to risk appetite. As such there will be a number of cross cutting reviews that will be undertaken across internal and external delivery units where appropriate.

Cross Cutting Reviews	Audit Days	Quarter
Health and Safety	15	1
People Management	15	2
Financial Management	15	2
Project Management	15	3
Data Quality	20	1,2,3,4
TOTAL	80	

Other common themes of good governance will be assessed as part of the scope of a variety of audits, as appropriate:

- Consultation
- Equalities
- Customer Services
- Transparency
- Legal Issues
- Information Technology
- Risk Management

Detailed Plan: Internal Governance

The Strategic Commissioning Board and Members will want independent assurance that decisions are being made within the powers delegated to officers and that there are effective governance processes and controls in place.

Reviews will be undertaken to confirm that the Council's decision making processes, as defined in the Constitution, are being adhered to.

The reviews will also consider the governance structures across the Council and whether these are functioning in line with the new Committee system from June 2014. Officer understanding of the new systems and officer-member engagement will be assessed.

Internal Governance Reviews	Audit Days	Quarter
A sample of boards and their working groups will be reviewed against governance best practice. To include a review of the speed of implementing decisions.	40	2 & 4
TOTAL	40	

Internal Delivery Unit – Adults & Communities

In addition to the Cross-cutting and Commissioning Group audits being undertaken, each delivery unit will require assurance on other key risk areas within its own service. The planned reviews in Adults & Communities are below:

Area of Audit Review	Risk being addressed	Audit Days	Quarter
<p>Your Choice Barnet – contract review <i>(Joint review with CAFT)</i> A review of the contract management controls over the Your Choice Barnet contract.</p> <p>CAFT review to analyse a sample of cases (7.5 proactive days).</p>	<p>If performance against this high value contract is not appropriately managed then value for money and quality of service may not be achieved.</p> <p>If checks are not carried out on care workers in day centres then eligibility or right to work issues could occur leading to reputational damage.</p>	10	1
<p>Mental Capacity Act A review of the service’s compliance with the requirements of the Mental Capacity Act and its processes and authorisations.</p>	<p>If the requirements of the Act are not complied with then the Council may not meet its statutory duties and duty of care.</p>	15	2
<p>The Care Bill A review of the service’s Statement of Readiness in advance of the legislative changes being introduced from April 2015.</p>	<p>If the requirements of the Bill are not properly prepared for or supported then the Council will not be able to meet its statutory duties leading to financial consequences.</p>	20	3

Internal Delivery Unit – Adults & Communities

In addition to the Cross-cutting and Commissioning Group audits being undertaken, each delivery unit will require assurance on other key risk areas within its own service. The planned reviews in Adults & Communities are below:

Area of Audit Review	Risk being addressed	Audit Days	Quarter
<p>Residential Care Homes <i>(Joint review with CAFT)</i> Audit review of controls in place to check the private resources of customers whilst the Council funds the place.</p> <p>CAFT review to analyse a sample of cases (7.5 proactive days).</p>	<p>If the Council continues to fund placements when there is no longer a need then scarce financial resources will be wasted.</p> <p>If checks to cross reference funding eligibility are not done then the burden of financing falls to the Council impacting the public purse.</p>	5	2
TOTAL		50	

Internal Delivery Unit – Children’s Service

In addition to the Cross-cutting and Commissioning Group audits being undertaken, each delivery unit will require assurance on other key risk areas within its own service. The planned reviews in Children’s are below.

The Children’s service is considered as two separate delivery units: Education & Skills and Families.

