

AUDIT COMMITTEE

MONDAY 2 NOVEMBER 2009
7.00 PM

Bourges/Viersen Room - Town Hall

THERE WILL BE A TRAINING SESSION FOR ALL AUDIT COMMITTEE MEMBERS PRIOR TO THE FORMAL MEETING. THIS WILL COMMENCE AT 18.30 AND WILL COVER INTERNATIONAL FINANCIAL REPORTING STANDARDS.

THE CHAIRMAN WILL ASSUME THAT MEMBERS HAVE READ THEIR PAPERS PRIOR TO THE MEETING TO AVOID ANY UNNECESSARY INTRODUCTIONS TO REPORTS. IF ANY QUESTIONS ARE APPARENT FROM THE REPORTS THEY SHOULD BE PASSED TO THE REPORT AUTHOR PRIOR TO THE MEETING

AGENDA

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To receive an overview of the work undertaken by Internal Audit up to 30 September 2009.

10. Feedback and Update Report 181 - 184

To receive a standard feedback report on issues and actions requests made at past meetings of the Committee.

11. Audit Committee Work Programme 2009 / 2010 (Including Training Needs) 185 - 188

To agree the current work programme and propose any future training needs.



There is an induction hearing loop system available in all meeting rooms. Some of the systems are infra-red operated, if you wish to use this system then please contact Gemma George on 01733 452268 as soon as possible.

Emergency Evacuation Procedure – Outside Normal Office Hours

In the event of the fire alarm sounding you should vacate the building by way of the nearest escape route and go directly to the assembly point in front of the Cathedral. The duty Beadle will assume overall control during any evacuation; however in the unlikely event the Beadle is unavailable this responsibility will be assumed by the Committee Chairman.

Committee Members:

Councillors: M Dalton (Chairman), N North (Vice-Chairman), L Gilbert, P Kreling, B Rush, Z Hussain and S Goldspink

Substitutes: Councillors: M Collins, N Khan and G Murphy

Further information about this meeting can be obtained from Gemma George on telephone 01733 452268 or by email – gemma.george@peterborough.gov.uk

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD AT THE TOWN HALL, PETERBOROUGH ON 7 SEPTEMBER 2009**

Present: Councillors M Dalton (Chairman), Kreling, Rush, Collins and Harrington.

Officers in attendance: Steve Crabtree, Chief Internal Auditor
Stuart Hamilton, Resilience Services Manager
Victoria Bales, Senior Business Continuity and Risk Officer
Claire Boyd, Lawyer
Bob Beaumont, Lawyer
Gemma George, Governance Officer

Also present: Councillor Seaton, Cabinet Member for Resources

1. Apologies for Absence

Apologies were received from Councillor North, Councillor Gilbert and Councillor Hussain.

2. Declarations of Interest and Whipping Declarations

There were no declarations of interest.

3. Minutes of the Meeting held on 29 June 2009

The minutes of the meeting held 29 June 2009 were approved as an accurate and true record.

4. Risk Management Update

The Resilience Services Manager submitted a report to the Committee which highlighted the movement of the responsibility for Risk Management from Strategic Resources to the Resilience Team and the integration with business continuity.

With Risk Management moving to the Resilience Team and the integration with business continuity, a new policy and an updated strategy had been written to reflect the change in how the service was going to be delivered.

Several 'Risk Champions' had been identified in each of the directorates to take forward the implementation of Risk Management in their area and a workshop had been planned for 5th November 2009.

The Resilience Team had a Senior Business Continuity and Risk Management Officer who would oversee the implementation of the new policy and strategy across the authority and would work with all the directorates to ensure a consistent approach to Risk Management.

Members were invited to comment on the report and the following issues and observations were highlighted:

- Members questioned whether centralising Risk Management would enable better management of cross departmental risks? Members were advised that centralising would enable greater coordination therefore better management overall.
- It was highlighted in the report that there had been an unsuccessful attempt in 2007 to appoint a dedicated Risk Manager, Members queried why this was. Members were informed that the position had sat within Strategic Finance and the salary package offered had not met the expectations of prospective candidates, therefore the position could not be filled in 2007. Subsequently however the position had been filled.
- In appendix C of the report, risk definitions that had previously been in use were highlighted. A query was raised regarding why the 'political' risk definition had been deleted. Members were advised that the classifications had been streamlined, however, if it was felt that this classification should be re-instated then this would be implemented.
- In appendix A of the report, roles and responsibilities for managing risk were highlighted. A query was raised regarding the role of Elected Members, did this mean all Members or did it relate specifically to the Members of the Audit Committee? The Committee was informed that it did relate to all Elected Members but specifically to Members of the Audit Committee. A further breakdown of the roles and responsibilities of all Elected Members and of Members of the Audit Committee would be written into the Risk Management and Business Continuity Strategy.

ACTION AGREED:

The Committee:

- (1) Approved the Risk Management and Business Continuity Policy, and;
- (2) Approved the Risk Management and Business Continuity Strategy.

5. Internal Audit – Quarterly Report 2009 / 2010 (To 30 June 2009)

The Director of Strategic Resources and the Chief Internal Auditor submitted a report which detailed the Internal Audit performance and progress with regards to the 2009 / 2010 Audit Plan which had been approved at Audit Committee on 30 March 2009.

The report outlined the work undertaken by Internal Audit up to 30 June 2009, progress against the plan and other areas of interest.

Members were invited to comment on the report and the following issues and observations were highlighted:

- In Appendix B, the Audit Reports issued: opinion of limited assurance or no assurance, Members questioned why five schools were highlighted as having limited or no assurance. Members were advised that at the time of the Audit, there were issues with the schools that had not been addressed. There was however a clear action plan for each school to be progressed over the coming 6-9 months. Members were further advised

that the FMSiS: Standard Executive Summary contained within Appendix B of the report was generic and therefore did not contain the specific school details.

- Members commented that sickness appeared to still be a problem, as it was indicated under 'other performance matters' contained within the report, that an average of 10 days sickness per person had been lost during the 3 months to 30 June 2009. Members were informed that the figures for the small team of 8 officers were skewed by one officer who had been off long term sick since February 2009.
- Members sought further clarity on the sickness management process, including an overview of the involvement of Occupational Health in long term cases and the maximum length of time that an employee could be off long term sick for. Members were advised that a report on this subject would be brought back to a future meeting of the Committee.
- Members also sought further clarity on the average number of days training that had been provided to each auditor over the course of the year. Members were advised that there was a training budget for auditors and there was an annual target of no less than 5 days per auditor.
- In Appendix A, Assurance Levels and Recommendations, City Services Budgetary Control was highlighted as having limited assurance. Members expressed concern regarding this point and requested further explanation as to why it was showing limited assurance. Members were informed that there had been 12 recommendations made in total with 4 of them being high risk. The recommendations had rolled over from the previous financial year and an action plan was in the process of being confirmed. Members were further informed that there had never been a department with no assurance against Budgetary Control.

ACTION AGREED:

The Committee:

- (1) Noted that the Chief Internal Auditor was of the opinion that based on the works conducted during the 3 months to 30 June 2009, internal control systems and governance arrangements remain generally sound;
- (2) Noted the progress made against the plan and the overall performance of the section; and
- (3) Noted that the future review and where appropriate, revision of the 2009 / 2010 Audit Plan.

6. Update and Feedback Report

The Chief Internal Auditor submitted the latest Update and Feedback Report for consideration and briefly outlined forthcoming items to the Committee.

Members were advised that the handbook was in the process of being updated. There were no requests from the Committee for any further information to be provided.

ACTION AGREED:

The Committee noted the Update and Feedback Report.

7. Audit Committee Work Programme (Including Any Training Needs)

The Chief Internal Auditor submitted the latest version of the Work Programme 2009/2010 for consideration and approval.

Members were informed that the Statement of Accounts and Summary Accounts 2008 / 2009 would be presented to the next meeting of the Audit Committee.

Members were further informed that if they had any training requirements they should forward them to the Chief Internal Auditor for inclusion at a future meeting.

ACTION AGREED:

The Committee noted and approved the latest version of the Work Programme.

The meeting closed at 7.30 p.m.

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD AT THE TOWN HALL, PETERBOROUGH ON 28 SEPTEMBER 2009**

Present: Councillors M Dalton (Chairman), North, Kreling, Rush, Harrington and Hussain.

Officers in attendance: Steve Crabtree, Chief Internal Auditor
John Harrison, Executive Director – Strategic Resources
Steven Pilsworth, Head of Strategic Finance
Julian Rickett, PricewaterhouseCoopers
Claire Boyd, Lawyer
Gemma George, Governance Officer

Also present: Councillor Seaton, Cabinet Member for Resources

1. Apologies for Absence

Apologies were received from Councillor Gilbert.

2. Declarations of Interest and Whipping Declarations

There were no declarations of interest or whipping declarations.

3. External Audit 2008 / 2009 Report to those charged with Governance

The Executive Director of Strategic Resources and the Head of Strategic Finance submitted a report to the Committee which detailed the External Audit on the Statement of Accounts 2008 / 2009 by PricewaterhouseCoopers (PwC).

PwC, the external auditors, had a statutory requirement to report to Members under the Audit Commission's Code of Audit Practice and International Standard of Auditing – "Communication of audit matters with those charged with governance". This report was also known as the ISA 260.

The report from PwC was comprised of a number of sections, including:

- Executive Summary
- Financial Statements
 - Accounts
 - Accounting Issues
 - Unadjusted Differences
- Systems of Internal Control
- Accounting Practices
- Other Matters
- Value for Money in the Use of Resources

PwC provided an overview of the report, reaffirming the quality of working papers and information provided by Strategic Finance; reliance being placed on

Internal Audit works, the internal control environment and the Annual Governance Statement; a strong culture to prevent and detect fraud; and an unqualified value for money opinion. Members were invited to comment on the report and the following issues and observations were highlighted:

- In the Financial Statements, there were a number of accounting issues highlighted, one of them being NNDR Provision. Members sought clarity on the meaning of NNDR. Members were advised that NNDR stood for 'National Non Domestic Rates' meaning business rates.
- Members further questioned why the NNDR bad debt provision had been overstated by £352k. Members were further advised that the calculation had been made by setting debtors business rates to a specific percentage depending on the age of the debt. Therefore the provision at 31 March 2009 had been overstated by £352k.
- Members commented that in the Financial Statements, under Systems of Internal Control, it was highlighted that there was no formal process in place to ensure the periodic review of user access rights for the Oracle Financial application. Members were advised that there would be a full recommendation on that point which would include regular reviews of the number of people that had access to Oracle and their system rights i.e. Read only access.
- Members further commented on maintaining Excel spreadsheets for the fixed asset register, as detailed in the Financial Statements, under Systems of Internal Control. Members questioned whether a new management system would need to be implemented? Members were advised that new software would have to be purchased in the future to deal with the expanding spreadsheets.
- Members questioned whether we were ready for the implementation of the International Financial Reporting Standards (IFRSs). Members were advised that an impact analysis had been conducted on the IFRSs which were most likely to impact on Peterborough. Everything that could be done was being done, and Peterborough was in no worse situation than any other council.
- In Appendix C: Value for Money Conclusion, it was highlighted that there were two Key Lines of Enquiry (KLOEs) that had a score of 2. Members sought further explanation as to why these KLOEs had only been scored a 2. Members were advised that one of the KLOEs was new this year and a score of 2 was reasonable. With regard to the other KLOE, it had been identified that accuracy in the provision of data could occasionally be a problem. Members were advised that a new scoring system had been implemented and overall all of the scores were highlighted as being acceptable.
- In Appendix D: Summary of Recommendations contained in the letter, a recommendation was highlighted regarding updating the Communications Strategy to include reporting on how cost savings had been reinvested. Members queried how this recommendation could be moved forward. Members were informed that work would be undertaken with internal communications to progress this recommendation forward.
- Members sought further clarification on the fee update and proposals detailed under "Value for Money in the Use of Resources". Members were advised that the fees had been predicted higher and overall savings of £8,500 had been realised. The fee structure for 2009 / 2010 had not been finalised but they were not imagined to be dissimilar to the fees for 2008 / 2009.

ACTION AGREED:

The Committee:

- (1) Received and approved the “2008 / 2009 Report to those charged with Governance” from PricewaterhouseCoopers, the Council’s External Auditors and;
- (2) Approved the Chief Finance Officer’s recommendation in paragraph 4.3 that the unadjusted item in the report was adjusted in 2009 / 2010.

4. Statement of Accounts and Summary Accounts 2008 / 2009

The Director of Strategic Resources and the Head of Strategic Finance submitted a report to the Committee following completion of the External Audit on the Statement of Accounts 2008 / 2009 by PwC and in association with the PwC ‘2008 / 2009 Report to those charged with Governance’.

The production of a timely Statement of Accounts, free from material error, was a key test of the robustness of financial processes and underpinned the financial standing of an organisation.

The draft Statement of Accounts had been approved by Audit Committee on 29th June 2009 and had subsequently been the subject of External Audit by PwC. Following the conclusion of the External Audit, only a small number of typographical amendments had been made to the draft Statement of Accounts, which was a credit to the staff involved in their production and the Audit Committee for their robust challenge.

The Statement of Accounts was prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the SORP). The SORP prescribed the format and as a result, the Statement of Accounts was not readily understandable by non-finance people, therefore it was decided to produce a summary of the Accounts to supplement the Statement of Accounts.

The Committee was advised that four key issues had been highlighted in the report and the actions that the Council had/would undertake in respect of these issues were listed.

Members were invited to comment on the report and the following issues and observations were highlighted:

- In the report, financial results of trading operations were listed. Members questioned what the historical deficit/surplus of the Peterborough Market was? Members were advised that generally, Peterborough Market was no different to any other trader in the area.
- Members commented that the total school balance, as highlighted on page 36 of the report, showed a reduction of nearly 5 million. What would happen if this reduced further? Members were informed that if this ever occurred, and it was unlikely as schools were managed well, a deficit plan would be put in to place in order to get out of deficit within 2-3 years.
- Members questioned why Peterborough City Council had no shares in the assets of the Peterborough Urban Regeneration Company

(Opportunity Peterborough) as highlighted in the report on page 35. Members were advised that an answer to this question would be provided at a later date.

- A query was raised regarding the impact of the credit crunch, would the Medium Term Financial Strategy be realised? Members were advised that the strategy would be realised and an outline budget policy framework was to be presented to the Cabinet meeting on 12th October 2009.
- In the report, it was highlighted that the pay and grading structure had been reviewed to ensure equal pay for work of equal value. The next stage of the appeals would take place during 2009/2010 and if these resulted in an increase in grading or additional payments, further liability would be incurred. Members questioned when the next stage was likely to occur? Members were advised that the process was ongoing and no time scales could be given at that point in time.

ACTION AGREED:

The Committee received and approved the audited Statement of Accounts 2008/2009.

5. Audit Committee Work Programme (Including Any Training Needs)

The Chief Internal Auditor submitted the latest version of the Work Programme 2009/2010 for consideration and approval.

Members were informed that there would be a training session on International Financial Reporting Standards (IFRS) held before the next meeting of the Audit Committee.

ACTION AGREED:

The Committee noted approved the latest version of the Work Programme.

The Chairman of the Audit Committee wished for it to be noted in the minutes that the Committee welcomed Steven Pilsworth as the new Head of Strategic Finance.

The meeting closed at 7.27 p.m.

AUDIT COMMITTEE	AGENDA ITEM No. 5
2 NOVEMBER 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Cabinet Member for Resources	
Contact Officer(s):	John Harrison, Executive Director of Strategic Resources Steven Pilsworth, Head of Strategic Finance	☎ 452398 ☎ 384564

EXTERNAL AUDIT 2008/09 - INTERIM AUDIT REPORT TO MANAGEMENT

R E C O M M E N D A T I O N S	
FROM : John Harrison, Executive Director of Strategic Resources	Deadline date : n/a
The Audit Committee is asked to:-	
1. Receive the Interim Audit Report to Management from PricewaterhouseCoopers, the Council's External Auditors.	

1. ORIGIN OF REPORT

- 1.1. This report is submitted by the Council's Section 151 Officer, the Executive Director of Strategic Resources, as part of his statutory duties.

2. PURPOSE AND REASON FOR REPORT

The purpose of this report is for the Audit Committee to:

- Receive and note the "Interim Audit Report to Management" from PwC on behalf of the Council.
- Review and comment upon the Council's responses

3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. INTERIM AUDIT REPORT TO MANAGEMENT

- 4.1 Each year the external auditors undertake a review of controls in place in our key IT systems. This work underpins the statutory audit process, including informing the external audit view on the Statement of Accounts that was considered by Audit Committee at its meeting of September 28th 2009.
- 4.2 The latest report is presented here for Committee consideration. All issues raised have specific management responses and actions contained within the report.

5. CONSULTATION

The report, and subsequent Council responses, have been discussed by the Council and auditors before being finalised.

6. ANTICIPATED OUTCOMES

That the Audit committee have the opportunity to question the External Auditor and to make observations on the Auditor's report, as well as review the Council's responses.

7. REASONS FOR RECOMMENDATIONS

The Council, via the Audit Committee, is required to receive and consider External Auditors reports.

8. ALTERNATIVE OPTIONS CONSIDERED

There have been no alternative options considered in the preparation of this report and because the Committee is requested to make observations on the PwC report any alternative options will be considered at the meeting.

9. IMPLICATIONS

Implications are considered in the relevant management responses to the audit points raised.

10. BACKGROUND DOCUMENTS

(Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

**Peterborough City Council
Statement of Accounts 2008/09**

**Interim Audit Report to
Management**



Abacus House
Castle Park
Cambridge
CB3 0AN
Telephone 01223 460055
Facsimile 01223 552300
www.pwc.com/uk

John Harrison
Peterborough City Council
Town Hall
Bridge Street
Peterborough
PE1 1FB

October 2009

Dear John

Peterborough City Council: Interim Audit Report to Management 2008/09

Please find enclosed our Report to Management, summarising those issues arising from the interim accounts audit in 2008/09.

Yours faithfully

PricewaterhouseCoopers LLP

Enclosures

Copies to:

Helen Edwards
Steven Pilsworth
Steve Crabtree
Kirsty Nutton
Jo Hall
Andy Cox
Peter Dickman

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

In April 2008 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies' which applies to the 2008/09 audit. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

Executive Summary

The purpose of this report

This report outlines the matters we consider should be brought to the attention of management. This includes those findings identified during our review of the underlying Information Technology General Controls (“ITGCs”), which took place in May and June 2009, to support the statutory audit process. In addition, we have included in the report those issues identified during our interim audit work at the Council. We did not issue a report to management last year following the interim audit, as issues were reported in the Business Process Mapping report issued to management in April 2008. We will discuss with management in due course the procedure for following up this report.

The matters included in this report are those that came to our attention as a result of our normal audit procedures. Consequently our comments should not be expected to include all possible internal control weaknesses that a more extensive investigation might identify. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any other third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

We would like to take this opportunity to thank your staff for their assistance and the co-operation extended to us during the course of this review.

Categorisation of Findings

Each recommendation has been allocated a priority rating to reflect the degree of importance in the context of Peterborough City Council’s internal controls. The definition of ratings is as follows:

Priority	Definition
High	Significant weaknesses that could undermine the effectiveness of the system of internal controls or have a significant impact on business operations and should therefore be addressed immediately.
Medium	Weaknesses that could reduce the effectiveness of the system of internal controls or could disrupt business operations, but which are not fundamental. They should be addressed as soon as possible.
Low	Improvements that represent best practice or opportunities to enhance efficiency or control. The finding will not necessarily imply inadequate control.

This is a draft report (that has been prepared for discussion purposes). This report does not constitute our final views, which will only be expressed in our final written report. As a result, any views in this report may be subject to change or amendment (following discussion with you).

Summary of Information Technology General Controls (ITGCs) findings

This section summarises the recommendations we have made as a result of our audit work in relation to ITGCs.

