



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

THURSDAY 10TH OCTOBER 2019 AT 6.00 P.M.

COMMITTEE ROOM 2, PARKSIDE, MARKET STREET, BROMSGROVE,
WORCESTERSHIRE, B61 8DA

MEMBERS: Councillors L. C. R. Mallett (Chairman), P. J. Whittaker (Vice-Chairman), S. J. Baxter, A. J. B. Beaumont, S. G. Hession, J. E. King, A. D. Kriss, C. J. Spencer and K. J. Van Der Plank

Parish Councillors: Councillor J. Cypher

AGENDA

1. Apologies for Absence and Named Substitutes
2. Declarations of Interest and Whipping Arrangements

To invite Councillors to declare any Disclosable Pecuniary interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
3. To confirm the accuracy of the minutes of the Audit, Standards and Governance Committee meeting held on 30th July 2019 (Pages 1 - 10)
4. Standards Regime - Monitoring Officers' Report (Pages 11 - 14)
5. Code of Conduct - Update Report (Pages 15 - 50)
6. Benefits and Compliance Annual Update Report (Pages 51 - 54)
7. Grant Thornton Annual Audit Letter 2018/2019 (Pages 55 - 70)
8. Internal Audit Progress Monitoring Report (Pages 71 - 130)
9. Financial Savings Monitoring Report April - June 2019/2020 (Pages 131 - 134)
10. Risk Management Review (Pages 135 - 138)

11. Risk Champion - Verbal Update Report (Councillor Van der Plank)
12. Audit, Standards and Governance Committee Work Programme (Pages 139 - 140)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

2nd October 2019

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

30TH JULY 2019, AT 6.00 P.M.

PRESENT: Councillors P. J. Whittaker (Vice-Chairman, in the Chair),
A. J. B. Beaumont, R. J. Deeming (Substitute), M. Glass (Substitute),
C. J. Spencer, M. Thompson (Substitute) and K. J. Van Der Plank

Observers: Neil Preece and Councillor G. N. Denaro

Officers: Ms. J. Pickering, Mrs. C. Felton, Mr C. Forrester, Mr. A. Bromage
and Ms. A. Scarce

1/19 **ELECTION OF CHAIRMAN**

A nomination for the position of Chairman was received in respect of Councillor L. C. R. Mallett.

RESOLVED that Councillor L. C. R. Mallett be elected Chairman of the Committee for the ensuing municipal year.

2/19 **ELECTION OF VICE CHAIRMAN**

A nomination for the position of Vice Chairman was received in respect of Councillor P. J. Whittaker.

In the absence of Councillor Mallett, the meeting was chaired by Councillor Whittaker.

RESOLVED that Councillor P. J. Whittaker be elected Vice Chairman of the Committee for the ensuing municipal year.

3/19 **APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillors S. G. Hession, A. D. Kriss and L. C. R. Mallett, with Councillors R. Deeming, M. Glass and M. Thompson present as substitutes respectively. Apologies were also received from Councillor S. J. Baxter and J. E. King.

It was noted that Councillor S. Colella hoped to substitute for Councillor Baxter, but unfortunately he had been delayed in heavy traffic.

4/19 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no declarations of interest nor of any whipping arrangements.

5/19 **MINUTES**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 14th March 2019 were submitted and it was noted that there were no Members present who had in fact attended that particular meeting.

RESOLVED that the minutes of the Audit, Standards and Governance Committee meeting held on 14th March 2019 be approved as a correct record.

6/19 **STANDARDS REGIME - MONITORING OFFICERS' REPORT**

The Monitoring Officer presented the report which covered activity since the last meeting. It was confirmed that there had been no new Member complaints and there were none outstanding. There had been several training events since the elections and the Member Development Steering Group had chosen this year to spread out the training sessions for new Members to allow them the opportunity to settle in without being inundated with events and meetings. Any feedback on the Induction process and the events held would be appreciated in order for these to be considered at the next Member Development Steering Group meeting. Data Protection/GDPR and Safeguarding events were planned for September/October and as the Code of conduct session had proved successful it was hoped that a further session for those who were unable to attend would be arranged.

Councillor Van der Plank suggested a Finance training session similar to previous years be arranged, however officers advised that the trainer had now retired, but would look at alternative providers.

The Monitoring Officer reminded Members that a refresh was due following the Committee for Public Life and Standards review and recommendations arising from it. The Worcestershire Code had been adopted by all authorities as it was recognised that a number of Members were both District and County Councillors and in some cases also Parish Councillors. With this in mind it was proposed that a report would be brought to the next meeting. This would also include a summary of complaints to see if there were any trends and particular areas which needed to be addressed.

RESOLVED that the Standards Regime – Monitoring Officer's Report be noted.

7/19

DISPENSATIONS REPORT

Members were reminded that with the changes to the Standards regime under the Localism Act there was a requirement for dispensations, for a Member to be involved in a debate of a particular subject. It was a matter for this Committee to decide whether these were reasonable requests. Requests which had been put forward by members for dispensations were detailed at 3.1 of the report. It was the Committees decision as to whether these were deemed to be reasonable requests. The report also included a general dispensation for all Members in respect of such areas as the budget and Council Tax.

RESOLVED:

- a) that any Individual Member Dispensations (IMDs) and Outside Body Appointments dispensations requested by Members up to the point of the meeting, and as advised by the Monitoring Officer at the meeting, be granted under section 33 (2) of the Localism Act 2011, to allow those Member(s) to participate in and vote at Council and Committee meetings in the individual circumstances detailed;
- b) that the Audit, Standards and Governance Committee grant a dispensation under Section 33 (2) of the Localism Act 2011 to allow Members to address Council and Committees in circumstances where a member of the public may elect to speak;
- c) that subject to the caveat set out in paragraph 3 of this report in relation to setting the Council's Budget, the Audit, Standards and Committee grants dispensations under Section 33 (2) of the Localism Act 2011 to allow all Members to participate in and vote at Council and Committee meetings when considering the setting of:
 - i. the Budget;
 - ii. Council Tax;
 - iii. Members' Allowances; and
 - iv. Non-Domestic Rates – Discretionary Rate Relief Policy and Guidance affecting properties within the District;
- d) that it be noted that all dispensations granted by the Committee take effect on receipt of a written request from Members for such a dispensation and where Members may have a Disclosable Pecuniary Interest in the matter under consideration, which would otherwise preclude such participation and voting; and
- e) that it be noted that the dispensations referred to at resolutions (1), (2) and (3) will remain valid until the first meeting of the Audit,

Governance and Standards Committee following the next District Council Elections in 2023.

8/19

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) REPORT

The Monitoring Officer presented the report and explained that the powers under the Regulation of investigatory Powers Act 2000 (RIPA) were not used very often, if at all. However, there was a requirement for these to be available if necessary and therefore a refresh of the policy had recently been carried out. This report provided Members with an update in respect of the outcomes of that review.

RESOLVED:

- a) that the Council's RIPA Policy as reviewed, be endorsed; and
- b) that the update on RIPA activity be noted.

9/19

GRANT THORNTON EXTERNAL AUDIT - AUDIT FINDINGS REPORT 2018/19

Prior to presentation of the report, Mr. N. Preece, Grant Thornton referred Members to a recent article which had been in both the national and local press which had referred to the Grant Thornton being put into "special measures" by its regulator. He explained that there had been significant interest in such matters following recent high profile business collapses and accounting scandals, which had resulted in the regulatory taking much more interest in commercial audits. The latest FCA annual report had reported on its findings within a large number of audit firms, not just Grant Thornton, each having areas which required improvement. The findings had related to commercial audits, although there were implications for the public sector, including areas such as pensions, property and plant where a more robust audit should be carried out.

Councillor K. Van der Plank questioned the target figure of 90% which had been highlighted in the report and where Grant Thornton was in relation to this. Mr. Preece confirmed that Grant Thornton was at 50%, but that this did not mean that they did not meet the FCA standard, or that the findings were not safe. However, it was acknowledged that there was room for improvement and appropriate actions were being taken.

In respect of being in "special measures" Mr. Preece assured Members that this was a miss-reporting by the press and that this phrase was not used by the FCA. He also confirmed to Members that Grant Thornton had an office in Birmingham and were both a national and international firm.

In respect of the Audit Findings Report 2018/19 Mr. Preece reported that it was predominantly good news. The highlighted the following areas in more detail:

Agenda Item 3

Audit, Standards and Governance Committee
30th July 2019

- Officers had built on the work carried out in the previous year and the accounts had been ready by the end of May and on target to be signed off by 31st July as expected. This deadline had been brought forward by two months, so this had been an intense time for all concerned.
- An unqualified opinion and unqualified Value for Money conclusion had been achieved, with no significant changes other than pension fund deficit which was following a Public Sector legal case, which impacted on all local authorities.
- An updated report from the Pensions Actuary had brought relatively large changes, although these were relatively minor in the bigger picture.
- The preparation had not been without its challenges and these were highlighted in the key messages at page 7 of the agenda pack, with recommendations to address these detailed in Appendix A of the report.
- The significant risks which had been reported earlier in the year were discussed, including the management override of controls.

Members asked for clarification on a number of areas including:

- Some reconciliation work taking longer than planned and requiring officers to run a number of different reports – Mr. Preece advised that the systems used were quite old and no longer fit for purpose. It was anticipated that this would be addressed in future years by the investment in the new Enterprise Finance System, which Members had recently authorised. The Executive Director, Finance and Resources confirmed that the Team were committed to ensuring that the fixed assets register would be the first area of the new system to be completed and that appropriate training would be provided to ensure that this was done correctly from the outset.
- Extra time that had been taken to ensure the accounts were completed and the reasoning behind the need for this. The Executive Director Finance and Resources explained that there was a number of reasons for this including the current system and the need to do many things manually and a training need, which had been addressed.
- Members discussed the cash flow and short term borrowing figures on the balance sheet in some detail and Mr. Preece explained how this worked and that it was common practice amongst local authorities throughout the year, due to the nature of its business.

The Financial Services Manager together with Mr. Preece took Members through the detail around the Treasury Management Strategy and long term liabilities, in particular the pension fund. Changes were reported on an ad hoc basis because of the way the pension fund worked, and that the long term date was over a number of years. Members also discussed the assets and valuations of land and buildings and it was

confirmed that these were carried out on cyclical basis with valuations being checked appropriately.

The Action Plan and response from Officers was highlighted at page 26 together with details of the extra work required to form a conclusion on the valuation of other land and buildings and to resolve the very high number of questions raised, inadequate explanations to those questions and the number of amendments required to the settlement of the Accounts.

It was confirmed that, as Council had delegated the approval of the accounts to the Audit, Standards and Governance Committee, at its meeting on 24th July, recommendation 2.2 no longer applied.

RESOLVED that the Audit Findings Report 2018/19 as attached at appendix 1 of the report be noted.

10/19

GRANT THORNTON (EXTERNAL AUDIT) AUDIT FEE LETTER 2019/20

Mr. Preece reminded Members that some years ago the way in which auditors were appointed changed and authorities had the ability to appoint their own. The Council had chosen to “opt-in” to the scheme where the PSAA appointed auditors and set the fees, this was therefore not negotiable. Mr. Preece pointed out the fee remained the same as this year and there had been no change in the baseline cost since 2017/18, with just one reduction of 20 percent

Members discussed the FCA report and the need to see an improvement in the quality, as had previously been discussed. Mr. Preece responded that there had been much debate around this and the bottom line was that the key to making those improvements was often down to the time allotted to the work, which inevitably impact on the cost.

RESOLVED that the Audit fee, as detailed at appendix 1 of the report, be approved.

11/19

EXTERNAL ASSESSMENT PROGRESS REPORT

Mr. A. Bromage, the Head of Internal Audit Shared Service presented the report and in so doing reminded Members that this was an update on implementation progress made against the 2017/18 External Assessment. A similar report has been brought before Committee for information approximately 12 months ago with the understanding that regular reporting would be undertaken until the areas identified were satisfactorily completed.

The Action Plan was broken down into three elements, recommendations compliance and suggestions. Members attention was drawn to the summary of these at appendix 1 of the report, which showed all actions raised by the external assessment had been

addressed. All improvements outlined in the summary would be maintained under the next assessment, which was due in 2021/22, although Worcestershire internal Audit Shared Services (WAISS) would continue to seek ongoing improvement through the Client Officer Group.

RESOLVED that the report and implementation progress of the External Assessment be noted.

12/19

INTERNAL AUDIT PLAN 2019/20

Mr. A. Bromage, Head of Internal Audit Shared Services, presented the report and advised Members that it was very similar to that received at the last meeting of the Committee. The plan was for approval with the key message being that there had not been any substantial material changes since the last report. Any variations would be brought back to Committee in due course following discussions with the Section 151 Officer.

RESOLVED:

- a) that the Audit Plan be approved; and
- b) that the Key Performance indicators be approved.

13/19

INTERNAL AUDIT - ANNUAL REPORT 2018 - 19

Mr. A. Bromage, Head of Internal Audit Shared Services, presented the report and the key message was included within the audit opinion and commentary, together with an analysis of all progress reports in the last 12 months. It also included a summary of the allocation in respect of the 225 audit days delivered against the 230 budgeted. Feedback had been provided to the relevant Managers in respect of any particular themes or risks which had been identified. Work had also been carried out and shared with the external auditors. The Service requested feedback in regard to audits to monitor quality. Four formal responses had been received and reported before Committee. A copy of the quality assurance improvement programme was also attached at appendix 5 of the report.

