

Internal Audit
2011/12 Internal Audit Plan
London Borough of Brent
April 2011



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Executive Summary

Introduction

This report sets out the Internal Audit Plan for the 2011/12 financial year.

As per the previous four financial years, the Plan will continue to be delivered through a partnership of the Council's in-house team and Deloitte & Touche Public Sector Internal Audit Ltd.

Total Plan Days

The Plan is based on a total of 1,200 days, the breakdown of this being shown in the table on the following page.

Source	2011/12 Number of Days
In-House Team	295
Deloitte	905
Total	1,200

Formulating the Plan

The work to be undertaken is determined on an annual basis through the formulation and agreement of the Plan. This sets out the total number of days of internal audit work to be delivered during the year, and the breakdown of these to individual audits across the Council.

Any area of the Council's operations are potentially subject to internal audit coverage. However, given resource constraints, not all areas can be audited on an annual basis, and this would not be expected in any organisation. The selection of audit areas is therefore determined on the basis of risk.

Risk is the key driver of all internal audit work, not simply in determining which areas to include in the Plan, but also then the specific elements to be covered within each individual audit. This aligns with Internal Audit's core role of providing an independent and objective assurance opinion on the adequacy and effectiveness of the systems of control operated by management in order to manage risk to the organisation.

'Risk' is broadly defined as being something which threatens the achievement of an objective. When considering risks in relation to the achievement of objectives across the Council, it is therefore important to recognise that the range of potential risks is significant and diverse. Risks don't relate solely to financial systems, and hence the work of Internal Audit isn't focused solely on these areas.

In recent years, the Plan has been formulated on the basis of the following:

- Internal Audit's own knowledge and understanding of key risk areas across the organisation. This is informed through our general understanding of the concept of risk; our knowledge of the Council's operations, as built up over many years; and their awareness and experience of risks being faced within other Local Authorities, as well as across the wider public sector;
- Internal Audit's own knowledge and understanding of key developments taking place across the Council, and hence emerging risk areas; and
- Discussions with Directors and Assistant Directors across the Council, so as to clarify and add to the above.

The Committee should therefore take confidence in the work of Internal Audit already being clearly focused on key risk areas, be these in relation to established systems and areas of operation, or connected to new areas of development and transformation. This second aspect is significant. The concept and delivery of change can be a key driver of risk, and this has been of growing significance with changes in the external environment prompting the need for increased change internally.

For 2011/12, whilst the above steps have been followed, given the increased levels of change that have been taking place and which will continue post March 2011, the approach to formulating the Plan has been further strengthened through a formal Audit Needs Assessment (ANA).

In order to help ensure that all key risk areas are identified, including new and emerging risks, the ANA for 2011/12 has been focused around the following set of internal and external risk factors:

Internal

- Achievement of Objectives;
- Compliance with Legislation;
- Income/Expenditure;
- Changes to the Organisation; and
- Key Organisational Projects.

External

- Economic;
- Regulatory; and
- Fraud Risk.

The ANA has been completed in conjunction with senior officers across the Council, via attendance at

DMTs. The output from the process has been documented in nine tables, one at corporate level and one for each of the Departments. The tables are attached at Appendix B. The Plan itself has then been formulated on the basis of the ANA, with links to it highlighted as appropriate.

The breakdown of the total days across the Departments is shown in the table below. The full Plan is attached at Appendix A.

Department	2011/12 Days
Cross Council / Corporate Audits	80
Finance & Corporate Services	128
Information Technology	132
Children & Families	98
School Audits	150
Environment & Neighbourhood	75
Customer & Community Engagement	28
Housing & Community Care	60
Legal & Procurement	23
Regeneration & Major Projects	70
Strategy, Partnership & Improvement	30
Brent Housing Partnership	135
Follow-Up	55
Deloitte Contract Management	55
Contingency	81
Total	1,200

Types of Work

Internal Audit comprises a range of specialist skills, the three key areas of coverage being the following:

- General risk based systems audit / compliance based audit;
- IT audit; and
- Contract audit.

A significant proportion of the Plan is allocated to risk based systems audits and also to compliance based audits in the form of school audits. Days are also allocated to IT audits and a number of contract audits have also been included.

IT audit work can take a variety of forms, although key areas include audits of specific IT applications; audits of key elements of the IT infrastructure; and audits relating to the implementation of new applications, either at the pre or post implementation stages.

Contract audit work also varies in form, although generally focuses either on the controls in place around the management and administration of construction based projects; the tendering of projects / contracts; or on the controls in place around the management of a contractual relationship.

There is also a key role for Internal Audit in assisting management to assess the risks involved in new developments / new projects / new ways of working, helping management to determine an adequate system of controls at the design and implementation stage, as opposed to highlighting deficiencies at a later stage when it may be more difficult / costly to address weaknesses. Similarly, it may be appropriate for Internal Audit to provide assurances on the adequacy and effectiveness of controls in place around the management of a specific project, thereby assisting management to deliver these on time and to budget, as well as to achieve the desired outcome.

There are a number of examples of such 'non-standard' work having been undertaken as part of the 2009/10 and 2010/11 Plans, particularly in relation to the Once Council Programme, and there will be an ongoing role for such an approach as this continues.

Ensuring the ongoing relevance of the Plan

As highlighted above, the concept of 'change' is currently of high significance, both internally and within the external environment. The Plan takes account of this, with audits included around various new developments and areas of transformation. However, given the scale and nature of the changes taking place, it is difficult to fully address these through the determination of audits at this stage. It is therefore crucial that the Plan is reviewed on a regular basis during the course of the year, so as to ensure that it remains relevant in terms of the key risk areas and all aspects of the various transformation programmes.

We will continue to liaise with Directors, Assistant Directors and the Audit Commission during the course of

the year, so as to determine whether any amendments are required, and will update Members at scheduled Committee meetings where any significant revisions occur.

Appendix A – Detailed Plan

The Internal Audit Plan for 2011/12 is set out below in Table 1 and the IT Plan in Table 2. Where possible, we have included the proposed number of days against each audit, together with a high level indication of the proposed coverage, the initial key contact, and an indication of the proposed timing where this is known at this stage.

The BHP Plan is being presented separately to their Audit & Finance Sub-Committee for approval. The approved Plan will be presented to the Committee for information purposes at the next scheduled meeting.

Table 1 – Overall Plan

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
CROSS COUNCIL / CORPORATE AUDIT (80 Days)					
Business Continuity Planning	Civil Contingencies Act. London Resilience Partnership. General concern raised in DMTs that officers aren't clear on the arrangements in place.	10	This work will initially follow up the previous BCP audits and determine whether there have been any changes, given that this has been an area of ongoing development. This will be followed by discussions with key officers from each of the eight Departments to determine the extent of understanding amongst the key officers.	Martyn Horne – Head of Emergency Planning & Business Continuity	Qtr 1
Prepaid Cards (Service Users)	Whilst prepaid cards are already in use within Children & Families for asylum and other cash payments, a new scheme for direct payments is now being piloted. This has been included as a Cross Council / Corporate Audit given that the cards may also then be rolled out to out service users outside of Children &	15	This work will consists of two parts, pre and post implementation. Pre-implementation will assess the adequacy of planned controls and post implementation will assess the adequacy and effectiveness of the actual implemented controls, and any recommendations raised in the pre-implementation work.	Sarah Cardno – Exchequer Manager	Qtr 1 and 3

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
	Families.				
Prepaid Cards (Staff)	Use of prepaid cards by staff members has recently been launched. The arrangements will differ to those issued to service users, hence the separate work.	10	This work will consist of two parts pre and post implementation. Pre-implementation will assess the adequacy of planned controls and post implementation will assess the adequacy and effectiveness of the actual implemented controls, and any recommendations raised in the pre-implementation work.	Sarah Cardno – Exchequer Manager	Qtr 1 and 3
Financial Planning	Achievement of the expected savings will be key in the Council's continuing operation and it is critical that the controls relating to the calculation and consolidation of savings are robust, both in terms of the initial identification of required savings and the subsequent monitoring and reporting of achievement against these. Highlighted as an area of concern across the DMTs, specifically in terms of the risk of savings being double counted and impacted upon by other changes which may not have been considered.	15	This work will focus on the budget setting process and the process relating to the monitoring and reporting of achievement against the savings targets.	Mark Peart – Head of Financial Management	Qtr 1
Change Management / Consultation and Communication	Given the number and extent of the changes taking place, it will be key that a consistent message is communicated to both staff and the public, and	10	This work will focus on controls around the following: <ul style="list-style-type: none"> Communicating to the public regarding specific changes and 	Toni Mcconville – Director of Customer and Community	Qtr 2/3

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
	<p>interaction with external bodies is managed effectively.</p> <p>Highlighted as an area of concern across the DMTs, particularly in relation to the closure of services/buildings and also in relation to engagement with the voluntary sector.</p>		<p>key decisions to ensure that consistent messages are delivered by Departments;</p> <ul style="list-style-type: none"> • Communication of corporate wide messages to the public and staff; and • ‘Big Society’/community agenda, including consultation and liaison with external bodies such as voluntary sector (community trusts). <p>It should be noted that the management of partnership working with external bodies is to be covered in a separate audit.</p>	Engagement	
Absence Management	<p>The management of sickness absence has been audited previously. Key weaknesses were identified and largely concerned the lack of a consistent approach across the Service Areas. However, changes have been made to the arrangements regarding this since that time.</p> <p>In addition, concerns were raised in the DMTs regarding the accuracy of information, both in relation to sickness and annual leave.</p>	10	This work will focus on the controls around absence management, both sickness and annual leave, including monitoring compliance with the Policy, and required procedures and reporting.	Tracey Connage – Assistant Director Human Resources	Qtr 2