The findings detailed in the report are summarised as follows:

No.	High Level Finding	Priority		
		High	Medium	Low
1	Lack of periodic review of user access rights within Oracle Financials	✓		
2	Lack of evidence over new user authorisation to Oracle Financials		✓	
3	Use of generic, privileged user ID's		✓	
4	Lack of evidence that leavers are removed from Oracle Financials		✓	
5	Lack of change management systems testing documentation		✓	
6	Lack of handover of technical documentation		✓	
7	Lack of testing of Oracle Financial patches		✓	
8	Lack of review and documentation of ICT policies			✓
9	Lack of periodic testing of backup media			✓
10	Lack of Disaster Recovery testing over Oracle Financials			✓

Detailed ITGC Findings:

No.	Observation and Risk	Recommendation	Priority	Management Response
1.	<p>Periodic Review of user access rights within Oracle Financials</p> <p>There is currently no formalised process in place over the periodic review of user access rights for the Oracle Financials application.</p> <p>Staff with incompatible duties may exist within Oracle Financials without being detected, thereby increasing exposure to inappropriate, unauthorised or fraudulent activity.</p> <p>Inactive and/or terminated staff could retain access to the critical Oracle Financials application, thereby increasing exposure to inappropriate, unauthorized, or fraudulent activity.</p>	<p>Periodic reviews, at least annually, should be performed in conjunction with the business over the Oracle Financials application. This will help to ensure that user access levels remain commensurate with current job roles. Upon review any access levels that are deemed inappropriate should be immediately removed.</p>	High	<p>Agreed</p> <p>Action: Introduce procedure to ensure user access rights are reviewed at least annually.</p> <p>Owner: J Hall</p> <p>Timescale: Jan 2010</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
2.	<p>New User Authorisation to Oracle Financials</p> <p>From a sample of 15 new users added to Oracle Financials within the audit period, 11 did not have the appropriate approval e-mail attached to the new user form. As such appropriate evidence of authorisation does not exist for these 11 samples.</p> <p>It was explained by the Oracle Systems Team that users are never granted access to Oracle Financials without appropriate e-mail authorisation, however, due to the sometimes complex nature of Oracle Financials new user set ups e-mail approvals are often difficult to locate once the new user set up is complete.</p> <p>This may lead to an increased risk of unauthorised access by business users or IT users to data that causes data destruction or improper amendment of records.</p>	<p>Management should improve the process over new user and change requests to Oracle Financials. The e-mail authorisation for new user and changes to access must be attached to the new user request form in all cases.</p>	Medium	<p>Agreed</p> <p>Action: Staff involved with process are to be made aware of the required procedure and random checks performed to ensure compliance.</p> <p>Owner: J Hall</p> <p>Timescale: Oct 2009</p>
3.	<p>Use of generic and privileged user ID</p> <p>The ICT Senior Systems engineer does not have a unique ID on the UNIX Oracle Financial Database server, instead this user logs onto this server using the privileged generic ORAMAST User_ID.</p> <p>This may lead to the inability to trace transactions or changes made to critical financial data, applications, and systems to an individual user for accountability and resolution.</p>	<p>Inability to trace transactions or changes made to critical financial data, applications, and systems to an individual user for accountability and resolution.</p> <p>A unique User_ID should be created on the UNIX Oracle Financial Database server. This user ID can then be used to 'SUDO' to the privileged generic ORAMAST User_ID when required.</p>	Medium	<p>Agreed</p> <p>Action: Unique user id to be created to improve accountability.</p> <p>Owner: P Dickman</p> <p>Timescale: Oct 2009</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
4.	<p>Leavers from Oracle Financials</p> <p>Evidence could not be provided to confirm that all leavers within the audit period have been 'End Dated' within the Oracle Financials application. Although the Oracle Systems Team receive a monthly report of leavers from HR, from which appropriate Oracle users are 'End Dated' within the application, these reports were only available for review for 3 out of the 12 months during the financial audit period.</p> <p>Moreover the Oracle systems team are aware of users who have left and were not included within the HR monthly leavers list.</p> <p>Inactive and/or terminated staff could retain access to critical financial systems and applications, thereby increasing exposure to inappropriate, unauthorized, or fraudulent activity. Additionally, there is an increased risk of inappropriate or unauthorized transactions or changes to data.</p>	<p>Management must ensure that the monthly reports received from HR are annotated with the actions performed and retained indefinitely. Moreover, the process should be strengthened to ensure that all leavers are included within the monthly HR leavers list.</p>	<p>Medium</p>	<p>Agreed</p> <p>Action: Staff involved with process are to be made aware of the required procedure and random checks performed to ensure compliance.</p> <p>Owner: J Hall</p> <p>Timescale: Oct 2009</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
5.	<p>Change Management systems testing documentation</p> <p>For the AP phase 2 change selected for testing, system testing documentation is not available due to sudden departure of the third party contractor performing the changes.</p> <p>Lack of system testing documentation increases the risk that adequate testing is not performed for changes affecting mission critical applications or systems. Lack of testing increases the risk that system stability, processing, and data quality are not in line with management expectations.</p>	<p>Management should ensure that all documentation relating to system changes performed by contract staff are stored on the PCC network, and thereby available to PCC at all times.</p> <p>Management should perform periodic review of change documentation to ensure it is in line with management expectations.</p>	Medium	<p>Agreed</p> <p>Action: No changes made will be implemented without documentation being available and checked for completeness. Documentation will be filed in a designated network folder.</p> <p>Owner: P Dickman / J Hall</p> <p>Timescale: Oct 2009</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
6.	<p>Handover of technical documentation</p> <p>There are known weaknesses over the quality and management of technical documentation for changes made to Oracle Financials, as documentation is not always provided to ICT by contractor staff making changes.</p> <p>As technical documentation is not always created the required handover to PCC ICT staff is often not performed. As such, ICT personnel do not always have a clear technical understanding of changes that are made to IT systems, making the ongoing support of the application after such changes more difficult.</p> <p>Lack of technical documentation after system changes increases the risk over the inability to access data as required, arising from excessive systems downtime (resulting in inability to recover the situation and accurately record the backlog of transactions).</p>	<p>When system changes are performed by contractor staff, management must ensure that adequate technical documentation is always produced. This documentation must then be given to the appropriate ICT support staff via a robust handover process, including technical training where deemed necessary.</p>	Medium	<p>Agreed</p> <p>Action: No changes made will be implemented without documentation being available and checked for completeness. Documentation will be filed in a designated network folder.</p> <p>Owner: J Hall / P Dickman</p> <p>Timescale: Oct 2009</p>
7.	<p>Testing of Oracle Financial patches.</p> <p>For 1 of the 2 Oracle Financials system patches sampled for testing, management were unable to provide evidence that the patch was tested prior to implementation to the production environment.</p> <p>This may lead to the increased risk of potential loss of data or inability to access data as required, arising from excessive systems downtime if system patches are not tested prior to implementation to the production environment.</p>	<p>Management must ensure that adequate testing is performed over all Oracle Financials systems patches prior to implementation to the production environment.</p>	Medium	<p>Agreed</p> <p>Action: No Oracle patches will be implemented without adequate. Evidence of testing will be filed in a designated network folder.</p> <p>Owner: J Hall / P Dickman</p> <p>Timescale: Oct 2009</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
8.	<p>Review and documentation of ICT policies.</p> <p>Some policy documents, such as the ICT security policy have not been updated for several years. In addition, some documents do not detail when the policy was last updated and who the document owner is.</p> <p>An out of date ICT security policy increases the likelihood that relevant information integrity risks may not be adequately addressed.</p>	<p>As a matter of best practice, key policy documents should be reviewed on an annual basis and documentation should clearly identify when the last update was made and who the document owner is.</p>	<p>Low</p>	<p>Agreed</p> <p>Action: Some policies have been reviewed and updated as part of the compliance with Government Connect. Other policies will be reviewed as part of the ICT Managed Service project.</p> <p>Owner: M Gregson</p> <p>Timescale: Sept 2009 – Dec 2009</p>
9.	<p>Periodic testing of backup media containing financially significant data.</p> <p>No formal proactive testing of UNIX backup media is performed; as such there is an increased risk that financial data may be irrecoverable in the event of system failure.</p> <p>However, the risk of any loss of financial data is significantly reduced as all financial data is replicated in real time to an off site third party location.</p> <p>There is an increased risk over the potential loss of data or inability to access data as required.</p>	<p>Formal periodic testing should be performed on all backup media containing financial data to ensure that financial data can be recovered if required.</p>	<p>Low</p>	<p>Agreed</p> <p>Action: Operational procedures will be reviewed and updated as part of the ICT Managed Service project</p> <p>Owner: M Gregson</p> <p>Timescale: Dec 2009</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
10.	<p>Disaster Recovery over Oracle Financials.</p> <p>A full DR test over Oracle Financials has yet to be performed. However, as all Oracle DR documentation is near completion, discussions with the user community over a full DR test for the Oracle e-suite of applications have commenced with full DR testing to be performed by October 2009.</p> <p>There is the risk that in the event of a disaster recovery situation being invoked, IT systems will not be successfully reinstated on a timely basis.</p>	<p>Management should ensure that the plan to perform a full Oracle Financials Disaster recovery test by October 2009 is continued through to completion</p>	<p>Low</p>	<p>Agreed</p> <p>Action: Some testing of the disaster recovery has taken place in Aug and Sept. Testing to be completed in October.</p> <p>Owner: P Dickman / J Hall</p> <p>Timescale: Oct 2009</p>

Summary of Internal Control findings

This section summarises the recommendations we have made as a result of our audit work in relation to internal controls identified during our interim audit work at the Council.

The findings detailed in the report are summarised as follows:

No.	High Level Finding	Priority		
		1	2	3
11	Contract Register		✓	
12	New Suppliers		✓	
13	Payroll Reconciliations			✓

Detailed Internal Control Findings:

No.	Observation and Risk	Recommendation	Priority	Management Response
11.	<p>Contract Register</p> <p>The Council maintains a contract register listing details for significant contracts in excess of £50,000. The Legal Department should be advised of any new contracts, and rely on officers making them aware of any new contracts.</p> <p>However, there is no formal mechanism in place to ensure that all contracts are reported to the Legal Department, and no other proactive completeness checks are carried out to ensure the register is kept up to date.</p> <p>There is a risk that all contracts may not be identified and included on the register.</p> <p>This is particularly an issue given the requirements surrounding financial instruments, whereby the Council will need a full and complete list of contracts to assist in identifying any financial instruments.</p> <p>We understand that the Contract Management Module is now implemented and the Council is in the process of uploading data into the system, targeting major projects in the first instance. I personally will be switching to a project based role for the foreseeable future and one of my main tasks is to embed the Contract Management tool across the authority. Transport and Engineering Services and Children Services have expressed an interest in being the pilot areas of the authority for implementation. Training for these areas is taking place on the 2 November 2009.</p>	<p>The Council should use the new contract management tool to ensure that all contracts are recorded on a central database, and that this is maintained and updated appropriately.</p>	<p>Medium</p>	<p>Agreed</p> <p>Action:</p> <p>The contract register will be automated from 1 November 2009. All procurement activity of £5K and over (this may be adjusted to £10K and over) is intended to be captured on the new system. The Corporate Procurement Unit has identified Procurement Champions within each directorate (the respective Heads of Business Support) who will be responsible for maintaining the Contract Register on behalf of their department. In addition, to support the Procurement Champions, Procurement Agents have been identified and are to be trained (training taking place on November 2nd) to collate and upload data relating to contracts onto the system. Training and guidance will be extended to procuring officers across the Council through a communications programme. As part of the implementation of Phase 2 of the Contract Register, the system used by Legal Services for collation of contract information (currently manual) will be added to the Contract Register. This will provide a central database of all detail relating to any particular contract. This, together with the actions highlighted above, will ensure details are kept up to date.</p> <p>Owner: Corporate Procurement Unit (Andy Cox)</p> <p>Timescale: From 1 Oct to 31 Mar 2010</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
12.	<p>New Suppliers</p> <p>Currently, per the Council procedure notes, procurement staff are required to check company validity on the Companies House website and on Google prior to setting up a new supplier.</p> <p>However, on reviewing Supplierforce (procurement system) for confirmation that these checks had been carried out, it became apparent that there is no function on the system to confirm the checks have taken place. In addition, no manual evidence is retained.</p> <p>Discussion with staff identified that checks have only been made on a sample basis, rather than for each new supplier. Consequently, the Council is at risk from illegitimate suppliers being set up on the Supplierforce system.</p> <p>It is understood that there are other checks performed as part of the new supplier process that mitigate the extent of the risk of illegitimate companies being set up, including completion of the Supplier Data Health Check.</p>	<p>Staff should be reminded of the procedural guidance in place at the Council around the set up of new suppliers.</p> <p>All new suppliers should be checked for validity, and evidence of this check should be retained to ensure an appropriate audit trail is retained.</p>	Medium	<p>Agreed</p> <p>Action: The system (Supplierforce) will have the functionality to record when these checks have taken place and against which vendors.</p> <p>Owner: Procurement team.</p> <p>Timescale: From Sep 2009</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
13.	<p>Payroll Reconciliations</p> <p>Review of the payroll reconciliations identified a number of reconciling items which were several months/years old. As at the year end, a balance of £37k (gross figure) consisted of items over four months old.</p> <p>Although the value of these reconciling items is immaterial in relation to the statement of accounts as a whole, best practice suggests these should be cleared in a prompt/timely manner. We are aware the Council has a process in place to attempt to clear these items, including reviewing the payroll interface with Oracle to prevent errors occurring in the first instance.</p>	<p>The Council should endeavour clear reconciling items in a timely manner.</p>	<p>Low</p>	<p>Agreed</p> <p>Action:</p> <p>The Financial Accounting Team are devising a set of corporate accounting performance indicators, which include the main bank account reconciliations. The indicators will cover items such as the number of reconciling items, age of items, value of items, etc, and be reported to the Corporate Accounting Manager on a quarterly basis. The financial accounting team are working more closely together with the Payroll team, with both teams clearing reconciling items a within the following month. A view to the more historic items will be taken by the beginning of October, as some have been cleared since this audit report was written.</p> <p>Owner: Corporate Accounting Manager</p> <p>Timescale: Oct 2009</p>

In the event that, pursuant to a request which Peterborough City Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. Peterborough City Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Peterborough City Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Peterborough City Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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AUDIT COMMITTEE	AGENDA ITEM No. 6
2ND NOVEMBER 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Resources portfolio holder, Cllr Seaton	
Contact Officer(s):	John Harrison, Executive Director Strategic Resources Steven Pilsworth, Head of Strategic Finance	☎ 452398 ☎ 384564

USE OF RESOURCES SCORES

R E C O M M E N D A T I O N S	
FROM : John Harrison, Executive Director Strategic Resources	Deadline date : N/A
The Committee is asked to consider, and endorse the final reports produced by External Audit in relation to the Use of Resources scores	

1. ORIGIN OF REPORT

- 1.1. This report is submitted by the Council's Section 151 Officer, the Director of Strategic Resources, being part of his statutory responsibilities.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to introduce the report from PricewaterhouseCoopers (PwC), the Council's external auditors, on the Council's Use of Resources scores in accordance with the Committees' Terms of Reference 2.8.1.5 ("To consider the external auditors letter, relevant reports, and the report to those charged with governance"). It is to inform Audit Committee of the Council's initial thoughts on planning for the next assessment.

3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. USE OF RESOURCES

BACKGROUND

- 4.1 Use of Resources is an external inspection undertaken by the Council's auditors. The Audit Commission is responsible for designing and implementing the Use of Resources Assessment model, but the actual assessment is undertaken by their appointed auditors for Peterborough, PricewaterhouseCoopers.
- 4.2 As the Council has improved its resource and financial management in recent years, this has been reflected in the Use of Resources assessment. The improvement up to 2008 can be seen in the table below:

	2008	2007	2006	2005
FINANCIAL REPORTING How good are the councils financial accounting and reporting arrangements?	4	4	2	1
FINANCIAL MANAGEMENT How well does the council plan and manage its finances?	3	3	2	1
FINANCIAL STANDING How well does the council safeguard its financial standing?	3	3	2	2
INTERNAL CONTROL How well does the council's internal control environment enable it to manage significant business risks?	3	2	2	2
VALUE FOR MONEY	2	2	2	2
OVERALL JUDGEMENT	3	3	2	2

- 4.3 For 2008/09 the assessment has changed significantly from that currently being used, and forms part of the Comprehensive Area Assessment (CAA). As well as the Use of Resources assessment, the Council will also receive a 'Managing Performance' assessment, and all public sector partners in Peterborough will receive a joint 'Area Assessment'. So far only the Use of Resources results are available.

2009 Use of Resources assessment

- 4.4 Whilst the previous assessment focussed on financial management, governance and asset management, the new arrangements are far broader in scope, encompassing areas such as commissioning, use of information and how we are managing our natural resources.
- 4.5 The requirements are also far more stringent. Performance that would have received a score of 4 in the previous assessment, will now only score a 3 in most areas. A specific example of this can be found in the financial reporting assessment. Previously, if 'The auditor considers any errors to be 'clearly trivial'', then that was sufficient for a score of 4 (a score that PCC achieved). In the new arrangements, this standard is only sufficient for a score of 3.
- 4.6 There has also been a change in focus away from being more strictly about processes and how we use them, towards considering whether these processes have led to improvement in outcomes for the community.
- 4.7 The requirements for new scores are outlined below:

Score	Level represented
1	Failure to meet minimum requirements – inadequate performance;
2	Meets only minimum requirements – performs adequately;
3	Exceeds minimum requirements – performs well; or
4	Significantly exceeds minimum requirements – performs excellently

It should be noted that the expectation is that level 4 performance represents national best practice. The Use of Resources guidance does not provide any guidance on what level 4 might look like (unlike levels 2 and 3). The Audit Commission have stated that they expect far fewer councils to be at this level than before (note that whilst the Council has received its results, results for all other Councils have not yet been released).

2009 Scores

4.8 The scores received relate to the 2008-09 financial year. The full outline, plus commentary, is included in the PWC report, but scores are summarised below:

Theme	Line of Enquiry	Score
Managing Finances	Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?	3
	Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?	3
	Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?	3
	Overall Managing Finances score	3
Governing the Business	Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?	3
	Does the organisation produce relevant and reliable data and information to support decision making and manage performance?	2
	Does the organisation promote and demonstrate the principles and values of good governance?	3
	Does the organisation manage its risks and maintain a sound system of internal control?	3
	Overall Governing the Business score	3
Managing Resources	Is the organisation making effective use of natural resources?	2
	Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?	3
	Overall Managing Resources score (note that the natural resource score carries greater weight in this theme)	2

4.9 These scores demonstrate the continuous improvement in resource management in the council, given the higher standards of the new assessment process. Comments from the audit report that are especially pleasing include the following:

- Financial planning at the Council is timely and efficient.
- The Business Transformation programme has enabled the Council to manage its spending within available resources. It is also integral to the business planning Process.
- Service improvements are addressed with partners as well, through the introduction of an innovative "Solution Centre".
- Significant improvements in financial management enabled the Council to act quickly in response to the credit crunch. The impact of the economic downturn was highlighted early in the year and action was taken to address it.

- The Council's excellent financial reporting arrangements were recently recognised in a case study in the Audit Commission publication "Summing Up".
- Business process re-engineering techniques were used to improve assessment processes for vulnerable children, an approach that has led to improved performance and reduced costs.
- The Council has a strategic approach to asset management and a 10 year corporate property strategy that shapes its property portfolio against future needs in the Sustainable Community Strategy
- The Council can demonstrate it is improving the condition of its asset base and is actively working with partners to facilitate this.

4.10 Initial responses to how the Councils intends to take forward the observations made within the PwC report are outlined in appendix 1.

5. CONSULTATION

5.1 The draft PwC report was shared with the Executive Director Strategic Resources prior to being finalised.

6. ANTICIPATED OUTCOMES

6.1. That the Audit committee have the opportunity to question the External Auditor and to make observations on the Auditor's report.

6.2. That the Audit committee have the opportunity to review the Council's initial plan to address the observations made.

7. REASONS FOR RECOMMENDATIONS

7.1. The recommendations are made to advise the Committee of the transition to IFRS highlighting the work completed to date, and ensure involvement of the Committee in this process.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 There have been no alternative options considered in the preparation of this report and because the Committee is requested to make observations on the PwC report any alternative options will be considered at the meeting.

9. IMPLICATIONS

9.1. The implications are outlined in the report

10. BACKGROUND DOCUMENTS

(Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

PwC report – 'Use of Resources – Assessment Results'

Audit Commission guidance - http://www.audit-commission.gov.uk/firerescue/audit/uor/Pages/Default_copy.aspx

Initial comments on Audit observations

PWC observation	Initial Comment
Managing Finances	
Further engagement with local communities is required with regard to determining strategic priorities and financial planning. We understand that Neighbourhood Panels will be in place from October; it will be important that the Council demonstrates the outcomes of this initiative.	The first neighbourhood Panels were held in October. It is intended the key priority for these Panels will be to develop their neighbourhood plan. A round of Panels will be held in December, where it is intended that consultation on the emerging financial plan will be undertaken
Demonstrating how the Council has managed its finances during the recession will be a crucial element of the assessment against this KLOE in 2010.	The Council continues to monitor the impact of the recession on its finances in the current financial year (through monthly financial monitoring), as well as in future years through its financial planning arrangements. The revised Medium Term Financial Strategy will outline the position
In relation to the Business Transformation Programme, resources are required to establish how data can be captured centrally (e.g. to capture productivity and efficiency information) to enable non-cashable benefits to be effectively monitored.	The Business Transformation Programme Board oversees all projects, from business case through to implementation and benefits realisation. This includes cashable and non-cashable benefits.
During a period of organisational change (for example the Manor Drive programme and the managed IT service), the Council will need to ensure that the quality of its internal and external financial reporting arrangements is not compromised.	The Head of Strategic Finance is responsible for internal and external financial reporting arrangements, and also sits on the Strategic Resources Management Board. This ensures that the impact of such developments can be proactively managed. The Council has also taken steps to improve its internal financial reporting, through the implementation of the Qlikview system that delivers real-time financial information to budget holders desktops. The time saved from not having to produce reports manually is now spent on dealing with any issues arising.
Governing the Business	
Procurement savings need to continue to be achieved across the Council	The Business Transformation programme continues to investigate, plan and implement opportunities for procurement savings as part of the Councils financial and business planning arrangements.
The Council must ensure that it retains complete audit trails to support National Indicators.	A data quality strategy and policy has been created and communicated through a development group and departmental performance contacts. Whilst there is an emphasis on highlighting areas of risk and 'management by exception', further work is to be undertaken to reinforce arrangements over the coming year. An audit trail is provided by our performance plus system and

	supplemented by a spot check on high risk indicators
The Strategic Improvement Division should ensure that it undertakes a pro-active review programme of key data and performance information and takes appropriate action to identify and address weaknesses. Training for Members and Officers should continue to be provided where it is identified that there is a need to do so.	A corporate dashboard has been developed which signposts senior managers to issues of performance which is updated on a monthly basis. The dashboard also includes predictions for the next quarter performance to support managing performance. A detailed review and focus on performance by the corporate management team takes place every 6 weeks at the strategic improvement board. The corporate processes are mirrored at departmental level where on a monthly basis departmental performance is reviewed. In addition operations and children's services have their own dashboards.
Demonstrating appropriate governance arrangements in respect of the growth agenda and organisational change will be a crucial element of the assessment against this KLOE in 2010 and 2011.	The Council continues to keep governance arrangements under review. The Strategic Growth delivery board brings together relevant PCC staff and partners to monitor the position.
Managing Resources	
The Council needs to achieve clear reductions in its main resource use areas when measured using the same basis for calculation year-on-year (i.e., a real trend of reduced resource usage).	The Council is a participant in the Carbon Trust Local Authority Carbon Management Programme. This scheme has involved establishing baseline carbon emissions for PCC's Operations and committing to a reduction target – which is 35% of 2008/09 levels over five years. The programme will result in the development of a robust action plan detailing how we plan to achieve this target, the final document is due to go to full council in April 2010. This area of work currently focuses primarily on energy and transport, going forward other resources such as waste and water will be included.
The Council needs to work with partners to help reduce the Council's impact on the environment. Reductions in resource usage need to be quantifiable.	The Carbon trust work will support this alongside the work underway with the Climate Change Strategy which will provide support for organisations across the city. We are also considering amendments to the procurement process to ensure environmental impact is considered and quantifiable going forward.
Demonstrating how it manages its capital programme to ensure strategic priorities are achieved, in the context of an economic downturn, will be an important element of the assessment against this KLOE in 2010.	The Council has put in place a 'project gateway' process to ensure that all projects, including capital projects, only proceed if there is a sound business case, including a clear contribution towards priorities.

Peterborough City Council

Use of Resources – Assessment Results

The Audit Committee
Peterborough City Council
Town Hall
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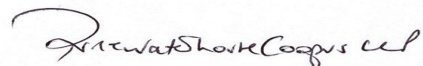
October 2009

Ladies and Gentlemen

CPA – Use of Resources – Assessment Results

We are pleased to present the summary results of our assessment of the Council's use of resources, which has been completed in accordance with the methodology and guidance issued by the Audit Commission. Please contact Chris Hughes on 0207 804 3392 or Julian Rickett on 0207 804 0436 if there are any issues you would like to discuss with respect to this report.

Yours sincerely



PricewaterhouseCoopers LLP

cc Nigel Smith, Audit Commission Relationship Manager

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

In April 2008 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end, and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.