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
Joint review across Education & Skills and Families			
<p>Children and Families Act A review of the service’s preparedness for the proposed legislative changes as the Bill passes through Parliament.</p> <p>To include IT review of the access controls within Tribal, which is due for roll-out in Education & Skills in Summer 2014.</p>	<p>If the requirements of the Bill are not properly prepared for or supported then the Council will not be able to meet its statutory duties leading to financial consequences.</p> <p>If access controls and known issues around data and records are not appropriately considered for the new system then implementation timescales could be delayed or known issues could continue.</p>	15	2
TOTAL		15	

Internal Delivery Unit – Children’s Service

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
Education & Skills			
<p>Special Educational Needs A review of the SEN service to include a review of SEN placements and a sample of the contracts in place to support them.</p> <p><i>Link to Children & Families Bill review</i></p>	<p>If SEN support contracts are not properly managed then:</p> <ul style="list-style-type: none"> the Council may not be providing the services as specified by the statement of educational need. the Council may not achieve the best possible outcomes through its SEN Placements. 	15	2
<p>School Improvement A review of the use of data within the service.</p>	<p>If data is not analysed appropriately then the Council may not be aware at an early stage of schools that are showing signs of poor performance.</p>	15	3
TOTAL		30	

Internal Delivery Unit – Children’s Service

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
Families			
Ofsted Framework action plan Review preparations for Ofsted inspection through detailed audit of action plans and supporting evidence.	If there is non-compliance with the Ofsted framework then Children within the borough may not achieve the level of outcomes expected.	15	2
Children’s Centres Review of controls in place at Council-run Children’s Centres to provide assurance over: <ul style="list-style-type: none"> • Financial Management • Information Management • Data Protection • Management of safeguarding issues 	If Children’s Centres do not have a consistent approach to the way services are delivered then there could be weaknesses in their control environment leading to financial or data loss or safeguarding issues.	15	1

Internal Delivery Unit – Children’s Service

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
Families			
<p>Permanency Routes A review of the processes in place regarding the options being considered for children. To include:</p> <ul style="list-style-type: none"> • Foster Carers • Adoptions • Residential Orders • Special Guardianship <p><i>Review will also include assurance required by the Department for Education over the Adoption Grant received by the Council.</i></p>	If the processes in place for taking decisions on permanency are not robust then what is best for the child may not be considered in a consistent manner. From this, there is a secondary risk that special guardianship spend leads to budget overspend.	15	1
<p>Troubled Families – Payment By Results Audit assurance to be given over the quarterly submissions being made to CLG during 2014/15.</p>	If audit assurance is not provided on submissions then requirements of the Department for Communities and Local Government will not be met.	20	1-4
TOTAL		65	

Internal Delivery Unit – Street Scene

In addition to the Cross-cutting and Commissioning Group audits being undertaken, each delivery unit will require assurance on other key risk areas within its own service. The planned reviews in Street Scene are below.

Area of Audit Review	Risk being addressed	Audit Days	Quarter
Recovery plans Reviews of the Street Scene and Parking recovery plans to assess data quality and whether action plans are being adhered to.	If key assumptions are not robust or information on which they are based properly tested then recovery plans will not rectify the financial impact of the budget overspend.	25	2
Special Parking Account – Penalty Charge Notice (PCN) deletions Follow-up of the audit undertaken in June 2013 to give assurance over the service's planned own internal 6 month reviews	If the process for deleting PCN's is not properly followed then the Council could incur a loss of income.	10	3

Internal Delivery Unit – Street Scene

In addition to the Cross-cutting and Commissioning Group audits being undertaken, each delivery unit will require assurance on other key risk areas within its own service. The planned reviews in Street Scene are below.

Area of Audit Review	Risk being addressed	Audit Days	Quarter
<p>Transport contracts <i>(Joint review with CAFT)</i> Audit review of the processes and controls in place around third party contracts to provide transport services.</p> <p>CAFT review to analyse a sample of cases (15 proactive days).</p>	<p>If the drivers of children and vulnerable people have not been CRB checked then this is a safeguarding issue.</p> <p>If the drivers of children and vulnerable people do not have valid driving licences then this is a Health & Safety issue.</p> <p>If proper validation of invoices does not take place then there is a risk of duplicate or fraudulent invoicing resulting in loss to the public purse.</p>	15	1
TOTAL		50	

Detailed Plan – External Delivery Units & Support Services

External Delivery Units are focused on delivering outcomes for local people, whilst having freedom on how they deliver those outcomes. External Delivery Units have their own governance and internal assurance models and therefore our External Assurance quadrant involves liaison with their assurance functions. In particular, receiving and reviewing reports to identify any potential impact on the achievement of the Council's strategic objectives.