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
Conflicts of Interests (All Officers)	<p>As in previous years, this has been highlighted by certain DMTs as being a key risk area.</p> <p>During an economic downturn, it is generally accepted that the risk of fraud increases.</p> <p>Although currently delayed, the Bribery Act 2010 will place greater significance on the need to manage potential conflicts of interest.</p>	10	This work will focus on the controls in place across the Council for ensuring that officers declare any interests and that any officers declaring interests are operating in an appropriate manner.	Tracey Connage – Assistant Director Human Resources	Qtr 2
FINANCE & CORPORATE SERVICES (260 Days)					
Council Tax	<p>Key Financial Audit – annual coverage.</p> <p>With the new contract with the existing provider (Capita) commencing in 2011/12, it will be key that the collection and recovery rate is maintained whilst savings are achieved from the reduced contract fee and changes to the staffing arrangements.</p>	15	Annual systems audit focussing on key controls and any systems changes.	Paula Buckley – Head of Client Team, Revenue & Benefits	Qtr 3
National Non Domestic Rates (NNDR)	<p>Key Financial Audit – annual coverage.</p> <p>With the new contract with the existing provider (Capita) commencing in 2011/12, it will be key that the collection and recovery rate is maintained whilst savings are achieved from the reduced contract fee and</p>	15	Annual systems audit focussing on key controls and any systems changes.	Paula Buckley – Head of Client Team, Revenue & Benefits	Qtr 3

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
	changes to the staffing arrangements.				
Housing & Council Tax Benefits	Key Financial Audit – annual coverage. Changes are being made to Housing Allowance from April 2011 and changes are also occurring around the Welfare Reform Bill 2011	20	Annual systems audit focussing on key controls and any systems changes.	Margaret Read – Head of Revenue & Benefits	Qtr 3
Treasury Management	Key Financial Audit – cyclical coverage. With cuts in the settlement, it will be key that the Council's financial resources are maximised whilst ensuring that risks are kept within the acceptable level.	10	Annual systems audit focussing on key controls and any systems changes.	Martin Spriggs – Head of Exchequer & Investment	Qtr 3
Payroll	Key Financial Audit – annual coverage.	15	Annual systems audit focussing on key controls and any systems changes.	John Lee – Operations Manager	Qtr 3
Accounts Payable	Key Financial Audit – annual coverage. Function is now centralised within the Finance Service Centre (FSC), following the Finance Modernisation Project. Initial audit work has been undertaken during 2010/11 as part of the implementation.	15	Annual systems audit focussing on key controls and any systems changes. Given the changes that have taken place with the introduction of the FSC and the single accounting system (Oracle), further to our 2010/11 work, there will be a focus on the extent to which the newly implemented controls are being fully complied with.	Petrina Peters – FSC Payments Team Leader	Qtr 3/4

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
Accounts Receivable	Key Financial Audit – annual coverage. Function is now centralised within the Finance Service Centre (FSC), following the Finance Modernisation Project. Initial audit work has been undertaken during 2010/11 as part of the implementation.	15	Annual systems audit focussing on key controls and any systems changes. Given the changes that have taken place with the introduction of the FSC and the single accounting system (Oracle), further to our 2010/11 work, there will be a focus on the extent to which the newly implemented controls are being fully complied with.	Sade Adedoyin – FSC Income Control, Invoices and Cash Team Leader	Qtr 3/4
General Ledger	Key Financial Audit – annual coverage. Function is now centralised within the Finance Service Centre (FSC), following the Finance Modernisation Project. Initial audit work has been undertaken during 2010/11 as part of the implementation.	15	Annual systems audit focussing on key controls and any systems changes. Given the changes that have taken place with the introduction of the FSC and the single accounting system (Oracle), further to our 2010/11 work, there will be a focus on the extent to which the newly implemented controls are being fully complied with.	Celia Henry – FSC Accounting to Reporting Team Leader	Qtr 3/4
Pension Fund Investment	Key Financial Audit – cyclical coverage. With the economic downturn, the risks surrounding investments will increase.	8	Annual systems audit focussing on key controls and any systems changes.	Martin Spriggs – Head of Exchequer & Investment	Qtr 3
Information Technology	See separate IT Plan at Table 2	132	See Separate IT Plan at Table 2	N/A	N/A

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
CHILDREN & FAMILIES (248 Days)					
School Audits – Primary/Junior Schools	Schools are audited on a cyclical basis. The audit programme has been subject to review and update during 2010/11 to take account of emerging risk areas and areas of weakness identified across the schools. This will be subject to further review prior to the start of the 2011/12 audits, and on an ongoing basis.	150	Completion of audits for 15 primary schools. Estimation at this stage is for an allocation of 10 days per school, although this will be subject to ongoing review in connection with the review of the audit programme and in light of any specific issues arising in any school which may required increased coverage.	Mustafa Salih – Assistant Director, Finance & Performance	Across the year
Pupil Referral Units (PRU)	Similar to the schools, these are audited on a cyclical basis.	40	All four PRUs to be visited. The schools audit programme will be followed as far as is appropriate.	Paul Roper – Head of Alternative Education Service	Qtr 1
Schools Thematic Reporting	Given that the schools are visited on cyclical basis, any common and emerging issues will need to be communicated to Children & Families so that actions can be taken centrally to help ensure that any key and common issues are addressed across all schools. This is currently done through regular ongoing liaison, which will continue. Thematic work has been undertaken previously in addition to the school audits.	8	In addition to regular ongoing liaison with key officers, we will issue a summary report to Children & Families on a termly basis, indicating any common issues arising from the school audits, together with recommendations for helping to ensure that these are addressed across all schools. In addition, we will meet with the relevant officers to discuss the findings and required actions on a periodic basis.	Mustafa Salih – Assistant Director, Finance & Performance	Across the year

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
	For 2011/12, this is not considered appropriate given the number of schools already being visited and the level of detail being covered at each one.				
Children Leaving Care	Whilst financial resources are becoming increasingly scarce, the Council still has a statutory obligation in this area.	15	This work will focus on controls in place to ensure that the Council is meeting its obligation in respect of children leaving care.	Trajinder Nijjar – Locality Manager	To be determined
Out of School Support Services	Whilst financial resources are becoming increasingly scarce, the Council still has a statutory obligation in this area.	10	Specific scope and approach still to be discussed with management.	Rik Boxer – Assistant Director – Achievement & Inclusion	To be determined
Brent Transport Services	Part of the One Council transformation programme	10	Specific scope and approach still to be discussed with management, but to include coverage of internal financial controls.	Mustafa Salih – Assistant Director, Finance & Performance	Qtr 1
Personalisation / Children's Social Care	One Council Gold Project	15	Specific scope and approach still to be discussed with management.	Krutika Pau – Director – Children & Families	To be determined
ENVIRONMENT & NIEGHBOURHOOD (75 Days)					
CRC Energy Efficiency Scheme	Audit work has been undertaken in 2009/10 and 2010/11, assisting management to determine the steps needing to be taken to ensure compliance with the Scheme.	15	This work will include testing of a sample of data and review / testing of certain processes so as to further assist management with ensuring that controls are in place to ensure compliance with the Scheme.	Judith Young – Head of Policy & Performance	Qtr 1/2

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
	The rules of the Scheme changed in 2010/11 following the Government's Comprehensive Spending Review.				
Libraries	One Council Gold Project on Libraries Transformation.	15	Specific scope and approach still to be discussed with management.	Sue McKenzie – Head of Libraries, Arts and Heritage	Qtr 3
Transformation (Policy & Regulation)	Restructuring and transformation work is being undertaken within this area of the Department. The Assistant Director has suggested that input into this from a risk and controls perspective would be of value.	20	Specific scope and approach still to be discussed with management.	Michael Read – Assistant Director Policy & Regulation	Qtr 1
Waste Management	The cost of the waste management contract is significant and failure to deliver an efficient and effective waste service will have adverse financial and reputational impacts for the Council. In addition, meeting the recycling target is one of the key priorities in the Borough Plan. The contract is also being reviewed.	15	This work will focus on the controls in place around the management of the waste contract and the achievement of the recycling target.	Michael Read – Assistant Director Policy & Regulation	Qtr 2/3

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
Land Charges	Whilst the number of searches is declining due to the economic downturn, the potential adverse impact from not providing correct, complete and up to date information is high.	10	Specific scope and approach still to be discussed with management.	Michael Read – Assistant Director Policy & Regulation	Qtr 2
CUSTOMER AND COMMUNITY ENGAGEMENT(28 Days)					
Members' Expenses and Allowance	Mismanagement of members' expenses and allowances may have an adverse financial impact, but primarily poses a risk to the Council's reputation.	8	This work will focus on the controls in place around the management and administration of Members' expenses and allowances.	Elly Cook – Mayor's Office & Member Development Manager	Qtr 1
Ward Working Grants	Mismanagement of ward working grants may have an adverse financial impact, but primarily poses a risk to the Council's reputation.	15	This work will focus on the controls in place around the management and administration of ward working grants, including the assessment and approval of applications.	Christine Collins – Neighbourhood Working Manager	Qtr 1
Equality Impact Assessment	Equality Act 2010/2011	5	Specific scope and approach still to be discussed with management, but is expected to focus on the controls in place centrally for ensuring that the Act is complied with across the Council in all aspects of the Council's front line and support services. In addition, there will be a consideration of how this aligns with the transformation agenda and the impact assessments for major change projects and policies.	Jennifer Crook – Head of Diversity	To be confirmed

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
HOUSING & COMMUNITY CARE (60 Days)					
Financial Assessments of service users and recovering contribution	With the economic downturn, the risk of fraud is generally accepted to increase and the recovery of contribution may also become more difficult.	15	This work will focus on the controls in place around the management and administration of financial assessments and the recovery of monies for calculated contributions from service users.	Eamonn McCarroll – Assistant Director Strategic Finance	Qtr 2
Safeguarding	<p>Whilst financial resources are becoming increasingly scarce, the Council still has a statutory obligation in this area.</p> <p>Previous audit work has been undertaken to assess the extent to which management have implemented controls to address the recommendations raised from Care Quality Commission (CQC) inspections.</p> <p>The CQC have now given the Council permission to monitor their performance in this area internally.</p>	15	Specific scope and approach still to be discussed with management, but is expected to focus on the extent to which our previous recommendations have been implemented, plus the actions taken by management in respect of any further recommendations raised by the CQC since that time. The work should include an assessment of the adequacy of the controls now in place to monitor performance going forwards.	Lance Douglas – Assistant Director, Quality & Support	Qtr 1/2
Relationship Management with External Housing Bodies	The Assistant Director has highlighted the need to focus on relationship management with external housing bodies in order to ensure that housing needs can be met and the new build programme doesn't suffer.	10	Specific scope and approach still to be discussed with management, but is expected to focus on the controls in place around the identification of potential organisations to engage with, and the subsequent engagement and management of relationships.	Perry Singh – Assistant Director, Housing Needs / Private Sector	Qtr 2