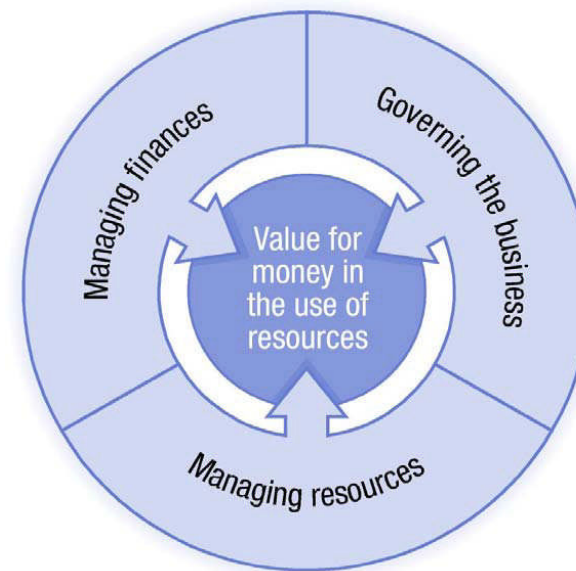
Introduction

Introduction

From April 2009, the Audit Commission has been implementing comprehensive area assessment (CAA), jointly with the other public service inspectorates. The audit year 2008/09 is a year of transition to CAA. Our use of resources judgements in 2008/09 will therefore input into the first results of CAA which the Audit Commission will report on in November 2009 as well as having acted as the basis for our value for money conclusion. The Audit Commission has therefore issued new Key Lines of Enquiry (KLoEs) for auditors to assess Local Authorities' arrangements against.

We have assessed the Authority's arrangements against a series of Key Lines of Enquiry (KLoEs) grouped into three themes which form the Use of Resources framework. The assessment has changed to focus on the Authority's achievements, outputs and outcomes rather than the Authority's processes. Auditors are therefore considering the Authority's strategies rather than the detailed processes that the Authority has put in place.

The tables in Section 2 set out the results of the assessment and highlight the areas for improvement based on the criteria devised by the Audit Commission. Each judgement area consists of a number of key lines of enquiry and areas of audit focus and evidence.



KLoEs are scored as follows:

- 1 – Failure to meet minimum requirements – inadequate performance;
- 2 – Meets only minimum requirements – performs adequately;
- 3 – Exceeds minimum requirements – performs well; or
- 4 – Significantly exceeds minimum requirements – performs excellently

Preliminary results were discussed with senior management. The results were subsequently subject to internal PwC review processes and a national process of quality assurance coordinated by the Audit Commission.

The Audit Commission are in the process of completing the “Managing Performance” element of the Organisational Assessment, and will report their findings to the Council by 19 October 2009.

Assessment results

Managing Finances

3

Overview

Financial planning at the Council is timely and efficient. The Council uses a structured medium term approach to deliver savings and efficiencies, enabling it to shift resources to high priority areas. Business and financial planning is integrated effectively. Financial planning has improved in Children's Services, an outcome of which was a move from a £3m overspend in 2007/08 to a balanced budget in 2008/09. A zero based budgeting exercise, which challenged budget managers to improve efficiency, contributed to this improvement.

The Business Transformation programme has enabled the Council to manage its spending within available resources. It is also integral to the business planning process, which identifies areas where the Business Transformation team can work with services to improve efficiency. Over the last two years, the Business Transformation programme has delivered the outcome of over £10m of savings for PCC, and the Council is on track to exceed the 2008/9 target of £3.68m.

The "Manor Drive" project launched in October 2008, considered whole life costs and the first phase, completed in March 2009, delivered £900k in cashable savings through streamlined Council back office structures.

Service improvements are addressed with partners as well, through the introduction of an innovative "Solution Centre". Where performance is poor for priority areas, targeted actions are agreed to improve performance, for example addressing high numbers of teenage pregnancies. By understanding costs and performance for both Council and partner activities, potential resource gaps and duplication can be identified so that resources can be aligned across organisational boundaries.

Significant improvements in financial management enabled the Council to act quickly in response to the credit crunch. The impact of the economic downturn was highlighted early in the year and action was taken to address it.

A detailed closedown plan is managed by Strategic Finance, with proactive discussions on accounting issues with external audit, clear planning for the impact of International Financial Reporting Standards and an established track record of preparing excellent draft accounts.

The Council's excellent financial reporting arrangements were recently recognised in a case study in the Audit Commission publication "Summing Up". The Council was also shortlisted for Finance Team of the Year in the Local Government Chronicle awards.

Key Lines of Enquiry

- | | |
|---|----------|
| ▪ Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health? | 3 |
| ▪ Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities? | 3 |
| ▪ Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people? | 3 |

Observations and areas for improvement

- Further engagement with local communities is required with regard to determining strategic priorities and financial planning. We understand that Neighbourhood Panels will be in place from October 2009; it will be important that the Council demonstrates the outcomes of this initiative.
- Demonstrating how the Council has managed its finances during the recession will be a crucial element of the assessment against this KLOE in 2010.
- In relation to the Business Transformation Programme, resources are required to establish how data can be captured centrally (e.g. to capture productivity and efficiency information) to enable non-cashable benefits to be effectively monitored.
- During a period of organisational change (for example the Manor Drive programme and the managed IT service), the Council will need to ensure that the quality of its internal and external financial reporting arrangements is not compromised.

Overview

The Sustainable Community Strategy and the Local Area Agreement drive the commissioning of services by identifying those things the community considers most important for the Council to address. This is exemplified by the Children and Young People's Plan, which was underpinned by extensive consultation with children and young people, and the Children's Trust.

Business process re-engineering techniques were used to improve assessment processes for vulnerable children, an approach that has led to improved performance and reduced costs.

The Council's Strategic Procurement Unit has led to a number of improvements in procurement arrangements, for example, implementing a number of corporate contracts, designed to free up time, reduce administration processes and focus on front line service activity.

A data quality strategy and policy has been created and communicated through a development group and departmental performance contacts. The data quality policy and the Council's overall approach is monitored by the Strategic Improvement Division with a Strategic Director responsible for data quality issues. These also underpin the Council's approach to performance information across the Greater Peterborough Partnership, where information from partners is brought together in a Performance Hub. This brings together performance specialists and analytical capacity across partners to provide collective analysis of performance data and wider delivery intelligence. Processes are in place and are embedded. Whilst there is an emphasis on highlighting areas of risk and 'management by exception', further work is to be undertaken to reinforce arrangements over the coming year.

The Chief Executive completed a senior management review during the year to ensure that the senior management team has the appropriate structure and post holders to drive and deliver the priorities in the Sustainable Community Strategy. A Performance Management Forum and Senior Management Training Programme are also focused on the Sustainable Community Strategy and the Local Area Agreement. This enables the Council to use its position on the Greater Peterborough Partnership to promote good governance.

Officer training has been undertaken regarding decision making, ensuring less "call in" of decisions. A "Member Induction Toolkit" (that covers, for example, Freedom of Information and Data Protection) emphasises the accessibility of the Monitoring Officer. The Council also utilises the "Modern Councillor" training package.

The establishment of the Children's Trust in April 2008, with formal arrangements and principles of operation, is a prime example of a review of effectiveness of how the Council was working across the Greater Peterborough Partnership led to improvements in governance arrangements. Outcomes have been achieved in Social Care, Educational Attainment, Attendance, the performance of the Youth Offending Service and the drive to reduce those not in education, employment or training.

The Risk Management Strategy provides a clear framework for managing strategic and operational risks. These are discussed and addressed at the Corporate Management Team, Departmental Management Teams and by Members as appropriate. The Council has explicitly used its Assurance Framework to inform the Corporate Risk Register refresh in 2008/09. Internal Audit has an Audit Plan that is aligned to the risk register and reports to the Audit Committee quarterly on its work.

Counter fraud work for local elections has been excellent. The Council worked in partnership with the Police with the aim of restoring the confidence of the public in local elections and reducing fraud. Engaging with communities as part of the process also helped identify health and safety issues prevalent in private sector housing in the city. The partnership involved a co-ordinated effort from the start to ensure the prevention of fraud.

Business continuity arrangements have improved considerably in the last 18 months and are focused on ensuring services continue to deliver. This was highlighted in the inclement weather earlier in 2009, where a number of services needed to implement their planned business continuity arrangements. Despite significantly reduced staff levels, the customer contact centre was kept open for normal working hours, recognising it would be (and was) a focal point for public queries about the impact of the weather on other services.

Key Lines of Enquiry

- Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money? 3
- Does the organisation produce relevant and reliable data and information to support decision making and manage performance? 2
- Does the organisation promote and demonstrate the principles and values of good governance? 3
- Does the organisation manage its risks and maintain a sound system of internal control? 3

Observations and areas for improvement

- Procurement savings need to continue to be achieved across the Council.
- The Council must ensure that it retains complete audit trails to support National Indicators.
- The Strategic Improvement Division should ensure that it undertakes a pro-active review programme of key data and performance information and takes appropriate action to identify and address weaknesses. Training for Members and Officers should continue to be provided where it is identified that there is a need to do so.
- Demonstrating appropriate governance arrangements in respect of the growth agenda and organisational change will be a crucial element of the assessment against this KLOE in 2010 and 2011.

Overview

The Council has a Climate Change strategy and intends to refresh this with input from across the Greater Peterborough Partnership. The Council also has the ambition to become the Country’s Environment Capital. This is embedded in the Sustainable Community Strategy; there is a separate “Environment Capital Manifesto”.

The Council is taking steps to reduce its carbon footprint. It has entered a carbon trading scheme, with an aim to reduce carbon emissions from buildings and vehicle fleet by 5%. However, the Council is not currently able to demonstrate a track record of reducing carbon emissions and resource usage.

The Council commissioned a Green Fleet Review in 2008/09 that delivered practical actions that are intended to help it reduce its transport emissions and lower running costs whilst maintaining the operational requirements of the fleet. It also provided baseline data for fleet carbon emissions. Other data is available for natural resource usage at Council buildings.

The Council has a strategic approach to asset management and a 10 year corporate property strategy that shapes its property portfolio against future needs in the Sustainable Community Strategy. The corporate asset management plan determines how property assets will be managed, including a backlog maintenance programme.

The Council can demonstrate it is improving the condition of its asset base and is actively working with partners to facilitate this. Working with the Homes and Communities Agency (“HCA”), the Corn Exchange, a strategic site, was purchased with grant funding, to demolish it as part of the plan to redevelop the city centre. The Carbon Challenge Project is intended to provide 350 Carbon Neutral homes, including 105 affordable units, on the River Nene.

“Bayard Place” has been re-designed to act as the main customer contact centre in the centre of the city, with back office services migrating to the outskirts at Manor Drive. A review of planning services indicted that there were a number of issues that needed to be addressed to improve the level of service to the customer. Bridge House, where the majority of planning services were previously delivered, was old, in need of refurbishment and remote from the Strategic Planning function and Opportunity Peterborough. Alternative suitable accommodation was sought and found in Stuart House, an office block that offered a modern working environment. This “one stop shop” for the Growth agenda will allow the Council to market itself to the investor community.

Key Lines of Enquiry

- Is the organisation making effective use of natural resources?
- Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?

2

3

44

Observations and areas for improvement

- The Council needs to achieve clear reductions in its main resource use areas when measured using the same basis for calculation year-on-year (i.e., a real trend of reduced resource usage).
- The Council needs to work with partners to help reduce the Council's impact on the environment. Reductions in resource usage need to be quantifiable.
- Demonstrating how it manages its capital programme to ensure strategic priorities are achieved, in the context of an economic downturn, will be an important element of the assessment against this KLOE in 2010.

In the event that, pursuant to a request which Peterborough City Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. Peterborough City Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Peterborough City Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Peterborough City Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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AUDIT COMMITTEE	AGENDA ITEM No. 7
2 NOVEMBER, 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Resources	
Contact Officer(s):	David Blackburn, Principal Democratic Services Officer	Tel. 452325

STRATEGIC GOVERNANCE BOARD

RECOMMENDATIONS

That the creation of a Strategic Governance Board and its terms of reference be endorsed.

1. ORIGIN OF REPORT

- 1.1 This report is submitted to the Audit Committee following initial work undertaken by the officers to create a Strategic Governance Board to coordinate governance activities within the Council.

2. PURPOSE OF REPORT

- 2.1 The Committee is invited to consider the proposals that have been developed and indicate any priorities that it would like the Board to include within its work programme.

3. OUTLINE OF PROPOSED MODEL

- 3.1 The Strategic Governance Board will provide a forum for senior officers of the Council to discuss and develop a coordinated approach to:

1. Risk management;
2. Corporate governance;
3. Statutory and constitutional compliance;
4. Decision-making and accountability;
5. Audit, inspection and control systems; and
6. Corporate policy and procedures

- 3.2 The focus of the Board is upon the Council and also the partnership bodies on which it serves as a member.

The Board will act as an "engine room" for:

1. Determining programmes of work that should be undertaken to improve governance arrangements;
2. Commissioning officers to do that work; and
3. Ensuring that the work becomes embedded through clear, accessible procedures supported by appropriate training and development.

It is recognised that a culture of strong corporate governance exists within the City Council (as demonstrated by our Use of Resources assessment in relation to "Governing the Business" which achieved a score of "3" - Exceeds minimum standards i.e. performs well). However, there is no room for complacency in meeting the challenges provided by an ambitious and constantly evolving organisation.

3.3 The Board will comprise the following permanent members:

- Solicitor to the Council (Chairman)
- Head of Human Resources
- Head of Corporate Services
- Heads of Legal (x2)
- Chief Internal Auditor
- Head of Business Support, City Services (or other nominee)
- Compliance and Ethical Standards Manager
- Resilience Services Manager
- Principal Democratic Services Officer
- Corporate Governance Manager

There will also be a standing invitation to the Cabinet Member for Resources and the Chief Executive to attend meetings and the Chairman of the Board may invite other senior officers to become permanent members or attend specific meetings as deemed appropriate by the Board. In addition, the Chairman may also invite representatives of partner bodies and elected Members to attend meetings to promote the widest possible engagement on governance issues. The link between the Strategic Governance Board and the Audit Committee is very important and it may be that items are referred from the Committee to the Board from time to time for consideration or action.

3.4 The terms of reference of the Board shall be as follows:

1. Identify strategic risks to the Council and its partnerships and ensure that effective action is taken to mitigate those risks;
2. Determine work priorities that shall be fulfilled during the intervening period between meetings;
3. Ensure that there is an effective and targeted training programme on corporate governance for Members of the Council,
4. Officers and representatives of partner organisations;
5. Develop a strategic framework for corporate governance which acts as a key corporate asset;
6. Oversee the development and maintenance of an information repository (“governance hub”) which is accessible to all staff;
7. Ensure that there is an integrated approach developed by the Council with clear links to the Council’s Regulatory Committees such as the Audit, Licensing and Standards Committees and Partnership Boards;
8. Promote a culture of openness and accountability within the Council;
9. Provide horizon scanning of all major new projects (such as the outsourcing of services) that will require the development of effective governance arrangements;
10. Coordinate the Council’s response to external audits and corporate assessments insofar as they relate to governance arrangements; and
11. Establish the community benefits of all community governance initiatives that are being considered for implementation.

4. ANTICIPATED OUTCOMES

- 4.1 The Strategic Board will provide leadership and a coordinated approach to the promotion of corporate governance within the Council. It is anticipated that the Board shall continue to meet initially for a 2 year period when an evaluation shall be undertaken, led by the Chairman in consultation with the Chief Internal Auditor, of the costs and benefits of the Board. Based upon that assessment, the Chairman in consultation with the Chief Executive shall determine the future role and direction of the Board. All members of staff shall have access to the work of the Governance Board through reporting on the Council’s intranet.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 An alternative option would be to continue current arrangements but this would not deliver a coordinated programme of work or provide the most effective use of resources in respect of the governance arrangements of the Council.

6. IMPLICATIONS

- 6.1 There are no additional resource implications arising from the adoption of these proposals.

7. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

None.

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AUDIT COMMITTEE	AGENDA ITEM No. 8
2 NOVEMBER 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member(s) responsible:	Councillor M Dalton, Chair of Audit Committee	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	☎ 384 557

ASSURANCE FRAMEWORK / ANNUAL GOVERNANCE STATEMENT - SIX MONTH REFRESH

RECOMMENDATIONS	
FROM : John Harrison, Executive Director: Strategic Resources	Deadline date : N/A
1. The Committee is asked to: <ol style="list-style-type: none"> a) Receive, scrutinise and approve the revised Assurance Framework; b) Note the progress on the significant governance issues reported in the Annual Governance Statement 2008 / 2009; and c) Consider whether additional areas of assurance are required. 	

1. ORIGIN OF REPORT

This report is submitted to the Audit Committee in line with its agreed Work Programme for 2009 / 2010.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The report is to inform members of the Assurance Framework (AF) which is an initiative designed to further consolidate the Council's Risk Management framework. The AF is laid out in sections according to the objectives / priorities specified in the Sustainable Community Strategy. It is also intrinsically linked with the Annual Governance Statement (AGS), which this report also seeks to update members on the progress being made by officers in addressing those governance issues reported in the Council's AGS in June 2009.
- 2.2 The Annual Governance Statement (AGS) explains how the Council delivers good governance and reviews the effectiveness of these arrangements. It also meets the requirements of regulation 4(2) of the Accounts & Audit Regulations 2003, as amended by the Accounts & Audit (Amendment) Regulations 2006, which require the Council to publish an AGS.

3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. BACKGROUND

- 4.1 The Council's AF provides a simple but comprehensive method to implement effective and focused management on obtaining assurance relating to the achievement of key council priorities, its Partners, and Stakeholders, and the inherent risks to achieving this.
- 4.2 The Framework provides a structure and reporting process which will assist the Audit Committee carry out its duties of:
- a) Considering the effectiveness of the Council risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements;
 - b) Seeking assurances that action is being taken on risk related issues identified by Auditors and Inspectors;
 - c) Seeking assurance that action has been taken to implement the recommendations arising from the findings of significant audit work; and
 - d) Ensuring that the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it. This helps facilitate effective performance management by simplified reporting and enables prioritisation of actions to maximise opportunities and ensure effective management of risks.
- 4.3 The Framework was submitted and approved at Audit Committee on 30 March 2009 and contributed to the AGS which was included in the Statement of Accounts.

5. CURRENT POSITION

- 5.1 The key priorities and key risks where assurance is required has been identified from the Strategic Risk Register (last update January / February 2009), the Annual Governance Statement (June 2009) together with the Assurance Framework. The sources of assurance have been obtained from internal and external sources. Internal sources included Directors and Heads of Service self assessments, committee and scrutiny panel reports together with Internal Audit work. External sources of assurance have been obtained from External Audit activity and Inspection reports.
- 5.2 The Framework references the documented evidence that identifies the key risks areas, the current position of these and the actions being implemented, and the mechanisms for reporting on progress. 62 areas of assurance have been sought from across the Council, which covers all service areas and activities. Subject to the availability of information, an assessment has been made against these activity areas, these being **FULL** Assurance, **MODERATE** Assurance or **MORE WORK REQUIRED**. Current levels show that of the 62 areas, the profile is:

Assurance Level	March 2009	October 2009
Full	15	12
Moderate	39	48
Further Work Required	8	2
	62	62

- 5.3 Summary information on each activity is recorded on **Appendix A**, with more detailed explanations behind each area of assurance in **Appendix B**. There have been a number of changes / improvements to the control / assurance environment, particularly around staffing issues and the protection of data.
- 5.4 The Framework is not a static document, and will be updated throughout the year as the needs and assurances across Peterborough change. A further update will be submitted to Audit Committee in March 2010, in accordance with the Work Programme.
- 5.5 **Appendix C** provides a progress report on the governance issues raised in the AGS 2009. By its very nature, much of the work will need to continue to ensure the successful delivery

of key projects. However, these projects are benefiting from enhanced programme management processes, regular testing and discipline providing a firm foundation for successful delivery. Certain key areas have seen significant improvement but remain a priority, for example the impact of the recession on income and service demand.

6. CONSULTATION

The Framework has been compiled after discussions with Risk Management, together with analysis of committee reports, internal and external audit reviews and other council publications. It has been circulated to senior management for comment and observation.

7. ANTICIPATED OUTCOMES

Inform Audit Committee of the processes in place to mitigate risks for the delivery of the council's objectives.

8. REASONS FOR RECOMMENDATIONS

In accordance with best practice, Audit Committee is expected to be informed in the preparation of, and monitoring against the Annual Governance Statement.

9. ALTERNATIVE OPTIONS CONSIDERED

None

10. IMPLICATIONS

None

BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Accounts and Audit Regulations
Comprehensive Area Assessment
Statement of Accounts: Annual Governance Statement 2008 / 2009

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ASSURANCE FRAMEWORK: SUMMARY (SIX MONTH REFRESH)

Assurance Activity	Assurance Framework Assessment					
	At March 2009				At October 2009	
	AF No.	Full Assurance	Moderate Assurance	Further Work Required	Current Status	Commentary
COUNCIL WIDE						
Staff capacity and skills	01		X		Same	Additional mechanisms identified within period. External appraisal was not part of CAA in 2009. Factored in for next assessment.
Staff retention in key areas	02			X	↑	Considerable works undertaken to improve in period. Impact of recession may have lessened degree of turnover.
Financial considerations with 3 rd party funded schemes	03	X			Same	Ongoing assurance mechanisms in place.
Local Area Agreements	05		X		Same	Development of protocols for data collection and accuracy
Partnership working with PCT	06	X			Same	Governance arrangements clearly defined and reviewed periodically
Delivery Master Plan	07		X		Same	Impact of credit crunch on ongoing major capital works to be regularly evaluated
Flu pandemic or other major illness	08	X			Same	Coordinated response in place
Business continuity and community resilience	09		X		Same	Ongoing testing to ensure compliant. Need to continue to develop links with risk management
Investing to save bids	10	X			↓	Impact of potential changes to government funding could have material effect on future plans
Governance arrangements	11		X		Same	Toolkit established and development of governance board
Credit crunch	12			X	Same	Impact as part of MTFs review. Ongoing budget monitoring reports. Potential benefit levels increased and call on "needy" services.
Special purpose vehicles / shared services	13		X		Same	ICT contract established. Ongoing development of Manor Drive brand and contact with other organisations.
DEPUTY CHIEF EXECUTIVE						
Diversity agenda	14		X		Same	Ongoing monitoring against policy
Disability agenda	15		X		Same	Regular update of Asset Management Plans and reporting. Review of access to council owned buildings
Harmonisation	16	X			Same	Agreement reached with all unions.

ASSURANCE FRAMEWORK: SUMMARY (SIX MONTH REFRESH)

process						Robust challenge in place.
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ASSURANCE FRAMEWORK: SUMMARY (SIX MONTH REFRESH)

Assurance Activity	Assurance Framework Assessment					
	At March 2009				At October 2009	
	AF No.	Full Assurance	Moderate Assurance	Further Work Required	Current Status	Commentary
CHIEF EXECUTIVE						
Community cohesion and engagement	17		X		Same	Working arrangements / protocols being embedded.
CHILDRENS SERVICES						
Schools Phase 2 and Building Schools for the Future	18		X		Same	Strategies for Change documents being established and expressions of interest in future works
Improvement in educational standards - Key Stage 1, 2	19		X		Same	Improved results August 2009.
Improvement in educational standards - Key Stage 3, 4	20		X		Same	Improved results August 2009.
Children staying safe / child protection	21			X	↑	National high profile cases have increase vigilance and reviews of service provision
Teenage conception rates	22		X		Same	Targets met within LPSA. Ongoing monitoring to look for further improvements.
Integrated services for children with disability	23		X		Same	Tracking arrangements in place
Children's Trust	24		X		Same	Formal arrangements established
Workforce development	25	X			Same	Development plans agreed and introduced
Integrated front line service delivery	27		X		Same	Zero based budget across department and business reengineering
Equality and diversity	28		X		Same	Monitoring in place and regularly reported
Children Services national indicators (Adult Learning)	29			X	↑	Targets monitored and progress made
CITY SERVICES						
Arms Length Management Organisation	31			X	↑	Expressions of interest being received. Option appraisals to be scrutinised.