In respect of delivery against the plan there was a small difference of 5 days, and feedback in respect of this was included within the commentary of the report. Details of the KPIs delivered over the last 12 months were also highlighted together with the breadth of areas covered.

Members' attention was drawn to appendix 3 of the report and the overall conclusion where it was noted that a small number of areas had been picked up which needed to be monitored. There was a clear and robust action plan in place which had been discussed at Corporate Management and Senior Management Team meetings and Internal Audit would carry out follow up audits with progress being reported back to this Committee.

Appendix 5 provided detail of the Quality Assurance Improvement Plan Matrix for 2019/20 and set out the service improvement plan for the next 12 months which was derived from a self-assessment that took place in April 2019. Regular updates on progress would be reported before Committee.

Members discussed the summary of audits and assurance levels and concerns were raised in respect of those areas which were the lowest and which were areas that supported some of the most disadvantaged residents and the importance of improvements to be made as soon as possible within these areas. The Executive Director, Finance and Resources responded that there had been a number of issues within this area and the Team had been working with the DWP over the last 5-6 months with significant improvements already having been made. There had been the additional of 3 team leaders to the group who had been able to support the team in making these improvements, with DWP being more satisfied with the response rates and the work being carried out.

RESOLVED that the 2018/19 Internal Audit Annual Report and Audit Opinion be noted.

14/19

FINANCIAL SAVINGS MONITORING REPORT FOR JANUARY TO MARCH 2019

The Executive Director, Finance and Resources presented the Financial Savings Monitoring Report for 2018/19. In so doing she highlighted the savings of £478k which had been delivered in the financial year. It was also noted that the External Auditors had recommended that these savings be more closely monitored and this was reflected in this report. Further savings would need to be made in the coming year and £227k had already been identified with Heads of Service looking in more detail at their service areas to see where further savings could be made.

RESOLVED that the final financial position for savings, from January to March 2019 as presented in the report and at appendix 1 be noted.

15/19

STATEMENT OF ACCOUNTS 2018/19

The Financial Services Manager tabled two updates which had been provided subsequent to the agenda being published. The Executive Director, Finance and Resources apologised for the delay in publishing the item and confirmed that this would be addressed in future years.

The Financial Services Manager confirmed that there had been some issues in producing the accounts and lessons had been learnt moving forward. A number of areas were highlighted within the covering report, which the Financial Services Manager discussed with Members, including:

Agenda Item 3

Audit, Standards and Governance Committee
30th July 2019

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Statement
- The Cash Flow Statement
- The Collection Fund

The Executive Director, Finance and Resources asked for a delegation to be included within the recommendations to allow for any last minute changes to be made in consultation with the Vice Chairman.

RESOLVED:

- a) that the Statement of Accounts 2018/19 as detailed in appendix 1 of the report be approved; and
- b) that any final changes on the Statement of Account be delegated to the Executive Director, Finance and Resources following consultation with Vice Chairman of the Committee before approval.

16/19

ANNUAL APPOINTMENT OF RISK MANAGEMENT CHAMPION FOR THE COMMITTEE

The Chairman asked for a volunteer to act as the Risk Management Champion for the Committee for the remainder of this Municipal Year.

RESOLVED that Councillor K. Van der Plank be appointed as Risk Management Champion for the Committee.

17/19

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME

Members considered the Committee's Work Programme.

RESOLVED that the Audit, Standard and Governance Committee's Work Programme for 2019/20 be noted.

The meeting closed at 7.20 p.m.

Chairman

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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

10th October 2019

MONITORING OFFICER'S REPORT

| | |
|----------------------------|---|
| Relevant Portfolio Holder | Councillor Geoff Denaro (for Governance) |
| Portfolio Holder consulted | No |
| Relevant Head of Service | Claire Felton, Head of Legal, Equalities and Democratic Services and Monitoring Officer |
| Wards affected | All Wards |
| Ward Councillor consulted | N/A |

1. SUMMARY OF PROPOSALS

- 1.1 This report sets out the position in relation to key standards regime matters which are of relevance to the Audit, Standards and Governance Committee since the last meeting of the Committee in July 2019.
- 1.2 It is proposed that a report of this nature be presented to each meeting of the Committee to ensure that Members are kept updated with any relevant standards matters.
- 1.3 Any further updates arising after publication of this report, including any relevant standards issues raised by the Parish Councils' Representative(s), will be reported on orally by Officers/the Parish Representative(s) at the meeting.

2. RECOMMENDATION

That, subject to Members' comments, the report be noted.

3. KEY ISSUES

Financial Implications

- 3.1 There are no financial implications arising out of this report.

Legal Implications

- 3.2 The Localism Act became law on 15th November 2011. Chapter 7 of Part 1 of the Localism Act 2011 ('the Act') introduced a new standards regime effective from 1st July 2012. The Act places a requirement on authorities to promote and maintain high standards of conduct by Members and co-opted (with voting rights) Members of an authority. The Act also requires the authority to have in place arrangements under which allegations that either a district or parish councillor has breached his or her Code of Conduct can be investigated, together with arrangements under which decisions on such

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

10th October 2019

allegations can be made. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 were laid before Parliament on 8th June 2012 and also came into force on 1st July 2012.

Service / Operational Implications

Member Complaints

- 3.3 There have been no complaints since the last meeting.

Member training

- 3.4 The following sessions have been planned for October 2019 as part of the phased Induction Programme for new Members:
- Data Protection.
 - Planning training – it has been agreed that sessions will be held throughout the year on specific areas.
 - A further session on Code of conduct training.
 - A session on corporate parenting and safeguarding is also in the process of being arranged.
- 3.5 Both the Member Development Steering Group and the Constitution Review Working Group continue to meet regularly.
- 3.6 The Member Development Steering Group is currently carrying out a review of Members' use of IT equipment and its suitability.
- 3.7 The Constitution Review Working Group is currently looking at behaviour at meetings, date of submission of motions and questions (together with the inclusion of such items during the purdah period) and the scheme of delegations, which is a standing item on the agenda.
- 3.8 The Constitution Review Working Group continues to working very effectively in enabling constructive changes to the constitution to be made and in keeping all Members informed.

Customer / Equalities and Diversity Implications

- 3.9 There are no direct implications arising out of this report. Details of the Council's arrangements for managing standards complaints under the Localism Act 2011 are available on the Council's website and from the Monitoring Officer on request.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

10th October 2019

4. RISK MANAGEMENT

The main risks associated with the details included in this report are:

- Risk of challenge to Council decisions; and
- Risk of complaints about elected Members.

5. APPENDICES

None.

6. BACKGROUND PAPERS

Chapter 7 of the Localism Act 2011.

AUTHOR OF REPORT

Name: Claire Felton

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LOCAL GOVERNMENT ETHICAL STANDARDS

| | |
|---------------------------------|-------------------------|
| Relevant Portfolio Holder | Councillor Geoff Denaro |
| Portfolio Holder Consulted | YES |
| Relevant Head of Service | Claire Felton |
| Ward(s) Affected | n/a |
| Ward Councillor(s) Consulted | n/a |
| Key Decision / Non-Key Decision | Non-Key Decision |
| | |

1. SUMMARY OF PROPOSALS

- 1.1 The purpose of this report is to consider a Review by the Committee on Standards in Public Life (CSPL) into Local Government Ethical Standards.

2. RECOMMENDATIONS

The Committee is asked consider and review the changes to the Code of Conduct to reflect the CSPL Best Practice Recommendations and to recommend to Council that the changes be approved and that authority be delegated to the Head of Legal and Democratic Services to update the constitution accordingly.

3. KEY ISSUES

Background

In January 2019 Authorities received the Review by the Committee on Standards in Public Life (CSPL) into Local Government Ethical Standards.

The CSPL concluded that high standards of conduct in local government are needed to protect the integrity of decision-making, maintain public confidence, and safeguard local democracy.

Their evidence supports the view that the vast majority of councillors and officers maintain high standards of conduct. There is, however, clear evidence of misconduct by some councillors. The majority of these cases relate to bullying or harassment, or other disruptive behaviour. There is also evidence of persistent or repeated misconduct by a minority of councillors.

The committee were also concerned about a risk to standards under the current arrangements, as a result of the current rules around declaring interests, gifts and hospitality, and the increased complexity of local government decision-making.

The CSPL best practice recommendations for local authorities should be

considered a benchmark of good ethical practice, which they expect that all local authorities can and should implement. CSPL will review the implementation of best practice in 2020. An updated draft Code of Conduct with ‘track changes’ is attached at appendix 1 of this report. A clean copy of the updated draft Code of Conduct with the ‘track changes’ accepted is attached at appendix 2 of this report.

Codes of Conduct

Local authorities are currently required to have in place a code of conduct of their choosing which outlines the behaviour required of councillors. There is considerable variation in the length, quality and clarity of codes of conduct. This creates confusion among members of the public, and among councillors who represent more than one tier of local government. The CSPL report records that many codes of conduct fail to address adequately important areas of behaviour such as social media use and bullying and harassment.

There are, however, benefits to local authorities being able to amend and have ownership of their own codes of conduct. The committee recommends that the updated model code that they intend to propose should therefore be voluntary and able to be adapted by local authorities. The committee also recommend that the scope of the code of conduct should also be widened, with a rebuttable presumption that a councillor’s public behaviour, including comments made on publicly accessible social media, is in their official capacity.

The Worcestershire Councils to date had already taken the decision to agree a Code of Conduct that is used by all such Councils, for consistency and to assist those Councillor’s that due to multiple roles are subject to the Code of Conduct at more than one authority. It is that Code of Conduct previously agreed by all Worcestershire Councils that has been updated in Appendixes 1 and 2 to reflect the recommendations of the CSPL report.

List of Recommendations

| Number | Recommendation | Responsible body |
|---------------|---|------------------------------|
| 1 | The Local Government Association should create an updated model code of conduct, in consultation with representative bodies of councillors and officers of all tiers of local government. | Local Government Association |
| 2 | The government should ensure that candidates standing for or accepting public offices are not required publicly to disclose their home address. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 should be amended to clarify that a councillor does not need to | Government |

| | | |
|-----------|--|------------|
| | register their home address on an authority's register of interests. | |
| 3 | Councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly-accessible social media. Section 27(2) of the Localism Act 2011 should be amended to permit local authorities to presume so when deciding upon code of conduct breaches. | Government |
| 4 | Section 27(2) of the Localism Act 2011 should be amended to state that a local authority's code of conduct applies to a member when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority. | Government |
| 5 | The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 should be amended to include: unpaid directorships; trusteeships; management roles in a charity or a body of a public nature; and membership of any organisations that seek to influence opinion or public policy. | Government |
| 6 | Local authorities should be required to establish a register of gifts and hospitality, with councillors required to record any gifts and hospitality received over a value of £50, or totalling £100 over a year from a single source. This requirement should be included in an updated model code of conduct. | Government |
| 7 | Section 31 of the Localism Act 2011 should be repealed, and replaced with a requirement that councils include in their code of conduct that a councillor must not participate in a discussion or vote in a matter to be considered at a meeting if they have any interest, whether registered or not, "if a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your consideration or decision-making in relation to that matter". | Government |
| 8 | The Localism Act 2011 should be amended to require that Independent Persons are appointed for a fixed term of two years, renewable once. | Government |
| 9 | The Local Government Transparency Code should be updated to provide that the view of the Independent Person in relation to a decision on which they are consulted should be formally recorded in any decision notice or minutes. | Government |
| 10 | A local authority should only be able to suspend a councillor where the authority's Independent Person agrees both with the finding of a breach and that suspending the councillor would be a proportionate sanction. | Government |

| | | |
|-----------|---|------------------------------------|
| 11 | Local authorities should provide legal indemnity to Independent Persons if their views or advice are disclosed. The government should require this through secondary legislation if needed. | Government / all local authorities |
| 12 | Local authorities should be given the discretionary power to establish a decision-making standards committee with voting independent members and voting members from dependent parishes, to decide on allegations and impose sanctions. | Government |
| 13 | Councillors should be given the right to appeal to the Local Government Ombudsman if their local authority imposes a period of suspension for breaching the code of conduct. | Government |
| 14 | The Local Government Ombudsman should be given the power to investigate and decide upon an allegation of a code of conduct breach by a councillor, and the appropriate sanction, on appeal by a councillor who has had a suspension imposed. The Ombudsman's decision should be binding on the local authority. | Government |
| 15 | The Local Government Transparency Code should be updated to require councils to publish annually: the number of code of conduct complaints they receive; what the complaints broadly relate to (e.g. bullying; conflict of interest); the outcome of those complaints, including if they are rejected as trivial or vexatious; and any sanctions applied. | Government |
| 16 | Local authorities should be given the power to suspend councillors, without allowances, for up to six months. | Government |
| 17 | The government should clarify if councils may lawfully bar councillors from council premises or withdraw facilities as sanctions. These powers should be put beyond doubt in legislation if necessary. | Government |
| 18 | The criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished. | Government |
| 19 | Parish council clerks should hold an appropriate qualification, such as those provided by the Society of Local Council Clerks. | Parish councils |
| 20 | Section 27(3) of the Localism Act 2011 should be amended to state that parish councils must adopt the code of conduct of their principal authority, with the necessary amendments, or the new model code. | Government |
| 21 | Section 28(11) of the Localism Act 2011 should be amended to state that any sanction imposed on a parish councillor following the finding of a breach is to be determined by the relevant principal authority. | Government |

| | | |
|----|---|--|
| 22 | The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 should be amended to provide that disciplinary protections for statutory officers extend to all disciplinary action, not just dismissal. | Government |
| 23 | The Local Government Transparency Code should be updated to provide that local authorities must ensure that their whistleblowing policy specifies a named contact for the external auditor alongside their contact details, which should be available on the authority's website. | Government |
| 24 | Councillors should be listed as 'prescribed persons' for the purposes of the Public Interest Disclosure Act 1988. | Government |
| 25 | Councillors should be required to attend formal induction training by their political groups. National parties should add such a requirement to their model group rules. | Political groups National political parties |
| 26 | Local Government Association corporate peer reviews should also include consideration of a local authority's processes for maintaining ethical standards. | Local Government Association |

List of Best Practice

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council as a whole, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

The full report is attached electronically using this link;

<https://www.gov.uk/government/publications/local-government-ethical-standards-report>

Financial Implications

- 3.1 It is not anticipated that amending the Code of Conduct in line with the recommendations will have any financial implications.
- 3.2 Failure to comply adopt the recommendations into our Code of Conduct, may leave us more vulnerable to an appeal against any decision made, this may have cost implications should any appeals be successful.