Support Services have the objective of supporting the Commissioners and Delivery Units to deliver outcomes. Assurance is required that there are the appropriate frameworks in place to monitor the performance of these services. We will review this under the Commissioning Group through our Framework Assurance.

Our External assurance quadrant will also involve obtaining and assessing assurances over the Support Services' internal control environments.

Schools are also considered external delivery units and a programme exists to support the Chief Finance Officer in discharging his responsibility for the use of school funding.

Detailed Plan – External Delivery Units & Support Services Cont'd

Area of review	No. of Audit Days	Quarter
Review of assurance statements - Review other auditors' annual plans, reports and assurance statements. Regular liaison with providers. Consider other sources of assurance from inspectorates, ISO accreditations, management, advisors etc.	20	Continuous
Verification of assurance statements and reports from providers or partners to ensure they can be relied upon e.g. confirmation of compliance with the new Public Sector Internal Audit Standards where appropriate.	10	Continuous
Recommendation tracker – review of recommendations being raised by providers' internal and external auditors to ensure potential are risks being addressed.	5	Continuous
Schools – continuous auditing of schools and Pupil Referral Units in accordance with risk cycle to ensure compliance with the financial regulations. To include review of Pupil Premium.	100*	All terms

* Will be dependent on number of schools audited in any one year

Detailed Plan – External Delivery Units & Support Services Cont'd

Area of review	No. of Audit Days	Quarter
<p>Contingency Audit clauses of contracts may need to be invoked. Contingency also needed whilst arrangements are agreed with CSG around internal audit assurance over the Key Financial Systems of:</p> <ul style="list-style-type: none"> • Treasury Management • Pension Fund Management • Payroll • Cashbook • Fixed Assets / Capital Programme • Income & Debt Management • Accounts Payable • Housing Benefit • Council Tax • NNDR <p>Where Capita are not undertaking their own internal audit reviews we will review CSG's governance standards compliance checklist and undertake any further audit work as required. We will liaise with External Audit to ensure the work undertaken will be sufficient for their purposes when auditing the Council's financial statements.</p>	80	As required
TOTAL	215	

Detailed Plan – Commissioning Group - Frameworks

Commissioners will want to ensure that the outcomes agreed at a strategic level are being delivered as planned. Their ability to understand whether Commissions are being delivered is based on information flows throughout the Commissioning cycle based on:

- Formal and informal contract information
- Relationship management
- Performance management information
- Risk management

As a result, the assurance programme will focus on the Frameworks in place to manage this information.

Frameworks	No of Audit Days	Quarter
Performance Management Framework – review arrangements to collect, monitor, report and escalate matters in relation to internal and external delivery units for delivery of outcomes. Ensure action plans are in place to address poor performance against targets.	15	3
Contract Management Framework - review arrangements to ensure effective contract and relationship management.	20	3
Benefits Realisation Framework – review arrangements to ensure that the intended benefits of projects and contracts are monitored against and ultimately realised.	20	3
Risk Management Framework – review arrangements in place to identify, monitor, escalate and manage risks across the Council and its joint risks attributable to its relationship with partners.	15	3
TOTAL	70	