ASSURANCE FRAMEWORK: SUMMARY (SIX MONTH REFRESH)

Assurance Activity	Assurance Framework Assessment					
	At March 2009				At October 2009	
	AF No.	Full Assurance	Moderate Assurance	Further Work Required	Current Status	Commentary
OPERATIONS						
Highways infrastructure conditions	32		X		Same	Ongoing revision of Local Transport Plans and reviews of roads
Environmental capital aspirations	33		X		Same	Carbon emission developments and home insulation studies in place
Climate change	34	X			↓	Good practice in place however need to engage with partners to ensure reductions
PCT						
Social demographic change	35		X		Same	
STRATEGIC RESOURCES						
Financial management strategy	36	X			↓	Potential Central Government imposed reduction in grants needs to be fully reflected in future MTFS
Procurement	37		X		Same	Business transformation programme ongoing and further efficiencies and economies of scale to be explored
Comprehensive Area Assessment	38		X		Same	2009 review complete - assessment score awaited. Action plan will need to be developed to address any issues
Estate utilisation	39			X	Same	Impact on capital programme to be re-evaluated should recession continue longer than forecast
Waste management and recycling	40		X		Same	Ambitious targets to be regularly monitored. Other service mechanisms to be explored
Democratic processes	41	X			Same	Ongoing development
Corporate manslaughter	42	X			Same	Regular refresh through CMT
Investments	43	X			Same	Policy reviewed in light of Icelandic Bank situation. Robust arrangements currently in place.
RISKS MITIGATED AT FEBRUARY 2009						
Growth (combined with AF.07)	04					DELETED
Children Services change programme (combined)	26					DELETED
Maintaining services (deleted)	30					DELETED

ASSURANCE FRAMEWORK: SUMMARY (SIX MONTH REFRESH)

Assurance Activity	Assurance Framework Assessment					
	At March 2009				At October 2009	
	AF No.	Full Assurance	Moderate Assurance	Further Work Required	Current Status	Commentary
OTHER ASSURANCES REQUIRED						
Vision and outcomes	44	X			Same	Refreshed through review of Sustainable Community Strategy and considered as part of Annual Governance Statement
Working protocols	45	X			Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Value promotion	46		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Transparent decisions	47		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Member capacity and capability	48		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Local engagement	49		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Statutory obligations	50		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Corporate objectives	51	X			Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Corporate Governance	52		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Performance management	53		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Risk to objectives	54		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Controls to manage risk	55		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Control effectiveness	56		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews
Governance effectiveness	57		X		Same	Assessed as part of Annual Governance Statement / Corporate Governance reviews

ASSURANCE FRAMEWORK: SUMMARY (SIX MONTH REFRESH)

Management of PFI	58		X		Same	Regular liaison between Strategic Finance and PricewaterhouseCoopers to ensure correct treatment in accounts
Safeguarding electronic data	59			X	↑	Improved arrangements following on from becoming Government Connect compliant

ASSURANCE FRAMEWORK: SUMMARY (SIX MONTH REFRESH)

Assurance Activity	Assurance Framework Assessment					
	At March 2009				At October 2009	
	AF No.	Full Assurance	Moderate Assurance	Further Work Required	Current Status	Commentary
OTHER ASSURANCES REQUIRED (CONTINUED)						
Data quality	60		X		Same	Regular data quality reviews to be commissioned to ensure compliance / improvement
Implementation of Audit recommendations	61		X		Same	Disclosure of any non-compliance at Audit Committee meetings. Potential to call to account.
New ways of working	62		X		Same	Ongoing roll out of Manor Drive initiative
Customer satisfaction	63	X			Same	Ongoing surveys and polls (internal and external customers)
Housing strategy	64		X		Same	Partnership working with Cross Keys Homes
Safe recruitment	65			X	↑	Refresh of policies in relation to CRB checks

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.01
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Staff capacity and skills
ASSURANCE REQUIRED	
STRATEGIC PRIORITY	E & E
NATURE OF ASSURANCE REQUIRED	<p>The council manages change in the light of revised structures enabling sustained service delivery at existing levels.</p> <p>The Council has a challenging corporate change programme and there are a number of potential risks to its successful completion e.g. lack of leadership capability, limited information on future skills requirements / develop / recruit talent, and limited project management skills.</p>
SOURCE(S)	Strategic Risk Register (SSR) 1.01
RESPONSIBLE OFFICER	(Interim) Head of Human Resources Head of Business Transformation
RESPONSIBLE PORTFOLIO HOLDER	Leader of the Council Strategic Planning, Growth and Human Resources Resources
ASSURANCE CURRENTLY AVAILABLE	
INTERNAL	<ul style="list-style-type: none"> • Senior Management review conducted by Chief Executive (September 2008). • Learning Academy programme to 3rd Tier management in order to develop own staff. Programme since developed and expanded / cascaded to 4th Tier managers. • Skills audits undertaken as part of Annual Performance and Development (APD) process for all officers. Regular reviews mechanisms in place to ensure coverage across all areas. • Staff sickness monitoring (trend analysis e.g. stress related) monthly to Corporate Management Team (CMT) and reports submitted to Scrutiny Committee. • Voluntary redundancy scheme (early 2009) evaluated by Directors to ensure that impact on services at forefront of all decisions
EXTERNAL	Investors in People accreditation (training development crucial element)
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED	
INTERNAL	<p>Ongoing reviews of staff levels to ensure meet needs of service / customer expectations. Annual Governance Statement 2008/2009 (Governance Issue 2009-08 Sickness Absence). Processes need to be regularly reviewed and stricter regime implemented.</p> <p>Development of Manor Drive initiative to link with / provide to other organisations. Development of multi-skilled workforce.</p> <ul style="list-style-type: none"> • Case studies to be developed to demonstrate the Council meets the Key Lines of Enquiry (KLOE) within the Comprehensive Area Assessment (CAA) for Managing Resources (3.3 People). "Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic

Priority areas per Sustainable Community Strategy

E = Creating the UK's environmental capital

H = Creating strong and supportive communities

L = Delivering substantial and truly sustainable growth

C = Creating opportunities - tackling inequalities

With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

	<i>priorities?</i>	
EXTERNAL ASSURANCE	CAA. (2009 review excluded Workforce Planning for unitary authorities. Included from 2010)	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy
 E = Creating the UK's environmental capital
 H = Creating strong and supportive communities
 L = Delivering substantial and truly sustainable growth
 C = Creating opportunities - tackling inequalities

With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.02	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Staff retention in key areas	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	<p>The organisation can recruit and retain appropriate / quality staff</p> <p>The Council is finding it difficult to recruit / retain staff in a number of key areas so staffing levels is consistently low. Key vacancies reach dangerous levels e.g. pay levels too low to recruit, widespread use of consultants, drop in productivity and performance</p>	
SOURCE(S)	SRR 1.02	
RESPONSIBLE OFFICER	Deputy Chief Executive (Interim) Head of Human Resources	
RESPONSIBLE PORTFOLIO HOLDER	Leader of the Council Strategic Planning, Growth and Human Resources Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<ul style="list-style-type: none"> Review of Recruitment and Selection Policy and links with Project through Business Transformation for Talent Management Leadership Academy introduced to develop internal staff Development of market force supplements in key / difficult work fields Job evaluation process and full adoption (March 2008). Ongoing appeals / verifications during 2008. Voluntary redundancy scheme (early 2009) evaluated by Directors to ensure that impact on services at forefront of all decisions 	
EXTERNAL	Investors in People accreditation	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<ul style="list-style-type: none"> Job Evaluation - Stage 2 appeals due to commence in September / October. Internal Audit Plan 2009/2010: Recruitment 	
EXTERNAL ASSURANCE	CAA. (2009 review excluded Workforce Planning for unitary authorities. Included from 2010)	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

E = Creating the UK's environmental capital

H = Creating strong and supportive communities

L = Delivering substantial and truly sustainable growth

C = Creating opportunities - tackling inequalities

With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.03	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Financial considerations with third party funded schemes	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	<p>Long term financial risk to the Council is minimised.</p> <p>Ongoing management of PFI projects, capital projects and grant funded schemes</p> <p>The Council has been successful in bidding for and winning grant money from external sources but has not always considered the long term revenue implications when the funding ceases.</p>	
SOURCE(S)	SRR 1.03	
RESPONSIBLE OFFICER	Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Leader of the Council Strategic Planning, Growth and Human Resources Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<ul style="list-style-type: none"> Exit strategies incorporated into all projects during planning stages Challenge mechanisms including whole life costs factored in Central grant claim register established Integrated Medium Term Financial Strategy (MTFS) in place PFI separate reporting / monitoring Capital funding reviews in light of credit crunch Grant claims unqualified (Internal Audit on behalf of PricewaterhouseCoopers) Partnership toolkit established which considers financial elements as well as risks, contracts, employment, legal issues etc. 	
EXTERNAL	<ul style="list-style-type: none"> Other Grant claims unqualified External Audit Closure of Accounts (Report to Management) Jan 2009 Joint working arrangements with external partners e.g. EEDA, GO-East 	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Central Funding Unit proposal within Strategic Resources to coordinate and evaluate all bids	
EXTERNAL ASSURANCE	Grant claims approved / unqualified	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

REFERENCE	AF.04
KEY CONTROL AREA WHERE ASSURANCE	Growth

Priority areas per Sustainable Community Strategy
E = Creating the UK's environmental capital
H = Creating strong and supportive communities
L = Delivering substantial and truly sustainable growth
C = Creating opportunities - tackling inequalities

With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REQUIRED
DELETED - COMBINED WITH AF.07

Priority areas per Sustainable Community Strategy

- E = Creating the UK's environmental capital
- H = Creating strong and supportive communities
- L = Delivering substantial and truly sustainable growth
- C = Creating opportunities - tackling inequalities

With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.05	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Local Area Agreements	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	<p>The authority is increasingly engaged in partnership working with both the public and private sector. There is an increased expectation in terms of establishing assurance on governance arrangements for the growing number of partnership and joint working activities</p> <p>Ensure that LAA targets are met and that arrangements for democratic accountability are sound. Furthermore, need to look to ensure reach all LAA outcome targets and delivering of Sustainable Community Strategy especially in light of the credit crunch.</p>	
SOURCE(S)	<p>SRR 1.05</p> <p>Annual Governance Statement 2007/2008 (Governance Issue 2008-02 Development of LAAs)</p>	
RESPONSIBLE OFFICER	<p>Chief Executive</p> <p>Lead Directors (with LAA targets)</p>	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<ul style="list-style-type: none"> • Local Area Agreement (Internal Audit review - Full Assurance) • Lead Officer has reverted to the Deputy Chief Executive following a review of the senior management structure. Agreements have been established with each provider - whether public, private or voluntary sector. Continue to roll out the partnership protocols developed and the associated toolkit • Themed areas established and regular reports to CMT • Coordination by Community Safety Partnerships (part of GPP) • Executive Decision (20 March 2009) approved annual refresh of the LAA • Commentary on LAA out turn (Cabinet 6 July 2009) 	
EXTERNAL	Greater Peterborough Partnership integrated approach with partners	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Annual refresh of LAA to ensure targets remain relevant</p> <p>Regular reporting of performance to appropriate Panels, Scrutiny and Cabinet</p> <p>Data collection accuracy between partner organisations</p>	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

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With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.06	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Partnership working with Primary Care Trust (PCT) and the impact of PCT changes on PCC service delivery	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	H E & E	
NATURE OF ASSURANCE REQUIRED	The Council has an integrated working relationship with the PCT Soundness of governance arrangements including signing of partnership agreements and the robustness of financial management arrangements	
SOURCE(S)	SRR 1.06	
RESPONSIBLE OFFICER	Director of Adult Social Care	
RESPONSIBLE PORTFOLIO HOLDER	Health & Adult Social Care	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<ul style="list-style-type: none"> Review of Section 75 agreements and Accountability Agreements in place Work undertaken by Cambridgeshire Health Internal Audit Service (CHIAS) and liaison with Auditors Health and Adult Social Care Scrutiny Panel reviews 	
EXTERNAL	External Audit reviews at both bodies	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: PCT Governance	
EXTERNAL ASSURANCE	<ul style="list-style-type: none"> Commission for Social Care Inspection Annual Review Comprehensive Area Assessments (for PCC and PCT) Assurance from CHIAS (or new provider as contract out to tender September 2009) 	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.07	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Delivery of Master Plan	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E L	
NATURE OF ASSURANCE REQUIRED	Effective joint planning arrangements Securing of the approvals / resources / strategies / cooperation required to meet the demands for the significant growth of Peterborough	
SOURCE(S)	SRR 1.07	
RESPONSIBLE OFFICER	Deputy Chief Executive	
RESPONSIBLE PORTFOLIO HOLDER	Strategic Planning, Growth and Human Resources Regional and Business Engagement Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<ul style="list-style-type: none"> • Medium Term Financial Strategy (MTFS) and linked to growth. • Creation of Opportunity Peterborough • GPP establishment • Peterborough Growth and Regeneration: Securing the Future (Cabinet Dec 2008) 	
EXTERNAL	<ul style="list-style-type: none"> • CPA Corporate Assessment (2006) • Partnership arrangements and business plans put in place with Opportunity Peterborough 	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<ul style="list-style-type: none"> • Planning Strategy development • Refresh of MTFS to further identify any impact of credit crunch • Internal Audit Plan 2009/2010: Regeneration • Internal Audit Plan 2009/2010: Sustainability 	
EXTERNAL ASSURANCE	Comprehensive Area Assessment Opportunity Peterborough deliverables	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.08	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Flu pandemic or other major illness	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	H E & E	
NATURE OF ASSURANCE REQUIRED	A flu pandemic or other major illness affects both the local community impacting service need and the Council workforce impacting service delivery. Council delivers its duties under the Civil Contingencies Act. Council provides adequate response to major incident.	
SOURCE(S)	SRR 1.08	
RESPONSIBLE OFFICER	Resilience Team Manager	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Corporate Flu Pandemic Guidance completed and issued to key staff Arrangements put in place for swine flu. <ul style="list-style-type: none"> • Key services identified and potential relocation of staff • All staff surveyed and ongoing monitoring of situation • Clear links put in place with PCT and separate distribution centre identified and used earlier in year 	
EXTERNAL	Use of Resources: Internal Control KLOE overall score = 3	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Business Continuity Internal Audit Plan 2009/2010: Health & Safety Future monitoring / reporting to Council and / or regional	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.09
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Business continuity and community resilience
ASSURANCE REQUIRED	
STRATEGIC PRIORITY	E & E
NATURE OF ASSURANCE REQUIRED	<p>Business continuity is a risk for every business. The Council needs to ensure those services which are required to produce and test business continuity as well as (emergency) resilience plans, do so.</p> <p>Council delivers its duties under the Civil Contingencies Act.</p> <p>Council provides adequate response to major incident.</p> <p>Council has sufficient plans and measures to avoid service disruption.</p>
SOURCE(S)	<p>SRR 1.09</p> <p>Annual Governance Statement 2007/2008 (Governance Issue 2008-03 Business Continuity)</p>
RESPONSIBLE OFFICER	Executive Director of Operations
RESPONSIBLE PORTFOLIO HOLDER	ALL
ASSURANCE CURRENTLY AVAILABLE	
INTERNAL	<p>Regular testing of arrangements and off site facilities available, including continuity software. During 2007, an actual incident took place - the flooding of a council building - resulting in a plan being put into action. Following completion, lessons have been learnt and changes made to ensure smoother delivery / mitigate and future disasters.</p> <p>Business Continuity Plans in place for major systems. Ongoing business continuity and disaster recovery exercises undertaken (last December 2008), primarily in relation to cessation of ICT systems / buildings. Other scenarios planned on an ongoing basis.</p> <p>Workshops provided to all departments / corporate buy in / key officers identified.</p> <p>Directors / Heads of Service annual self assessment statements</p> <p>Business Continuity and Risk Management combined into one overarching strategy / policy</p>
EXTERNAL	Use of Resources: Internal Control KLOE overall score = 3
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED	
INTERNAL	<p>Departmental business continuity plans to be amalgamated into over arching corporate continuity plans</p> <p>Internal Audit Plan 2009/2010: Business Continuity Planning</p>

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.10	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Investing to save bids	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E H L C E & E	
NATURE OF ASSURANCE REQUIRED	Tighter budget setting arrangements as a result of Comprehensive Spending Reviews require greater scrutiny of the budgets and the services provided. Effective appraisals of projects prior to issuing of funds Impact of changes in demand are accounted for Benefits realisation processes in place which demonstrates long term savings	
SOURCE(S)	SRR 1.10	
RESPONSIBLE OFFICER	All Directors	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Integrated processes between service and financial planning Medium Term Financial Strategy Project appraisals in place Ongoing programme of zero based budgeting (Children Services, Operations)	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Gateway reviews of bids Impact of potential reduction in funds based on possible change in Central Government spending plans	
EXTERNAL ASSURANCE	Evaluation of benefits realisation	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.11
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Governance arrangements for partnerships
ASSURANCE REQUIRED	
STRATEGIC PRIORITY	E H L C E & E
NATURE OF ASSURANCE REQUIRED	Due to information shortfall in relation to all our partnerships it means we cannot accurately assess the full extent of any potential financial, reputation or legislative impacts on the Council. Overall, PCC needs to ensure that partnership arrangements are robust, governance arrangements are sound
SOURCE(S)	SRR 1.11
RESPONSIBLE OFFICER	All Directors Solicitor to the Council
RESPONSIBLE PORTFOLIO HOLDER	ALL
ASSURANCE CURRENTLY AVAILABLE	
INTERNAL	Development of partnership toolkit Risk assessment of key partnerships and governance arrangements established Partnership workshops run for CMT LAA targets established and ratified by Go-East Partnership arrangements with GO-East, EEDA, Opportunity Peterborough, English Partnerships, Greater Dogsthorpe Partnership, Cross Keys Creation of Strategic Governance Board chaired by Solicitor to the Council
EXTERNAL	-
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED	
INTERNAL	Internal Audit Plan 2009/2010: Ongoing partnership governance reviews for a sample of key partnerships against the toolkit Annual Governance Statement 2008/2009 (Governance Issue 2009-05 Effective Governance). Follow up arrangements to be monitored and reported though Audit Committee.
EXTERNAL ASSURANCE	Comprehensive Area Assessment
LEVEL OF ASSURANCE	

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D
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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.12
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Credit crunch
ASSURANCE REQUIRED	
STRATEGIC PRIORITY	E & E
NATURE OF ASSURANCE REQUIRED	The credit crunch impacts on many areas of the Council's income, including land charges, car parking, commercial rents and interest receipts from investments. Financial position of council is secured, despite reductions in income. Bank leading rates do not have a material effect on any surplus funds / investment strategies.
SOURCE(S)	SRR 1.12
RESPONSIBLE OFFICER	Executive Director of Resources
RESPONSIBLE PORTFOLIO HOLDER	Resources
ASSURANCE CURRENTLY AVAILABLE	
INTERNAL	<p>Medium Term Financial Strategy (MTFS)</p> <p>Budgetary control reporting processes flag up / highlight early warning problem areas</p> <p>Separately identified as part of Annual Governance Statement 2008/2009 covering 3 aspects - 2009-01 Lower Income; 2009-02 Increase in Service Requirements; and 2009-03 Impact on Capital Disposal.</p>
EXTERNAL	-
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED	
INTERNAL	<p>Lower Income: Budgets have been scrutinised to identify savings without cutting services. Ongoing monitoring of costs and income levels are required to ensure that budgetary pressures are identified on a timely basis throughout the year.</p> <p>Increased Service Requirements: Due to impacts on social well-being, there is a real possibility that there will be an increase in the need for council services. Careful monitoring is required of any increased need for advice, counselling, mental health-type preventative services.</p> <p>Capital Disposals: There is extensive public interest and resources in the capital programme are limited. The Council must ensure that resources and risks are managed and prioritised effectively and that the budget is not overspent.</p> <p>Internal Audit Plan 2009/2010: Treasury Management</p> <p>Cabinet (October 2009)</p>
EXTERNAL ASSURANCE	<p>External Audit: Report to Management 2008/2009</p> <p>Comprehensive Area Assessment</p>