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
Partnership working with NHS	With the transfer of the responsibility to the Council to deliver health focused services, approximately £4m will be jointly management by the Council.	10	Specific scope and approach still to be discussed with management.	Martin Cheeseman – Director of Housing & Community Care	To be determined
Framework-i Financial Module	The integrity of financial information relating to social care is key to effective decision making processes. This has been identified as an area of concern by the Assistant Director.	10	Specific scope and approach still to be discussed with management.	Eamonn McCarroll – Assistant Director Strategic Finance	Qtr 1
LEGAL & PROCUREMENT (23 DAYS)					
Procurement (Compliance with the Blue Book)	One Council Gold Project. Audit work was previously planned for 2010/11, but was postponed given that work around the project was still at a stage where our input was not considered to be appropriate.	15	This work will focus on the controls in place around ensuring and monitoring compliance with the Blue Book for high value spends.	Derry O'Neill – Head of Procurement	Qtr 1
Conflicts of Interests (Members)	During the economic downturn, it is generally accepted that the risk of fraud increases. Although currently delayed, the Bribery Act 2010 will place greater significance on the need to manage potential conflicts of interest.	8	This work will focus on the controls in place for ensuring that members declare any interests and that any members declaring interests are operating in an appropriate manner.	Fiona Ledden – Director of Legal & Procurement	Qtr 2

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
REGENERATION & MAJOR PROJECT (70 DAYS)					
Project Management Framework (contract audit)	<p>A new Project Management Framework has been developed and this is to be rolled out for application across all projects managed by the department, as well as the wider Council going forwards.</p> <p>Current barriers which could impact on management's ability to embed this have been highlighted as being the lack of project management skills amongst existing staff and the need to change the culture with regards to the management of projects.</p>	5	<p>We will liaise with management to undertake an initial assessment of the adequacy of the controls making up the new project management framework. The focus will be on assisting management to determine any revisions potentially needed at this stage, as opposed to waiting until the framework has been fully implemented.</p> <p>We will feed in examples of good practice with which we are familiar in other organisations, as appropriate.</p>	Ian Hamilton – Head of Regeneration Performance Management	Qtr 1
Corporate Health & Safety	Corporate Manslaughter and Corporate Homicide Act 2007.	10	This work will focus on the controls in place around the management of corporate health & safety and the arrangements for ensuring compliance with the Corporate Manslaughter and Corporate Homicide Act 2007.	Richard Barrett – Head of Property & Asset Management	Q2
School Health & Safety	<p>As with corporate health and safety, there are legislative requirements in this area.</p> <p>Management have highlighted this as a particular risk area since the transfer of responsibility as part of the restructure.</p>	10	This work will focus on the controls in place around the management of health & safety for schools in Brent, including the identification and assessment of risk areas, and the maintenance of information around this.	Richard Barrett – Head of Property & Asset Management	Q2

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
Capital Projects (contract audits)	As above, a new Project Management Framework has been developed and this is to be rolled out for application across all projects managed by the department, as well as the wider Council going forwards.	30	Specific projects will be agreed with management for undertaken contract audits to assess the application of the newly developed Project Management Framework.	Richard Barrett – Head of Property & Asset Management	Qtr 3/4
Civic Centre Project (contract audit)	One Council Gold Project. Audit work has been undertaken in 2009/10 and 2010/11 around the inception and development of project. It is agreed that, given the scale of the project, further contract audit work should be undertaken at various stages through the life time of the project.	15	Ongoing contract audit work focusing on the controls in place around the management of the project. The specific scope varies depending on the stage of the works.	Aktar Choudhury – Assistant Director Civic Centre Programme	To be determined
STRATEGY, PARTNERSHIP AND IMPROVEMENT (30 DAYS)					
Domestic Violence	Supporting domestic violence victims and their families to escape from violent situations is one of the key priorities in the Borough Plan.	10	Specific scope and approach still to be discussed with management.	Genny Renard – Head of Community Safety Team	Qtr 1
Brent Blue Print	New joint working arrangement with the Police, on which the Council serves as the lead. Management have highlighted a risk around the Council's agenda being overtaken by that of the Police.	10	This work will focus on the controls in place to manage the joint working Arrangement.	Genny Renard – Head of Community Safety Team	Qtr 3

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
Data Quality	<p>Data quality is key in providing robust management information to facilitate effective decision making processes.</p> <p>Previous audit work has identified weaknesses around the management of performance information, although the most recent work during 2010/11 found that improvements have been made. Given that it remains a key risk area, management have suggested further coverage in 2011/12.</p>	10	This work will focus on the controls in place to manage performance related data across the Council, including the controls in place around confirming that data is complete, accurate, valid and timely, including where the source of this is external to the Council, i.e. through a partner organisation.	Cathy Tyson – Assistant Director, Policy	Qtr 3
OTHER					
Brent Housing Partnership (BHP)	See separate BHP Plan	135	<p>Draft Annual Plan has been formulated and is being presented to BHP's Audit & Finance Sub-Committee for approval.</p> <p>The total number of days has increased slightly to take account of BHP's expanded role since the purchase of Granville New Homes.</p>	N/A	N/A
Consultation, Communication and Reporting	N/A	55	<p>To cover:</p> <ul style="list-style-type: none"> Attendance by Deloitte management at meetings across 	N/A	Throughout the year

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
(Deloitte)			<p>the Council, for example Strategic Finance Group, Schools Causing Financial Concern, and Audit & Investigations Management meetings;</p> <ul style="list-style-type: none"> • Deloitte management attendance at Audit Committee meetings and the production of progress reports for these; • Deloitte managements' non-audit specific liaison and communication with officers across the Council on a day-to-day basis and with the Council's external auditors, the Audit Commission. For example, ongoing liaison with Directors and Assistant Directors regarding any necessary revisions to the Plan and communication of key issues arising from completed internal audit work, and liaison with the Audit Commission regarding their review of completed internal audit work; • Day-to-day liaison with the in-house Audit Manager; and • General administration around the Deloitte element of the Plan, including the scheduling of work and monitoring of performance against the KPIs. 		

Audit	Link to the ANA / Basis for Inclusion	Days	Proposed Coverage	Initial Key Contact	Proposed Timing
Follow-Up	If recommendations raised are not implemented by management, then the value derived from the work of Internal Audit is reduced and the Council's risk exposure is not reduced.	55	Completion of follow-up work in order to determine the extent to which previously raised recommendations have been implemented. This will be done as part of the rolling follow-up programme, into which all recommendations raised are added.	N/A – dependent upon each internal audit to be followed-up	Across the year
Contingency	To allow for any new or emerging risks which may be identified during the course of the year, particularly given the scale of changes taking place.	81	To be allocated to any new developments or new / emerging risk areas during the course of the year. In the event that additional work is required for which insufficient contingency days are available, a decision will be made on whether other lower risk audits can be deferred until 2011/12.	N/A – dependent upon work required	N/A – dependent upon work required
Total		1,200			

Table 2 – IT Plan

AUDIT	DAYS	PROPOSED COVERAGE	INITIAL KEY CONTACT	PROPOSED TIMING
IT				
Programme and Project Management Effectiveness	15	The overall audit objective is to assess the system and controls over how new business developments that involve engagement with IT are managed and the extent to which the system and controls provide management with a satisfactory level of internal control so that new developments provide value for money.	Tom Lloyd. Dave Sifleet, Robert Hurcum	
Resilience of Exchange/Outlook and E-mail archiving	10	To assess the adequacy of the configuration settings and management for the business critical Exchange email system in terms of confidentiality, availability and mailbox archiving.	Tom Lloyd	
Resilience of Active Directory (AD) and Follow Up from AD Risk Assessment	12	This audit will follow up from our previous risk assessment of Active Directory (AD) and in addition conduct further testing to verify the resilience over AD within the Council.	Tom Lloyd	
VDI Project – Audit presence	15	<p>This audit assurance approach will provide a fully embedded independent assessment of internal controls for this high profile and business critical project. The audit work, which is carried out on a regular basis throughout the project lifecycle, will cover: Regular attendance at project board meetings; Vouching project governance arrangement effectiveness; Confirming management standard compliance levels; and Monthly audit transition activity checks, and risk management issue exception updates at the project boards.</p> <p>Formal audit assurance outputs will include a phase one interim report during the project lifecycle; and a phase two reports directly before the project go live or closure.</p>	Tom Lloyd	
IT Governance	10	The Information and Communication Technology (ICT) Corporate Governance framework directs monitors and controls the current and future use of ICT to support core Council	New Head of IT	

AUDIT	DAYS	PROPOSED COVERAGE	INITIAL KEY CONTACT	PROPOSED TIMING
		business demands. This audit will assess the controls in place to mitigate the identified risks in relation to the ISO:38500 IT governance framework by examination of the following areas: Responsibility; Strategy; Acquisition; (and implementations PRINCE2) Performance; (ITIL) Conformance; and Human behaviour.		
Oracle Financials – Post Implementation	10	The aim of this audit is to independently assess the adequacy of the post implementation control framework and procedures established and applied by management to evaluate the “Return on Investment” achievements and shortfalls of project implementation activities over the Oracle Financials system. The post implementation activity should report on the extent to which the project achieved the goals and objectives set out in the project initiation document and this audit will assess the controls being applied in the following areas: <ul style="list-style-type: none"> • Risk management of any ongoing residual project risks; • Post implementation methodology to assess and quantify business achievements and delivery of strategic goals; and • Post implementation knowledge management learning initiatives for ongoing continuous improvements. 	Mark Peart	
Frameworki - Application	10	This audit will cover the application controls for the Frameworki system. The areas covered in this audit include access controls, data entry, data processing, data output, interfaces, support and maintenance; and backup and recovery.	tbc	
Bankline Payments	10	This audit will cover the application controls for the Bankline Payments system. The areas covered in this audit include access controls, data entry, data processing, data output, interfaces, support and maintenance; and backup and recovery.	Sarah Cardno	
AXIS Cash Receipting	10	This audit will cover the application controls for the AXIS Cash Receipting system. The areas covered in this audit include	tbc	