Legal Implications

- 3.3 CSPL have made a number of recommendations and identified best practice to improve ethical standards in local government. Their recommendations are made to government and to specific groups of public officeholders. They recommend a number of changes to primary legislation, which would be subject to Parliamentary timetabling; but also to secondary legislation and the Local Government Transparency Code, which could be implemented more swiftly.
- 3.4 In the meantime Councils are expected to consider the findings and recommendations and compliance with them or failure to comply with them would be a consideration upon any process involving the code such as a review or an appeal.

Service / Operational Implications

- 3.5 None.

Customer / Equalities and Diversity Implications

- 3.6 No Equality Impact Needs Assessment has been undertaken.

4. RISK MANAGEMENT

- 4.1 None.

5. APPENDICES

AUDIT, STANDARDS AND GOVERNANCE

10th October 2019

Appendix 1 - Proposed draft Code of Conduct with 'track changes' to show amendments to the current Code of Conduct.

Appendix 2 - Proposed draft Code of Conduct with 'track changes' accepted.

6. KEY

Non-key.

AUTHOR OF REPORT

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Tel.: 01527 881488

PART 20

(Draft for adoption September 2019)

BROMSGROVE DISTRICT COUNCIL

CODE OF CONDUCT

Part 1

General provisions

Introduction and interpretation

1. (1) This Code applies to **you** as a member or co-opted member of Bromsgrove District Council.

(2) You should read this Code together with the Ten Principles of Public Life (also known as the Nolan Principles) which are set out in Appendix 1

(3) It is your responsibility to comply with the provisions of this Code.

(4) In this Code—

"meeting" means any meeting of

(a) the authority (Bromsgrove District Council);

(b) any of the authority's, committees, sub-committees, joint committees, joint sub-committees, or area committees;

(c) the executive (Cabinet) of the authority or its committees

~~(e)~~(d) an external body upon which the member sits as a representative of the authority;

"Monitoring Officer" means the Monitoring Officer for the principal Council which is ~~Bromsgrove District Council~~;

"bullying and harassment includes;

oppressive behaviour or the abuse of power, which makes the recipient feel threatened, humiliated or vulnerable, and which may undermine his/her self confidence and cause him/her to suffer stress."

Examples are set out at Appendix 3 to this Code.

June 2012

PART 20

(Draft for adoption September 2019)

Scope

2. (1) This Code applies to you as a member of this authority when you act in your role as a Member or as a representative of the authority in the circumstances described in para 2 (b) below.
- (2) Where you act as a representative of the authority:
 - (a) on another relevant authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or
 - (b) on any other body, you must, when acting for that other body, comply with the authority's code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

General obligations

3. (1) You must treat others with respect in accordance with the Nolan principles.
- (2) You must co-operate with any standards investigations.
- (3) You must not:
 - (a) do anything which may cause your authority to breach any of the equality enactments;
 - (b) bully or harass any person;
 - (c) intimidate or attempt to intimidate any person who is or is likely to be:
 - (i) a complainant,
 - (ii) a witness, or
 - (iii) involved in the administration of any investigation or proceedings,in relation to an allegation that a member (including yourself) has failed to comply with the authority's Code of Conduct;
 - (d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the authority.

4. You must not:

June 2012

PART 20

(Draft for adoption September 2019)

(a) do anything that is likely to cause your authority to breach Data Protection law;

(b) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where:

- (i) you have the consent of a person authorised to give it;
- (ii) you are required by law to do so;
- (iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
- (iv) the disclosure is:
 - (aa) reasonable and in the public interest; and
 - (bb) made in good faith and in compliance with the reasonable requirements of the authority; or

(c) prevent another person from gaining access to information to which that person is entitled by law.

5. You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute.

6. You:

(a) must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and

(b) must, when using or authorising the use by others of the resources of, or under the control of, the authority:

- (i) act in accordance with the authority's reasonable requirements including in relation to the use of authority stationery and official logos and branding;
- (ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and

June 2012

PART 20

(Draft for adoption September 2019)

(c) must have regard to any applicable Local Authority Code of Publicity.

7. You must:

(a) when reaching decisions on any matter have regard to any relevant advice provided to you by the authority's officers and in particular by the authority's Monitoring Officer and Section 151 Officer; and

(b) give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the authority

8. You must not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties, **and must comply with the authority's guidance on gifts and hospitality (attached as Appendix 4).**

Part 2

Interests

Disclosable Pecuniary Interests ("DPI")

9. (1) You will have a Disclosable Pecuniary Interest ("DPI") under this Code if:-

(a) such interest meets the definition prescribed by The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 regulations as amended from time to time and set out in Appendix 2 to this Code; and

(b) it is either an interest of yourself; or it is an interest of :-

(i) your spouse or civil partner; or

(ii) a person with whom you are living as husband and wife: or

(iii) a person with whom you are living as if you were civil partners;

And you are aware that the other person has the interest.

June 2012

PART 20

(Draft for adoption September 2019)

Registration of DPIs

10. (1) You must within 28 days of becoming a member of the authority or being re-elected notify the Monitoring Officer in writing of any DPI which you hold at the time notification is given
- (2) You must within 28 days of becoming aware of any new DPI, or changes to existing DPIs notify the Monitoring Officer in writing of the detail.

Other Disclosable Interests (ODI)

11. (1) You will have a Disclosable Interest in any matter if you are aware that you or a member of your family or person or organisation with whom you are associated have a:-
 - a pecuniary interest in the matter under discussion; or
 - b a close connection with the matter under discussion.
- (2) If you are a member of another local authority, or public body, or you have been appointed as the Council's representative on an outside body, you do not have a Disclosable Interest unless a member of the public knowing the circumstances would reasonably regard membership of the body concerned as being likely to prejudice your judgment of what is in the public interest.

Disclosure of Interests

- 12.(1) ~~FDPIs: formal M~~meetings

Disclosable Pecuniary Interest (DPI)

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If you are present at a meeting of the Council and you have a DPI then you must:

- a Disclose the nature and existence of the interest; and
- b Leave the meeting (including the meeting room and public gallery) and take no part in the discussion ; and

June 2012

PART 20

(Draft for adoption September 2019)

- c If the interest has not already been recorded notify the Monitoring Officer of the interest within 28 days beginning with the date of the meeting.

Other Disclosable Interest (ODI)

If you are present at a Meeting and you have an ODI then you must:

- a disclose the nature and existence of the interest; and
 - b if the interest;
 - i affects your pecuniary interests or relates to the determination of a planning or regulatory matter; and
 - ii is one which a member of the public knowing the circumstances would reasonably regard as being likely to prejudice your judgment of what is in the public interest
- then you must leave the Meeting (including the meeting room and public gallery) and take no part in the discussion.

- (2) ~~IDPIs~~: informal ~~m~~Meetings and Correspondence

Disclosable Pecuniary Interest (DPI)

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If you have a DPI in the matter you must not participate in informal meetings, briefings or site visits, and must disclose the DPI in any correspondence with the authority.

Other Disclosable Interest (ODI)

If you have an ODI in the matter, then you must disclose the existence and nature of that interest at informal meetings, briefings or site visits, and must disclose the ODI in any correspondence with the authority.

If the ODI is such that you would be required to leave a formal Meeting as above, then you must not participate in the informal meeting.

- (3) Single Member Decisions

Disclosable Pecuniary Interest (DPI)

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June 2012

PART 20

(Draft for adoption September 2019)

If when participating in single member decision making you have a DPI in affecting the matter being decided then you may take no steps in relation to the decision other than asking for the matter to be decided in some other manner.

Other Disclosable Interest (ODI)

If you have an ODI in the matter being decided, then you must disclose the existence and nature and record it on the record of decision.

If the ODI is such that you would be required to leave a formal Meeting as set out above, then you must take no steps in relation to the decision other than asking for the matter to be decided in some other manner.

(45) Dispensations

You may take part in the discussion of and any decision or vote on a matter in which you have ~~a~~ been granted a formal dispensation.

Sensitive Information

13. (1) ~~An~~ interest will be a sensitive interest if the two following conditions apply:

- (a) That you have an interest (whether or not a DPI); and
 - (b) the nature of the interest is such that you and the Monitoring Officer consider that disclosure of the details of the interest could lead to you or a person connected to you being subject to violence or intimidation.
- (2) Where it is decided that an interest is a “sensitive interest ” it will be excluded from published versions of the register. The Monitoring Officer may state on the register that the member has an interest the details of which are excluded under this section.
- (3) Where the sensitive interest is a DPI the usual rules relating to disclosure will apply save that the member will only be required to disclose that they hold a DPI in the matter concerned.

June 2012

PART 20

(Draft for adoption September 2019)

APPENDIX 1

The Ten General Principles of Public Life

APPENDIX 2

The Localism Act Definition of Disclosable Pecuniary Interests Regulations

APPENDIX 3

Examples of bullying and harassment

Appendix 4

Gifts and hospitality

June 2012

PART 20

(Draft for adoption September 2019)

APPENDIX 1

THE TEN GENERAL PRINCIPLES OF PUBLIC LIFE

Selflessness – members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and integrity – members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.

Objectivity – members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability – members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

Openness – members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

Personal judgment – members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for others – members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.

Duty to uphold the law – members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship – members should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.

Leadership – members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

June 2012

PART 20

(Draft for adoption September 2019)

APPENDIX 2

DISCLOSABLE PECUNIARY INTERESTS

This note explains the requirements of the Localism Act 2011 (Ss 29-34) in relation to disclosable pecuniary interests.

These provisions are enforced by criminal sanction.

They come into force on 1 July.

1 Notification of disclosable pecuniary interests

Within 28 days of becoming a member or co-opted member, you must notify the Monitoring Officer of any 'disclosable pecuniary interests'.

A 'disclosable pecuniary interest' is an interest of yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) within the following descriptions:

| <i>Interest</i> | <i>description</i> |
|---|--|
| Employment, office, trade, profession or vacation | Any employment, office, trade, profession or vocation carried on for profit or gain. |
| Sponsorship | Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. |
| Contracts | Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged. |
| Land | Any beneficial interest in land which is within the area of the relevant authority. |
| Licences | Any licence (alone or jointly with others) to |

June 2012

PART 20

(Draft for adoption September 2019)

occupy land in the area of the relevant authority for a month or longer.

Corporate tenancies

Any tenancy where (to M's knowledge)—
(a) the landlord is the relevant authority;
and
(b) the tenant is a body in which the relevant person has a beneficial interest.

Securities

Any beneficial interest in securities of a body where—
(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and
(b) either—

(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

These descriptions on interests are subject to the following definitions;

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” includes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means the person M referred to in section 30 of the Act;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000() and other securities of any description, other than money deposited with a building society.

June 2012

PART 20

(Draft for adoption September 2019)

APPENDIX 3

EXAMPLES OF BULLYING AND HARRASSMENT

Bullying and harassment may include:

- physical contact ranging from touching to assault
- verbal and written comments through jokes, offensive language, personal comments about appearance, size, clothing etc
- innuendo, gossip and letters etc.
- malicious rumours and allegations, including fabricating complaints from clients and other members of staff.
- open aggression, threats, shouting, abuse and obscenities, persistent negative attacks.
- constant humiliation, criticism and ridicule, belittling efforts and undervaluing contribution.

Harassment is unwanted conduct on the grounds of any protected characteristic as defined by the Equality Act 2010, political or Trade Union affiliation, or take the form of victimisation, that:

- has the purpose of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that person; or
- is reasonably considered by that person to have the effect of violating his/her dignity or of creating an intimidating, hostile, degrading, humiliating or offensive environment for him/her, even if this effect was not intended by the person responsible for the conduct.

This is not exhaustive and there are other examples which are equally unacceptable as set out in the Council's HR Employment Information and Guidance Dignity at Work Policy and Procedure.