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.13	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Special Purpose Vehicles / Shared Services	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C E & E	
NATURE OF ASSURANCE REQUIRED	There are a number of innovative solutions being considered within the Council for the delivery of services. It is essential that the full implications of these are considered. Successful transition into shared service function, with a realisation of savings. Initiative is in line with Council's interests.	
SOURCE(S)	SRR 1.13	
RESPONSIBLE OFFICER	Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Governance arrangements established Various projects set up to manage approach Director briefings (since Dec 2008) re: Manor Drive developments. Ongoing visits from other authorities / organisations expressing an interest Business Transformation projects Revenue and Benefits Service development for agile working ICT Managed Service contract in place from October 2009. Separately identified as part of Annual Governance Statement 2008/2009 covering 2 aspects - 2009-11 Shared Services; and 2009-12 Service Performance	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Ongoing discussions with other Councils Development of Manor Drive proposals / solution(s) Internal Audit Plan 2009/2010: ICT Managed Service Governance Internal Audit Plan 2009/2010: Revenues & Benefits Data Security	
EXTERNAL ASSURANCE	External Audit review of PSP contract	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.14	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Diversity	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C	
NATURE OF ASSURANCE REQUIRED	The Council ensures that policy decisions, service delivery and employment opportunities take sufficient regard of equality and diversity issues	
SOURCE(S)	SRR 2.01	
RESPONSIBLE OFFICER	Director of Adult Social Services and Performance	
RESPONSIBLE PORTFOLIO HOLDER	Health & Adult Social Care	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Diversity Strategy developed with clear action plans to deliver. Equality and Diversity Policy Training provision to managers New Link Resource Centre	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Equality impact programme initiated and assessments undertaken DMT developing action and implementation plans Annual Equalities monitoring report Equality and Diversity Group of senior managers	
EXTERNAL ASSURANCE	External accreditation / inspection against equality standards	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.15	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Disabled needs met	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E H L C E & E	
NATURE OF ASSURANCE REQUIRED	Appropriate arrangements in place to cater for disabled needs	
SOURCE(S)	SRR 2.02	
RESPONSIBLE OFFICER	Deputy Chief Executive Head of Strategic Property (Interim) Head of Human Resources	
RESPONSIBLE PORTFOLIO HOLDER	Health & Adult Social Care	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Disability audit of council buildings DDA programme of works Review of established policies	
EXTERNAL	CPA Corporate Assessment 2006	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Asset management strategy development and regular refresh	
EXTERNAL ASSURANCE	Comprehensive Area Assessment (Managing Resources - Assets)	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.16	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Equal pay harmonisation	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	<p>There has been a large increase in equal pay claims nationwide. We now have an equal pay scheme in place (March 2008), however there are a number of appeals.</p> <p>Robust job evaluation processes have been followed which will prevent any potential equal pay claims</p>	
SOURCE(S)	SRR 2.03	
RESPONSIBLE OFFICER	Deputy Chief Executive	
RESPONSIBLE PORTFOLIO HOLDER	Leader of the Council Strategic Planning, Growth and Human Resources Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Job evaluation process regularly reported to Cabinet</p> <p>MTFS</p> <p>Robust appeals process</p> <p>Separately identified as part of Annual Governance Statement 2008/2009 - 2009-06 Single Status Agreement. A year on, the council is assured through an independent audit that its pay structure is now free of gender-based inequalities and therefore that the SSA has done its job. Nonetheless, there remain a number of specific appeals to consider, and litigation connected to "backward-looking" cases is progressing through the employment tribunals. The litigation itself and the awards that might be made should some cases succeed represent financial risk for the Council which is actively managed by a project board chaired by the Deputy Chief Executive with Human Resources, Financial and Legal attendance. The initial team of interims officers running the Job Evaluation process and SSA project has been replaced by a small in-house team funded from within the significantly reduced Human Resources budget that has been achieved.</p>	
EXTERNAL	Agreements with Unions (locally and nationally) before implementation	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Stage 2 appeals planned for September / October 2009	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.17	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Community cohesion and engagement	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	H	
NATURE OF ASSURANCE REQUIRED	Social mix of city is changing and Council need to meet their needs. The Council needs to ensure appropriate community engagement which leads to increased inclusion throughout the community resulting in reduced social tension and potential disorder, culminating in an increase in public satisfaction.	
SOURCE(S)	SRR 3.01	
RESPONSIBLE OFFICER	Deputy Chief Executive	
RESPONSIBLE PORTFOLIO HOLDER	Neighbourhood, Housing and Community Development	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Community Engagement reviews by Scrutiny Committee</p> <p>Peterborough Community Safety Partnership</p> <p>Asylum and Migration Service delivered through New Link Resource Centre</p> <p>CCTV high profile / visibility in key areas</p> <p>Partnership arrangements between Police, LA and other key partners</p> <p>LAA themed areas</p> <p>Coordination by Community Safety Partnerships (part of GPP)</p> <p>Neighbourhood Investment Plan (linked to voluntary community sector capacity)</p>	
EXTERNAL	CPA Corporate Assessment 2006	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Sustainability	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.18	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Schools Phase 2 and Building Schools for the Future	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C	
NATURE OF ASSURANCE REQUIRED	The BSF programme delivers affordable, improved educational services and achievements. Through investment, BSF aims to drive reform such as Academies, provision for special needs and extended schools.	
SOURCE(S)	SRR 4.01	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Education, Skills and University	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Project Board established with involvement of key stakeholders. Project focus on 2 of the remaining 3 schools in the south of the city (Orton Longueville and Stanground College) Phase 2 Secondary Schools Review (Cabinet reports) MTFS	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Capital Gateway Review Strategies for Change to be developed Evaluation of bids submitted	
EXTERNAL ASSURANCE	Effective management of PFI monies required. Issue identified within Statement of Accounts 2008 / 2009	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.19	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Improvement in educational standards - Key Stages 1, 2	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C	
NATURE OF ASSURANCE REQUIRED	Exam results and standards show increases across the Council.	
SOURCE(S)	SRR 4.02	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Education, Skills and University	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Action plans in place which are linked to national indicators from Joint Area Review Learning Strategy in place incorporating impact assessments for additional children on existing services Monitoring of KPI's LPSA 3 (Key Stage 2), LPSA 4 (Key Stage 3), LPSA 5 (Key Stage 4)	
EXTERNAL	LPSA assessment	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	-	
EXTERNAL ASSURANCE	LPSA Assessment OFSTED (authority and individual schools) Joint Area Review Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.20	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Improvement in educational standards - Key Stages 3, 4	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C	
NATURE OF ASSURANCE REQUIRED	Exam results and standards show increases across the Council.	
SOURCE(S)	SRR 4.03	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Education, Skills and University	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Action plans in place which are linked to national indicators from Joint Area Review Learning Strategy in place incorporating impact assessments for additional children on existing services Monitoring of KPI's LPSA 3 (Key Stage 2), LPSA 4 (Key Stage 3), LPSA 5 (Key Stage 4)	
EXTERNAL	LPSA assessment	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	-	
EXTERNAL ASSURANCE	LPSA Assessment OFSTED (authority and individual schools) Joint Area Review Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.21	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Children staying safe / child protection	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C	
NATURE OF ASSURANCE REQUIRED	Ability to maintain and continue recent improvements in service / performance / financial management Robust systems in place to safeguard children and prevent harm	
SOURCE(S)	SRR 4.04	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Children Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Performance indicator information highlighting continued downward trend in numbers of children in care and improvements in timeliness of assessments School CRB checks Placement Strategy developed / Reoffending protocol in place Youth Offending Service Implementation of Child Matters Development of Children's' Trust to coordinate organisations responsibilities	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Workstreams reviewing processes in light of Haringey and other reviews Safeguarding development group established Internal Audit Plan 2009/2010: Recruitment / CRB	
EXTERNAL ASSURANCE	Assurance requirements from external partner organisations e.g. EPM for schools HR support	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.22	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Teenage conception rates	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	H C	
NATURE OF ASSURANCE REQUIRED	Demonstration that teenage birth rates are reducing following targeted funding	
SOURCE(S)	SRR 4.05	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Children Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Focussed work linked with LAA Children and Lifelong Learning Scrutiny Panel reports Internal Audit review of LAA Grant Claim / performance indicators and targets	
EXTERNAL	National Strategies Team Action Plan LPSA targets	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	-	
EXTERNAL ASSURANCE	LPSA funding	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.23	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Integrated services for children with disability	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	H C	
NATURE OF ASSURANCE REQUIRED	Improved outcomes for children with disabilities and learning difficulties	
SOURCE(S)	SRR 4.06	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Children Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Implementation of "Assessing Change: A position statement, and demand trends and needs analysis" SEN Strategy Learning difficulties and disabilities strategy / protocols established Database in place tracks progress in vulnerable groups and those at risk	
EXTERNAL	GO-EAST support	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Ongoing review of service strategy	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.24	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Children's Trust	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C E & E	
NATURE OF ASSURANCE REQUIRED	Effective joint commissioning Local partnerships for children brought together	
SOURCE(S)	SRR 4.07	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Children Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Adoption of joint commissioning model by Children's Trust and full implementation of joint commissioning team. Established April 2008. Clear vision in place Formal agreement with NHS Peterborough on joint commissioning and delivery of aligned / pooled budgets in key areas	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Refresh of Childrens Trust	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.25
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Workforce development
ASSURANCE REQUIRED	
STRATEGIC PRIORITY	C E & E
NATURE OF ASSURANCE REQUIRED	Effective workforce development in place across the Children's Trust All local authorities to introduce a Childrens Workforce plan by 2010
SOURCE(S)	SRR 4.08
RESPONSIBLE OFFICER	Director of Children Services
RESPONSIBLE PORTFOLIO HOLDER	Children Services
ASSURANCE CURRENTLY AVAILABLE	
INTERNAL	Integration of work plans Business process reengineering within Childrens Services Training Strategy Career development scheme for qualified social workers
EXTERNAL	-
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED	
INTERNAL	-
EXTERNAL ASSURANCE	-
LEVEL OF ASSURANCE	
FULL ASSURANCE	MODERATE
	FURTHER WORK REQ'D

REFERENCE	AF.26
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Children's Service Change programme
LEVEL OF ASSURANCE:	Not applicable DELETED

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.27	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Integrated front line service delivery	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C E & E	
NATURE OF ASSURANCE REQUIRED	Demonstration of improved efficiencies in the deliver of front line school services	
SOURCE(S)	SRR 4.10	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Children Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Delivering through Localities programme Neighbourhood investment plans Business transformation programme MTFS Business process re-engineering	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	-	
EXTERNAL ASSURANCE	Inspection (Service Management)	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.28	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Equality and diversity	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C E & E	
NATURE OF ASSURANCE REQUIRED	Effective management of children in care	
SOURCE(S)	SRR 4.11	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Children Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Caseload management and reduction in external suppliers Integrated young peoples service Joint Commissioning Strategy Implementation of placement strategy Committee reports on progress	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	-	
EXTERNAL ASSURANCE	Joint Area Review	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.29	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Childrens Services National Indicators (Adult Learning)	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	C	
NATURE OF ASSURANCE REQUIRED	Effective action plans in place to deliver / monitor improved performance in relation to adult learning and skills targets	
SOURCE(S)	SRR 4.12	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Children Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Local Area Agreement (see AF.05) 3 year action plan developed Adult Learning and Skills Strategy	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Annual data surveys of a selection of adults	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

REFERENCE	AF.30	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Maintaining services within City Services	
LEVEL OF ASSURANCE: Not applicable DELETED		

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.31	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Arms Length Management Organisation	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	Delivery of an improved business model for PCC and exploration of opportunities to win work from other organisations.	
SOURCE(S)	SRR 5.02	
RESPONSIBLE OFFICER	Commercial Services Director	
RESPONSIBLE PORTFOLIO HOLDER	Cabinet Advisor for City Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Project Board / Project Plan established	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: ALMO Review of potential mechanisms, 2011 deadline proposed	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.32	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Highways infrastructure conditions	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E	
NATURE OF ASSURANCE REQUIRED	The Council invests in transport infrastructure and services accommodating growth and managing existing levels of congestion	
SOURCE(S)	SRR 6.01	
RESPONSIBLE OFFICER	Head of Environment, Transport and Engineering	
RESPONSIBLE PORTFOLIO HOLDER	Environment Capital and Culture	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Peterborough Local Transport Plan (2nd version 2008) Partnership / contracting arrangements with WS Atkins Links with Opportunity Peterborough Travel Choice initiative / promotion of walking / cycling	
EXTERNAL	CPA Corporate Assessment 2006	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Highways	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.33	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Environmental capital aspirations	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E	
NATURE OF ASSURANCE REQUIRED	Overall enhancement of the cleanliness of the city	
SOURCE(S)	SRR 6.02	
RESPONSIBLE OFFICER	Executive Director of Operations	
RESPONSIBLE PORTFOLIO HOLDER	Environment Capital and Culture	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Enforcement Strategy on fly tipping Policy on abandoned vehicles / supermarket trolleys etc Carbon footprint benchmarking Heat loss and home insulation surveys	
EXTERNAL	CPA Corporate Assessment 2006	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Environmental Management Audit	
EXTERNAL ASSURANCE	Comprehensive Area Assessment (Managing Resources results)	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.34	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Climate change	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E	
NATURE OF ASSURANCE REQUIRED	Council is able to ensure the well being of the community in the event of severe climate change Council is prepared and has adapted for the impact of climate change	
SOURCE(S)	SRR 6.03	
RESPONSIBLE OFFICER	Executive Director of Operations	
RESPONSIBLE PORTFOLIO HOLDER	Environment Capital and Culture	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Climate Change Strategy adopted Carbon neutral development sites identified Cabinet reports Carbon footprint benchmarking Heat loss and home insulation surveys	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Review required of strategy (March 2009) Internal Audit Plan 2009/2010: Environmental Management Audit	
EXTERNAL ASSURANCE	Comprehensive Area Assessment. Climate change incorporated within sustainability impact assessments used within the Use of Resources Assessments from April 2009 onwards.	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.35	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Social demographic change	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	H	
NATURE OF ASSURANCE REQUIRED	Council is able to meet the demands / deliver services to an ever increasing elderly population	
SOURCE(S)	SRR 7.01	
RESPONSIBLE OFFICER	Chief Executive Chief Executive (GPPCP)	
RESPONSIBLE PORTFOLIO HOLDER	Health & Adult Social Care	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Services delivered by PCT - funding arrangements transferred Regular review of accountability agreement and funding constraints MTFS	
EXTERNAL	External Audit undertakes reviews at both bodies	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Review of pooled budgets by CHIAS Analysis of credit crunch impact on service demands	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.36	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Financial management and strategy	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	Robust financial management arrangements bring in a balanced budget. Council's ability to sustain plans for future growth and development of service objectives and initiatives	
SOURCE(S)	SRR 8.01	
RESPONSIBLE OFFICER	Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Director / Heads of Service self assessment statements Budgetary control reviews form standard area of review for annual main financial systems Corporate budgetary control systems in place and fully embedded across organisation Medium Term Financial Strategy which reflects priorities Internal Audit Annual Opinion (Audit Committee Sept 2009) External Audit: Review of accounts closure (Sept 2009)	
EXTERNAL	Use of Resources scores overall =3 (Jan 2009) <ul style="list-style-type: none"> • External Audit: Report to Management 2007/2008 • 	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Various ongoing reviews based on managed audit approach (e.g. Budgetary Control, Main Systems etc.) Business transformation programme Credit crunch analysis Impact of any changes Central Government funding levels	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.37	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Procurement	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	Ensure business transformation projects and procurement follow best practice to achieve anticipated efficiencies and savings and improve value for money across the Council	
SOURCE(S)	SRR 8.02	
RESPONSIBLE OFFICER	Head of Business Transformation	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Business Transformation Team established (October 2006)</p> <p>Review of procurement practices (Contract Standing Orders July 2007)</p> <p>Introduction of e-procurement arrangements and further development of purchasing cards (April 2008)</p> <p>Professional Services Partnership set up to ensure continuity and potential economies of scale</p> <p>Cash savings removed from budgets and held centrally for appropriate distribution and / or reduction to bottom line</p> <p>Business Efficiency Panel reports (from April 2008 - May 2009)</p> <p>VfM Strategy March 2008</p> <p>Links to invest to save bids</p>	
EXTERNAL	<p>External Audit: Review of business transformation processes and a number of post project implementations</p> <p>External Audit: Report to Management 2007/2008</p> <p>External Audit overview of PSP contract</p>	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Procurement	
EXTERNAL ASSURANCE	External Audit: Follow up of Business Transformation 2009/2010	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.38	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	CPA and CAA transitions	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	Effective response to inspection outcomes and delivery of appropriate improvement plans within required timescales	
SOURCE(S)	SRR 8.03	
RESPONSIBLE OFFICER	Deputy Chief Executive Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Previous inspection reports and regular reviews Regular Briefings to members / timetable of achievements Strategic Improvement Team monitor actions and regular reports provided to CMT / Cabinet	
EXTERNAL	Joint Area Assessment Commission for Social Care Inspection OFSTED CPA Corporate Assessment 2006 Direction of Travel assessment	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Collation of use of resources pack for new arrangements for Comprehensive Area Assessment. Ongoing compilation until June 2009. Initial scores established September 2009. Action plans to be established to take forward	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.39	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Estate utilisation to ensure asset disposal programme effective	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	The financing of the capital programme assumes a certain degree of capital receipts. Improvements, savings and asset sales targets are achieved	
SOURCE(S)	SRR 8.04	
RESPONSIBLE OFFICER	Head of Strategic Property	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Committee reports to Cabinet covering Asset Management Strategy, Accommodation Strategy, and Asset Disposals. Linked to Medium Term Financial Strategy	
EXTERNAL	Use of Resources assessment, Management of Asset Base (KLOE extract)	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Property Asset Management Credit crunch impact on property disposals (depressed property market values)	
EXTERNAL ASSURANCE	Comprehensive Area Assessment (Managing Resources)	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.40	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Waste management and recycling	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E	
NATURE OF ASSURANCE REQUIRED	Council seeks a mutually acceptable contract / solution allowing it to deliver waste management and sustainable recycling targets within budget projections	
SOURCE(S)	SRR 8.05	
RESPONSIBLE OFFICER	Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Implementation of Waste Strategy including treatment facilities (reports to Cabinet on proposals)</p> <p>Joint Municipal Waste Management Strategy for Cambridgeshire and Peterborough 2008 - 2022</p> <p>65% Plus initiative</p> <p>Alternative options available and business case developed (sustainability requirements factored in). Gateway review of processes</p>	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Continued reduction in landfill targets met</p> <p>Internal Audit Plan 2009/2010: Environmental Management Audit</p> <p>Internal Audit Plan 2009/2010: Performance Indicators (Recycling)</p>	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.41
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Democratic processes
ASSURANCE REQUIRED	
STRATEGIC PRIORITY	E & E
NATURE OF ASSURANCE REQUIRED	Effective scrutiny processes in place for decision making processes
SOURCE(S)	SRR 8.06
RESPONSIBLE OFFICER	Executive Director of Resources
RESPONSIBLE PORTFOLIO HOLDER	Resources
ASSURANCE CURRENTLY AVAILABLE	
INTERNAL	Approved Constitution, regularly reviewed Member briefings Scrutiny Panels established Committee membership based upon political balance of council
EXTERNAL	External Audit review of Scrutiny Arrangements
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED	
INTERNAL	Ongoing reviews of Constitution Annual Governance Statement 2008/09 (2009-05 Effective Governance) identified areas for improvement. Proposal to establish officer driven Governance Board to coordinate / enhance efforts in these areas.
EXTERNAL ASSURANCE	-
LEVEL OF ASSURANCE	
FULL ASSURANCE	MODERATE
	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.42	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Corporate manslaughter	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	Clear arrangements in place to coordinate health and safety	
SOURCE(S)	SRR 8.07	
RESPONSIBLE OFFICER	All Directors Executive Director of Operations Solicitor to the Council	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Regular updates to CMT Realignment with business continuity	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Health & Safety	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.43	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Investments	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	E & E	
NATURE OF ASSURANCE REQUIRED	Clear Investment Strategy in place to mitigate risks	
SOURCE(S)	SRR 8.08	
RESPONSIBLE OFFICER	Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Investment Strategy as part of Treasury Management report within n MTFS Regular reports to Cabinet Icelandic Banks report to Scrutiny Committee	
EXTERNAL	External Audit: Report to Management 2007/2008 Statement of Accounts 2008/2009	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Annual Governance Statement 2008/09 (2009-04 Collapse of Icelandic Banks and loss of investment). Ongoing works to follow up Internal Audit Plan 2009/2010: Treasury	
EXTERNAL ASSURANCE	External Audit: Report to Management 2008/2009 Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.44	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Clear purpose, focus on outcomes for the Community, creating and implementing a vision for the local area.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	Strategic leadership Clear communication of the authority's purpose and vision and outcomes for citizens Users receive a high quality of service whether directly, or in partnership or by commissioning.	
SOURCE(S)	CIPFA / SOLACE six core principles Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Partnership Toolkit Review of Annual Governance Statement (Apr-Jun 2009) Directors self assessment questionnaires (March - April 2009) Local Area Agreement (Internal Audit review - Full Assurance) Corporate Governance (Internal Audit review - Significant Assurance)	
EXTERNAL	External Audit: Annual Audit Letter (March 2009)	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Further self assessments to be coordinated	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

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With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.45
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Councillors and officers working together to achieve a common purpose, with clearly defined function and roles.
ASSURANCE REQUIRED	
STRATEGIC PRIORITY	-
NATURE OF ASSURANCE REQUIRED	Effective leadership throughout the council Clarity about executive and non-executive functions and of the roles and responsibilities of the scrutiny function. Constructive working relationship exists between Councillors and officers Responsibilities of Councillors and Officers are carried out to a high standard.
SOURCE(S)	CIPFA / SOLACE six core principles Annual Governance Statement
RESPONSIBLE OFFICER	ALL DIRECTORS
RESPONSIBLE PORTFOLIO HOLDER	ALL
ASSURANCE CURRENTLY AVAILABLE	
INTERNAL	Directors / Heads of Service Assurance Statements Corporate Governance (Internal Audit review - Significant Assurance) Review of Annual Governance Statement (June 2009) Member / Officer Relations protocol Ethics awareness through Standards Committee Development Strategy for members
EXTERNAL	Internal Control KLOE Use of Resources Assessment - Level 3 External Audit: Annual Audit Letter (March 2009)
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED	
INTERNAL	Annual Governance Statement review (March-May 2010) Directors / Heads of Service self assessment questionnaires (March - April 2010)
EXTERNAL ASSURANCE	Comprehensive Area Assessment
LEVEL OF ASSURANCE	
FULL ASSURANCE	MODERATE
	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.46	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	Councillors and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance. Organisational values are put into practice and are effective.	
SOURCE(S)	CIPFA / SOLACE six core principles Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Directors / Heads of Service Assurance Statements Corporate Governance (Internal Audit review - Significant Assurance) Review of Annual Governance Statement (June 2009) Confidential reporting (whistleblowing policy)	
EXTERNAL	Internal Control KLOE Use of Resources Assessment - Level 3 External Audit: Annual Audit Letter (March 2009)	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Annual Governance Statement review (March-May 2010) Directors / Heads of Service self assessment questionnaires (March - April 2010)	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.47	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Tackling informed and transparent decisions which are subject to effective scrutiny and managing risk.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Rigorous and transparent decision making</p> <p>Listening and acting on the outcomes of effective scrutiny.</p> <p>Good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.</p> <p>Effective risk management system is in place.</p> <p>Legal powers used to the full benefit of the citizens and communities in their area.</p>	
SOURCE(S)	<p>CIPFA / SOLACE six core principles</p> <p>Annual Governance Statement</p>	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Directors / Heads of Service Assurance Statements</p> <p>Corporate Governance (Internal Audit review - Significant Assurance)</p> <p>Review of Annual Governance Statement June 2009</p> <p>Risk Management (Internal Audit review - Significant Assurance)</p>	
EXTERNAL	<p>Internal Control KLOE Use of Resources Assessment - Level 3</p> <p>External Audit: Annual Audit Letter (March 2009)</p>	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Annual Governance Statement review (March-May 2010)</p> <p>Directors / Heads of Service self assessment questionnaires (March - April 2010)</p>	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.48	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Developing the capacity and capability of members and officers to be effective.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Making sure that Councillors and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</p> <p>Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group.</p> <p>Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.</p>	
SOURCE(S)	<p>CIPFA / SOLACE six core principles</p> <p>Annual Governance Statement</p>	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Directors Assurance Statements</p> <p>Scrutiny Committee</p> <p>Corporate Governance (Internal Audit review - Significant Assurance)</p> <p>Review of annual governance statement June 2009</p> <p>Member training development</p>	
EXTERNAL	<p>Internal Control KLOE Use of Resources Assessment - Level 3</p> <p>External Audit: Annual Audit Letter (March 2009)</p>	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Annual Governance Statement review (March-May 2010)</p> <p>Directors / Heads of Service self assessment questionnaires (March - April 2010)</p>	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