AUDIT	DAYS	PROPOSED COVERAGE	INITIAL KEY CONTACT	PROPOSED TIMING
		access controls, data entry, data processing, data output, interfaces, support and maintenance; and backup and recovery.		
IDEAR – Pupil Management	10	This audit will cover the application controls for the IDEAR – Pupil Management system. The areas covered in this audit include access controls, data entry, data processing, data output, interfaces, support and maintenance; and backup and recovery.	tbc	
NonStopGov (iCaseWork) – e-forms run on this.	10	This audit will cover the application controls for the NonStopGov (iCaseWork) system. The areas covered in this audit include access controls, data entry, data processing, data output, interfaces, support and maintenance; and backup and recovery.	tbc	
Software Licensing	10	This audit will assess the software licensing inventory and management system in terms of: <ul style="list-style-type: none"> • Procurement arrangements (policies, roles and responsibilities); • Inventory records (ITIL configuration management data base); • Security of definitive software library materials; • Disposal arrangements; and • Management information returns. 	Tom Lloyd	
TOTAL	132			

Appendix B – Audit Needs Assessment

The output from the ANA process is documented in nine tables over the following pages, one at corporate level and one for each of the Departments.

Corporate

Internal Risk Factors

Achievement of Objectives - *What are the Council's key objectives?*

One Borough – *Creating a sustainable built environment that drives economic regeneration and reduces poverty, inequality and exclusion. This will be achieved through:*

- *Driving economic opportunity and regeneration;*
- *Protecting environment;*
- *Greater access to affordable housing; and*
- *Increasing sports, leisure and culture facilities.*

One Community – *Providing excellent public services which enable people to achieve their full potential, promote community cohesion, and improve our quality of life. This will be achieved through:*

- *Reducing unemployment and low incomes;*
- *Supporting children and families;*
- *Enabling young people to thrive;*
- *Greater personal choice and independence in adult social care;*
- *Reducing crime and the fear of crime; and*
- *Address health inequalities and the gap in life expectancy.*

One Council – *Improving services for residents by working with our partners to deliver local priorities more effectively and achieve greater value for money from public resources. This will be achieved through:*

- *Consistent engagement with local communities; and*
- *Achieving organisational efficiency and service improvement.*

In addition to the three key slogans above, the Council is also responsible for ensuring that robust and effective emergency and

business continuity plans are in place.

Compliance with legislation - What are the key pieces of legislation and internal regulations from a corporate perspective?

- *Local Government Act 2000*
- *Data Protection Act 1998*
- *Freedom of Information Act 2000*
- *Health & Safety at Work Act 1974*
- *Brent Council's Standing Orders*
- *Council's Financial Regulation*

Income/ Expenditure - What are the key areas of income and expenditure (not duplicating those covered for each Department)?

- *Current Budget Requirement approx £265m, forecast £272m, resulting in £7m overspend. (See hotspot for the explanation for the forecasted overspend) (Source: SFG Budget Monitoring August 2010 forecast)*
- *Civic Centre Project approximately £100m in total but in the long term centralising council services is expected to decrease the running costs of the council by approximately £2.5m per year.*

Changes to the organisation – What are the key changes taking place from a corporate perspective? (e.g. significant change in staffing, change of IT systems, changes in ways of working)

- *Staffing Review and Restructure;*
- *Customer Contact;*
- *Civic Centre (June 2013);*
- *Finance Modernisation Project (Single Accounting System).*

Key Organisational Projects – What are the key projects taking place at a corporate level?

Once Council – To make departmental and professional boundaries less important and to make internal and external partnership working the natural and expected way of doing business. To reduce waste, duplication, and inefficiency and optimise performance across the Council.

There are currently 13 One Council projects reporting to Programme Board including:

- *Staffing & Structure Wave 1*

- *Staffing & Structure Wave 2*
- *Finance Modernisation*
- *Adult Social Care – Customer Journey*
- *Adult Social Care – Direct Services*
- *Waste & Street cleansing*
- *Children’s Social Care*
- *Strategic Procurement*
- *Review of Employee Benefits*
- *Income Generation*
- *Civic Centre*
- *Move to Civic Centre*
- *Customer Contact*

Travel Plan – to promote environmentally friendly modes of transport such as walking, cycling, car-sharing and public transport, and to reduce CO2 emissions.

External Risk Factors

Economic – What areas are particularly being impacted by the general economic downturn, from a corporate perspective?

- *Local Government Settlement cuts;*
- *Reduction in overall grants income;*
- *Debt recovery may be adversely affected as a result of economic decline impacting residents/trade customers;*
- *Increase in unemployment may increase residents claiming benefits;*
- *Current economic climate may create opportunity for chargeable services.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact the Council as a whole?

Equality Act 2010 – General Duty to:

- *Eliminate unlawful discrimination, harassment and victimisation;*

- *Advance equality of opportunity between different groups; and*
- *Foster good relations between different groups.*

As part of the above, there are there key tasks as follows:

- *Transparency and Publication of Information;*
- *Action planning and Setting and Monitoring objectives; and*
- *Assessment of Impact.*

Climate Change Bill including CRC (Carbon Reduction Commitment)

Capital Finance Regulations (Amended 2010)

International Financial Reporting Standards (IFRS)

Fraud Risk – Are there any specific factors to consider with regard to fraud risk from a corporate perspective?

It is generally accepted that, in hard economic times, the risk of fraud goes up. In addition, the element of change can be a key driver of fraud. There are a number of factors to consider:

- *Increased financial pressures can increase the need for people to commit fraud, both staff and residents/suppliers;*
- *Changes to working practices / new systems creating opportunities to commit, either due to actual weaknesses in controls, or a perception that they are not yet embedded and hence they won't be found out; and*
- *Restructuring / job losses resulting in lower levels of morale amongst staff, and a reduced commitment to the organisation.*

Children and Families

Achievement and Inclusion/ Children's Social Care/ Policy and Performance

Internal Risk Factors

Responsibility/Types of Services Provided

The Children and Families department has overall responsibility for improving outcomes for all Brent's Children, particularly the most vulnerable. The department works directly with children, parents and carers, schools, children's centres and a wide range of partners to improve the life chances and choices of young people and adults.

Current initiatives include the provision of sufficient high quality school places, embedding locality based integrated working, narrowing the gap in attainment and supporting our most vulnerable children to overcome the barriers which prevent them from achieving their full potential.

Achievement of Objectives/Reference to the Borough Plan - What are your key objectives?

As set out in the Borough Plan, the key objectives for the department are as follows:

- *Support children who find it most difficult to succeed educationally;*
- *Work with looked after children, and those with special educational needs or disabilities, to help them achieve their potential;*
- *Aim to build at least one new high school and one primary school, while expanding existing capacity;*
- *Lobby central government for the resources to build new expand and re-build schools;*
- *Have a range of extended services and achieve accreditation as Healthy Schools at all schools; and*
- *Invest in early years services and increase access to childcare.*

In addition to the above, the department also aim to enable young people to thrive through the following:

- *Develop neighbourhood projects that tackle a lack of activities for young people through our Ward Working initiative;*
- *Review the Council's service provision to ensure all areas of the borough have relevant and engaging activities; and*
- *Continue to work with young people to improve the dedicated young people's website, Bmyvoice.*

Compliance with legislation - What legislation is relevant to you in your Department?

- *Children's Act 1989, and 2004*
- *Education Act 1996 and 2005*
- *Childcare Act 2006*
- *The Special Educational Needs and Disability Act 2001*

- *Department of Education Statutory Reporting requirements*
- *Data protection Act 1998*
- *The Academies Act 2010*

Income/ Expenditure - What are your key areas of income and expenditure?

- *(Source: SFG Budget Monitoring August 2010 forecast)*
- *Current Budget approx £58m, forecast £61m, resulting in £3m overspend. (See hotspot for the explanation for the forecasted overspend)*
- *(Source: Brent Analysis of Specific Grants)*
- *Schools grant– approx £200-230m*
- *Area Based Grant for Children & Families – approx £7m*
- *(Source: SFG HLM)*
- *SEN Transport Expenditure – approx £3-4m*
- *Children’s External Placement Costs approx £14-£15m*

Changes to the organisation - Are there any changes taking place in your Department? (e.g. significant change in staffing, change of IT systems, changes in ways of working)

In addition to the Council wide changes such as staffing review and restructure projects, there are further changes including the introduction of Common Assessment Framework, and the launch of Locality Services.

Key Organisational Projects - We are aware of the various One Council projects taking place, but is there any specific aspect of these which is particularly relevant to your Department, more so than others?

- **Children’s Services Transformation- Children’s Social Care** (Tranche 2);
- **SEN Review** (Tranche 3)– looks to expand local specialist educational provision for children and young people with high-level, special educational needs as a more cost-effective response to rising demand and budgetary pressures; and
- **Services to Young People** (Tranche 3).

External Risk Factors

Economic - Are there any areas of your operations which are particularly being impacted by the general economic downturn?

- *Private nursery providers may go out of business if income is impacted either as a result of decline in the income from*

commercial customers or a reduction in grants. This will then reduce the number of places available within Brent, impacting the sufficiency of places in relation to demand.

- Funding cut has seen the withdrawal of Building School for Future and schools may be left with buildings/facilities that do not meet the minimum standards expected.*
- Economic downturn may result in an increased demand on the state funded education thereby pressuring the number of places available within Brent. In addition, this may also increase the risk of fraudulent applications for high performing schools.*
- If funding cut results in fewer frontline service staff including social workers, there will be an increased risk of errors in judgement, staff being de-motivated, cutting corners to deal with the volume of caseload, and these may impact on the protection of children or effectiveness of early signal detection.*
- Funding cuts may undermine Brent's capability to develop in borough SEN provision.*
- With funding cuts also affecting school budgets/grants, schools may increasingly seek alternative income streams such as letting, chargeable out of school hours activities, and any other profit making activities. Regulating such activities in an efficient, effective and practical ways will become key in ensuring that schools will remain focused on its key objectives and that they manage risks associated with such activities.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact on your Department?