June 2012

PART 20

(Draft for adoption September 2019)

APPENDIX 4

GIFTS AND HOSPITALITY

1. Minor gifts and hospitality are sometimes part of the normal courtesies of life: a resident may offer a modest gift as a token of appreciation and sometimes simple items such as diaries and pens are distributed as advertising matter. In dealing with a matter in your division you may be offered a cup of tea or light refreshments.
2. As a guideline, any gift or hospitality with a value of £25 or more is highly unlikely to be viewed as a 'token'. You must consider whether it is appropriate to accept even token gifts, especially where you are dealing with regulatory or procurement matters when it would usually be inappropriate to receive any gift from involved parties. In case of doubt you should consult the Monitoring Officer.
3. Offers of hospitality, even if seemingly minor in nature, must be treated with particular caution as they can leave individuals and the Council open to allegations of impropriety. The timing of offers of hospitality, for example in relation to the award of contracts, granting of applications or other decisions, should be considered equally to the generosity of the hospitality offered. Accepting hospitality must be justified in the public interest, for example when there is a genuine need to represent the Council.
4. All offers and receipt of gifts and hospitality with a value of £25 or higher must be reported to the Monitoring Officer who will ensure it is recorded in the Council's register of gifts and hospitality, which will be published.

June 2012

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BROMSGROVE DISTRICT COUNCIL

CODE OF CONDUCT

Part 1

General provisions

Introduction and interpretation

1. (1) This Code applies to **you** as a member or co-opted member of Bromsgrove District Council.
- (2) You should read this Code together with the Ten Principles of Public Life (also known as the Nolan Principles) which are set out in Appendix 1
- (3) It is your responsibility to comply with the provisions of this Code.
- (4) In this Code—
 - "meeting" means any meeting of
 - (a) the authority (Bromsgrove District Council);
 - (b) any of the authority's, committees, sub-committees, joint committees, joint sub-committees, or area committees;
 - (c) the executive (Cabinet) of the authority or its committees
 - (d) an external body upon which the member sits as a representative of the authority;
 - "Monitoring Officer" means the Monitoring Officer for the principal Council which is Bromsgrove District Council;
 - "bullying and harassment includes;
 - oppressive behaviour or the abuse of power, which makes the recipient feel threatened, humiliated or vulnerable, and which may undermine his/her self confidence and cause him/her to suffer stress."

Examples are set out at Appendix 3 to this Code.

Scope

2. (1) This Code applies to you as a member of this authority when you act in your role as a Member or as a representative of the authority in the circumstances described in para 2 (b) below.
- (2) Where you act as a representative of the authority:
 - (a) on another relevant authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or
 - (b) on any other body, you must, when acting for that other body, comply with the authority's code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

General obligations

3. (1) You must treat others with respect in accordance with the Nolan principles).
- (2) You must co-operate with any standards investigations.
- (3) You must not:
 - (a) do anything which may cause your authority to breach any of the equality enactments;
 - (b) bully or harass any person;
 - (c) intimidate or attempt to intimidate any person who is or is likely to be:
 - (i) a complainant,
 - (ii) a witness, or
 - (iii) involved in the administration of any investigation or proceedings,in relation to an allegation that a member (including yourself) has failed to comply with the authority's Code of Conduct;
 - (d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the authority.
4. You must not:

Agenda Item 5

PART 20

(Draft for adoption September 2019)

- (a) do anything that is likely to cause your authority to breach Data Protection law;
 - (b) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where:
 - (i) you have the consent of a person authorised to give it;
 - (ii) you are required by law to do so;
 - (iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
 - (iv) the disclosure is:
 - (aa) reasonable and in the public interest; and
 - (bb) made in good faith and in compliance with the reasonable requirements of the authority; or
 - (c) prevent another person from gaining access to information to which that person is entitled by law.
- 5.** You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute.
- 6.** You:
- (a) must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and
 - (b) must, when using or authorising the use by others of the resources of, or under the control of, the authority:
 - (i) act in accordance with the authority's reasonable requirements including in relation to the use of authority stationery and official logos and branding;
 - (ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and

Agenda Item 5

PART 20

(Draft for adoption September 2019)

(c) must have regard to any applicable Local Authority Code of Publicity.

7. You must:

(a) when reaching decisions on any matter have regard to any relevant advice provided to you by the authority's officers and in particular by the authority's Monitoring Officer and Section 151 Officer; and

(b) give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the authority

8. You must not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties, and must comply with the authority's guidance on gifts and hospitality (attached as Appendix 4).

Part 2

Interests

Disclosable Pecuniary Interests ("DPI")

9. (1) You will have a Disclosable Pecuniary Interest ("DPI") under this Code if:-

(a) such interest meets the definition prescribed by The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 regulations as amended from time to time and set out in Appendix 2 to this Code; and

(b) it is either an interest of yourself; or it is an interest of :-

(i) your spouse or civil partner; or

(ii) a person with whom you are living as husband and wife: or

(iii) a person with whom you are living as if you were civil partners;

And you are aware that the other person has the interest.

Registration of DPIs

10. (1) You must within 28 days of becoming a member of the authority or being re-elected notify the Monitoring Officer in writing of any DPI which you hold at the time notification is given
- (2) You must within 28 days of becoming aware of any new DPI, or changes to existing DPIs notify the Monitoring Officer in writing of the detail.

Other Disclosable Interests (ODI)

- 11.(1) You will have a Disclosable Interest in any matter if you are aware that you or a member of your family or person or organisation with whom you are associated have a:-
 - a pecuniary interest in the matter under discussion; or
 - b a close connection with the matter under discussion.
- (2) If you are a member of another local authority, or public body, or you have been appointed as the Council's representative on an outside body, you do not have a Disclosable Interest unless a member of the public knowing the circumstances would reasonably regard membership of the body concerned as being likely to prejudice your judgment of what is in the public interest.

Disclosure of Interests

12.(1) Formal Meetings

Disclosable Pecuniary Interest (DPI)

If you are present at a meeting of the Council and you have a DPI then you must:

- a Disclose the nature and existence of the interest; and
- b Leave the meeting (including the meeting room and public gallery) and take no part in the discussion ; and

- c If the interest has not already been recorded notify the Monitoring Officer of the interest within 28 days beginning with the date of the meeting.

Other Disclosable Interest (ODI)

If you are present at a Meeting and you have an ODI then you must:

- a disclose the nature and existence of the interest; and
- b if the interest;
 - i affects your pecuniary interests or relates to the determination of a planning or regulatory matter; and
 - ii is one which a member of the public knowing the circumstances would reasonably regard as being likely to prejudice your judgment of what is in the public interest

then you must leave the Meeting (including the meeting room and public gallery) and take no part in the discussion.

(2) Informal Meetings and Correspondence

Disclosable Pecuniary Interest (DPI)

If you have a DPI in the matter you must not participate in informal meetings, briefings or site visits, and must disclose the DPI in any correspondence with the authority.

Other Disclosable Interest (ODI)

If you have an ODI in the matter, then you must disclose the existence and nature of that interest at informal meetings, briefings or site visits, and must disclose the ODI in any correspondence with the authority.

If the ODI is such that you would be required to leave a formal Meeting as above, then you must not participate in the informal meeting.

(3) Single Member Decisions

Disclosable Pecuniary Interest (DPI)

If when participating in single member decision making you have a DPI in the matter being decided then you may take no steps in relation to the decision other than asking for the matter to be decided in some other manner.

Other Disclosable Interest (ODI)

If you have an ODI in the matter being decided, then you must disclose the existence and nature and record it on the record of decision.

If the ODI is such that you would be required to leave a formal Meeting as set out above, then you must take no steps in relation to the decision other than asking for the matter to be decided in some other manner.

(4) Dispensations

You may take part in the discussion of and any decision or vote on a matter in which you have been granted a formal dispensation.

Sensitive Information

13. (1) An interest will be a sensitive interest if the two following conditions apply:

- (a) That you have an interest (whether or not a DPI); and
 - (b) the nature of the interest is such that you and the Monitoring Officer consider that disclosure of the details of the interest could lead to you or a person connected to you being subject to violence or intimidation.
- (2) Where it is decided that an interest is a “sensitive interest” it will be excluded from published versions of the register. The Monitoring Officer may state on the register that the member has an interest the details of which are excluded under this section.
- (3) Where the sensitive interest is a DPI the usual rules relating to disclosure will apply save that the member will only be required to disclose that they hold a DPI in the matter concerned.

Agenda Item 5

PART 20

(Draft for adoption September 2019)

APPENDIX 1

The Ten General Principles of Public Life

APPENDIX 2

The Localism Act Definition of Disclosable Pecuniary Interests Regulations

APPENDIX 3

Examples of bullying and harassment

Appendix 4

Gifts and hospitality

APPENDIX 1

THE TEN GENERAL PRINCIPLES OF PUBLIC LIFE

Selflessness – members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and integrity – members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.

Objectivity – members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability – members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

Openness – members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

Personal judgment – members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for others – members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.

Duty to uphold the law – members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship – members should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.

Leadership – members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

APPENDIX 2

DISCLOSABLE PECUNIARY INTERESTS

This note explains the requirements of the Localism Act 2011 (Ss 29-34) in relation to disclosable pecuniary interests.

These provisions are enforced by criminal sanction.

They come into force on 1 July.

1 Notification of disclosable pecuniary interests

Within 28 days of becoming a member or co-opted member, you must notify the Monitoring Officer of any ‘disclosable pecuniary interests’.

A ‘disclosable pecuniary interest’ is an interest of yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) within the following descriptions:

| <i>Interest</i> | <i>description</i> |
|---|--|
| Employment, office, trade, profession or vacation | Any employment, office, trade, profession or vocation carried on for profit or gain. |
| Sponsorship | Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. |
| Contracts | Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged. |
| Land | Any beneficial interest in land which is within the area of the relevant authority. |
| Licences | Any licence (alone or jointly with others) to |

Agenda Item 5

PART 20

(Draft for adoption September 2019)

occupy land in the area of the relevant authority for a month or longer.

Corporate tenancies

Any tenancy where (to M's knowledge)—
(a) the landlord is the relevant authority;
and
(b) the tenant is a body in which the relevant person has a beneficial interest.

Securities

Any beneficial interest in securities of a body where—
(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and
(b) either—

(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

These descriptions on interests are subject to the following definitions;

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” includes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means the person M referred to in section 30 of the Act;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000() and other securities of any description, other than money deposited with a building society.

APPENDIX 3

EXAMPLES OF BULLYING AND HARRASSMENT

Bullying and harassment may include:

- physical contact ranging from touching to assault
- verbal and written comments through jokes, offensive language, personal comments about appearance, size, clothing etc
- innuendo, gossip and letters etc.
- malicious rumours and allegations, including fabricating complaints from clients and other members of staff.
- open aggression, threats, shouting, abuse and obscenities, persistent negative attacks.
- constant humiliation, criticism and ridicule, belittling efforts and undervaluing contribution.

Harassment is unwanted conduct on the grounds of any protected characteristic as defined by the Equality Act 2010, political or Trade Union affiliation, or take the form of victimisation, that:

- has the purpose of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that person; or
- is reasonably considered by that person to have the effect of violating his/her dignity or of creating an intimidating, hostile, degrading, humiliating or offensive environment for him/her, even if this effect was not intended by the person responsible for the conduct.

This is not exhaustive and there are other examples which are equally unacceptable as set out in the Council's HR Employment Information and Guidance Dignity at Work Policy and Procedure.

APPENDIX 4

GIFTS AND HOSPITALITY

1. Minor gifts and hospitality are sometimes part of the normal courtesies of life: a resident may offer a modest gift as a token of appreciation and sometimes simple items such as diaries and pens are distributed as advertising matter. In dealing with a matter in your division you may be offered a cup of tea or light refreshments.
2. As a guideline, any gift or hospitality with a value of £25 or more is highly unlikely to be viewed as a 'token'. You must consider whether it is appropriate to accept even token gifts, especially where you are dealing with regulatory or procurement matters when it would usually be inappropriate to receive any gift from involved parties. In case of doubt you should consult the Monitoring Officer.
3. Offers of hospitality, even if seemingly minor in nature, must be treated with particular caution as they can leave individuals and the Council open to allegations of impropriety. The timing of offers of hospitality, for example in relation to the award of contracts, granting of applications or other decisions, should be considered equally to the generosity of the hospitality offered. Accepting hospitality must be justified in the public interest, for example when there is a genuine need to represent the Council.
4. All offers and receipt of gifts and hospitality with a value of £25 or higher must be reported to the Monitoring Officer who will ensure it is recorded in the Council's register of gifts and hospitality, which will be published.

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BENEFITS AND COMPLIANCE UPDATE – 2018/19

| | |
|----------------------------|--|
| Relevant Portfolio Holder | Cllr G N Denaro |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Jayne Pickering, Executive Director Finance and Resources |
| Wards Affected | All Wards |
| Ward Councillor Consulted | N/A |

1. SUMMARY OF PROPOSALS

This report provides an update on the work of the council's compliance team which was created following the transfer of Housing Benefit (HB) Investigations to the Department of Work and Pensions (DWP) Single Fraud Investigation Service in February 2016.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that subject to any comments, the report be noted.