REFERENCE	AF.49	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Engaging with local people and other stakeholders to ensure robust public accountability.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p> <p>Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning.</p> <p>Making best use of human resources by taking an active and planned approach to meet responsibility of staff.</p>	
SOURCE(S)	<p>CIPFA / SOLACE six core principles</p> <p>Annual Governance Statement</p>	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Directors Assurance Statements</p> <p>Corporate Governance (Internal Audit review - Significant Assurance)</p> <p>Review of annual governance statement June 2009</p> <p>Community Development Scrutiny Panel reports (e.g. Housing Strategy, Culture Services, Community Strategy)</p> <p>Strategies established for Arts, Sports, Heritage, Green Spaces, Childrens Play</p>	
EXTERNAL	<p>Internal Control KLOE Use of Resources Assessment - Level 3</p> <p>External Audit: Annual Audit Letter (March 2009)</p>	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Annual Governance Statement review (March-May 2010)</p> <p>Directors / Heads of Service self assessment questionnaires (March - April 2010)</p> <p>Internal Audit Plan 2009/10: Community Safety</p>	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH RE-FRESH: OCTOBER 2009)

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.50	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	A mechanism has been established for identifying statutory obligations.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Responsibilities for statutory obligations are formally established</p> <p>Record held of statutory obligations</p> <p>Effective procedures to identify, evaluate, communicate, implement, comply with, and monitor legislative change, exist and are used</p> <p>Effective action is taken where areas of non-compliance are found in either mechanism or legislation</p>	
SOURCE(S)	Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Directors Assurance Statements</p> <p>Review for annual governance statement.</p> <p>Details of relevant legislation</p> <p>Job descriptions / delegations of key officers</p> <p>Confirm suitably qualified / experienced staff appointed to all key posts (any vacant key posts to be highlighted)</p> <p>Confirm relevant training provided to key officers and provide details</p> <p>Reports to CMT / Members on implications / procedural changes required to address new legislation</p> <p>Actions taken to amend systems / processes</p>	
EXTERNAL	<p>Internal Control KLOE Use of Resources Assessment - Level 3</p> <p>External Audit: Annual Audit Letter (March 2009)</p>	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Annual Governance Statement review (March-May 2010)	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.51	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	A mechanism is in place to establish corporate objectives.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Consultation with stakeholders on priorities and objectives</p> <p>The authority's priorities and organisational objectives have been agreed (taking into account feedback from consultation)</p> <p>Priorities and objectives are aligned to principal statutory obligations and relate to available funding</p> <p>Objectives are reflected in departmental plans and are clearly matched with associated budgets</p> <p>The authority's objectives are clearly communicated to staff and to all stakeholders.</p>	
SOURCE(S)	Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Directors Self Assessment Review</p> <p>Review for Annual Governance Statement</p>	
EXTERNAL	CPA Corporate Assessment 2006	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Annual Governance Statement review (March-May 2010)	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.52	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Effective corporate governance arrangements are embedded.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	Code of corporate governance established Review and monitoring arrangements in place Committee charged with governance responsibilities Governance training provided to key officers and all members Staff, public and other stakeholder awareness of corporate governance	
SOURCE(S)	Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Directors Self Assessment Review Review for Annual Governance Statement June 2009 Code of Conduct in place Register of Interests maintained, and declarations regularly reviewed Gifts and hospitality records maintained and regularly reviewed Scheme of delegation in place covering both financial and human resource responsibilities Written record maintained of all decisions taken under delegations Constitutional requirements for report writing / decision making	
EXTERNAL	Audit Commission Corporate Governance Review. Internal Control KLOE Use of Resources Assessment - Level 3	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Annual Governance Statement review (March-May 2010) Strategic Governance Board proposals	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.53	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Effective performance management arrangements are in place.	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Comprehensive and effective performance management systems operate routinely</p> <p>Key performance indicators are established and monitored</p> <p>The authority knows how well it is performing against its planned outcomes</p> <p>Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes</p> <p>The authority continuously improves its performance management</p>	
SOURCE(S)	Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Directors Self Assessment Review and covered in Review for Annual Governance Statement.</p> <p>Key Performance Indicators / National Indicators have been established and progress is regularly reported to DMT, CMT and the relevant portfolio holder</p> <p>Robust mechanisms and clear responsibilities for monitoring each PI has been established to provide accurate and timely performance information</p>	
EXTERNAL	CPA Corporate Assessment 2006	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Internal Audit Plan 2009/2010: Performance Management PI's</p> <p>Annual Governance Statement review - June 2010.</p>	
EXTERNAL ASSURANCE	<p>Comprehensive Area Assessment</p> <p>Data quality</p>	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.54	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Identify principal risks to achievement of objectives	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>The authority has successfully implemented clear policies, structures and processes for risk management.</p> <p>The authority has developed a programme of risk management training for relevant staff</p> <p>The corporate risk management board (or equivalent) adds value to the risk management process</p> <p>A corporate risk officer has been appointed with the necessary skills to analyse issues and offer options and advice</p> <p>Risk management is embedded throughout the authority</p> <p>Risks in partnership working are fully considered</p>	
SOURCE(S)	Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Included in Directors Self Assessment Statements, and also review for Annual Governance Statement.</p> <p>Risk Management (Internal Audit review - Significant Assurance)</p>	
EXTERNAL	Internal Control KLOE Use of Resources Assessment - Level 3.	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Internal Audit Plan 2009/2010: Risk Management</p> <p>Annual Governance Statement 2008-09 (2009.13 Risk Management) identified the need for future development. Repositioning in Operations Directorate and combining strategy with Business Continuity.</p> <p>Refresh of Strategic risks required as a matter of urgency (September 2009)</p>	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.55	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Identify key controls to manage principal risks	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Financial regulations / Contract standing orders</p> <p>Whistleblowing policy / Counter fraud and corruption policy</p> <p>Codes of conduct / Register of interests</p> <p>Scheme of delegation / Corporate complaints policy</p> <p>Corporate health and safety document / Procurement policy are in place.</p> <p>Business / service continuity plans are in place</p> <p>Risk registers includes expected key controls to manage principal risks</p> <p>The authority's internal control framework is subject to regular independent assessment.</p>	
SOURCE(S)	Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Included in Directors Self Assessment Statements, and also review for Annual Governance Statement.</p> <p>Risk Management (Internal Audit Review - Significant Assurance)</p> <p>Development of Fraud Protocols with Corporate Fraud Team</p>	
EXTERNAL	Internal Control KLOE Use of Resources Assessment - Level 3.	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Internal Audit Plan 2009/2010: Risk Management, Health and Safety, Fraud Work</p> <p>Annual Governance Statement 2008-09 (2009.13 Risk Management) identified the need for future development. Repositioning in Operations Directorate and combining strategy with Business Continuity.</p> <p>Refresh of Strategic risks required as a matter of urgency (September 2009)</p>	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.56	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Obtain assurance on the effectiveness of key controls	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>The authority has determined appropriate internal and external sources of assurance</p> <p>Appropriate key controls on which assurance is to be given have been identified and agreed</p> <p>Departmental assurances are provided</p> <p>External assurance reports are collated centrally</p> <p>Internal Audit Arrangements</p> <p>Corporate Governance Arrangements</p> <p>Performance monitoring arrangements</p>	
SOURCE(S)	Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Covered in review for annual governance statement and review of effectiveness of Internal Audit Service.	
EXTERNAL	<p>Internal Control KLOE Use of Resources Assessment - Level 3</p> <p>External Audit: Review of Internal Audit Effectiveness</p>	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Annual Governance Statement review - June 2010	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.57	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Effective governance	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Governance, risk management and internal control frameworks are robust</p> <p>Responsibilities on Legal and Democratic Services to support and monitor the Council's governance arrangements are observed.</p> <p>Agreed Annual Governance Statement actions are implemented</p>	
SOURCE(S)	Annual Governance Statement	
RESPONSIBLE OFFICER	ALL DIRECTORS	
RESPONSIBLE PORTFOLIO HOLDER	ALL	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Internal Audit reviews of Corporate Governance and Risk Management</p> <p>Directors / Heads of Service self assessments</p> <p>Review of arrangements for production of Annual Governance Statement</p> <p>Audit Committee update on AGS significant risks action plan</p>	
EXTERNAL	<p>CPA Corporate Assessment 2006</p> <p>External Audit report to "Those Charged with Governance" (to Cabinet / Audit Committee)</p> <p>Use of Resources Internal Control Score of 3</p>	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Assurance Framework (6 month review / refresh)</p> <p>Annual Governance Statement 2008/09 (2009-05 Effective Governance) identified areas for improvement. Proposal to establish officer driven Governance Board to coordinate / enhance efforts in these areas.</p> <p>Internal Audit Plans 2009/2010</p> <p>Creation of Strategic Governance Board (officers)</p>	
EXTERNAL ASSURANCE	<p>Comprehensive Area Assessment</p> <p>External Audit Plan 2009/2010</p>	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.58	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Management of the Public Finance Initiative	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	The Council signed up to a PFI for the transformation of secondary school education. Regular monitoring is required to ensure that the project delivers to its objectives and those risks are appropriately identified and mitigated.	
SOURCE(S)	Annual Governance Statement 2007/2008	
RESPONSIBLE OFFICER	Director of Children Services	
RESPONSIBLE PORTFOLIO HOLDER	Children Services	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Ongoing monitoring is undertaken of the PFI contract Specific accounting treatment is maintained within the council's accounts to ensure correct recording of charges over the life of the contract Closure of accounts (June 2008)	
EXTERNAL	External Audit: Report to Management 2007/2008	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Contract Work International Financial Reporting Standards	
EXTERNAL ASSURANCE	External Audit: Report to Management 2008/2009	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.59
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Safeguarding electronic data
ASSURANCE REQUIRED	
STRATEGIC PRIORITY	-
NATURE OF ASSURANCE REQUIRED	Fundamental reviews of the ICT infrastructure during the year have established a clear blue print to ensure the protection of the interests of the council, its employees and the citizens of Peterborough. The Council manages transition to electronic management in a safe and secure environment to ensure data security
SOURCE(S)	Annual Governance Statement 2007/2008 (2008--04 Safeguarding Electronic Data)
RESPONSIBLE OFFICER	Executive Director of Resources
RESPONSIBLE PORTFOLIO HOLDER	Resources
ASSURANCE CURRENTLY AVAILABLE	
INTERNAL	<p>Whilst the council itself has not experienced any data losses, it is mindful of incidents in other public sector bodies. An incident team was created in October 2008 with the Primary Care Trust (and coordinated by them) following a potential issue within a family centre. Exemplary practice was followed.</p> <p>Flowing from this, various encryption arrangements have been put in place in relation to laptops within the Council and the use of USB data sticks has been restricted.</p> <p>Increased awareness has been made across the Council with the establishment of separate pages on Insite detailing practical advice on data security.</p> <p>Within the Council, a working group has been commissioned to look further in to the safe storage and transfer of data to authorised sources.</p> <p>Electronic document record management system being developed</p> <p>Government Connect compliant September 2009</p>
EXTERNAL	-
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED	
INTERNAL	<p>E-CAF scheme action plan is in place to deliver, which including changes to the IT architecture and councils policies. Time critical project to provide a secure environment for data exchanges.</p> <p>Roll out of a corporate electronic document retention system across the Council has been delayed in number of areas</p> <p>Internal Audit Plan 2009/2010: IT Activities</p> <p>Internal Audit Plan 2009/2010: ERDMS</p>
EXTERNAL ASSURANCE	Central Government: Code of Connection approval

Priority areas per Sustainable Community Strategy

- E = Creating the UK's environmental capital
- H = Creating strong and supportive communities
- L = Delivering substantial and truly sustainable growth
- C = Creating opportunities - tackling inequalities

With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

- E = Creating the UK's environmental capital
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With the overarching requirement of delivering value for money (E & E)

ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.60	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Data Quality	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	Soundness of the arrangements for ensuring data quality in the Council	
SOURCE(S)	Annual Governance Statement 2007/2008 (2008-05 Data Quality)	
RESPONSIBLE OFFICER	Deputy Chief Executive	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Directors / Heads of Service self assessment</p> <p>Data quality arrangements have improved, with the externally assessed score moving to a 3 (from 2). A Data Quality policy and strategy has been implemented and regularly reviews are undertaken of data quality and the establishment of expected standards by Performance Improvement</p> <p>Regular monitoring reports are taken to CMT</p>	
EXTERNAL	External Audit Data Quality review - Score 3	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Performance Indicators	
EXTERNAL ASSURANCE	<p>External Audit: Data Quality Review</p> <p>Comprehensive Area Assessment scores</p>	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.61	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Implementation of agreed Audit recommendations	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	Recommendations made by internal and external audit are implemented	
SOURCE(S)	Audit Committee	
RESPONSIBLE OFFICER	Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Resources Chair of Audit Committee	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Internal Audit quarterly updates on progress to Audit Committee Annual Governance Statement 2008/09 identified that External Audit recommendations (2009-07) and Internal Audit recommendations (2009-10) need to be acted upon on a consistent basis.	
EXTERNAL	External Audit: Report to Management 2007/2008 External Audit: Review of Internal Audit Effectiveness	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010 Follow Up Arrangements as per Audit Charter (under review). Effective challenge through Audit Committee (quarterly progress reports)	
EXTERNAL ASSURANCE	External Audit: Review of Internal Audit	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.62	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	New ways of working	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	Implementation of new ways of working using technology to improve efficiency and support work life balance	
SOURCE(S)	Assurance Framework 2008	
RESPONSIBLE OFFICER	Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Identification, implementation and ongoing monitoring of safe, secure and effective mobile and flexible new ways of working</p> <p>Number of officers have mobile access via I-Mates.</p> <p>Agile working scheme in place</p> <p>Standardised software / hardware capabilities ensures efficient use and management</p>	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	<p>Revenue and Benefits Service Project for agile working April 2009</p> <p>Accommodation review</p> <p>Internal Audit Plan 2009/2010: Agile Working scheme</p>	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.63	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Customer satisfaction	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	<p>Improve level of customer satisfaction through improved accessibility and informed staff</p> <p>Peterborough Direct delivers council services that meet the needs of diverse communities</p> <p>Customer focussed organisation with a single point of contact for the whole council</p>	
SOURCE(S)	Assurance Framework 2008	
RESPONSIBLE OFFICER	Executive Director of Resources	
RESPONSIBLE PORTFOLIO HOLDER	Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	<p>Peterborough Direct absorbing more services into structure e.g. planning services</p> <p>Increased take up of telephone calls and waiting times reduced at "front of house"</p> <p>Satisfaction surveys</p> <p>Benefits service processing times improved</p>	
EXTERNAL	<p>CPA Score 4 (Enablers)</p> <p>Benefit road shows attracts new customers</p>	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Council web site re-design to be a more useful tool for customers to enable improved satisfaction ratings	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.64	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Housing strategy	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	Create strategies and development plans to support housing plans to support housing of at least 25,000 new houses built between 2001 - 2021, including sustainable affordable homes	
SOURCE(S)	Assurance Framework 2008	
RESPONSIBLE OFFICER	Deputy Chief Executive	
RESPONSIBLE PORTFOLIO HOLDER	Neighbourhood, Housing and Community Development	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	Housing needs survey (March 2008) Stock conditions survey (2007) Peterborough Housing Strategy Homelessness Strategy 2008-2011 Partnership working with Cross Keys Homes	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Regeneration Delivery of affordable homes in line with capital budget	
EXTERNAL ASSURANCE	Comprehensive Area Assessment	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

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ASSURANCE FRAMEWORK: DETAILED (SIX MONTH REFRESH: OCTOBER 2009)

REFERENCE	AF.65	
KEY CONTROL AREA WHERE ASSURANCE REQUIRED	Safe recruitment	
ASSURANCE REQUIRED		
STRATEGIC PRIORITY	-	
NATURE OF ASSURANCE REQUIRED	Compliance with expected recruitment standards across Council services including schools	
SOURCE(S)	Assurance Framework 2008	
RESPONSIBLE OFFICER	Deputy Chief Executive	
RESPONSIBLE PORTFOLIO HOLDER	Planning, Growth and Human Resources	
ASSURANCE CURRENTLY AVAILABLE		
INTERNAL	CRB checks in place Robust recruitment policy Annual Governance Statement 2008/09 (2009-09 Effective recruitment checks) identified as an ongoing issue	
EXTERNAL	-	
FURTHER ASSURANCE WORK REQUIRED / PROGRAMMED		
INTERNAL	Internal Audit Plan 2009/2010: Recruitment / CRB CRB expectations for contractors, contract and supplier staff	
EXTERNAL ASSURANCE	-	
LEVEL OF ASSURANCE		
FULL ASSURANCE	MODERATE	FURTHER WORK REQ'D

Priority areas per Sustainable Community Strategy

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ASSURANCE FRAMEWORK: ANNUAL GOVERNANCE STATEMENT UPDATE

Reference	Governance Issue	Area for Improvement	Lead Officer	Progress
2009-01	Credit crunch - lower income	<p>Direct impact from the credit crunch places pressure on the Council's ability to meet its Medium Term Financial Strategy and corporate priorities within allocated budgets.</p> <p>Budgets have been scrutinised to identify savings without cutting services. Ongoing monitoring of costs and income levels are required to ensure that budgetary pressures are identified on a timely basis throughout the year.</p>	Executive Director (Resources)	<p>Monthly budgetary control reports to Corporate Management Team</p> <p>Quarterly reports to Cabinet</p> <p>Ongoing reviews to incorporate in to MTFs.</p> <p>Interest receipt rates reduced and have been factored in. some use of working balances to minimise immediate impact.</p> <p>Regular monitoring of Council Tax / NNDR debt levels, together with level of number of benefit claimants.</p>
2009-02	Credit crunch - increase in service requirements	<p>There has been an economic downturn across the whole community, whether in the form of unemployment, reduced wages, shorter working hours etc. Because of the impacts on social well-being, there is a real possibility that there will be an increase in the need for council services.</p> <p>Careful monitoring is required of any increased need for advice, counselling, mental health-type preventative services.</p>	Director of Adult Social Services and Performance	<p>Ongoing</p> <p>Lined in with 01 above. Benefits levels under review.</p>
2009-03	Credit crunch - impact on capital disposal	The Council has a number of high profile projects in progress. There is extensive public interest and resources in the capital programme are limited. The Council must ensure that resources and risks are managed and prioritised effectively and that the budget is not overspent.	Executive Director (Resources)	<p>The budget assumed a risk element for capital values and also the targets are closely monitored</p> <p>Land sales minimised due to depressed market. Capital programme reappraised.</p>
2009-04	Collapse of Icelandic Banks and loss (temporary?) of investment	The Council undertook an immediate review of its investment arrangements following the failure of the Icelandic banks in October 2008, in which it has £3million invested. Separate reports have been taken to Cabinet and Scrutiny Committee covering the strategy. Ongoing updates to be provided.	Executive Director (Resources)	<p>Ongoing review of lending list</p> <p>Separate reports to Council on monies returned / due.</p>

ASSURANCE FRAMEWORK: ANNUAL GOVERNANCE STATEMENT UPDATE

Reference	Governance Issue	Area for Improvement	Lead Officer	Progress
2009-05	Effective governance	<p>Further enhance effective corporate governance arrangements. This will be achieved by reviewing internal structures and democratic decision making processes. This will ensure that there is more effective coordination of governance arrangements and strong governance is more clearly and easily integrated within corporate decision-making.</p> <p>Effective action is taken where non-compliance is found in either business process or legislation</p> <p>Enhance arrangements to identify, receive and evaluate reports from non-audit internal and external assurance providers identifying areas of weakness in controls and to ensure risks and recommendations are addressed.</p>	Solicitor to the Council	<p>Ongoing</p> <p>Creation of Strategic Governance Board for central coordination / development.</p>
2009-06	Single status agreement	The Council has implemented the Single Status agreement which was made nationally between the National Joint Council for Local Government and Signatory Trade Unions in March 2008. A year on, the council is assured through an independent audit that its pay structure is now free of gender-based inequalities and therefore that the SSA has done its job. Nonetheless, there remain a number of specific appeals to consider, and litigation connected to "backward-looking" cases is progressing through the employment tribunals. The litigation itself and the awards that might be made should some cases succeed represent financial risk for the Council which is actively managed by a project board chaired by the Deputy Chief Executive with Human Resources, Financial and Legal attendance. The initial team of interims officers running the Job Evaluation process and SSA project has been replaced by a small in-house team funded from within the significantly reduced Human Resources budget that has been achieved.	Deputy Chief Executive	<p>Quarterly reviews</p> <p>Stage 2 appeals commenced</p>
2009-07	External Audit recommendations	Ensure that the actions raised by External Audit in various reports are addressed	Executive Director (Resources)	Ongoing reports to Audit Committee
2009-08	Sickness absence	With reductions in the workforce, there is the potential for additional pressures on remaining staff to deliver services. If	Deputy Chief Executive	Monthly reports to Corporate and Departmental Management Teams

ASSURANCE FRAMEWORK: ANNUAL GOVERNANCE STATEMENT UPDATE

Reference	Governance Issue	Area for Improvement	Lead Officer	Progress
		<p>not carefully managed, there could be an increase in sickness levels. The Council has developed revised procedures to tackle sickness throughout the organisation. To monitor enhancements in procedures covering sickness absence to assess the effectiveness of such changes.</p>		<p>Use of Occupational Health to coordinate return to works etc.</p>

ASSURANCE FRAMEWORK: ANNUAL GOVERNANCE STATEMENT UPDATE

Reference	Governance Issue	Area for Improvement	Lead Officer	Progress
2009-09	Effective recruitment checks	To further enhance procedures covering the area of recruitment to ensure that all appropriate pre-employment checks are completed prior to employees commencing work	Deputy Chief Executive	Quarterly reports
2009-10	Internal Audit Recommendations	Ensure that the actions raised by Internal Audit in various reports are addressed (specific emphasis on LIMITED or NO ASSURANCE)	Executive Director (Resources)	Quarterly reports to Audit Committee on progress and acceptance (or otherwise) of recommendations
2009-11	Shared services	The council is embarking on a programme of shared services and other delivery options which are expected to generate financial savings and other benefits. A controlled programme has been developed which will monitor the implementation and delivery of services through these arrangements.	Executive Director (Resources)	Regular reports to Business Efficiency Panel (deleted May 2009). ICT Managed Service established October 2009. Manor Drive initiative established and being developed further. Discussions ongoing with other organisations.
2009-12	Audit Letter - service performance	Need to ensure there is an Improvement in performance in revenues and benefits (as identified in Audit Letter)	Executive Director (Resources)	The overall quality of the Benefits Service is maintained as EXCELLENT. Collection rates are closely monitored and ultimate collection rates are being achieved. Production of monthly performance reports
2009-13	Risk management	Operational risk management now resides within the Operations Directorate. There is an ongoing need to ensure that risk management is fully embedded at an operational level in service management, aligned to performance management and define risk appetite.	Executive Director (Operations)	Refresh of risk registers Amalgamation of risk management / business continuity in to an overall strategy

AUDIT COMMITTEE	AGENDA ITEM No. 9
2 NOVEMBER 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member(s) responsible:	Councillor Dalton, Chair of Audit Committee	
Contact Officer(s):	John Harrison, Executive Director - Strategic Resources Steve Crabtree, Chief Internal Auditor	☎ 452 398 ☎ 384 557

INTERNAL AUDIT - QUARTERLY REPORT 2009 / 2010 (TO 30 SEPTEMBER 2009)

R E C O M M E N D A T I O N S	
FROM : John Harrison, Executive Director - Strategic Resources	Deadline date : N/A
Audit Committee are asked that :	
<p>1. The Internal Audit Update Report to 30 September 2009 be received and the Committee note in particular:</p> <p>(a) That the Chief Internal Auditor is of the opinion that based on the works conducted during the 6 months to 30 September 2009, internal control systems and governance arrangements remain generally sound;</p> <p>(b) Progress made against the plan and the overall performance of the section; and</p> <p>(c) Approval of the revised 2009/2010 Audit Plan.</p>	

1. ORIGIN OF REPORT

This report is submitted to Audit Committee as a routine planned report within the work programme of the Committee. It sets out Internal Audit performance and progress with regards to the 2009 / 2010 Audit Plan (Audit Committee approval: 30 March 2009).