- **The Code of Practice for Local Authorities on Delivery of Free Early Years Provision for 3 & 4 year olds (Early Years Single Funding Formula)***
- **The School Admissions Code** (revised in 2009) – Prior to this, local authorities have only been responsible for administering out of year admissions in the past. However the Council is now responsible for the whole process, from receipt of applications, to offers and waiting lists for Schools and the Council will be required to liaise with Schools and other authorities.*
- **Young People's Learning Agency (YPLA) funding** - Local authorities are now responsible for considering the risks to funding and the need for assurance in respect of their own direct provision, including local authority maintained schools with sixth forms. The chief financial officers within local authorities are now responsible for determining whether and how any work should be undertaken to enable them to make their grant returns to the YPLA.*
- **The Academies Act 2010***

Fraud Risk - Are there any areas of potential fraud risk which you have identified within your Department, or which you are aware of as being a possible problem area on the basis of your awareness of issues that may have occurred in other

boroughs?

- Foster Care Payments
- Schools (Procurement, Personnel Related, Theft)
- School Admissions
- Childcare benefits (free places)
- False grant claims submitted by private service providers/schools
- Misuse of ring-fenced funding such as SEN funding

Links to the Hotspots

Significant potential overspends are identified and reviewed in the monthly Strategic Finance Group (SFG) meetings.

<i>Budget Area</i>	<i>Potential Overspend £'000</i>	<i>Nature</i>	<i>Proposed Resolution</i>
<i>Social Care</i>	<i>2,019</i>	<i>Overspend on social care placements possible if the number in care does not reduce, or there is no shift from Individual Foster care Agency (IFAs) to Brent Carers.</i>	<i>Work ongoing as part of the Social Care, as stated in the key projects above.</i>
<i>Children with Disabilities</i>	<i>166</i>	<i>Pressure on CWD placements.</i>	<i>SEN Review to take place as part of Tranche 3 Projects.</i>

(Source: SFG October Hotspot)

Customer and Community Engagement

Communications/ Consultation/ Diversity and Community Cohesion/ Festivals/ Mayor's Office/ One Stop Service/ Registration and Nationality/ Ward Working

Internal Risk Factors

Responsibility/Types of Services Provided

Communications- *The Communication Team provide PR and strategic communications support for all non-political areas of the council including online, digital, social and traditional media. Most information that the Council publishes will go by the team and they are also responsible for the output of all council news as well as being the point of contact for media enquiries and responsible for online content.*

Consultation – *To ensure that all borough residents and service users are properly informed about the Council, its role, its policies and its performance so that they can take part in shaping and developing future services and setting proprieties.*

Diversity and Community Cohesion – *To ensure that services provided meet the varied individual needs and expectations of local people and that everyone has equal access to services, regardless of their race, heritage, gender, religious or non-religious belief, nationality, family background, age, disability or sexuality. To ensure that the Council's workforce represents the people they serve and to recruit, develop and retain the most talented people by valuing the varied skills and experiences they bring to Brent Council by investing in their training and development, by treating staff fairly and equitably, by combating harassment and discrimination at work, and by encouraging an honest and open culture which values the differences.*

One Stop Service (OSS) – *To provide residents and visitors to Brent with access to and information on a wide range of council services. OSS is the first point of contact for public council enquiries.*

Registration and Nationality – *To undertake the instructions by the General Registrar Office in respect of registration of births, marriages, and deaths. To provide nationality checking services for British citizenship and conduct British citizenship ceremonies.*

Ward Working – *To find out what concerns residents have about their area and how they would like it to be improved. Ward Working take a partnership approach to problem solving and work with local councillors in their role as community leaders to priorities issues and address residents' top concerns. Each of the 21 wards in Brent has an annual budget of £20k. The money is for one-off projects that will tackle issues in new and innovative ways, not to substitute for things that should be done anyway.*

In addition to the above, the department also includes Festivals Team and Mayor's Office.

Achievement of Objectives/Reference to the Borough Plan - **What are your key objectives?**

As set out in the Borough Plan, one of the key priorities is to embed consistent engagement with local communities within Brent and empower local people by providing more opportunities to get involved. The new Brent wide Engagement Strategy sets out the ambition of the Council and partners to inform, consult, engage and involve the communicates in all aspects through the following:

- *Continue to distribute The Brent Magazine to households regularly;*
- *Use the Council's Residents' Attitude Survey and Citizen's Panel to measure residents' satisfaction, and respond to concerns raised;*
- *Focus on Councillors working in their communalities through Ward Working;*
- *Put more transactional services onto the Council's website so users get the response they need at a time convenient to them;*
- *Encourage residents to participate in overview and Scrutiny Panels; and*
- *Become a beacon of best practice for ensuring equality of opportunity.*

In addition to the above, the Council also aims to achieve organisational efficiency and service improvement through the following:

- *Redesign customer contact arrangements so that more enquiries and requests will be resolved on first contact;*
- *Continue working with public and voluntary sector partners to identify how the Council can collectively make best use of public spending;*
- *Set a target for 90 per cent of residents to be satisfied with their area as a place to live and 85 per cent to be happy with how the Council runs the borough; and*
- *Become a smaller but more effective organisation, focused on responding to residents' needs.*

Compliance with legislation - *What legislation is relevant to you in your Department?*

- *Brent Council Corporate Communication Guidelines*
- *Brent Council Inclusive Communications Guidelines*
- *Data Protection Act 1998*
- *Freedom of Information Act 2000*
- *Equality Act 2010*
- *The Disability Discrimination Act*
- *The Births and Deaths Registration Act*
- *The Legitimacy Act*
- *The Marriage Act*
- *The Registration Act*
- *The General Registrar Office Instructions*

- *The Environmental Information Regulations*
- *The Re-use of Public Sector Information Regulations 2005*

Income/ Expenditure - *What are your key areas of income and expenditure?*

- *Registration and Nationality Service generates approximately £670k from registration fees and holding ceremonies.*
- *Ward Working budget of approximately £400k per annum distributed across 21 wards for one off projects.*

Changes to the organisation - *Are there any changes taking place in your Department? (e.g. significant change in staffing, change of IT systems, changes in ways of working)*

- *In addition to the Council wide changes such as staffing review and restructure projects, there are further changes including the development of web portal for self service facilities, and the introduction of IP Telephony.*
- *The restructure has seen Registration and Nationality Service moving into this department from Legal.*
- *The department have a number of services which generated internal income from the other Departments. With the Council moving away from Internal Charges, the department's income will be affected and meeting the financial target for income will become a challenge.*

Key Organisational Projects - *We are aware of the various One Council projects taking place, but is there any specific aspect of these which is particularly relevant to your Department, more so than others?*

- *Move to Civic Centre*
- *Development of Willesden Green Library Centre and further three contact points for customers*
- *Reshaping Customer Contact Project*

External Risk Factors

Economic - *Are there any areas of your operations which are particularly being impacted by the general economic downturn?*

- *With Economic downturn, the number of residents requiring the Council's support may increase including application for benefits. It will therefore become key that the level of avoidable contacts is kept to minimum and any queries are handled in an efficient manner.*
- *With the budget cuts and reduced amounts of money being available, consultation with residents will also become key in determining the priorities of how the money is to be used.*
- *The budget cuts have and will continue to introduce a number of changes to the way the Council operates and informing residents of the changes will become increasingly important to a successful delivery of the new process.*

- *With the budget cuts, service performance may decline and this will have immediate impact on customers. Balancing quality and productivity will be key.*
- *With Economic downturn and the pressure to save cost on training, there will be some conflicting priorities as training is key in areas such as Registration & Nationality.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact on your Department?

- *Equality Act 2010 – A new process will be in place by 31 July 2011.*

Fraud Risk - Are there any areas of potential fraud risk which you have identified within your Department, or which you are aware of as being a possible problem area on the basis of your awareness of issues that may have occurred in other boroughs?

- *Misappropriation/misuse/loss of blank certificates*
- *As part of Reshaping Customer Contact Project we understand that Customer Services may take the role of undertaking financial or eligibility assessment using a pool of specialist staff. With the economic downturn, there will be an increased risk of fraudulent applications to receive benefits or free/subsidised care services so it will be key that adequate process is put in place to facilitate robust assessment.*

Links to the Hotspots

Significant potential overspends have not been reported in the monthly Hotspot.

Environment and Neighbourhood

Environment and Protection/ Neighbourhood Services/ Projects and Policy

Internal Risk Factors

Responsibility/Types of Services Provided

Environment and Neighbourhood department provide a wide range of front-line services focused on ensuring Brent is a clean and well-maintained borough and a healthy, safe and enjoyable place to live. The department take a corporate lead on:

- The 'Green Agenda' developing borough-wide plans to reduce Carbon emissions, increase sustainable transport options and reduce waste and increase recycling; and*
- Work to ensure that a lasting legacy is created for the borough as a result of the London 2012 Olympic and Paralympics Games.*

The department is also responsible for developing a neighbourhood approach to service delivery alongside Councillors and other key service providers ensuring local people have the opportunity to influence services in their local area.

The environment and Protection division works to protect the environment and improve the quality of life for local residents by working with contractors to provide services such as street cleaning, waste collection, street lighting and parking. The division is also responsible for regulating activities to protect local people through Trading Standards, Health, Safety and Licensing, Emergency Planning and Environmental Health Teams.

The Neighbourhood Services division leads on developing and delivering the Council's cultural offer for the borough through the provision of parks and open spaces, libraries, the Brent museum and by providing a range of sporting and arts activities. The division also work with partners to improve highways, reduce traffic congestion and improve the quality of public transport and cycling and walking networks.

The Environmental Projects and Policy division supports and encourages the Council and other organisations and residents in the borough to become as sustainable as possible in its policies, services and practices. The majority of the division's work focuses on environmental sustainability although maintenance of Geographic Information Systems and administration of Local Land Charges are also dealt with by the unit.