3. KEY ISSUES

Financial Implications

- 3.1 In February 2016 responsibility for HB fraud investigations transferred to DWP. Following the transfer of responsibility to DWP some duties carried out by the existing Investigations Officers remained with the authority. These duties included:
- Investigation of Council Tax Support claims
 - Verification of HB claims
 - Processing of Housing Benefit Matching Service (HBMS) referrals
 - National Fraud Initiative (NFI) data matching
 - Police requests for information / liaison
 - Support to DWP in respect of Housing Benefit fraud cases.
- 3.2 The authority has maintained a compliance team to enable the remaining duties to be performed. The role of the compliance team has developed to include; verification of on-going entitlement to Council Tax discounts, exemptions and reductions; and the use of data and intelligence to identify missing and undervalued business premises.
- 3.3 The compliance team's role is to maximise revenues to the authority by identifying fraud and error, and maximising the Council Tax and Non-Domestic Rate taxbase. The team is intended to be self-funding with

income generated exceeding the salary costs of the service. The direct cost of the team to Bromsgrove District Council for the year ending 31st March 2019 was £52,170

3.4 The table at 3.6 details the income generated by the work carried out by the compliance team in the year ended 31st March 2019:

3.5

| Work Stream | Additional Income (£000's) |
|---|----------------------------|
| Council Tax discount/exemption compliance | 44 |
| Council Tax un-banded properties | 148 |
| HBMS Referrals HB Overpayments | 77 |
| HMBS Referrals CTS Overpayments | 18 |
| NFI Referrals | 13 |
| Non-Domestic Rate unrated and underrated property | 485 |
| Verification of Earnings and Pensions (VEPs) | 125 |
| Total | 910 |

3.6 The total income comprises additional Council Tax, Non-Domestic rates, and Invoiced Housing Benefit overpayments.

3.7 The Council Tax income is shared across preceptors within the Worcestershire Area, approximately 13% of the additional income is retained by Bromsgrove District Council.

3.8 Non-Domestic Rates income is shared between Local and Central Government.

3.9 HBMS and NFI referrals result in additional Council Tax being debited, and the creation of Housing Benefit overpayments. Council Tax is retained as detailed at 3.8. Housing Benefit Subsidy allows the council to claim an additional 40% or 100% on Housing Benefit overpayments collected meaning income of £1.40 or £2 is generated for the authority per pound of recovered overpayment.

3.10 The income from Council Tax exemption compliance has been generated from targeted reviews of cases where customers have failed to disclose changes to their entitlement to Council Tax exemptions or discount.

3.11 Customers have a legal duty to inform the authority that they are no longer entitled to exemption. Customers must provide this notification within 21 days of the entitlement to exemption ending,

where they fail to do so the council may impose an administration penalty of £70.00. The administration penalties are retained by the billing authority.

- 3.12 A review of Council Tax Discounts undertaken by The Audit Commission estimated that in 4% of cases there is no entitlement to discount. Presently 14,067 dwellings within Bromsgrove are subject to a Council Tax discount, reduction or exemption.
- 3.13 A targeted review of discounts, reductions and exemptions with the imposition of financial penalties in appropriate cases has the potential to realise income to the council of up to £39,520.

Legal Implications

- 3.14 There are no specific legal implications.

Service/Operational Implications

- 3.15 The work of the compliance team is supported through the effective use of internal data and data supplied by DWP; during 2018/19 work relating to compliance has been completed in the following areas.

Non-Domestic Rates

The compliance team pro-actively search for business premises which are unreported or undervalued. This work is carried out through the examination of internal and external data sets, including cross referencing NDR database with Local Land and Property Gazetteer, examining current and historic planning applications, and proactively analysing external data sources to identify missing business premises. The work carried out during 2018/19 identified missing and undervalued RV of £692,510, which resulted in additional NDR liabilities of £485,037

Council Tax Discounts & Exemptions

Targeted reviews of Council Tax discount and exemptions are completed to ensure that entitlement to discount or exemption is ended at appropriate times. This work will include reviews of empty properties, analysis of records relating to probate to ensure identification of changes to liability for properties which are exempt and form part of an owner's estate. Limited work on empty properties was completed during 2018/19 and this work resulted in additional CT of £43,766

Council Tax missing properties

Council Tax property records are cross referenced to the Local Land and Property Gazetteer, Internal Planning and Building Control data, and Environmental Services records to identify missing or newly completed domestic premises. 80 dwellings were identified from the work completed by the compliance team in 2018/19

HBMS/VEPs

Data is provided by DWP which indicates that the information used for the assessment of Housing Benefit has changed, or was inaccurate when a claim was made. This information is compared to the information held within Housing Benefit and where permitted Council Tax reduction claims and entitlement is adjusted.

Customer / Equalities and Diversity Implications

- 3.17 Identification of overpayments, or incorrectly claimed discounts and exemptions and the subsequent work to recover these debts can result in financial hardship; therefore consideration is given to a customer's financial position when considering how to recover monies owed to the authority.
- 3.18 When action to recover a debt is required consideration will be made as to whether additional support, such as money management advice, is required and a referral to appropriate advisors will be made.

4. **RISK MANAGEMENT**

The work of the compliance team is to reduce the risk of lost income to the authority. The results show that this work is both necessary and financially rewarding.

5. **APPENDICES**

None

6. **BACKGROUND PAPERS**

None

AUTHOR OF REPORT

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AUDIT STANDARDS & GOVERNANCE COMMITTEE

10th OCTOBER 2019

GRANT THORNTON ANNUAL AUDIT LETTER 2018/19

| | |
|----------------------------|---|
| Relevant Portfolio Holder | Cllr. Geoff Denaro |
| Portfolio Holder Consulted | - |
| Relevant Head of Service | Jayne Pickering – Exec Director Finance and Resources |
| Wards Affected | All Wards |
| Non-Key Decision | |

1. SUMMARY OF PROPOSALS

- 1.1 To present to Members the Grant Thornton Annual Audit Letter which summarises the key findings arising from the work carried out at the Council for the year ended 31 March 2019.

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to note the Audit Letter as included on Appendix 1.**

3. KEY ISSUES

Financial Implications

- 3.1 The Grant Thornton fee for 2018/19 was £45k. This included an additional £8k which related to additional work undertaken. This was met from savings within the accountancy team. This was a reduction on the previous year of £53k.

Legal Implications

- 3.2 The Council has a statutory responsibility to comply with financial regulations.

Service/Operational Implications

- 3.3 The Annual Audit Letter 2018/19 from Grant Thornton details their findings and recommendations as a result of the work undertaken as part of the final accounts for 2018/19 and reflects the Audit opinion reported to this Committee in July 2019.
- 3.4 Unqualified opinions were given for the accounts and Value for Money Judgements.. Officers acknowledge there remain financial pressures for the Council and these will be considered as part of the MTFP 2020/21.

AUDIT STANDARDS & GOVERNANCE COMMITTEE

10th OCTOBER 2019

Customer / Equalities and Diversity Implications

3.5 There are no implications arising out of this report.

4. RISK MANAGEMENT

4.1 As part of all audit work, auditors undertake a risk assessment to ensure that adequate controls are in place within the Council so reliance can be placed on internal systems.

5. APPENDICES

Appendix 1 - Annual Audit Letter from Grant Thornton 2018/19

AUTHOR OF REPORT

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The Annual Audit Letter for Bromsgrove District Council

Year ended 31 March 2019
Page 5
August 2019



Agenda Item 7

Contents



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Section

1. Executive Summary
2. Audit of the Financial Statements
3. Value for Money conclusion

Page

3
4
10

Appendices

- A Reports issued and fees

12

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Bromsgrove District Council (the Council) and its subsidiaries (the group) for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the Council and group and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit, Standards and Governance Committee as those charged with governance in our Audit Findings Report on 30 July.

Outwork

| | |
|---|---|
| Materiality | We determined materiality for the audit of the Council and group's financial statements to be £0.85m (PY £0.84m), which equates to 2% of the Council's prior year gross expenditure. |
| Financial Statements opinion | We gave an unqualified opinion on the Council and group's financial statements on 31 July 2019. |
| Whole of Government Accounts (WGA) | We completed work on the Council's consolidation return following guidance issued by the NAO. As the Council is below the threshold no work was required. |
| Use of statutory powers | We did not identify any matters which required us to exercise our additional statutory powers. |
| Value for Money arrangements | We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 31 July 2019. |
| Certification of Grants | We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2019. We will report the results of this work to the Audit, Standards and Governance Committee separately. |
| Certificate | We certified that we have completed the audit of the financial statements of Bromsgrove District Council in accordance with the requirements of the Code of Audit Practice on 31 July 2019. |

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council and group's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council and group's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council and group's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the financial statements to be £0.85m (PY £0.84m) for the group and £0.86m (PY £0.84m) for the Authority, which equates to 2% of prior year gross expenditure. We therefore applied group materiality as it is the lower of the two. We used this benchmark as, in our view, users of the group and Council's financial statements are most interested in where the group and Council has spent its revenue in the year.

We also set a lower level of specific materiality of £100,000 for the disclosure note on senior manager's remuneration, in view of the sensitivity of this note to the reader of the accounts.

We set a lower threshold of £42,000, above which we reported errors to the Audit, Standards and Governance Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements and the narrative report and annual governance statement to check they are consistent with our understanding of the Council and with the financial statements included in the Annual Report on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

| Risks identified in our audit plan | How we responded to the risk | Findings and conclusions |
|---|--|---|
| <p>Valuation of land and buildings</p> <p>The Authority re-values its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Authority and group financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p> | <p>As part of our audit work we:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work evaluated the competence, capabilities and objectivity of the valuation expert wrote to the valuer to confirm the basis on which the valuation was carried out challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding tested revaluations made during the year to see if they have been input correctly into the Authority's asset register evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end. | <p>We experienced significant difficulties in completing our work in this area. In particular:</p> <ul style="list-style-type: none"> It was unclear how in-year depreciation had been calculated. When challenged, officers did not understand the workings either, and it took some time to resolve. The valuation report or the former Council Offices at Burcott Road contained two different valuation figures (£1.3m and £1.4m). Officers did not query this with the Valuer, opting to select one of the figures to use. We questioned whether the figure used was the correct one. The valuer stated the incorrect figure had been used, and the valuation was amended. We identified one further adjustment to the Property, Plant & Equipment note as a result of incorrect accounting for asset valuations. <p>Our audit work did not identify any other issues in respect of valuation of land and buildings</p> |

Page 61

Agenda Item 7

Audit of the Financial Statements

Significant Audit Risks - continued

| Risks identified in our audit plan | How we responded to the risk | Findings and conclusions |
|---|--|--|
| <p>Valuation of net pension liability</p> <p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p> | <p>As part of our audit work we:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation • assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary • undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report • obtained assurances from the auditor of Worcestershire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. | <p>Our audit identified one issue in relation to accounting for the impact of the McCloud Court of Appeal judgement. This is considered under section "Significant findings – other issues" on page 8.</p> <p>Our audit work did not identify any other issues in respect of valuation of the valuation of the pension fund liability.</p> |

Audit of the Financial Statements

Significant Audit Risks - continued

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

| Risks identified in our audit plan | How we responded to the risk | Findings and conclusions |
|--|--|--|
| <p>Management override of internal controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p> | <p>As part of our audit work we:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals analysed the journals listing and determine the criteria for selecting high risk unusual journals tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. | <p>Obtaining a journals listing which was complete and reconciled back to the financial statements took longer than planned and required officers to run a number of different reports.</p> <p>Our audit work did not identify any issues in respect of management override of controls.</p> |

Page 63

Agenda Item 7

Significant findings - other issues

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant control deficiencies identified during the year.

| Issue | Commentary | Auditor view |
|---|---|---|
| <p>Impact of the McCloud judgement</p> <p>The Court of Appeal ruled that there was age discrimination in the judges and firefighters pension schemes where transitional protections were given to scheme members.</p> <p>Our Grant Thornton view was that this gave rise to a past service cost and liability within the scope of IAS 19 as the ruling created a new obligation.</p> <p>The Government applied to the Supreme Court for leave to appeal this ruling, but this was rejected in late June 2019. The case will now be remitted back to employment tribunal for remedy.</p> <p>The legal ruling has implications for pension schemes where transitional arrangements have been implemented, including the Local Government Pension Scheme (LGPS).</p> <p>This was confirmed on 15 July 2019 in a statement released by The Chief Secretary to the Treasury. The quote below confirms that remedies will need to be applied to the LGPS and hence supports the Authority's stance in the recognition of increased liabilities:</p> <p><i>"As 'transitional protection' was offered to members of all the main public service pension schemes, the government believes that the difference in treatment will need to be remedied across all those schemes. This includes schemes for the NHS, civil service, local government, teachers, police, armed forces, judiciary and fire and rescue workers. Continuing to resist the full implications of the judgment in Court would only add to the uncertainty experienced by members."</i></p> | <p>The decision as to the appropriate accounting treatment is one for the Council. At the Council's request the actuary re-ran the valuation report with their best estimate of the impact re-McCloud.</p> <p>We agreed with Officers that the financial statements would be amended to reflect the estimated increase in the net deficit in the scheme for the Council from £43,957k to £44,095k. This is a function of an increase in the deficit due to the additional past service costs of £1,151k, and a decrease in the deficit of £1,013k due to the increase in asset values arising from better information since the earlier actuarial report.</p> | <p>We reviewed the analysis performed by the actuary, and considered that the approach that has been taken to arrive at this estimate is reasonable.</p> <p>Our audit procedures confirmed the relevant adjustments have been made to the financial statements in regard to the LGPS.</p> |

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Council and group's financial statements on 31 July 2019.