Detailed Plan – Commissioning Group - Other

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
<p>Commissioning Council - Review of Effectiveness Review to provide assurance that the benefits envisaged from becoming a Commissioning Council are being monitored against and are being achieved. To include review of 2014/15 Management Agreements and how these drive delivery unit business plans, and review of the support arrangements to ensure that the Commissioning Council model is operating effectively.</p>	<p>If there is not an appropriate post-implementation review then the Commissioning Council model may not achieve outcomes in line with its overall corporate objectives.</p> <p>If lines of accountability and responsibility are not clear then there could be issues in delivery.</p>	15	2
<p>Priorities and Spending Review (PSR) Review of a sample of PSR projects 2014-2020 at the Outline Business Case (OBC) stage. To consider whether adequate support is in place to deliver the projects.</p>	<p>If adequate support to deliver projects is not in place then the project may not be successfully delivered.</p> <p>If options are not consistently appraised and risk assessed in regards to the impact on the control environment then the control environment may be weakened.</p>	15	4

Detailed Plan – Commissioning Group - Other

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
<p>Transformation Review of Transformation programmes to ensure the design is subject to robust scrutiny and challenge through the appropriate governance arrangements.</p>	<p>If transformation projects do not consistently appraise and risk assess the impact on the control environment then the control environment may weaken.</p> <p>If transformation projects so not properly consider the impact on residents then the Council may be in breach of its statutory duties.</p>	40	1 & 3
<p>Public Health follow-up Follow-up of 2013/14 review of arrangements to support the Shared Public Health Service with Harrow. To include consideration of benefits realisation.</p>	<p>If arrangements to support the Shared Public Health Service are not robust then the intended benefits of entering into a Shared Service for Public Health may not be realised.</p>	15	3
<p>Regeneration Review of a sample of regeneration projects being undertaken by Re on behalf of the Council.</p>	<p>If regeneration projects are not appropriately managed then the level of regeneration in Barnet may not be delivered in line with the Council's requirements.</p>	15	4

Detailed Plan – Commissioning Group - Other

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
Information Management Strategy Review of a sample of the work streams underpinning the Council's new IM Strategy and the Council's response to risks that are identified through those work streams.	If the Information Management Strategy is not embedded across the Council and there is not sufficient understanding of the legal requirements regarding the safety and security of information then non-compliance or data breaches may occur.	15	3
Decommissioning of SAP IT review of the project to decommission SAP once the transfer to Integra (finance), Core (HR) and Lagan (Customer Services) has been completed.	If the SAP decommissioning project is not appropriately managed then the quality of data to inform decision making may be poor or information may be lost.	15	2
Complaints Review of progress against the Council's complaints improvement plan. Review of compliance with the Council's complaints policy and the training provided to officers to enable them to deal with complaints swiftly and appropriately.	If the Council does not utilise information and learn lessons from the customer complaints process then poor service may continue. If complaints are handled poorly then the reputation of the Council may be impacted.	15	1
TOTAL		145	

Detailed Plan – Commercial & Customer Services

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
Barnet Homes contract management Follow-up of the No Assurance rating given to the contract in January 2014.	If the contract is not managed effectively there may be a failure to realise the outcomes within the management agreement.	10	1
Re governance arrangements Review to provide assurance over the retained Council responsibilities under the Joint Venture, joint risk management and invoicing arrangements.	If the governance arrangements are inappropriate or are not clearly understood there may be inappropriate authority to make decisions by the Council representatives on the Joint Venture board and the Council may not benefit from the arrangement in the long term.	20	2
Conflicts of Interest Review to confirm that conflicts of interest are being managed in line with contract schedule requirements.	If conflicts of interest are not appropriately managed then either party may stand to make a gain or a loss as a consequence of not indicating the conflict.	15	3

Detailed Plan – Commercial & Customer Services

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
<p>Disabled Blue Badges <i>(Joint review with CAFT)</i> Audit review of the controls in place across the services that administer and manage disabled blue badges. The review will cover applications, renewals, cancellations and misuse.</p> <p>CAFT review of sample of current blue badges to confirm legitimacy (15 proactive days).</p>	<p>If controls in place to administer and manage blue badges are not effective or in line with relevant Department for Transportation guidance then they may be issued in error, and/or non legitimate or fraudulent applications may not be prevented.</p> <p>Valid parking income is not maximised and collected as a result of non valid and/or fraudulent blue badges remaining in circulation and being misused.</p>	10	1
TOTAL		55	