2. PURPOSE AND REASON FOR REPORT

The purpose of this report is to inform the Audit Committee on Internal Audit activities and performance progress against the Annual Audit 2009 / 2010 as at 30 September 2009.

3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. OVERVIEW

This report outlines the work undertaken by Internal Audit up to 30 September 2009, progress against our plan and other issues of interest.

5. ASSURANCE OPINION

- 5.1 One of four levels of assurance is allocated to each audit review. These assurance levels are: **FULL**; **SIGNIFICANT**; **LIMITED**; and **NO ASSURANCE**. Where concerns have been identified resulting in limited or no assurance, the Executive Summaries for these reviews will be included in an appendix to this report, once the audit review has been agreed and finalised. **Seven** reports fall into this category for the quarter, details of which are included in **Appendix B**.
- 5.2 Based on the work carried out and finalised during the 2009 / 2010 (to 30 September 2009), the Chief Internal Auditor is of the opinion that the Council's internal control systems for those areas audited are generally sound. 98% of high / critical recommendations made to date have been accepted by management and programmed for implementation (against a target of 97%).

6. AUDIT PLAN 2009 / 2010

6.1 Progress against Plan

- 6.1.1 **Appendix A** shows all audits underway or completed in the first 6 months, with the exception of the Financial Management Standard in Schools (FMSiS) for 2009 / 2010 where reviews are at preliminary stages. The Appendix also includes reviews brought forward from the previous year that have been finalised during 2009 / 2010. In addition to the reviews detailed, other activities of control advice have been provided by Internal Audit which may not have resulted in the production of a report. Audits that were not planned at the time of the Annual Audit Plan being approved are also included within the Appendix and are identified with an asterisk (*).
- 6.1.2 Progress against the 2009 / 2010 plan is 39% (compared with 42% to the 6 month period September 2008). Whilst the progress against the plan is commensurate with the previous year regarding the number of reviews undertaken, a number of unplanned jobs have been conducted which will reduce the amount of available contingency time for the remainder of the year, as well as reducing the amount of time available to do planned audits.
- 6.1.3 The percentage of direct days delivered during the first half year is 92% against a target of 100%. Our performance is higher than would be expected, given that a significant number of days have been lost due to sickness. This is due to the introduction of annualised hours and a reduction in indirect activities. However, the indirect activities, which include training are likely to be undertaken during the remainder of year and will therefore impact on the ability to deliver future planned direct days.
- 6.1.4 To date, 16 audit projects for 2008 / 2009 have been finalised together with a further 14 for 2009 / 2010. 6 other pieces of work have been completed where either no audit report was necessary, or a committee report was produced. There are also 26 reviews that are in various stages of progress along with the 23 schools subject to Financial Management Standards in Schools reassessment.

6.2 Responses to Audit Reports

Internal Audit continues to produce reminders in accordance with their Audit Charter (currently under review) to finalise reports in a timely manner. Audit Committee will be advised during the year where significant delays occur.

6.3 Status of Recommendations

6.3.1 Our current policy, as defined in our Audit Charter approved at Audit Committee on 6 November 2006, is to follow up the implementation of recommendations 6 months after the reports have been finalised. To date 75% of high/critical recommendations have been followed up against an annual target of 80%. Where services receive an annual review, e.g. very high risk areas or key financial systems such as benefits and national non-domestic rates, recommendations are reassessed during this review.

6.4 Other Performance Matters

6.4.1 Our productive time (chargeable days) target is 80%. Performance up to September 2009 is 71%. Whilst this is lower than target (due to the effect of long term sickness) the impact has been partially mitigated by the reduction of indirect time during the period.

6.4.2 Feedback for each audit is collected via Post Audit Questionnaires (PAQ). Our average score to date is 4.5 against a target of 3.75 (the highest score being 5), reflecting the high opinion our audit clients have of auditor conduct and the quality and usefulness of reports.

6.4.3 An average of 20 days sickness per person was lost during the 6 months to 30 September 2009, compared to an annual target of 5 days per person. This is a major increase on last year where sickness was 1.75 days per person as at 30 June 2008. This is due to long term sickness and the impact on average figures as the team has reduced to 7.1 FTE from 9.3 FTE in 2008 / 2009. Absence levels excluding long term sickness are 0.6 days per person. Occupational Health have advised that the long term sickness will continue into Quarter 3 and this will have a major impact on the delivery of the Audit Plan for the remainder of the year. Where appropriate, sickness is being actively managed in accordance with the Council's Attendance Policy and through Occupational Health if appropriate.

6.4.4 An average of 1.46 days training has been provided to each auditor so far this year (annual target of not less than 5 days per auditor). This includes 'on the job' training, internal corporate training, training for professional qualifications and audit technical update seminars. Corporate initiatives introduced during 2008 / 2009 in relation to the Learning Academy (Cohort 2010), will continue during 2009 along with other training activities.

6.4.5 The length of time from completion of field work to issue of a draft report is currently on line with target days.

7. REVISION OF THE 2009 / 2010 AUDIT PLAN

7.1 As detailed in 6.4.3 above, it is known that the delivery of the audit plan is at risk due to resourcing issues relating to sickness. This is also impacted by a vacant Trainee Auditor post within the team where it is uncertain when the recruitment process will commence.

7.2 In view of the above and the continuing requests by management for unplanned work the audit plan has been reviewed and is attached as Appendix C. The plan includes reviews that have already been completed (details contained within Appendix A) along with audits that are due to commence during the remaining six months of the year. Resource time previously included for a Senior Auditor, Trainee Auditor and Senior Auditor (0.2) has been removed due to issues of long term sickness, a post vacancy and the reduction in hours of another member of staff. If the long term sickness issue were to be resolved during Qtr 4

there would be a full year's annual leave entitlement to be taken and an assumed phased return to work, therefore the direct time available in delivering the plan would be negligible and has therefore been excluded.

- 7.3 Reviews that are highlighted within Appendix C identify where audits have either been removed, deferred to 2010/11 or indicate a reduction in the scope to be covered. Despite the removal of these reviews the revised audit plan includes more direct audit days than the resources available by approximately 60 days. This will result in the possible partial rollover of some audits into 2010/11 where reviews are not concluded within 2009/10. Whilst some contingency time has been allowed for within the plan, it is possible that reviews may still not be completed if requests for unplanned work exceeds the contingency allowance.

8. CONSULTATION

This report and the accompanying appendices have been issued to the Section 151 Officer for consideration.

9. ANTICIPATED OUTCOMES

That the Audit Committee is informed of Internal Audit's progress against the Annual Audit Plan and its business plan performance. In addition, that the Audit Committee is made aware of any key control issues highlighted by our work since the last progress report.

10. REASONS FOR RECOMMENDATIONS

The Council is subject to the Accounts and Audit (amendment) Regulations 2006 and, as such, must make provision for Internal Audit in accordance with the CIPFA Code of Practice. It must also produce an Annual Governance Statement to be published with the Council's financial accounts. This report and associated papers demonstrate how the audit service is progressing against the audit plan how it will contribute to the Statement.

11. ALTERNATIVE OPTIONS CONSIDERED

The alternative of not providing an Internal Audit service is not an option.

12. IMPLICATIONS

12.1 Corporate Strategy (relevance to):

Internal Audit, through its central monitoring role, has an essential part to play in the application of sound financial management and corporate governance principles throughout the organisation. In addition it endeavours to promote quality systems and to ensure that there is an effective, efficient and economical use of all resources available to the Council.

Internal Audit reviews the risk management process that is integral in the setting of priorities within the Council and ultimately the Corporate Strategy. A corporate risk management process is now in place and work continues to be undertaken to embed further a risk management culture throughout the Council. Corporate risk registers were first introduced in October 2003 and these are continuing to evolve. These registers should reflect the risks associated with the key priorities identified in the Corporate Strategy. The Internal Audit plan for 2009 / 2010 has been produced with reference to the Corporate Risk Register to ensure, where possible and appropriate, Internal Audit review those areas considered to be of most risk. The annual audit plan will continue to be reviewed to ensure it is in line with the risk registers, and as a consequence that the audit programme is closely linked to the Corporate Strategy.

There would be a legal implication if an Internal Audit service was not provided for, and if mechanisms were not in place to carry out a review of internal control, governance and risk management as a basis for the Annual Governance Statement.

BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006

Accounts and Audit (amendment) (England) Regulations 2006

Internal Audit Business Plan 2009 / 2010

Internal Audit Annual Plan 2009 / 2010

APPENDICES:

Appendix A	Progress of Audit Plan 2009 / 2010 (To 30 September 2009)
Appendix B	Audit Reports Issued in Quarter 2: Limited / No Assurance
Appendix C	Revised Internal Audit Plan 2009/10

ASSURANCE LEVELS AND RECOMMENDATIONS: 1 APRIL 2009 - 30 SEPTEMBER 2009

The table below provides a summary of the assurances assigned to each of the reviews and the status of the recommendations made

AUDIT ASSIGNMENT	ASSURANCE LEVEL				RECOMMENDATIONS MADE					Status
	Full	Signif	Limit	No	Critical	High	Med	Low	Total	
CHIEF EXECUTIVES DEPARTMENT										
Economic Participation Programme Review			*		-	4	4	-	8	Final
Economic Participation Programme 2007 / 2008 Follow Up					n/a	n/a	n/a	n/a	n/a	Final
SI (Cex1006-08) *					n/a	n/a	n/a	n/a	n/a	Final
Private Sector Housing Grants *					n/a	n/a	n/a	n/a	n/a	Final

ASSURANCE LEVELS AND RECOMMENDATIONS: 1 APRIL 2009 - 30 SEPTEMBER 2009

AUDIT ASSIGNMENT	ASSURANCE LEVEL				RECOMMENDATIONS MADE					Status
	Full	Signif	Limit	No	Critical	High	Med	Low	Total	
CHILDRENS SERVICES: FINANCIAL MANAGEMENT STANDARD IN SCHOOLS 2009 / 2010										
FMSiS Arrangements (to be identified individually throughout year as work progresses). 23 Schools comprising <ul style="list-style-type: none"> • 9 Secondary Schools, • 12 Primary Schools; and • 2 Special Schools 					-	-	-	-	-	In progress
CHILDRENS SERVICES: OTHER ACTIVITIES										
Bushfield School Closure		x			-	1	-	-	1	Final
The Voyager			x		-	11	4	4	19	Draft
SI (Chi2325-02) *			x		-	-	3	-	3	Final
CRB policy in schools *					n/a	n/a	n/a	n/a	n/a	Final
PCAE					-	-	-	-	-	In progress
CHILDRENS SERVICES: FOLLOW UPS										
Gladstone FMSiS 2008 / 2009					-	-	-	-	-	In progress
Matley FMSiS 2008 / 2009					n/a	n/a	n/a	n/a	n/a	Final
Orton Longueville – Cashless System					n/a	n/a	n/a	n/a	n/a	Final
Education Psychology					-	-	-	-	-	In progress
St John Fisher					-	-	-	-	-	In progress

ASSURANCE LEVELS AND RECOMMENDATIONS: 1 APRIL 2009 - 30 SEPTEMBER 2009

CHILDRENS SERVICES: FOLLOW UPS (continued)										
Old Fletton FMSiS					n/a	n/a	n/a	n/a	n/a	Final
Oakdale FMSiS					-	-	-	-	-	In progress
AUDIT_ASSIGNMENT	ASSURANCE LEVEL				RECOMMENDATIONS MADE					Status
	Full	Signif	Limit	No	Critical	High	Med	Low	Total	
CHILDRENS SERVICES: FINANCIAL MANAGEMENT STANDARD IN SCHOOLS Rolled Forward from 2008 / 2009										
Bishop Creighton			x		-	2	6	6	14	Draft (finalised in Oct)
Discovery			x		-	2	7	2	11	Draft (finalised in Oct)
John Clare			x		-	1	6	4	11	Final
Longthorpe Primary		x			-	1	2	2	5	Final
Middleton			x		-	3	3	2	8	Final
Nene Valley		x			-	-	3	2	5	Final
Newark Hill		x			-	1	3	2	6	Final
Northborough			x		-	3	1	1	5	Final
Norwood		x			-	3	2	1	6	Final
Parnwell Primary		x			-	-	2	2	4	Final
Peakirk-cum-Glinton			x		-	1	8	2	11	Final
Sacred Heart RC Primary			x		-	5	5	0	10	Final

ASSURANCE LEVELS AND RECOMMENDATIONS: 1 APRIL 2009 - 30 SEPTEMBER 2009

AUDIT ASSIGNMENT	ASSURANCE LEVEL				RECOMMENDATIONS MADE					Status
	Full	Signif	Limit	No	Critical	High	Med	Low	Total	
CHILDRENS SERVICES: FINANCIAL MANAGEMENT STANDARD IN SCHOOLS										
Rolled Forward from 2008 / 2009										
Stanground St Johns			x		-	2	4	-	6	Final
St Thomas More		x			-	-	1	4	5	Final
The Phoenix			x		-	3	5	2	10	Final
Wittering			x		-	2	7	2	11	Final

ASSURANCE LEVELS AND RECOMMENDATIONS: 1 APRIL 2009 - 30 SEPTEMBER 2009

AUDIT ASSIGNMENT	ASSURANCE LEVEL				RECOMMENDATIONS MADE					Status
	Full	Signif	Limit	No	Critical	High	Med	Low	Total	
CITY SERVICES										
Procurement *					-	-	-	-	-	In progress
Energy Payments *					-	-	-	-	-	In progress
Waste Management – FLARE *					-	-	-	-	-	In progress
SI – (CON 3195-03) *					-	-	-	-	-	In progress
CITY SERVICES Rolled forward 2008 / 2009										
Budgetary Control			x		-	4	6	2	12	Responses received. Meeting awaited.

ASSURANCE LEVELS AND RECOMMENDATIONS: 1 APRIL 2009 - 30 SEPTEMBER 2009

AUDIT ASSIGNMENT	ASSURANCE LEVEL				RECOMMENDATIONS MADE					Status
	Full	Signif	Limit	No	Critical	High	Med	Low	Total	
STRATEGIC RESOURCES										
LSVT VAT Shelter Usage *		*			-	2	-	-	2	Draft
Invoice Fraud -Insurance Claim Recovery *					n/a	n/a	n/a	n/a	n/a	In progress
Teachers Pensions Arrangements 2008 / 2009					-	-	-	-	-	In progress
National Fraud Initiative					n/a	n/a	n/a	n/a	n/a	Final – Results provided to Audit Commission via online portal
CIPFA Benchmarking 2009					n/a	n/a	n/a	n/a	n/a	Data provided. Final report received. Analysis being undertaken to provide summary details to next Audit Committee
Benefits 09/10					-	-	-	-	-	In progress
Treasury 09/10					-	-	-	-	-	In progress
Central Security *					-	-	-	-	-	In progress

ASSURANCE LEVELS AND RECOMMENDATIONS: 1 APRIL 2009 - 30 SEPTEMBER 2009

AUDIT ASSIGNMENT	ASSURANCE LEVEL				RECOMMENDATIONS MADE					Status	
	Full	Signif	Limit	No	Critical	High	Med	Low	Total		
STRATEGIC RESOURCES (Continued)											
Rolled Forward 2008 / 2009											
Payroll					-	-	-	-	-	-	Draft
Purchasing Cards				*	1	3	9	4	17		Draft
Debtors			*		-	3	6	1	10		Final
ICT											
ECAF and Contact Point (Government Initiative - Children's Services IT systems) *					-	-	-	-	-	-	In progress
ICT Managed Service – CIA consultancy					n/a	n/a	n/a	n/a	n/a	n/a	n/a

ASSURANCE LEVELS AND RECOMMENDATIONS: 1 APRIL 2009 - 30 SEPTEMBER 2009

AUDIT ASSIGNMENT	ASSURANCE LEVEL				RECOMMENDATIONS MADE					Status
	Full	Signif	Limit	No	Critical	High	Med	Low	Total	
CORPORATE ACTIVITY / CROSS CUTTING REVIEWS										
Recruitment / CRB					-	-	-	-	-	In progress
Grants:										
GAF 2008 / 2009					n/a	n/a	n/a	n/a	n/a	Final
Final Account Statements 2008 / 2009:										
Annual Governance Statement 2008 / 2009					n/a	n/a	n/a	n/a	n/a	Final - committee report June 2009 and inclusion in the Statement of Accounts
CAA / Use of Resources					n/a	n/a	n/a	n/a	n/a	CIA strategic co-ordination of data collection together with liaison with External Auditors
Audit Opinion 2008 / 2009					n/a	n/a	n/a	n/a	n/a	Final - committee report June 2009
TOTAL RECOMMENDATIONS MADE					2	81	115	56	254	

COMPARISON: FULL YEAR 2008 / 2009

8	129	189	116	442
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AUDIT REPORTS ISSUED: OPINION OF LIMITED ASSURANCE OR NO ASSURANCE

LIMITED ASSURANCE		Date To Audit Committee
Chi2121-01	John Clare	02 November 2009
Chi2129-01	Northborough	02 November 2009
Str5515-04	Debtors 08/09	02 November 2009
Cex1006-07	Economic Participation Programme Review	02 November 2009
Env4330-02	Blue Badges	02 November 2009
Chi2325-02	SI – Mileage Claims	02 November 2009
Env4396-01	SI – Income and Banking	02 November 2009

FMSiS: Standard Executive Summary

The Financial Management Standard in Schools (FMSiS) process has been embedded into the Internal Audit programme and following external assessment the school has met the requirements of the Standard. The school submitted evidence required in order to support stated procedures and processes in meeting the Standard.

Appendix G4 details the areas within the school and evidence assessed that are satisfactory. Appendix G4 also highlights areas that are unsatisfactory and issues for improvement that have not warranted failure of the Standard are detailed within Appendix 2.

The school should continue to meet the requirements of the standard, and undertake the self assessment process regularly in order to demonstrate sound financial management and value for money are achieved.

The 'Guide to Further Best Practice in Financial Management' (G3B) details the non essential elements of the Standard, and the school should now monitor their progress against these criteria.

Recommendations made will be assessed against progress during September 2009, as part of a follow up review process.

Scope and Objectives

Year 2 primary schools are expected to comply with the Standard by March 2009.

The purpose of the audit was to obtain reasonable assurance that adequate controls and procedures are in place to meet the requirements of the DCSF FMSiS, and make observations and recommendations for improvement.

FMSiS comprises five subject elements which are:- Leadership & Governance; People Management; Policy & Strategy; Partnerships & Resources and Processes

Methodology

The school submitted a self assessment for review. An external assessment was conducted by examining the responses to the assessment and evidence submitted. A visit to the school was also undertaken.

Discussions were held with the following personnel:- Headteacher; Finance Manager; Education Finance, Peterborough City Council and Governors Services, Peterborough City Council

Audit Opinion

This audit was conducted in accordance with CIPFA's Code of Practice for Internal Audit in Local Government that requires compliance with relevant auditing standards. The audit was planned and performed so as to obtain all relevant information and sufficient evidence to express an opinion. The audit opinion is LIMITED ASSURANCE.

Chi2121-01: Conclusion

The school was categorised as a 'conditional pass' on 31st March 2009 as items of evidence were outstanding. These were received on the last day of the 20 day extension period. John Clare Primary School has now met the requirements of the standard.

The scheme of delegation was identified during the review as an area of weakness. The Full Governing Body clarified delegated limits for purchasing and virements during a recent meeting. However key documents need to be updated to state these limits. This is reflected in the audit opinion of 'Limited Assurance.'

Chi2129-01: Conclusion

The External Assessment process has resulted in key observations and recommendations in relation to governance arrangements at the school. In particular, regarding the involvement of governors in the completion of the Financial Risk and Control Check list, and also the need to record evidence of the discussions held at governors meetings. This is reflected in the audit opinion of 'Limited Assurance.'

The school did not submit their G4 FMSiS Assessment Tool 2008/09 in a timely manner, in order to commence the External Assessment process. However, the Internal Audit visit to the school was well received and productive and the Headteacher and Finance Secretary demonstrated their commitment to passing FMSiS. Communication with the Internal Audit Team was good and the Finance Secretary responded promptly to requests for additional information. This has resulted in Northborough Primary School Passing the FMSiS.

Str5155: Executive Summary

Introduction

Since this review started, the Income Section has merged with the Payables team to become the Transactional Services Team. There is also a systems review of Oracle Accounts Receivable (OAR) currently being conducted by the Oracle Financial Systems Team.

There are four high level recommendations made within this report, which cover the following points:

- Financial Regulations are not always complied with when raising debtor invoices
- It cannot easily be established what debt recovery action is undertaken in directorates (or even who the designated collectors are)
- Currently, inadequate resources are allocated to debt recovery within the Transactional Services Team

Progress has been made on the agreed actions of the previous audit although not all have yet reached a satisfactory conclusion. Reference has been made to outstanding issues in this report but some will be addressed during the systems review currently being undertaken.

Scope & Objectives

To review

- the operation of the debtors system
- overdue debt
- progress achieved on the previous management action plan

Conclusion

As the central hub of the accounts receivable system, the Transactional Services Team needs to have confidence that directorates are fulfilling their obligations properly and promptly. However, there is not yet an assurance that this is happening across the Council as a whole, especially in respect of debt recovery action. With the country being in a period of recession, it is crucial that debt recovery procedures are initiated quickly to ensure that payments are received as early as possible.