Preparation of the financial statements

The Council presented us with draft financial statements in accordance with the national deadline. However, as reported last year, our audit identified a higher number of relatively minor amendments than we would expect. A number of the working papers initially supplied did not provide the requisite assurance, or could not be agreed to the financial statements. In many instances the initial response was inadequate and necessitated additional audit time in raising further questions. We discussed this with the Deputy and Executive Director, and the quality of responses improved towards the end of our audit.

As we reported last year, the Council needs to ensure that next year sufficient time is allowed for a robust and thorough quality review of the accounts and working papers before they are presented for audit. The Council also needs to continue with the internal quality review of proposed responses before they are sent to the audit team – a “right first time” approach.

Many of the changes we identified were repeated from last year. It is disappointing and time consuming to have to raise the same amendments in successive years. The Council needs to ensure that the template Statement of Accounts for 2019/20 start with the final audited 2018/19 Statement.

As a result of the difficulties we faced, and the additional work required, we have agreed an additional fee of £8,000 with the Executive Director of Finance and the Council 's Audit, Standards and Governance Committee.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council 's Audit, Standards and Governance Committee on 30 July 2019. In addition to the points noted above, the other key messages arising from our audit of the Council's financial statements are as follows.

- there are no unadjusted misstatements;
- there was one adjustment to your primary statements, in relation to the McCloud case impacting on the Net Cost of Services and LGPS deficit;
- there was one adjustment to your primary statements, in relation to updated pension fund asset values impacting on the Net Cost of Services and LGPS deficit; and
- there were two adjustments arising from incorrect accounting for asset valuations.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website in the Statement of Accounts in line with the national deadlines.

We requested some enhancements to the Narrative Report and changes to the Annual Governance Statement in order to comply with requirements (these were also reported last year). After these amendments both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We carried out work on the Council's Data Collection Tool in line with instructions provided by the NAO . We issued an assurance statement which confirmed the Council was below the audit threshold.

Certificate of closure of the audit

We certified that we have completed the audit of the financial statements of Bromsgrove District Council in accordance with the requirements of the Code of Audit Practice on 31 July 2019.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risk we identified and the work we performed is set out overleaf.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

Value for Money conclusion

Value for Money Risks

| Risks identified in our audit plan | How we responded to the risk | Findings and conclusions |
|---|---|---|
| <p>Financial sustainability</p> <p>How robust is the MTFP and how well developed are savings plans?</p> <p>We have previously identified that improvement is needed to planning finances effectively to support the sustainable delivery of strategic purposes and maintain statutory functions.</p> <p>1) We will review the February 2019 MTFP and select a number of new savings or income generation schemes to test.</p> <p>2) We will assess the progress being made to put the Council on a long term financially viable footing.</p> <p>3) We will monitor progress on the management restructure.</p> | <p>1) We tested four new savings or income generation schemes included the MTFP agreed in February 2019. We were satisfied that these schemes were soundly based and should deliver the additional savings or income forecast.</p> <p>2) The MTFP agreed in February 2019 shows annual gaps of:</p> <p>2019/20 = £0k; 2020/21 = £827k; 2021/22 = £1,270k; 2022/23 = £1,270k.</p> <p>Totalling £3,368k. The figures above are after efficiency savings or income growth of around £330k per year for the first 3 years, and £460k in the final year, totalling £1,500k. The current General Fund balance is £4,900k and Members wish to have a minimum of £1,100k. The Council has reserves for at least three years, even if no further savings are made.</p> <p>3) The Management Restructure is still in progress. One Head of Service has moved to Rubicon and two have left the Council.</p> | <p>Auditor view</p> <p>The Council is currently in a sound financial position, but continues to face a challenging future. Members and Officers need to ensure that anticipated savings and income generation schemes are delivered in order to avoid using reserves to support revenue expenditure.</p> <p>Management response</p> <ul style="list-style-type: none"> Continued quarterly monitoring of savings and income generation as approved by members in Feb 2019. The information to be reported to members as part of the quarterly budget monitoring report and improvements to be discussed with Grant Thornton in relation to best practice Portfolio Holder and CMT workshop arranged to consider future direction (priorities and non-priorities) against the backdrop of the financial position to enable robust and deliverable saving proposals to be made Present to members from September options for savings and additional income generation to be proposed for medium term financial plan Delivery of financial strategy for October Cabinet Detailed review of 2018/19 actual v 2019/20 budget to enable any additional budget allocated to be released for the period 2019/20-2021/23 Review of vacant posts to ensure release of any posts no longer required to support services Review of costs associated with support services and robust estimates of savings realised from new systems and automation to be made Full and detailed review of the Capital Programme to assess need of spend against projects and vehicles (including replacement period of vehicles) Consideration by budget scrutiny to enable challenge of savings proposed Work with Grant Thornton and other Councils to identify best practice in the identification and monitoring of savings |

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

| Report | Date issued |
|-----------------------|--------------|
| Audit Plan | January 2019 |
| Audit Findings Report | July 2019 |
| Annual Audit Letter | August 2019 |

Audit fee variation

As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £37,484 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

Fee variations are subject to PSAA approval.

Fees

| | Planned £ | Actual £ | 2017/18 £ |
|-------------------|---------------|---------------|---------------|
| Statutory audit | 37,484 | 45,484 | 53,180 |
| Total fees | 37,484 | 45,484 | 53,180 |

Audit fee variation

| Area | Reason | Fee proposed £ |
|---|--|-------------------|
| Assessing the impact of the McCloud ruling | The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. The Supreme Court refused the Government's application for permission to appeal this ruling. As part of our audit we have reviewed the revised actuarial assessment of the impact on the financial statements along with any audit reporting requirements. | 2,000 |
| PPE Valuation – work of experts | The Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We have increased the volume and scope of our audit work to reflect this. | 1,500 |
| Financial Statements audit challenges | As set out in our Audit Findings Report and this Annual Audit Letter, we have incurred significant additional work in resolving the very high number of questions we raised, inadequate explanations to our questions, and the number of amendments required to the Statement of Accounts. | 4,500 |
| Total | | 8,000 |

A. Reports issued and fees (continued)

Fees for non-audit services

| Service | Fees £ |
|---|--------|
| Audit related services - Certification of 2018/19 Housing Benefit subsidy claim | 12,500 |
| Non-Audit related services - None | Nil |

Non- audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.



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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

THE INTERNAL AUDIT PROGRESS REPORT OF THE HEAD OF THE INTERNAL AUDIT SHARED SERVICE ~ WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE.

| | |
|---------------------------------|---|
| Relevant Portfolio Holder | Councillor Geoff Denaro |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Chris Forrester, Financial Services Manager |
| Ward(s) Affected | All Wards |
| Ward Councillor(s) Consulted | No |
| Key Decision / Non-Key Decision | Non-Key Decision |

1. SUMMARY OF PROPOSALS

1.1 To present:

- the monitoring report of internal audit work for 2019/20 and residual 2018/19 summaries.

2. RECOMMENDATIONS

2.1 **The Committee is asked to RESOLVE that the report be noted.**

3. KEY ISSUES

Financial Implications

3.1 There are no direct financial implications arising out of this report.

Legal Implications

3.2 The Council is required under Regulation 5 of the Accounts and Audit Regulations 2015 to “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.

Service / Operational Implications

3.3 The involvement of Members in progress monitoring is considered to be an important facet of good corporate governance, contributing to the internal control assurance given in the Council’s Annual Governance Statement.

3.4 This section of the report provides commentary on Internal Audit’s performance for the period 01st April 2019 to 31st August 2019 against the performance indicators agreed for the service.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

AUDIT REPORTS ISSUED/COMPLETED SINCE THE LAST PROGRESS REPORT (14th March 2019):

3.5 2018/19 AUDIT SUMMARY UPDATES:

Health and Safety

The review found the following areas of the system were working well:

- That there is a Health and Safety section on the orb to allow users to access policies for Bromsgrove District Council.
- The policies are accessible for users.
- The Risk Assessments follow the same uniform approach across all sectors within the council

The review found the following areas of the system where controls could be strengthened:

- Policies
- Fire Safety and Fire Evacuations
- Manager IOSH Training
- Life Risk Assessment
- Fire Risk Assessments Action Plans
- Fire Alarms
- Active and Re-active Measures of a Terrorist Attack
- Action Plan Update
- Financial Analysis and Training Budget
- Induction Process
- Bespoke H&S Training
- Risk Assessments

There were 9 'high' and 5 'medium' priority recommendations reported.

Type of Audit: Full System Audit
Assurance: Limited
Final Report Issued: 30th November 2018

A full and robust action plan was formulated by the Senior Health and Safety Advisor to address all the points.

General Data Processing Regulations

The review found the following areas of the system were working well:

- The implementation of the process of compliance with the GDPR is being closely monitored.
- The Information Audits carried out have provided a detailed picture of the data held by individual services.
- Information and advice is readily available to management and staff regarding the GDPR.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

The review found that the following areas were not yet demonstrating compliance but that progress is being monitored in order to mitigate the risks until compliance is achieved:

- Information Audits – There are a number of Services that have yet to return a completed Information Audit.
- Third Party Assurance – The Councils are still seeking assurance from some third parties that they are GDPR compliant.
- Legacy Data – The Council is yet to achieve a solution regarding the removal of legacy data on older systems.

There is to be ongoing training including special category data for those Services that require it. The overall direction of progress is positive, with progress made in all areas covered by the scope of this audit.

There were 2 ‘high’ and 2 ‘medium’ priority recommendations reported.

Type of Audit: Full System
Assurance: Moderate
Final Report Issued: 13th March 2019

On Street and Off Street Parking

The review found the following areas of the system were working well:

- The receipts for the Penalty Charge Notices (PCNs) and the car parking income are received in line with the contract
- Wychavon District Council invoices are received on a quarterly basis and are paid in a timely manner.
- Although not on a standardised timetable meetings do take place between Wychavon District Council and Bromsgrove District Council. If additional meetings are required then these can be called at any time.
- Breakdown information e.g. where patrols have taken place and at what times can be produced upon request.

There is a good relationship with Wychavon District Council that means that small changes can be made to the contract without additional costs being incurred. The Goodwill that has been built up over the years cannot be quantified but does need to be taken into account in any decisions that are made.

It should be noted that the cash collection service was retendered during the audit. The same supplier was the successful tenderer. The contract for this service was entered into as a framework agreement set up by Wychavon District Council.

The review found the following areas of the system where controls could be strengthened:

- Value for money
- Car Park Audit Ticket Checker

There was 1 ‘medium’ and 1 ‘low’ priority recommendation reported.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

Type of Audit: Full System Audit
Assurance: Significant
Final Report Issued: 12th March 2019

Council Tax

The review found the following areas of the system were working well:

- Procedures for managing the Revenues process.
- The debit raising process for producing the annual bills.
- The suitable application of discounts and exemptions based on customer entitlement;
- The receipt and processing of customer payments into the Civica OpenRevenues system.
- Protocols applied for issuing reminders to customers for delays in payment.

The review found the following areas of the system where controls could be strengthened:

- Discount / Exemption Reviews
- Customer Account Notes
- Ledger Reconciliations

There were 3 'medium' priority recommendations reported.

Type of Audit: Full System Audit
Assurance: Significant
Final Report Issued: 6th June 2019

National Non Domestic Rates

The review found the following areas of the system were working well:

- Procedures for creating new NNDR accounts in a timely and accurate manner.
- The application of reliefs and exemptions.
- Procedures for identifying new NNDR liable units.
- The receipting and processing of payments.
- Protocols for issuing reminders and monitoring of suppressed accounts.
- Procedures for managing user access.

The review found the following areas of the system where controls could be strengthened:

- Website Pages
- Forms
- Formal Reviews of Reliefs / Exemptions
- Reconciliations

There were 4 'medium' priority recommendations reported.

Type of Audit: Full System Audit
Assurance: Significant

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

Final Report Issued: 6th June 2019

Universal Credits

The review found the following areas of the system where controls could be strengthened:

- Processing Times
- Volume of Correspondence
- Errors due to lack of Accuracy
- Personal Budgeting Support (PBS) and Removal of PBS Funding
- Universal Credit Impact on Debt Recovery
- Procedure Document

There were 3 'high' and 2 'medium' priority recommendations reported.

Type of Audit: Full System Audit
Assurance: Limited
Final Report Issued: 17th June 2019

DWP intervention has resulted in a full and robust action plan being formulated to assist the service in transformation and is regularly monitored by a DWP representative.

Housing Benefits

The review found the following areas of the system were working well:

- Quality Assurance processes.

The review found the following areas of the system where controls could be strengthened:

- Claims not being made defective / processing times
- Subsidy
- Recovery of Housing Benefit Overpayments
- Classification
- Backdated Claims
- Write Offs

There were 5 'high' and 1 'medium' priority recommendations reported.

Type of Audit: Fully System Audit
Assurance: Limited
Final Report Issued: 14th June 2019

DWP intervention has resulted in a full and robust action plan being formulated to assist the service in transformation and is regularly monitored by a DWP representative.

Creditors

A light touch audit was used to review Creditors as there has been no recent or planned change in the system used or with the key responsible officer for this area.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

There were no significant issues highlighted using a rolling programme over a 9 months period and applying a statistical analysis to analyse the Creditors data.

Testing identified one potential risk area which was around the occasional use of the incorrect internal forms and the non attachment of an invoice to the system.

We have given an opinion of significant assurance in this area because there is a generally sound system of internal control in place with controls working as expected. Internal Audit testing has not identified any material risks against the scope of the review.