Detailed Plan – Chief Operating Officer (COO)

Area of Audit Review	Risk being addressed	No of Audit Days	Quarter
Capital Programme To include review of the profiling process underpinning the Capital Programme, and diagnostic review of a sample of capital projects to assess progress.	If there are weaknesses in the controls and monitoring of capital profiling then there could be slippage, non-delivery of projects or corporate priorities.	15	1
Revenues & Benefits Review of the retained Council function and the compliance checks they are undertaking.	If benefits assessments are not appropriately scrutinised then there may be an increase in errors and overpayments.	15	3
Bus Subsidy Grant Assurance required by Department for Transport over the Bus Subsidy grant received by the Council.	If audit assurance is not provided on submissions then requirements of the Department for Transportation will not be met.	5	2
TOTAL		35	

Management, Follow-up, and Reporting

There will be various mechanisms in place to report findings for assurance work. Reporting will occur quarterly to members. 200 days of the assurance programme are allocated to this area of work to ensure accurate monitoring of recommendations, and reporting to senior officers and members on assurance and risk activity.

Area of review	Description of Work	No. of audit days
Management, Audit Risk Assessments and planning	Updating risk assessment, strategy and preparation of operational plans. Management of contractor and liaison with external audit.	50
Assurance Reports	Regular reporting to SCB and other boards as appropriate; quarterly summaries to Audit Committee. Includes preparation of the annual audit opinion for inclusion within the Annual Governance Statement.	55
Follow-up	Continuing approach to following up audits with high priority recommendations.	50
Contingency	To enable plan to be responsive to emerging risks during the year.	45
TOTAL		200

Risk Assurance Plan

Risk management is a continuous and developing process that systematically addresses risks surrounding the organisation's activities past, present and future, therefore, Risk Assurance supports the on-going improvement of risk management practice across the organisation; objectives this year are described below.

Objective	Description
Risk Management Approach	A document describing the way the risk management framework is implemented in internal delivery units and for specific organisational activities like contract management and internal governance boards.
Assurance Mapping	Map assurance coverage of the key process which support the Annual Governance Statement to enhance the self assurance process and ensure there is no duplicated effort or gaps and to understand where the assurance roles and accountabilities reside and the key sources of assurances that they provide.
Board Assurance	Effective risk management is essential to the role of internal governance boards and risk assurance will support the Board's in embedding this requirement.
Implement Training and Development Plan	Training and development plays an important role in ensuring risk management roles and responsibilities are understood and risk management is properly embedded into processes and culture through awareness raising, challenge and promoting best practice through continuous improvement and learning. A priority will be a refresh of risk management training for risk champions and risk owners.
JCAD, Corporate Risk Management System	Assess JCAD effectiveness against business requirements; consider functional improvement as required. Review and cleanse users in the system

Corporate Anti-Fraud Proactive Plan

This table details joint CAFT reviews within and across Delivery Units. The level of proactive anti-fraud work will be dependent on how much reactive work is received by CAFT. As a result not all areas may be reviewed in 2014-15. Any areas that are still relevant will be carried forward to 2015-16.