With basic procedures set out in Financial Regulations being ignored by some of those raising invoices in directorates and with the Transactional Services Team not knowing who directorate collectors are or if they are actually undertaking debt recovery action, improvements in communication are required. It is disappointing, therefore, that the Debt Forum, which was reinstated after the last audit report, has not met for a few months, as this would be an ideal medium to disseminate information and promote best practice.

On a more positive note, it is pleasing to record that targets were set for reducing the level of overdue debt for the first time, although the target for 2008/09 was not achieved due to the recession.

Audit Opinion

This audit was conducted in accordance with CIPFA's Code of Practice for Internal Audit in Local Government that requires compliance with relevant auditing standards. The audit was planned and performed so as to obtain all relevant information and sufficient evidence to express an opinion. The audit opinion is LIMITED ASSURANCE

Cex1006-07: Executive Summary

Introduction

The Economic Participation Programme (EPP) was formerly known as the Investing in Communities (IiC) Programme and is a long term regeneration programme funded by the East of England Development Agency (EEDA).

A number of issues that are raised within this report have already been addressed by the EPP team but have still been reported to reflect the programme as it was during 2008/09.

There are four high risk recommendations made within the report, all relating to concerns about payments made on specific projects that may not be valid and, that might result in EEDA clawing back funding.

Scope & Objectives

To ensure that:

- Governance and decision-making arrangements are robust to ensure the programme is effectively managed and delivered.
- Resources and skills are adequate to ensure the successful delivery and management of individual projects and the programme.
- The Project management systems are adequate to ensure that projects are aligned to the programme objectives, have appropriate outputs and outcomes defined and local indicators (where applicable) and meet EEDA's appraisal and monitoring requirements.
- Programme evaluation systems are adequate to ensure that the impact of projects is ascertained, disseminated and fed back into future activity.
- Internal control systems are adequate to ensure that monies claimed from EEDA have been defrayed, outcomes and local indicators declared have been achieved as stated and reported accurately, and that adequate documentation is available in support of claims to EEDA.
- The Local Authority internal audit arrangements over the management and delivery of EEDA's corporate programmes enable EEDA to take reliance that the required assurance framework is in place.

Conclusion

There have been a number of staff changes within the EPP team since the programme began, including the year under review, which can cause difficulties in such a small team (three officers at the end of 2008/09 and now only two). Some of the communication problems with EEDA highlighted within the report may stem from such changes in the managership of the team but the current EPPM, who took up the post in October 2008, has a good grasp of the programme requirements and a determination for it to succeed.

As a result of lessons learned, procedural changes have already been implemented to improve the management and monitoring of the programme. Although some of the funding from 2008/09 might be clawed back by EEDA, more lessons will be learned from this situation, whether or not the reclamation takes place.

Although the audit opinion for 2008/09 is limited assurance, this does not detract from the hard work put in by all the team. With the improvements already made since the year end, the prospects are good for an improved rating in 2009/10.

Audit Opinion

This audit was conducted in accordance with CIPFA's Code of Practice for Internal Audit in Local Government that requires compliance with relevant auditing standards. The audit was planned and performed so as to obtain all relevant information and sufficient evidence to express an opinion. The audit opinion is LIMITED ASSURANCE.

Env4330-02: Summary

The purpose of this Internal Audit review was to ensure that Blue Badges (parking permits for disabled people) are being stored securely.

Key findings include: the holding of excessive stocks; insecure storage of the wallets that help to validate the authenticity of the permit holder; and an incomplete record of permits issued. Based on the work undertaken by Internal Audit, the current control environment is assessed as LIMITED ASSURANCE. However, the team is actively striving to address the control issues and the introduction of the recommendations should improve control processes significantly.

Chi2325-02: Summary

Concerns were raised that a small number of officers were claiming excessive mileage. A review conducted by Internal Audit found no evidence of this. However, the review concluded that mileage forms were not always completed in enough detail to enable the manager to properly verify and authorise the claim. As a result only LIMITED ASSURANCE could be given that the claims examined were reasonable. The recommendations made were agreed and have already been implemented.

Env4396-01: Summary

Internal Audit was informed of a suspected shortfall in cash of £143.81. The shortfall was discovered on 30th June 2009 when the cash collected in relation to 26th, 27th and 29th June was prepared for banking.

Internal Audit analysed the paperwork and supporting records for the above dates and found that no cash was missing, but that mistakes had been made when recording the amounts collected. A review of income collection and banking procedures was then undertaken and recommendations made to improve the process.

It is pleasing to note that the Team Manager took immediate steps to assist in identification of the missing money, and also highlighted 12 areas for improvement in controls. Internal Audit consider all actions taken are appropriate and have been implemented, therefore they have not been re - iterated within Appendix 1.

This audit was conducted in accordance with CIPFA's Code of Practice for Internal Audit in Local Government that requires compliance with relevant auditing standards. The audit was planned and performed so as to obtain all relevant information and sufficient evidence to express an opinion.

The audit opinion is LIMITED ASSURANCE. The opinion is not a reflection of the immediate response, but the additional control issues that remain outstanding.

REVISED INTERNAL AUDIT PLAN 2009/2010

REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
SYSTEMS ACTIVITY	To review the design and operation of key systems to assess whether they are fit for purpose and allow the s151 officer to make his statement included in the Annual Accounts, on the reliability of the supporting financial systems. The fundamental systems - those which are critical to the operation of the council) are reviewed annually; others will be reviewed cyclically dependent on risk.										
Main Accounting / Financial Accounting		✓						8.01	Poor Financial Management	AF36	Financial management and strategy
Accounts Payable • Ordering / Receiving / Payments • Purchasing Cards -Central Controls - Directorate/Business Support Activity	✓	✓						8.01	Poor Financial Management	AF36	Financial management and strategy
		✓						8.02	Procurement Strategy does not deliver	AF37	Procurement
Sundry Billing / Debt Recovery Reduced Scope		✓						8.01	Poor Financial Management	AF36	Financial management and strategy
Housing and Council Tax Benefits		✓						-	-	AF36	Financial management and strategy
Council Tax Reduced Scope		✓						-	-	AF36	Financial management and strategy
Business Rates Reduced Scope		✓						-	-	AF36	Financial management and strategy
Cash / Banking Reduced Scope		✓						-	-	AF36	Financial management and strategy

Budgetary Control (Revenue)			✓				✓	8.01	Poor Financial Management	AF36	Financial management and strategy
Budgetary Control (Capital)		✓						1.12	Impact of the Credit Crunch	AF12	Credit Crunch
								8.01	Poor Financial Management	AF36	Financial management and strategy

REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
SYSTEMS ACTIVITY	CONTINUED										
Treasury Management		✓						1.12	Impact of the Credit Crunch	AF12	Credit Crunch
								8.01	Poor Financial Management	AF36	Financial management and strategy
								8.08	Investments	AF43	Appropriate investment strategy
HR / Payroll Reduced Scope			✓					1.02	Staff retention in key areas	AF02	Management of staff
								-	-	AF36	Financial management and strategy
Teachers Pensions Returns			✓		✓			-	-	AF36	Financial management and strategy
Asset Management • Fixed Asset Accounting • Capital Receipts / Asset Disposal Programme		✓						4.01	Schools Phase 2 and Building Schools for the Future	AF18	Gateway reviews of capital schemes
								8.01	Poor Financial Management	AF36	Financial management and strategy
								8.04	Asset Disposal Programme is not achieved	AF39	Estate utilization

REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
ANNUAL GOVERNANCE AND ASSURANCE FRAMEWORK	Each year the Council is obliged to issue a statement on the effectiveness of its governance arrangements. In particular it is expected to assess its arrangements against the six principles of good governance as recommended by CIPFA / SOLACE.										
Arrangements for production of AGS	✓	✓						8.03	Comprehensive Area Assessment (CAA)	AF38	CAA transition
								-	-	AF44- AF49	Good governance principles
								-	-	AF52	Effective corporate governance arrangements are embedded
Other Governance Arrangements -ICT Managed Service -PPCT -Shared Services								1.06	PCT Changes	AF06	PCT partnership working
		✓		✓				1.11	Governance Arrangements for Partnerships	AF11	Governance arrangements for partnerships
		✓						1.13	Shared services	AF13	Transition to shared service functionality
Annual Audit Opinion		✓						8.03	CAA	AF52	Effective corporate governance arrangements are embedded
Annual Audit Planning and Review		✓						-	-	-	-
Anti Fraud Culture - National Fraud Initiative - Anti Fraud Liaison - Fraud Control Reviews	✓		✓ ✓					-	-	AF44- AF49	Good governance principles

Risk Management - Strategic - Operational	✓ ✓	✓						-	-	AF54- AF55	Risk management processes robust and embedded
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REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
ANNUAL GOVERNANCE AND ASSURANCE FRAMEWORK	CONTINUED										
Business Continuity and Disaster Recovery	✓							1.08	Major illness impact	AF08	Health and safety
								1.09	Business Continuity	AF09	Business continuity and resilience
								8.07	Corporate manslaughter	AF42	Health and safety coordination
Data Quality -links to LPSA	✓							1.05	Unable to meet LAA Targets	AF05	Local Area Agreements
								-	-	AF53	Effective performance management arrangements
								-	-	AF60	Data quality arrangements
Data Security	✓							1.13	Shared services	AF13	Revenues and Benefits data security arrangements
								-	-	AF59	Safeguarding electronic data
Internal Audit Effectiveness		✓						-	-	AF52	Effective corporate governance arrangements are embedded
								-	-	AF61	Audit recommendations implemented
Follow up Reviews	✓							-	-	AF61	Audit recommendations implemented
Assurance Framework	✓							8.03	CAA	AF52	Effective corporate governance arrangements are embedded
CAA / UoR Support		✓						8.03	CAA	AF52	Effective corporate governance

											arrangements are embedded
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REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
STRATEGIC AND OPERATIONAL RISKS	Audit provides support to Council and Directorate objectives by testing the effectiveness of controls designed to mitigate identified risks.										
Review processes in place to mitigate the impact of the credit crunch	✓							1.12	Impact of the Credit Crunch	AF12	Credit Crunch
Review arrangements for the creation of Arms Length Management Organisation (ALMO) – To be deferred until 2010/11			✓			✓		5.02	Creation of ALMO	AF31	ALMO
Arrangements to mitigate and adapt to the impacts of Climate Change							✓	6.03	Failure to mitigate and adapt to the impacts of Climate Change	AF34	Climate Change
Environmental Management - Data Collection (EMS) Deferred until 2010/11							✓	6.02	Environmental capital aspirations	AF33	Environmental management
								6.03	Failure to mitigate and adapt to the impacts of Climate Change	AF34	Climate Change
								8.05	Waste management and recycling	AF40	Recycling rates
Safe Recruitment to include CRB	✓				✓			4.04	Children staying safe	AF21	Child protection
								8.03	CAA	AF65	Safe Recruitment
Planning Obligations Scheme			✓					1.07	Implications of the Growth Agenda	AF07	Deliver Master Plan Regeneration Sustainability
EDRMS – review b/fwd from 2008/09 due to project delays		✓						-	-	AF59	Safeguarding electronic data

REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
STRATEGIC AND OPERATIONAL RISKS	CONTINUED										
Business Change / Transformation Programme – Recently reviewed by PwC	✓							8.04	Procurement Strategy does not deliver	AF37	Procurement
Key Theatre							✓	-	-	AF57	Effective governance
Social Care Placements					✓			-	-	AF57	Effective governance
Processes for Payments to Clients and VFM					✓			-	-	AF57	Effective governance
Clare Lodge – Audit commencement deferred at the clients request					✓			-	-	AF57	Effective governance
Westcombe Industries						✓		-	-	AF57	Effective governance

REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
SCHOOLS & COLLEGES	On a 3 year cyclical basis we carry out audits of schools to ensure that they are following correct financial procedures, and are complying with council policies. Internal Audit also act as the External Assessor for the Financial Management Standard in Schools (FMSiS).										
Schools - Voyager School - Bushfield Community College Closure Arrangements					✓			-	-	AF57	Effective governance
FMSiS - 23 Schools (Primary and Secondary) of - Quality Assurance Central FMSiS data					✓			-	-	AF57	Effective governance
PCEA					✓			-	-	AF57	Effective governance

REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
CONTRACT AUDIT / PARTNERSHIPS / PROJECT MANAGEMENT	Dependent on risk, we review a sample of projects each year to test whether the council's governance arrangements are being followed and that contracts provide vfm										
Reviews to include: Community Safety deferred until 2010/11 IT Project Reviews Investing in Communities Greater Dogsthorpe Partnership Agile Working Scheme deferred until 2010/11 Better Use of Property Assets Contracts Register – Replaced by Property Design and Maintenance	✓							1.05	Unable to meet LAA Targets	AF05	Local Area Agreements
								1.13	Shared services	AF13	Revenues and Benefits agile working arrangements for data security
								6.01	Highways infrastructure conditions	AF32	Highways contracts
								8.03	CAA	AF52	Effective corporate governance arrangements are embedded
								8.04	Asset disposal programme is not achieved	AF39	Estate utilization
								-	-	AF62	New ways of working

REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
GRANT CERTIFICATION	Increasing, IA is being required by government departments to provide certification on grant claims. It is likely that the number of grant claims IA will be asked to certify will increase in future years.										
L A A	✓							1.05	Unable to meet LAA Targets	AF05	Local Area Agreements
L P S A no further action required	✓							1.05	Unable to meet LAA Targets	AF05	Local Area Agreements
Grant Claim Certification (on behalf of PwC and Grants Team)	✓							-	-	-	-

REVISED AUDIT ACTIVITY 2009 / 2010	ALL	Strategic Resources	Assistant Chief Exec	Primary Care Trust	Children Services	City Services	Operations	Risk Ref	Strategic Risk Register Risk	A F Ref	Assurance Framework Key Control Area
CORPORATE SUPPORT											
Consultancy & Control Advice	✓							-	-	-	-
Contingency for Rolled Forward Reviews / Unplanned Reviews	✓							-	-	-	-
Audit Committee Support		✓						-	-	-	-
PwC Liaison		✓						-	-	-	-
Strategic Resources Management		✓						-	-	-	-
Audit Management		✓						-	-	-	-

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AUDIT COMMITTEE	AGENDA ITEM No. 10
2 NOVEMBER 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member(s) responsible:	Councillor M Dalton, Chair of Audit Committee	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	☎ 384 557

FEEDBACK AND UPDATE REPORT

1. ORIGIN OF REPORT

This is a standard report to Audit Committee which forms part of its agreed work programme.

2. PURPOSE AND REASON FOR REPORT

This standard report provides feedback on items considered or questions asked at previous meetings of the Committee. It also provides an update on any specific matters which are of interest to the Committee or where Committee have asked to be kept informed of progress.

3. FEEDBACK RESPONSES

Appendix A sets out the outstanding feedback items. Following approval by Committee the identified actions will be transferred to the record of Actions completed for the municipal year.

AUDIT COMMITTEE: RECORD OF ACTION TAKEN (FEEDBACK REPORT)

MUNICIPAL YEAR: MAY 2009 - APRIL 2010

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
1 June 2009	Agenda Item: 5 Internal Audit Annual Report 2008/2009	Follow discussions on follow up arrangements and the levels of implementation, or otherwise, of audit recommendations, it was agreed to provide all Audit Committee Members with a copy of the current Audit Charter. This will be reviewed by the Chief Internal Auditor to : (1) Reflect any changes / improvements now reflected in the performance indicators; (2) Highlight improved protocols to follow up late responses to draft Audit Reports which will include a separate letter of endorsement from the Chief Internal Auditor and Chair of the Audit Committee; and (3) Reiterate the importance of responses by inviting officers to attend future Audit Committees to explain their performance in implementing audit recommendations and the controls in their systems / departments	Steve Crabtree Cllr M Dalton	The original Audit Charter, approved by Audit Committee on 9 November 2006, has been circulated to Members for information on 16 June 2009. The Audit Committee Handbook has now been reviewed and a number of sections have been updated. The revised Handbook will be issued to members by December 2009.	
1 June 2009	Agenda Item: 8 Audit Committee Work Programme	Request for the Head of Strategic Finance to provide an appropriate training session before the next Audit Committee meeting on the scrutiny of the final accounts.	John Blair	Scheduled on agenda for 6.00 p.m.	29 June 2009
29 June 2009		THERE WERE NO NEW REQUESTS FROM THIS MEETING			

AUDIT COMMITTEE: RECORD OF ACTION TAKEN (FEEDBACK REPORT)

MUNICIPAL YEAR: MAY 2009 - APRIL 2010

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
7 Sept 2009	Agenda Item: 5 Internal Audit Quarterly Report 2009/2010 (to 30 June 2009)	Members sought clarification on the sickness management processes, including an overview of the involvement of Occupational Health in long term sickness cases.	Steve Crabtree	<p>Staff sickness was originally part of the remit of the Business Efficiency Scrutiny Panel and a full report was presented at its meeting on 9 April 2009. Following the Panels' demise, this now falls under the remit of the Sustainable Growth Scrutiny Committee. Members can access the full report on the Council website. Although summarised below are the key points from the report:</p> <p>What are the council doing to address the issues?</p> <p><u>Sickness Management</u> Return-to-work interviews are rated as the most effective approach to managing short-term absence, followed by trigger mechanisms for reviewing attendance and the use of disciplinary procedures. The top three most highly rated approaches to managing long-term absence are occupational health support, the provision of rehabilitation programmes and flexible working. These processes are all used within Peterborough City Council and are being rigorously applied.</p> <p>Since the adoption of the Business Partner model in the last HR restructure considerable effort has gone into developing a closer working relationship with line managers, coaching them to take more ownership of OH issues, and supporting them in the management of agreed action plans working towards satisfactory case conclusion. Some areas report sickness figures started to increase initially when this approach was introduced, but closer working is now resulting in greater ownership and more effective management of sickness.</p> <p>HR Business Partners are reporting to Departmental Management Teams on sickness progress raising the profile of health management issues. Business Partners discuss with managers every long term absence to ensure the appropriate action \ referrals are in hand. They have identified managers with high levels of sickness in their</p>	

				<p>team and provided coaching sessions on sickness management. There are regular monthly reviews between Business Partners and Occupational Health on progress.</p> <p>A more robust referral process has been introduced.</p> <p><u>Health Referral</u> During the year the council has been using the services of AXA to obtain more specialist advice in long term sickness cases replacing its previous use of a general practitioner. The aim has been to improve timely, professional advice on long term sickness cases. This is currently being evaluated by the OH Nurse Manager. One concern is ensuring the best possible turn around time on advice.</p> <p><u>Consideration of future Occupational Health provision</u> There has been significant investment of officers' time over the last 12 months in investigating attendance management and preparing a range of responses in order to maximise business efficiency and reduce sickness absence. The work has involved a comprehensive review of the existing Occupational Health provision as well as setting out proposals for formally incorporating wellbeing as part of the strategy to attract and retain the best candidates to deliver our services.</p> <p>The provision of occupational health and wellbeing services and strategies are increasingly recognised as important factors in achieving business effectiveness and supporting an environment where employees feel valued and respected.</p>	
28 Sept 2009	Agenda Item: 4 Statement of Accounts and Summary Accounts 2008 / 2009	Members requested information on the arrangements in place for assets between Peterborough City Council and the Peterborough Urban Regeneration Company (Opportunity Peterborough) as highlighted in the report on page 35.	Claire Boyd	A formal response will be provided at the next meeting.	

AUDIT COMMITTEE	AGENDA ITEM No. 11
2 NOVEMBER 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member(s) responsible:	Councillor M Dalton, Chair of Audit Committee	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	☎ 384 557

AUDIT COMMITTEE WORK PROGRAMME 2009 / 2010 (INCLUDING TRAINING NEEDS)

1. ORIGIN OF REPORT

This is a standard report to Audit Committee which forms part of its agreed work programme.

2. PURPOSE AND REASON FOR REPORT

This standard report summarises the proposed Work Programme for the Municipal Year 2009 / 2010 together any training needs identified. Any specific training is normally provided prior to each committee meeting - either starting at 18.00 or 18.30, dependent on the nature and depth of the subject area.

The Work Programme is refreshed at every Audit Committee meeting.

APPENDIX A

Last Updated: 20 October 2009

Activity Area	Responsible Officer	1 June 2009	29 June 2009	7 Sept 2009	28 Sept 2009	2 Nov 2009	8 Feb 2010	29 March 2010
REGULAR AGENDA ITEMS								
Member Training		-	✓ Final A/cs (John Blair)	✓ Risk Mgmt (Stuart Hamilton)	-	✓ Financial Issues (Steven Pilsworth)	X	X
Update and Feedback Report		✓	✓	✓	✓	✓	X	X
Audit Committee Work Programme		✓	✓	✓	✓	✓	X	X

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Activity Area	Responsible Officer	1 June 2009	29 June 2009	7 Sept 2009	28 Sept 2009	2 Nov 2009	8 Feb 2010	29 March 2010
ACCOUNTS								
Statement of Accounts / Summary Accounts 2008 / 2009 (incorporating Annual Governance Statement)	John Blair	-	✓	-	-	-	-	-
Audit of Statement of Accounts	PwC Steven Pilsworth	-	-	-	✓	-	-	-
International Financial Reporting Standards	Steven Pilsworth	-	✓	-	-	✓ No report - details included in the training session	-	-

Activity Area	Responsible Officer	1 June 2009	29 June 2009	7 Sept 2009	28 Sept 2009	2 Nov 2009	8 Feb 2010	29 March 2010
INTERNAL AUDIT / EXTERNAL AUDIT ACTIVITY								
Internal Audit - Annual Report 2008 / 2009	Steve Crabtree	✓	-	-	-	-	-	-
Internal Audit - Progress Report: Quarterly	Steve Crabtree	-	-	✓	-	✓	X	X
Internal Audit - Strategy and Plan 2010 / 2011	Steve Crabtree	-	-	-	-	-	-	X
External Audit - Reports (subject to availability)	PwC Steve Crabtree Steven Pilsworth	-	-	-	-	✓	X	X
External Audit - Joint Audit and Inspection Plan	PwC Steve Crabtree Steven Pilsworth	-	-	-	-	-	-	X
Annual Audit Committee Report	Steve Crabtree	✓	-	-	-	-	-	-

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REGULATORY FRAMEWORK								
Draft Annual Governance Statement	Steve Crabtree	✓	-	-	-	-	-	-
Assurance Framework	Steven Crabtree	-	-	-	-	-	-	X
Assurance Framework & Annual Governance Statement: 6 Month Refresh	Steve Crabtree	-	-	-	-	✓	-	-
Fraud and Irregularity Annual Report 2008 / 2009 (Originally scheduled for 1 June 2009)	Diane Baker	-	✓	-	-	-	-	-
Risk Management	Stuart Hamilton	-	-	✓	-	-	X	-
Use of Resources	Steven Pilsworth	-	-	-	-	✓	-	X
Comprehensive Area Assessment	Steven Pilsworth	-	-	-	-	-	-	X
NEW ITEM: Strategic Governance Board	David Blackburn	-	-	-	-	✓	-	-