Type of Audit: Light Touch Audit
Assurance: Significant
Final Report Issued: 3rd April 2019

Debtors

A light touch audit was used to review Debtors as there has been no recent or planned change in the system used or with the key responsible officer for this area.

We have given an opinion of significant assurance in this area because there is a generally sound system of internal control in place with controls working as expected. Internal Audit testing has not identified any material risks against the scope of the review.

There were no recommendations reported.

Type of Audit: Light Touch Audit
Assurance: Significant
Final Report Issued: 16th April 2019

Main Ledger

A light touch audit was used to review the Main Ledger as there has been no recent or planned change in the system used or with the key responsible Officer for this area.

There were no significant issues highlighted by using a rolling programme over a 9 month period to analyse the Main Ledger.

We have given an opinion of significant assurance in this area because there is a generally sound system of internal control in place but due to the known issues with the system some of the reconciliations have not been completed in a timely manner throughout the year (but will be completed for the year end due to resources being allocated to this) Management are currently putting a proposal forward for the purchase of a new finance system to address these historical issues within the current system.

There were no recommendations reported.

Type of Audit: Light Touch Audit
Assurance: Significant

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

Final Report Issued: 3rd April 2019

Procurement

The review found the following areas of the system were working well:

- Communication between procurement, procuring sections and other support teams.

The review found the following areas of the system where controls could be strengthened:

- Training Control
- Collusion
- The scoring matrix – Above £25k
- The scoring matrix – Under £25k
- Centralising Information Controls
- Staff Training
- Version Control

There were 3 'high' and 3 'medium' priority recommendations reported.

Type of Audit: Full System Audit

Assurance: Limited

Final Report Issued: 7th June 2019

Risk Management

The review found the following areas of the system were working well:

- That high priority risks are able to be added to meeting agendas at last minute to be dealt with.
- The 4risk system is user friendly and fit for purpose.

The review found the following areas of the system where controls could be strengthened:

- Risk Management Meetings
- Risk Management Training Information Available
- Risk Management Strategy
- Portfolio Holder Monitoring
- Service Risk Register Updates

There were 3 'high' and 2 'medium' priority recommendations reported.

Type of Audit: Full System Audit

Assurance: Limited

Final Report Issued: 28th June 2019

Zurich has been commissioned to assist with the corporate risk assessment during October 2019.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

Transport (Fleet Management)

The review found the following areas of the system were working well:

- Vehicle 'white board' records for '0' vehicle inspection/servicing programming (it is planned to extend this to the 'white' fleet' vehicles)
- Vehicle replacement program looks towards ensuring the 'right vehicle for the job' as opposed to like for like replacements
- Driver (CPC) training was well managed & controlled by the Place Team Co-ordinator

The review found the following areas of the system where controls could be strengthened:

- Extension of the use of vehicle trackers on the fleet
- Fuel monitoring to be introduced on an exception basis
- Inventory records should be accurately maintained and be consistent with the insurance schedule
- Vehicle service and repair files were not accurately maintained
- Accident records are not accurate
- Driver "walk round" checks are not consistently carried out
- Untaxed vehicles in use

There were 7 'medium' priority recommendations reported.

Type of Audit: Full System Audit
Assurance: Limited
Final Report Issued: 19th June 2019

Bromsgrove Energy Efficiency Fund (BEEF)

The review found the following areas of the system were working well:

- Budget monitoring records held by the partner were detailed at case level & provided an overall control total project spend

The review found the following areas of the system where controls could be strengthened:

- End of scheme reporting
- Documentation
- Application processing

There were 3 'medium' priority recommendations reported.

Type of Audit: Full System Audit
Assurance: Moderate
Final Report Issued: 26th April 2019

Worcestershire Regulatory Services (WRS)

The review found the following areas of the system were working well:

- A Complaints Procedure is in place and is regularly reviewed

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

- Complaints feature as a performance indicator for the service and performance is reported to the Joint Board quarterly.

The review found the following areas of the system where controls could be strengthened:

- Complaint register should be reviewed for completeness quarterly
- Complaints should be completed with processing timescale

There were 2 'medium' priority recommendations reported.

Type of Audit: Full System Audit
 Assurance: Significant
 Final Report Issued: 10th April 2019

Summary of Assurance Levels:

| Audit | Assurance Level |
|--|------------------------|
| 2018/19 | |
| • Council Tax | Significant |
| • National Non Domestic Rates | Significant |
| • Creditors | Significant |
| • Debtors | Significant |
| • Main Ledger | Significant |
| • Worcestershire Regulatory Services | Significant |
| • On Street and Off Street Parking | Significant |
| • General Data Processing Regulations | Moderate |
| • Bromsgrove Energy Efficiency Fund (BEEF) | Moderate |
| • Health and Safety | Limited * |
| • Universal Credit | Limited * |
| • Housing Benefits | Limited * |
| • Procurement | Limited * |
| • Risk Management | Limited * |
| • Transport (Fleet Maintenance) | Limited * |

* All 'limited' assurance reviews go before CMT for full consideration.

3.6 2019/20 AUDITS ONGOING AS AT September 2019

The following audits were at clearance or draft report awaiting management sign off stage:

- Markets
- Compliments and Complaints
- General Data Processing Regulations - Retention

Audits progressing through fieldwork stages included:

- Treasury Management

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

- Debtors
- Creditors

Audits progressing through planning stage included:

- Planning Application Process
- Safeguarding
- SLM Contract Management

The summary outcome of the above reviews will be reported to Committee in due course when they have been completed and management have confirmed an action plan.

A rolling testing programme on Debtors and Creditors has been undertaken during quarters 1 & 2 and will continue through quarter 3. Testing results so far do not indicate any new or emerging risks to be brought to the attention of Committee. The rolling testing programme results will be amalgamated as at the end of quarter 3 and formal audit reports issued with any findings during quarter 4.

3.7 AUDIT DAYS

Appendix 1 shows that progress continues to be made towards delivering the Internal Audit Plan and achieving the targets set for the year. As at 31st August 2019 a total of 54 days had been delivered against a target of 230 days for 2019/20.

Appendix 2 shows the performance indicators for the service. These indicators were agreed by the Audit, Standards and Governance Committee on the 30th July 2019 for 2019/20.

Appendix 3 shows a summary of the 'high' and 'medium' priority recommendations for those audits that have been completed and final reports issued.

Appendix 4 provides the Committee with an analysis of audit report 'Follow Ups' that have been undertaken to monitor audit recommendation implementation progress by management.

3.8 OTHER KEY AUDIT WORK

Much internal audit work is carried out "behind the scenes" but is not always the subject of a formal report. Productive audit time is accurately recorded against the service or function as appropriate. Examples include:

- Governance for example assisting with the Annual Government Statement
- Risk management
- Transformation review providing support as a critical review
- Dissemination of information regarding potential fraud cases likely to affect the Council
- Drawing managers' attention to specific audit or risk issues
- Audit advice and commentary
- Internal audit recommendations: follow up review to analyse progress

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

- Day to day audit support and advice for example control implications, etc.
- Networking with audit colleagues in other Councils on professional points of practice
- National Fraud Initiative over view.
- Investigations

3.9 **National Fraud Initiative**

There has been on going work undertaken in regard to the National Fraud Initiative. This year is the 2 yearly cycle of data extraction and uploading to enable matches to be reported. Worcestershire Internal Audit Shared Service (WIASS) has a coordinating role in regard to this investigative exercise in Bromsgrove District Council. The data requirements were uploaded during October and December 2018 with any queries dealt with accordingly.

3.10 **Monitoring**

To ensure the delivery of the 2019/20 plan there is close and continual monitoring of the plan delivery, forecasted requirements of resource – v – actual delivery, and where necessary, additional resource will be secured to assist with the overall Service demands. The Head of Internal Audit Shared Service remains confident his team will be able to provide the required coverage for the year over the authority's core financial systems, as well as over other systems which have been deemed to be 'high' and 'medium' risk. Due to changing circumstances and after consultation a small variation in the plan has been agreed on a risk priority basis with the s151 Officer e.g. refuse service scalability which was joint with Redditch Borough Council will be rolled to 2020. Additional days have been used in a couple of review areas e.g. GDPR and Markets to ensure comprehensive reviews were completed.

3.11 **Customer / Equalities and Diversity Implications**

There are no implications arising out of this report.

3.12 WIASS is committed to providing an audit function which conforms to the Public Sector Internal Audit Standards (as amended). WIASS recognise there are other review functions providing other sources of assurance (both internally and externally) over aspects of the Council's operations. Where possible we will seek to place reliance on such work thus reducing the internal audit coverage as required.

3.13 WIASS confirms it acts independently in its role and provision of internal audit.

4. **RISK MANAGEMENT**

The main risks associated with the details included in this report are:

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

- failure to complete the planned programme of audit work for the financial year; and,
- the continuous provision of an internal audit service is not maintained.

5. APPENDICES

| | |
|----------|--|
| Appendix | 1 ~ Internal Audit Plan delivery 2019/20 |
| Appendix | 2 ~ Key performance indicators 2019/20 |
| Appendix | 3 ~ 'High' and 'Medium' priority recommendations summary for finalised reports |
| Appendix | 4 ~ Follow up summary |

6. BACKGROUND PAPERS

Individual internal audit reports are held by Internal Audit.

7. KEY

N/a

AUTHOR OF REPORT

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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

APPENDIX 1

Delivery against Internal Audit Plan for 2019/20 1st April 2019 to 31st August 2019

| Audit Area | 2019/20 Total Planned Days | Forecasted days to the 30 st September 2019 | Actual Days Used to the 31 st August 2019 |
|--|-------------------------------------|--|--|
| Core Financial Systems (see note 1) | 52 | 11 | 9 |
| Corporate Audits (see note 4) | 50 | 14 | 7 |
| Other Systems Audits (see note 2) | 92 | 62 | 25 |
| SUB TOTAL | 194 | 87 | 41 |
| Audit Management Meetings | 15 | 7 | 8 |
| Corporate Meetings / Reading | 5 | 3 | 2 |
| Annual Plans, Reports and Committee Support | 16 | 8 | 3 |
| Other chargeable (see note 3) | | | |
| SUB TOTAL | 36 | 18 | 13 |
| TOTAL | 230 | 105 | 54 |

Notes:

Audit days used are rounded to the nearest whole.

Note 1: Core Financial Systems are audited predominantly in quarters 3 and 4 in order to maximise the assurance provided for Annual Governance Statement and Statement of Accounts but not interfere with year end. A rolling programme has also been introduced for Debtors and Creditors to maximise coverage and sample size. The results will be reported during Q4.

Note 2: A number of the budgets in this section are 'on demand' (e.g. consultancy, investigations) so the demand can fluctuate throughout the quarters.

Note 3: 'Other chargeable' days equate to times where there has been, for example, significant disruption to the IT provision resulting in lost productivity.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 10th OCTOBER 2019

APPENDIX 2

Performance against Key Performance Indicators 2019-2020

The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2019/20. Other key performance indicators link to overall governance requirements of Bromsgrove District Council e.g. KPI 4. The position will be reported on a cumulative basis throughout the year.

| | KPI | Trend/Target requirement | 2019/20 Position (as at 31st August 2019) | Frequency of Reporting |
|-------------------------|--|--|---|-------------------------------|
| Operational | | | | |
| 1 | No. of audits achieved during the year | Per target | Target = Minimum 13 Delivered = 3 @ draft report stage | When Audit Committee convene |
| 2 | Percentage of Plan delivered | >90% of agreed annual plan | 23% | When Audit Committee convene |
| 3 | Service productivity | Positive direction year on year (Annual target 74%) | *64% | When Audit Committee convene |
| Monitoring & Governance | | | | |
| 4 | No. of 'high' priority recommendations | Downward (minimal) | Nil to report | When Audit Committee convene |
| 5 | No. of moderate or below assurances | Downward (minimal) | Nil to report | When Audit Committee convene |
| 6 | 'Follow Up' results | Management action plan implementation date exceeded (nil) | Nil to report | When Audit Committee convene |
| Customer Satisfaction | | | | |
| 7 | No. of customers who assess the service as 'excellent' | Upward (increasing) | Nil to report | When Audit Committee convene |

WIASs delivers the internal audit programme in conformance with international standards for the professional practice of internal auditing.