Service	Area of Review	Risk Being Addressed	CAFT DAYS
Adults	Personal Budgets / Direct Payments Proactive anti fraud work in this area that will ensure validity and legitimacy of high risk elements within the scheme.	Funds are misused, adequate care services are not obtained by the budget holder.	20
Children's	Schools Admissions Proactive targeted anti-fraud work in this area to ensure the safeguarding of school placements.	Those fully entitled to placement at desirable schools within the borough are being deprived of place due to fraudulent applications	20
Cross Cutting	Employee remuneration schemes Proactive anti fraud review of all the various types of employee remuneration claims	Fraudulent / improper claims have been made / authorised impacting the public purse	40
Cross Cutting	Validation of vendor account details. Pro-active anti fraud review of the compilation of vendor details and accounts	Unauthorised / fraudulent payments being released impacting the public purse resulting in potential reputational damage	40

CAFT continuous and reactive work streams

This table details the continuous and re-active investigation work of the team. The number of days allocated days has been calculated on the current and anticipated apportion of staff working in each area. However this is continuously assessed, prioritised and resources redirected if appropriate and necessary throughout the year in response to the level of risk and investigation work required.

Description of work	Number of CAFT Days
To investigate all suspected frauds committed against the Council and effectively pursue fraudsters, by risk assessing and reacting accordingly to all instances of internal and external fraud, corruption or bribery. Ensuring that we seek appropriate penalties in accordance with the law , the counter fraud framework and relevant council policies whilst actively recovering any losses and obtaining compensation by utilising our in-house Financial Investigation Officers.	422
To continue to effectively deal with the prevention, detection, identification, deterrence and investigation (and prosecution where appropriate) of Housing and Council Tax Benefit and Council Tax Support, Fraud and Error, in partnership and in accordance the Department of Work and Pensions (DWP) guidelines and Fraud and Error Strategy and changes in legislation due to welfare reform including the single investigation service.	1690
To effectively deal with the prevention, detection, deterrence and investigation (and prosecution where appropriate) of all aspects of Tenancy Fraud including maximising the recovery of properties where Tenancy Fraud is proven. Strengthening partnership work with Barnet Homes including raising awareness of the varying aspects of tenancy fraud risks.	1200
To further enhance our Fraud Awareness Training Programme aligned to the commissioning council structure.	15
CAFT will continue to liaise and advise where appropriate with our with human resources on staff policies and procedures for anti-fraud purposes.	5
To continue to provide the Audit Commission National Fraud Initiative co-ordination and support including data uploading, training, assistance and investigation of relevant matches in accordance with Audit Commission timelines.	23

Performance Indicators – Internal Audit

The service has a number of performance indicators in place to assess whether performance is effective and efficient. Performance against these indicators will be reported to the Audit Committee on a quarterly basis.

Performance Indicator	Target
% of recommendations accepted	98%
% of recommendations implemented	90%
Average client satisfaction score (above 3)	90%
% of Plan delivered	Based on 95% complete of those due in quarter
% of draft reports completed within 10 days of finishing fieldwork	90%
Staff with professional qualifications	70%

Performance Indicators – CAFT

The service has a number of performance indicators in place to assess whether performance is effective and efficient. Performance against these indicators will be reported to the Audit Committee on a quarterly basis as well as detail's of outcomes on noteworthy investigations.

Performance Indicator	
<u>Benefits Compliance Team</u>	<u>Corporate Investigation Team</u>
Total amount of Fraud overpayments identified in Benefits system	Number of Fraud investigations
Total amount of Error overpayments identified in Benefits system	Number of Financial investigations (under Proceeds of Crime Act)
Total amount of combined Fraud and Error overpayments identified in Benefits system	Number of prosecutions
<u>Benefits Investigations Team</u>	Number of dismissals as a result of investigations
Number of Benefit Fraud investigations	Number of requests for surveillance in accordance with the Regulation of Investigatory Powers Act 2000
Number of cautions	Number of Whistleblowing referrals received
Number of administration penalties	<u>Tenancy Fraud Team</u>
Number of prosecutions	Number of Tenancy Fraud investigations
Total number of benefit sanctions	Number of properties recovered
Number of sanctions per investigations officer	Number of Right to Buys applications denied as a result of CAFT intervention
Total amount of Single Person Discount council tax benefit / support fraud identified*	Number of Homeless Applications denied as a result of CAFT intervention

*Joint PI across compliance and investigations teams