Achievement of Objectives/ Reference to the Borough Plan - What are your key objectives?

As set out in the Borough Plan, one of the key priorities for the Council is to protect the environment through the following:

- Reducing the Council's CO2 emissions by 25 per cent by 2014, by improving energy efficiency in council buildings, encouraging public transport use, reducing business travel, promoting car clubs and cycling facilities, and using alternative sources of energy;*

- *Making sustainable choices when purchasing goods and services, and promote the work to f the Brent Fairtrade Network;*
- *Increasing recycling and composting to 60 per cent by 2014;*
- *Collect bulky waste free of charge and where possible reuse or recycle items;*
- *Supporting people who choose cars with lower emission levels;*
- *Prosecuting those who spoil streets within Brent;*
- *Improving the wardens service and develop new sports and physical activities, particularly for older people, children and young people;*
- *Improving roads, increasing safety, particularly where it affects children; and*
- *Lobbying the Mayor of London on transport issues including high-speed but services connecting outer London town centres.*

In addition to the above, the Council also aims to increase sports, leisure and culture facilities through the following:

- *Promoting Brent's joint Sports and Physical Activity Strategy to increase the numbers taking regular exercise;*
- *Reviewing Brent's library service to create a network of modern libraries;*
- *Working to provide a new third swimming pool serving the north of the borough and to improve the centre at Bridge Park; and*
- *Through the Borough's Cultural Strategy, aim to provide better venues and attract more funding for cultural activities.*

Compliance with legislation - *What legislation is relevant to you in your Department?*

- *Public Health Act 1936*
- *Health & Safety at Work Act 1974*
- *Road Traffic Act 1960*
- *Road Traffic Acts 1988 and 1991*
- *Road Traffic Regulations Act 1967*
- *Road Traffic Regulations Act 1980*
- *Highways Act 1980*
- *Traffic Management Act 2004*
- *Climate Change Act*
- *Environmental Protection Act 1990*
- *Clean Neighbourhoods and Environment Act 2005*

- *Code of Practice on Litter and Refuse 2006*
- *Household Waste Recycling Act 2003*
- *Refuse Disposal Amenity Act 1978*
- *Environmental Protection (Duty of Care) Regulations*
- *Controlled Waste Regulations*
- *Animal By-products Regulations*
- *End of Life Vehicles Regulations 2003*
- *The Landfill Allowance and Trading Scheme Regulations 2004*
- *Hazardous Waste Regulations 2005*
- *The Waste (Household Waste Duty of Care) Regulations 2005*
- *Waste Electrical and Electronic Equipment (WEEE) Regulations 2006*
- *The Waste Management (England and Wales) Regulations 2006*
- *Environmental Protection (Waste Recycling Payments) Regulations 2006*
- *Site Waste Management Plan Regulations 2008*
- *Waste Strategy for England 2007*
- *Traffic Management Act 2004*
- *Code for Sustainable Homes*
- *Eco Schools*
- *Sustainable Schools Strategy 2006*
- *Brent Climate Change Strategy*
- *ISO14001*
- *ISO9001*
- *Environmental Information Regulations 2004*
- *The London Plan*
- *The Mayor of London's Waste Strategy*
- *West London Waste Authority Municipal Waste Management Strategy*

- *Brent Municipal Waste Management Strategy*
- *Corporate Environmental Policy*
- *Brent Climate Change Strategy*

Income/ Expenditure - What are your key areas of income and expenditure?

- *External income for planning – approximately £1.4m in 2009/10 and the same budgeted for 2010/11.*
- *Land Charge Searches Income – approximately £400k in 2009/10 and approximately £600k budgeted for 2010/11.*
- *Veolia Contract (refuse collection, recycling and street-cleaning) – approximately £17m in 2009/10.*
- *Section 52 (9) charges – approximately £300k per year.*
- *PCN income – approximately £4m per year.*
- *On street meter income – approximately £3m per year.*
- *Highways expenditure on potholes and patching – approximately £1m per year.*

Changes to the organisation - Are there any changes taking place in your Department? (e.g. significant change in staffing, change of IT systems, changes in ways of working)

- *In addition to the Council wide changes such as staffing review and restructure projects, Streetcare will undergo a service structure review restructure in June 2011. The restructure will entail both people change and change in systems. The restructure that has already taken place and also the new phase will see a loss of knowledge and skills and it will be important to ensure that any critical knowledge and skills remain within the service. This will require a system to identify key knowledge/skills and put contingency and/or hand over plans in place.*
- *The launch of London Operational Permit Scheme in January 2010.*
- *The department is looking into the option of shared services with Ealing and Harrow in some areas such as highways, trading standards and other regulatory services.*
- *Brent Transport Service is also looking at opportunities for providing services externally through subcontracting.*

Key Organisational Projects - We are aware of the various One Council projects taking place, but is there any specific aspect of these which is particularly relevant to your Department, more so than others?

- *Waste Strategy Review (Waste & Street Cleansing)*
- *Veolia Contract Review*
- *Carbon Management Programme*

- *Libraries Transformation Project (closure of libraries)*
- *There is a target to generate an additional £3M income. This is expected to come from a number of areas including the key projects shown above.*

External Risk Factors

Economic - Are there any areas of your operations which are particularly being impacted by the general economic downturn?

- *In economic downturn, parking income may be affected from both PCN and parking fees. In addition, planning income from major application may also reduce if residents generally have less money and licence income such as skip & Hoarding licences may also reduce if less works are completed. On the other hand it may create an opportunity for the Council's chargeable services if they can provide better Value For Money than the private services such as leisure centres (gym facilities).*
- *Large part of street care services and parking are operated by contractors (Veolia and APCOA, for example). In economic downturn, contractors will also be affected and the quality (due to a lack of training and supervision)/motivation (pressure arising from needing to deliver more) of their staff may cause issues. In addition, going concerns of the contractors will also have impact on the Council's ability to deliver the required services.*
- *The department receives various grants and these may be cut/reduced. For example, Planning Delivery Grant of £390k was expected for 2010/11 but this has now been withdrawn.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact on your Department?

- *Equality Act 2010*

Fraud Risk - Are there any areas of potential fraud risk which you have identified within your Department, or which you are aware of as being a possible problem area on the basis of your awareness of issues that may have occurred in other boroughs?

- *Misappropriation of street meter income.*
- *Fraudulent charges made by contractors.*
- *Misappropriation of planning/land charge search income.*
- *Fraudulent waiver/cancellation of PCNs.*
- *Misappropriation of membership fees for leisure/sports centres.*

Links to the Hotspots

Significant potential overspends are identified and reviewed in the monthly Strategic Finance Group (SFG) meetings.

<i>Budget Area</i>	<i>Potential Overspend £'000</i>	<i>Nature</i>	<i>Proposed Resolution</i>
<i>Planning Delivery Grant</i>	<i>390</i>	<i>Notification has been received that Planning Delivery Grant will be £0k instead of £390 that has been included in the budget.</i>	<i>Unavoidable overspend.</i>
<i>Bulky Waste – repeal of £25 charge</i>	<i>195</i>	<i>The Administration has committed to repealing the £25 charge for bulky waste. In a full year this is estimated to cost £390k in collection and disposal costs, based on tendered rates prior to the introduction of the charge and based on an assumed additional 1,000 tonnes of waste being handled. The hotspot assumes that the charge will be repealed mid-year. It is not yet clear whether waste tonnages generally will enable some of this to be offset by lower disposal costs generally or higher than expected organic waste credits.</i>	<i>Unavoidable overspend.</i>
<i>Shortfall in planning application fee income</i>	<i>200</i>	<i>Whilst application numbers are rising there has been a decline in major application numbers where the fees are greater.</i>	<i>Unavoidable overspend.</i>
<i>Land Charges income</i>	<i>100</i>	<i>Income received between April and September shows a £28k shortfall against a profile of £133k, which may lead to an income deficit of £100k for the full year. Instruction from the Information Commissioners states that all request to view Land Charges information (Personal Searches only) are to be considered under the Environmental Information Regulations 2004 and therefore should be provided free of charge. This will lead to a further loss of income this year of around £30k. <i>In addition Local Authorities have to refund to agents fees paid for Personal Searches from 2004. This could be around £80k</i></i>	<i>There is very little scope to reduce expenditure within the Land Charges team to meet this budget gap. The only option would be to reduce services within E&C.</i>

		<p><i>depending on the approach agreed.</i></p> <p><i>Therefore the current projection is an estimated income shortfall of £110k for land charges unless substantial and early recovery in the housing market takes place.</i></p>	
StreetCare (Green Zones)	53	<p><i>These costs have been incurred before Central Government withdrew retrospectively the Performance Reward Grant of £90k.</i></p>	<p><i>Unavoidable overspend.</i></p>
StreetCare (Skip & Hoarding Licences)	55	<p><i>Loss of income. The reduction in the number of skip and hoarding licences last year and linked to the recession has continued into the current year.</i></p>	<p><i>Unavoidable overspend.</i></p>

(Source: SFG October Hotspot)

Finance and Corporate Services

Audit and Investigation/ Exchequer and Investment/ Financial Management/ Financial Services Centre/ Human Resources/ Information Technology/ Revenues and Benefits

Internal Risk Factors

Responsibility/Types of Services Provided

Finance and Corporate Services consists of seven divisions including Audit and Investigation, Exchequer and Investment, Finance Service Centre, Financial Management, Human Resources, Information Technology, and Revenues and Benefits.

Finance and Corporate Services is deeply involved in ensuring that the One Council Programme delivers a sustainable financial position in the longer term.

Achievement of Objectives/ Reference to the Borough Plan - *What are your key objectives?*

As set out in the Borough Plan, one of the key priorities is to achieve organisational efficiency and service improvement. One Council Programme has been designed to reduce the operating costs of the Council through centralising operations that can be shared so that the Council can deliver efficiency savings while minimising the impact on front line services.

Compliance with legislation - *What legislation is relevant to you in your Department?*

- *Data Protection Act*
- *Freedom of Information Act*
- *The Disability Discrimination Act*
- *Sex Discrimination Act*
- *Equality Act 2010*
- *International Financial Reporting Standards(IFRS)*
- *Council Tax Act 2006*
- *Value Added Tax Act*

Income/ Expenditure - *What are your key areas of income and expenditure?*

- *Council Tax – approximately £100m per year.*
- *NNDR – also approximately £100m per year.*
- *Income recovered from successful prosecution.*
- *Treasury Management*

- *Total Payroll costs (excluding all Schools costs) – approximately £125m in 2009/10.*

Changes to the organisation - Are there any changes taking place in your Department? (e.g. significant change in staffing, change of IT systems, changes in ways of working)

- *Launch of Financial Services Centre.*
- *Single Accounting System (Oracle) went on live since September 2010.*
- *IT and Human Resources have joined the department from Business Transformation. There is a dependency on key staff with specialist skills and knowledge including high agency staff on technology.*
- *With the re-organisation taking place, maintaining employment relations will become key for HR. In addition, the introduction of the new system in April 2010 is expected to see improved information relating to sickness and annual leave.*
- *With the risk of fraud increasing with the current environment, robust controls will be required in respect of conflicts of interests.*
- *There is a plan to move from Interact (Payroll/HR system) to Oracle.*
- *Although Capita has been re-appointed to provide services in relation to council tax and NNDR, some Brent staff will transfer to Capita from 2011/12. Also the contract fee is due to be reduced and it will be key that the collection and income level are maintained whilst the savings are made through the reduced fee.*
- *Increasing need for IT security including laptop encryption.*

Key Organisational Projects

We are aware of the various One Council projects taking place, but is there any specific aspect of these which is particularly relevant to your Department, more so than others?

- *Finance Modernisation Project*
- *Income Generation*
- *Review of Employee Benefits*
- *Launch of IP Telephony*

External Risk Factors

Economic - Are there any areas of your operations which are particularly being impacted by the general economic downturn?

- *Economic downturn will increase the level of benefits application and may reduce the recoverable revenue. In addition, if staff members responsible for processing financial transactions including invoices as well as benefit applications, are*

pressured due to resource restriction, it may increase the risk of error.

- *With the current economic downturn affecting the most of suppliers/businesses the Council deal with, late payments may have more significant impact on their going concern/business continuity.*
- *Treasury Management is also affected due to low return of investments.*
- *On the other hand, with the current environment, there may be an increased opportunity to recruit further specialists if needed.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact on your Department?

- *Value Added Tax (Amendment) Regulations 2011)*
- *Equality Act 2010*
- *The Council Tax (Demand Notices) (England) Regulations 2010*
- *The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2010*
- *There will be some changes to CRB*
- *Welfare Reform Bill 2011*
- *White Paper 'Universal Credit: welfare that works'*

Fraud Risk - Are there any areas of potential fraud risk which you have identified within your Department, or which you are aware of as being a possible problem area on the basis of your awareness of issues that may have occurred in other boroughs?

It is generally accepted that in hard economic times fraud risk goes up. In particular, Finance and Corporate Services may experience increased number of fraudulent benefit claims, increased referrals for investigation, increased risk of fraudulent payment, or misappropriation of income.

Links to the Hotspots

Significant potential overspends are identified and reviewed in the monthly Strategic Finance Group (SFG) meetings.

<i>Budget Area</i>	<i>Potential Overspend £'000</i>	<i>Nature</i>	<i>Proposed Resolution</i>
<i>Housing Benefit Budget</i>	<i>300 to 600</i>	<i>Benefit payments have increased massively, due to an increase of 20% in caseload, and an increase in rent levels. Estimated total Housing/Council Tax Benefit payments for 10/11 are £327m, compared to £232m in 08/09. Although most of these costs are recovered via Government subsidy, there are subsidy penalties relating to claimant error overpayments. As a result of the increase in expenditure, the loss of subsidy will increase. An additional £760k has been put into the 10/11 budget but there is still likely to be an overspend.</i>	<i>Net costs would reduce if overpayment recovery rates increased, but they are already high. 09/10 overspend was mitigated by adjusting bad debt provision, but cannot be repeated in 10/11.</i>
<i>Council Tax / NNDR summons costs income</i>	<i>300 to 400</i>	<i>There is likely to be a shortfall in summons costs income due to lower recovery levels. Under recovery was £197k in 09/10 and collection overall is nearly 20% down at the end of September compared to the same time last year.</i>	<i>Greater enforcement of charges could impact on Council Tax recovery, where payment arrangements are agreed with late payers.</i>

(Source: SFG October Hotspot)

Housing and Community Care

Housing/Community Care/ Policy and Performance

Internal Risk Factors

Responsibility/Types of Services Provided

Housing which oversee the quality of many private sector homes, give housing advice and support and provide for those who are in housing need.

Community Care work in partnership with the local health service and the independent and voluntary sector aim to help vulnerable people lead lives which are as independent and full as possible.

Achievement of Objectives/ Reference to the Borough Plan - What are your key objectives?

As set out in the Borough Plan, the Council aims to :

- Provide 4,500 new homes by 201, with affordable housing accounting for 50 per cent of this figure;*
- Ensure that 25 per cent of all new build properties are suitable for families;*
- Reduce the numbers in temporary Accommodation; and*
- Work with private landlords to improve rented accommodation and bring unused property back into use.*

The Council also aims to provide greater personal choice and independence in adult social care through the following:

- Encourage more of our social care clients to use direct payments;*
- Work with the health care sector to reduce the number of people whose transfers from hospitals are delayed;*
- Improve the buildings and facilities for the day care centres and residential homes;*
- Streamline the assessment process;*
- Review the charging policy to ensure it is fair;*
- Work with other west London authorities to maximise the Council's budgets through joint procurement and shared services.*

In addition to the above, the Council also aims to address health inequalities and the gap in life expectancy through the following:

- Focus the Council's Health and Wellbeing Strategy on improving the wider issues that impact on health while supporting people to adopt a healthier life style;*
- Plan and design policies will make it easier to include exercise in daily life, with more cycle routes and safe foot paths;*
- Aim to reduce smoking through practical help and advice;*
- Encourage residents to take up free routine screening for cancers and immunisation opportunities;*

- *Work with Brent GPs to ensure the new process for commissioning local health services reflects the diverse needs of local people.*

Compliance with legislation - *What legislation is relevant to you in your Department?*

- *The Mental Capacity Act 2005*
- *The Health and Social Care Act 2008*
- *The Community Care, Services for Carers and Children's Services (Direct Payments) (England) Regulations 2009*
- *The National Health Service and Community Care Act 1990*
- *The Fair Access to Care Criteria (FACS)*
- *The National Framework for NHS Continuing Health Care and NHS Funded Nursing Care.*
- *The Housing Grants Act 1996*
- *Greater London Authority Act 2007*
- *Housing Act 2004*
- *Housing and Social Care (Community Health and Standards) Act 2003*
- *Disability Discrimination Act 2005*
- *Homelessness Act 2002*
- *Information/Guidance provided by Care Quality Commission*

Income/ Expenditure - *What are your key areas of income and expenditure?*

- *Rent Income*
- *Adult Social Care Cost (Physical, Mental and learning disabilities, and older people)*
- *Temporary Accommodation Cost*

Changes to the organisation - *Are there any changes taking place in your Department? (e.g. significant change in staffing, change of IT systems, changes in ways of working)*

- *Introduction of Self Directed Support, Personal Budgets, and Reablement.*
- *Whilst the eligibility and accessibility to the service will remain the same, ASC will be required to operate tougher filtering process particularly around people with moderate needs are likely to be affected.*
- *Closure of Day Centres*
- *Management of housing stock and the arrangement with BHP are currently under review.*

Key Organisational Projects - We are aware of the various One Council projects taking place, but is there any specific aspect of these which is particularly relevant to your Department, more so than others?

- *Adult Social Care – Customer Journey*
- *Adult Social Care Transformation – Reablement and Self Directed Support*
- *Adult Social Care – Direct Services (Learning Disabilities)*

External Risk Factors

Economic - Are there any areas of your operations which are particularly being impacted by the general economic downturn?

- *With economic downturn, the number of people requiring housing and social care assistance may increase if they are no longer able to afford the costs themselves and this will increase the volume of assessments that the department has to deal with.*
- *With economic downturn, homelessness may increase and subsequently cost of temporary accommodation will increase.*
- *Home care provision is delivered by external service providers and if they cannot sustain the quality and capacity, or go out of business, the provision of home care services may be disrupted. In addition, the contract is due to be reviewed.*
- *Current economic climate combined with ongoing overspend on social care budget have resulted in the introduction of new business model for community equipments aborted. To minimise the cost, the Council has opted to limit its service to sign posting only, as opposed to providing the equipments to residents through the use of retailers.*
- *Partnership working with National Health Service (PCTs) will create an opportunity but also poses a challenge due to conflicting priorities between the Council and PCTs.*
- *In some areas, ASC will have to rely on voluntary sector to deliver the required services.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact on your Department?

- *Changes made to Local Housing Allowance from April 2011*
- *The North West London Hospitals National Health Service Trust (Transfer of Trust Property) Order 2011*
- *Equality Act 2010*
- *Care Quality Commission has moved to self assurance approach from undertaking inspections.*

Fraud Risk - Are there any areas of potential fraud risk which you have identified within your Department, or which you are aware of as being a possible problem area on the basis of your awareness of issues that may have occurred in other

boroughs?

- *Empty Property Grants (£3,000 plus 60% of the eligible expense)*
- *Disabled Facilities Grant (Mandatory grant up to £30,000)*
- *Small Works Grants (up to £5,000)*
- *Freedom Passes*
- *Blue Badges*
- *Fraudulent application for council housing/benefits*
- *Fraudulent claims from voluntary/private organisations.*

Links to the Hotspots

Significant potential overspends are identified and reviewed in the monthly Strategic Finance Group (SFG) meetings.

<i>Budget Area</i>	<i>Potential Overspend £'000</i>	<i>Nature</i>	<i>Proposed Resolution</i>
<i>Community Care</i>	<i>3,500</i>	<i>Continuing Pressures from 2009/10</i>	

(Source: SFG October Hotspot)

Legal and Procurement

Internal Risk Factors

Responsibility/Types of Services Provided

The Legal and Procurement Directorate consists of three divisions; Democratic Services; Legal; and Procurement, and have overall responsibility for the procurement strategy and policy across the Council. The directorate ensures that the Council achieves the best possible service at the best possible cost from the suppliers that it works with across all services within the Council.

Achievement of Objectives/ Reference to the Borough Plan - What are your key objectives?

The key priority of the department is to provide expert and skilled specialist legal advice and support across all of the Council services ensuring that the Council operates to its powers and duties and ensuring clear governance and accountability.

In addition, the department also aims to provide an excellent committee service and support for its members ensuring that democracy is real across the organisation. The election team also ensures that elections are managed and run efficiently and effectively across the Borough.

Compliance with legislation - What legislation is relevant to you in your Department?

Given the nature of service provided, any legislations that apply to the other departments will also be relevant to this department. In addition, there are further legislations that are specifically relevant to this department including:

- *European Procurement Directives*
- *Public Contracts Regulations 2006*
- *The Public Contracts and Utilities Contracts Regulations 2008*
- *Council's Financial Regulation*

Income/ Expenditure - What are your key areas of income and expenditure?

- *Income from the other council departments. (Internal Charges)*
- *Income from external customers for legal advice*
- *Cost of specialist knowledge (qualified staff)*
- *Council Elections – approximately £400k*

Changes to the organisation - Are there any changes taking place in your Department? (e.g. significant change in staffing, change of IT systems, changes in ways of working)

- *New Borough Solicitor was appointed in 2010.*

Key Organisational Projects - We are aware of the various One Council projects taking place, but is there any specific aspect of these which is particularly relevant to your Department, more so than others?

- *Strategic Procurement Review*

External Risk Factors

Economic - Are there any areas of your operations which are particularly being impacted by the general economic downturn?

- *With economic downturn, the number of housing litigation, prosecutions, commercial litigation may will increase. In addition, as the service users are also affected and defaulting payments, the need for debt recovery advice may also increase.*
- *In addition to the above, the level of information request under the Freedom of Information Act may increase.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact on your Department?

- *Equality Act 2010*
- *Academies Act 2010*
- *Bribery Act 2010*

Fraud Risk - Are there any areas of potential fraud risk which you have identified within your Department, or which you are aware of as being a possible problem area on the basis of your awareness of issues that may have occurred in other boroughs?

- *Intentional non compliance with the procurement requirements to gain personal benefit.*

Links to the Hotspots

Significant potential overspends have not been reported in the monthly Hotspot.

Regeneration and Major Projects

Civic Centre/ Major Projects/ Planning and Development/ Policy and Delivery/ Property and Assets

Internal Risk Factors

Responsibility/Types of Services Provided

The Regeneration and Major Projects department has been established to drive forward Brent's ambitious regeneration and capital programme in a coherent and co-ordinated way. It consists of five divisions including: Civic Centre; Major Projects; Planning & Development; Policy & Delivery; and Property & Assets. It should be noted that cross cutting corporate property and asset management was launched in April 2010.

The department will develop a long term regeneration strategy identifying how to deliver transformational changes across Brent.

The department has a diverse remit that encompasses planning, building new schools, affordable housing, property, transport strategy and employment.

Current major projects include Wembley, South Kilburn, Barham Park, North Circular Road, Crest Academy and delivering both the Civic Centre and a new Willesden Green Centre.

The department will professionally manage the Council's major projects, ensuring they are delivered to programme and budget. The department aims to develop a reputation for quality across the breadth of its work, helping to attract and retain the very best staff, and positioning Brent as leaders within the regeneration field. I

Achievement of Objectives/ Reference to the Borough Plan - What are your key objectives?

As set out in the Borough Plan, the department aims to drive economic opportunity and regeneration through the following:

- Developing the new Civic Centre, a world class, environmentally sustainable, unique public building;*
- Improving Willesden Green Library Centre, providing more community facilities;*
- Creating three further multi-use contact points across the borough;*
- Working with the voluntary sector to develop a resource centre;*
- Working with the private sector to create opportunities for more business, retail, housing and environmental improvements in South Kilburn and Harlesden;*
- In consultation with residents redesign local housing and make better use of open spaces along the North Circular Road;*
- Enhance the tourism and employment opportunities the 2012 Olympic Games offer*
- Work with Camden Council to improve Kilburn High Road.*

In addition to the above, another key priority is to reduce unemployment/low incomes and reduce the numbers claiming out of work

benefits to meet the London average while raising income levels, by 2014.

As set out in the Borough Plan, the focus will be on those who have been out of work for longest and provide them with the right skills and experience to gain employment and provide specialist support to those with a disability.

Compliance with legislation - *What legislation is relevant to you in your Department?*

- *Public Contracts Regulations 2006*
- *Health and Safety Act 1974*
- *European Procurement Directives*
- *Planning Act 2008*
- *Housing & Regeneration Act 2008*
- *London Olympic Games & Paralympics Games Act 2006*
- *London Democracy, Economic Development & Construction Act 2009*
- *Flood and Water Management Act 2010*

Income/ Expenditure - *What are your key areas of income and expenditure?*

- *Major Projects including Civic Centre – approximately £100m in total for the whole project.*
- *Cost of Corporate Asset Management*

Changes to the organisation - *Are there any changes taking place in your Department? (e.g. significant change in staffing, change of IT systems, changes in ways of working)*

- *The department now consist services from six different departments and are currently in a process of consolidating budgets.*
- *A number of inherited works exist following the restructure and these will be reviewed and priorities as these include large proportion of non statutory works.*
- *The introduction of Corporate Property Service Model.*

Key Organisational Projects - *We are aware of the various One Council projects taking place, but is there any specific aspect of these which is particularly relevant to your Department, more so than others?*

- *Civic Centre*
- *Willesden Green Library Centre*
- *Development of three further multi-use contact points.*
- *School Capital Programme*

External Risk Factors

Economic - Are there any areas of your operations which are particularly being impacted by the general economic downturn?

- *With reduced grants available for capital or regeneration works, the department will have less money to achieve its priorities. This will then mean that the stakeholder consultations will become increasingly important to help ensure that scarce resource is used in the areas of priorities.*
- *With the Central Government's decision on grants, the rents will no longer be affordable for tenants and there will be a gap.*
- *The Council's job cuts will impact on the employment agenda.*
- *Due to staff shortage, consultants may be relied upon in the procurement process.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact on your Department?

- *Equality Act 2010*

Fraud Risk - Are there any areas of potential fraud risk which you have identified within your Department, or which you are aware of as being a possible problem area on the basis of your awareness of issues that may have occurred in other boroughs?

- *Given that the department will be working with the voluntary/private sector, there is an increased risk of fraudulent claims if the arrangements involve sharing money with these sectors. In addition fraudulent claims may also be made by local businesses if grants are provided.*
- *With construction works, there is an increased risk that works may intentionally not be completed to the required specification/standards to reduce costs.*
- *Intentional non compliance with the procurement requirements to gain personal benefit.*

Links to the Hotspots

Significant potential overspends have not been reported in the monthly Hotspot.

Strategy, Partnership and Improvement

Community Safety/ Complaints/ One Council/ Overview and Scrutiny/ Policy, Performance and Partnerships

Internal Risk Factors

Responsibility/Types of Services Provided

The Strategy, Partnerships and Improvement have overall responsibility for the strategic planning and policy development of the Council. The department lead the One Council Programme and have responsibility for the scrutiny and overview functions of the Council and for council wide complaints.

The department also take direct leadership of Community Safety which develops and helps implement the borough's crime reduction and community safety strategy in partnership with the police and other agencies.

Achievement of Objectives/ Reference to the Borough Plan - What are your key objectives?

As set out in the Borough Plan, one of the key priorities is to protect the public from crime through the following:

- *Engaging with affected communities to reduce gun crime through intelligence led approaches;*
- *Working with the police, focus on preventative programmes in schools;*
- *Supporting domestic violence victims and their families to escape from violent situations;*
- *With the Safer Neighbourhood Teams, aim to reduce residential burglary by focusing on known burglary locations and repeat offenders;*
- *Focusing preventative work on young people most at risk of offending;*
- *Lobbying local newspapers to stop the advertising of sex services and promote charities that help women leave prostitution; and*
- *Improving the support available to people completing treatment for drug and alcohol addiction.*

In addition to the above, the department's objective is also to ensure that policies developed across all departments are strategically aligned and mutually reinforcing.

Compliance with legislation - What legislation is relevant to you in your Department?

- *Crime and Disorder Act 1998*
- *Data Protection Act 1998*
- *Corporate Complaints Policy*
- *Freedom of Information Act 2000*

Income/ Expenditure - What are your key areas of income and expenditure?

- *Neighbourhood Safety Costs*

Changes to the organisation - Are there any changes taking place in your Department? (e.g. significant change in staffing, change of IT systems, changes in ways of working)

- *Performance Management Frame work is in the process of being reviewed and redesigned.*
- *Complaints process has been revised with defined reporting lines.*

Key Organisational Projects - We are aware of the various One Council projects taking place, but is there any specific aspect of these which is particularly relevant to your Department, more so than others?

- *Rewarding Performance (Tranche 2)*
- *Public Protection Review (Tranche 3)*

External Risk Factors

Economic - Are there any areas of your operations which are particularly being impacted by the general economic downturn?

- *With funding cuts, partners working within Brent Community Safety Partnership are also likely to be affected and if their priority change, the existing arrangement may no longer work.*
- *In economic downturn, residents may experience increased level of crime due to reduced preventative activities or due to more people offending.*
- *Economic downturn may impact on resident's morale and as a result may increase a level of vexatious complaints.*

Regulatory - Are there any new pieces of legislation or regulatory requirements being introduced which impact on your Department?

- *Comprehensive Area Assessment has been abolished in May 2010.*





Fraud Risk - Are there any areas of potential fraud risk which you have identified within your Department, or which you are aware of as being a possible problem area on the basis of your awareness of issues that may have occurred in other boroughs?


- *None noted*

Links to the Hotspots

Significant potential overspends have not been reported in the monthly Hotspot.

Appendix C – Audit Team and Contact Details

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