* Productivity is behind target due to a number of days used for training and sickness absence.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

APPENDIX 3

Definition of Audit Opinion Levels of Assurance

| Opinion | Definition |
|------------------------------|---|
| Full Assurance | <p>The system of internal control meets the organisation’s objectives; all of the expected system controls tested are in place and are operating effectively.</p> <p>No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.</p> |
| Significant Assurance | <p>There is a generally sound system of internal control in place designed to meet the organisation’s objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk.</p> <p>Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p> |
| Moderate Assurance | <p>The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet its objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p> |
| Limited Assurance | <p>Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation’s objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p> |
| No Assurance | <p>No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation’s objectives in the area reviewed.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Definition of Priority of Recommendations

| Priority | Definition |
|-----------------|--|
| High | <p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives.</p> <p>Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.</p> |
| Medium | <p>Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.</p> |
| Low | <p>Control weakness that has a low impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation is desirable as it will improve overall control within the system.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

APPENDIX 3

'High' & 'Medium' Priority Recommendations Summary for finalised audits. (2018/19)

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|--|------------|--|---|---|--|
| Audit: Health and Safety | | | | | |
| Assurance: Limited | | | | | |
| The newly appointed Senior Health and Safety Advisor formulated a comprehensive and robust plan to address the points identified below. | | | | | |
| 1 | High (RED) | <p><u>Policies</u></p> <p><u>The Orb</u> Testing of the policies on the orb found that: -</p> <ul style="list-style-type: none"> • There are policies missing i.e. the Fire Safety Policy. • There is no version control on the policies from a version/review date perspective. • There is no evidence to show if the documents on the orb is the same document that was written in 2011. • Using the Orb it is easy to access Health and Safety policies but regarding fire procedures, training and other areas it is more difficult to navigate through. | <p>If policies such as the fire safety policy are missing there is the potential of risk to life, knowledge gaps in hazardous situations, inconsistent work practices and also a safeguarding breach.</p> <p>A further potential risk is that of certain information being lost in transit through the orb as although there is a section dedicated for Health and Safety, not all communication regarding updates are located in the specific section. This can potentially lead to inconsistency in the working practices and act as a communication barrier.</p> | <p><u>The Orb</u> Effective working practice is established to ensure policies are uniform and are uploaded on the orb in a timely manner for both Councils at the same time to prevent any knowledge gaps. All policies must have a version control associated and a review date prominently displayed. There must be an established forum e.g. Orb, notice board, providing ease of use and access to information.</p> | <p>Responsible Manager: HR Manager</p> <p>Approval process is currently under review which will potentially change the delegation which will stream line the process and the activation and communication of policies.</p> <p>Implementation date: April 2019</p> <p>Review of notice boards will be undertaken including review of electronic notice boards</p> <p>Section was cleared down in Sept/Oct 18</p> <p>April 2019</p> |
| 2 | High (RED) | <p>Manager IOSH training</p> <p>The findings indicate that:</p> | Managers that do not receive | Establish a mandatory requirement for | <p>Responsible Manager: Health and Safety Officer / HR</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|------------|---|--|--|--|
| | | <ul style="list-style-type: none"> • There is no review date. • There is no expiry date. • Managers may not have attended the allocated training slot. | the most relevant training in IOSH could potentially lead to, legislation breaches, risk of injury or even death in service | IOSH training and issue reminders when completed training is set to expire. | <p>Accepts taking on part of the risk, as does not believe need to commit to IOSH Managing Safely as a mandatory course, as there are alternative routes that could be taken.</p> <p>Suggestions to improve include: -</p> <ul style="list-style-type: none"> • Identify the right people who would require the training (likely front line managers) • Develop an in-house course, which could take one day, which delivers: <ol style="list-style-type: none"> 1.) Broad introduction to health and safety law and how it applies to both councils 2.) Accident and incident investigation 3.) Risk assessment <ul style="list-style-type: none"> • To go down the route of getting approval / endorsement from IOSH • This would not require IOSH to be paid to come in and present each time <p>Regarding ensuring this detail is tracked and reviewed, that is not difficult to achieve. I would then suggest refresher on a three year basis.</p> <p>Implementation date: February 2019</p> |
| 3 | High (RED) | <p><u>Lifts Risk Assessment</u></p> <p>Working on the lifts could mean an engineer needs to go into the shaft to fix an issue.</p> <p>The findings have found that: -</p> | Due to the inconsistency with the risk assessments carried out from a third party and also internally there is potential that risk assessments are not adequate or in place thus | It is recommended that a risk assessment process is made available whereby a contractor carrying out maintenance on the lifts either fill in a form or we fill in one of their behalf and keep it on file. To establish and set up | <p>Responsible Manager: Facilities Manager</p> <p>Currently having a new contract tendered which will include lift risk assessments in all public buildings. Additional staff being hired to help support documents being kept up to date.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|-------------|-----------------|--|--|---|---|
| | | <ul style="list-style-type: none"> • There is no current Risk Assessment in place for external contractors checking the lifts. • There is no evidence to support that there is a control in place. <p>Due to the evidence obtained, it was found that not all the must-kept locked secure doors were locked which could lead to potential danger to life as the door is meant to be secure to prevent person(s) from entering due to the electrical main switch.</p> | <p>leading to reputation damage, injury loss of or danger to life.</p> | <p>a control so that all information from the assessments is gathered together to provide an audit trail in case of incident.</p> <p>Bigger stickers are required on the doors to further deter someone from opening the door to the main electrical switch. Also to create a measure to ensure that all doors are kept locked and that there is more vigilance in this regard.</p> | <p>Implementation date: April 2019</p> <p>Bigger stickers have been put on doors so has been implemented Oct-18.</p> <p>Property Services will put in place a revised procedure and risk assessment for the maintenance of lifts to ensure compliance is moving forward by end of December 2018.</p> <p>Property services are issuing an email to all relevant officers to ensure that the secure doors are properly secured and locked. Implemented</p> <p>There will be a new contract for lifts in public buildings and relevant risk assessment supplied to the new contractor.</p> |
| 4 | High (RED) | <p><u>Fire Risk Assessments Action Plan</u></p> <p>The findings are that: -</p> <ul style="list-style-type: none"> • According to the 2014 action plan there are a number of items incomplete especially regarding housing. • There are no public buildings such as Parkside in Bromsgrove mentioned within the 2014 action plan. • There is a sheet being filled in | <p>There seems to be no control in place on the fire risk assessments and risk management which could potential have far reaching implications e.g. corporate manslaughter charges if there was an incident.</p> | <p>To update the 2014 action plan to include all public buildings for both councils and to ensure that it is up to date to mirror the actual fire risk assessments that have been filled in.</p> <p>It is recommended to have regular meetings regarding the process on the action plan to ensure controls are in place and to create an audit trail through the minutes.</p> | <p>Responsible Manager: Senior Contracts Manager</p> <p>An IT system has been sourced and will be part of the asset management system implementation that Senior Contracts Manager is leading on and will enable better maintenance of records and data. Public buildings will be managed centrally. Budget bid for dedicated system linking to PPL transfer in-house.</p> <p>HR& OD Manager Facilities Management - Property Services</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|------------|---|--|--|---|
| | | <p>by housing and a sheet being filled in by place partnership.</p> <ul style="list-style-type: none"> • There is a high risk item set in 2016 which was not complete as of 11th June 2018. Review date stated mentions 2019. • Risk assessments are not being completed frequently. | | To ensure 'high risk' items are updated and dealt with in as a priority and in a timely manner. | <ul style="list-style-type: none"> - Place Partnership - Housing <p>Implementation date: Bromsgrove to review in October/November 2019.</p> <p>Place Partnership will no longer be carrying out this work post 31st March 2019. It is therefore intended that processes and procedures will be established as part of the Officer in Charge process to ensure that all fire safety checks are carried out in a timely and compliant way by the transfer date.</p> <p>It is also intended that all officers with responsibility for FRAs will review risk assessment and action plans and training will be delivered where required.</p> <p>Health checks are currently being carried out in the Housing Schemes and new FRAs being developed for High Risk Housing</p> |
| 5 | High (RED) | <p>Fire Alarms</p> <p>There is no consistency in how often the test is carried out. In August 2017 for instance it was noticeable that the test was only carried out once; there is also other occasions during the year of 2017 where tests have been infrequent.</p> | <p>Fire Alarms</p> <p>If the tests are not carried out within a 6 month period there is the potential that the site is non-compliant and would fall out of British Standards 5839. This could lead to financial implications, council reputational damage and potential danger to life. The council could also be deemed non-compliant to fire safety</p> | To ensure a control is in place at both councils to carry out a weekly fire alarm test and record it to comply within British Standards 5839. If a test is not completed on a weekly basis then there needs to be justification to support why it was not carried out in case a fire officer visits the site and questions it. | <p>Responsible Manager: Facilities Management Property Management – BDC</p> <p>Implementation date: BDC – Implemented</p> <p>To create a sub group to work through recommendations and give a clear plan by April 2019. Group to feature Health and Safety Advisor, Facilities and be supported by Head of Legal Services and Head of</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------|---|---|---|--|
| | | <p><u>Fire Drills : - Bromsgrove District Council</u></p> <p>For the Bromsgrove District Council Depot evidence suggests that the latest fire drill was completed on 23/5/2014. The follow up should have been completed in November 2014. This did not occur and is non-compliant.</p> <p>At the Parkside site the evidence provided shows that the last live fire drill was performed in October 2017. This should have been followed up in April 2018. This is now non-compliant.</p> | <p>regulations.</p> <p><u>Fire drills: -</u></p> <p>The 10 minute limit that the building should be cleared of all personnel may be breached and there could pockets of staff and others in the building unaccounted for potentially leading to unnecessary searches and potential threat to life. Poor communication could lead to confusion and whether all personnel are clear of the building.</p> | <p>Bromsgrove District Council needs to establish a requirement to complete a fire test regularly to remain within compliance for fire safety regulations.</p> <p>It is recommended the depot start to commence fire drills within a 6 month window to ensure that they are compliant and regiment the evacuation process for any fire Marshalls.</p> <p>A process to be established where a designated fire warden is located next to one of the fire exits to ensure no unauthorised personnel re-enter the building until safe to do so.</p> <p>Better planning to ensure that the fire alarms are tested on time and that the key is available and not moved.</p> <p>A process is established to ensure all contractors sign a register when coming to work on site and that they have basic induction training to know where the fire evacuation point is.</p> <p>It is recommended to have a systematic approach to ensuring all documentation is up-to-date at all times so that if departments change locations this does not impact on obtaining an assurance that everyone has left the building.</p> | <p>Community Services. This group will also review officer behaviour through fire drills to ensure compliance.</p> <p>To deliver fire drills at all sites in Dec-18.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|--|---|--|--|
| 6 | Medium (AMBER) | <p>Action Plan Update Testing of the health and safety action plan found: -</p> <ul style="list-style-type: none"> • There is no version control within the action plan to state when it was last edited or modified. • There is a lot of information which has a narrative as 'Out Of date' and no comments as to why the action is out of date or what has been put in its place. • The target deadline date has been not been adhered to since the end of 2014. • There are target dates in place but none of the targets set have been completed. • The recommendations from the fire risk assessment and management perspective have not been completed according to the action plan. • There is no tab specifically for 'Planning and Development'. There is no evidence of a planning and development within the action plan scope for the technological and innovative factors of the business. | <p>If the action plan is not being used as a management tool and not being kept up-to-date people within the organisation will not know what is complete and what remains outstanding, potentially could lead to inaction and lost opportunity to develop. The absence of information within the action plan does not provide an assurance that work has been carried out this could also lead to misunderstanding and confusion.</p> | <p>The action plan should be treated as a key management tool driving the development of H&S and must be regularly updated with a systematic approach to enable a clear indication of progress. A version control must also be included and priorities need to be established e.g. fire risk assessments and management perspective.</p> <p>To focus on getting any work 'Out of date' completed and to include a new tab saying 'Planning and development' as well as to include High/Medium/Low priority to assist the planning structure.</p> | <p>Responsible Manager: HR Manager</p> <p>Work will be actioned to combine all H&S Audits into a definitive action plan</p> <p>Implementation date: April 2019</p> <p>Whilst a large amount of work has been taken from the 2014 action plan. An ambulation of plans will take place and used to go forward from April 2019.</p> |
| 7 | Medium (AMBER) | <p>Financial Analysis and Training budget:</p> <ul style="list-style-type: none"> • There is no centralised finance code dedicated for | <p>The actual budget position is not correctly identified from a</p> | <p>To improve overview of the training budget use. To consider using cost</p> | <p>Responsible Manager: HR Manager in conjunction with Finance Director.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|-------------|-----------------|--|--|---|--|
| | | <p>Health and Safety.</p> <ul style="list-style-type: none"> • There is no system in place for showing value for money is being achieved on spend. • The budget was overspent on a couple of occasions | <p>corporate or service perspective potentially leading to overspends or the belief that there is no money available thus impacting on commitment accounting missed training opportunity.</p> | <p>centres for the training budget and Health and Safety to improve corporate oversight of expenditure.</p> | <p>There is a current review of corporate training budgets and the separation of H&S training in readiness for 2019/20.</p> <p>Implementation date: April 2019</p> |
| 8 | Medium (AMBER) | <p><u>Induction Process</u></p> <p>The findings from the testing showed that: -</p> <ul style="list-style-type: none"> • No corporate training has been completed on a scheduled basis and there is evidence to show that even under the presumption that training was being carried out on a monthly basis there is no evidence that can prove this. • Inductions have not been completed for a while; there is no review date or location included. • There are blank entries and 'n' showing in the attendance of the training throughout the training document with no comments as to what was done to get staff on the training. • No training has happened since 2017 due to limited resources. <p>There is no information being passed on to Human Resources from local teams to confirm what training that has been</p> | <p>Staff that do not receive relevant and timely training potentially leading to a breach of legalisation, risk of injury or even death in service.</p> <p>With a fundamental issue with the communication between local teams and HR regarding staff training there is the potential for inconsistent working practices and reduced ability of vision for safeguarding staff.</p> | <p><u>Training</u></p> <p>Design into the new HR training system to leaver's dates, start dates and a review date to enable local monitoring regarding the training from both a corporate and service level perspective leading to better communication between local departments and Human Resources.</p> <p>To establish exception reporting to ensure comment are included in any fields that are blank or show 'n' on the training attendance. The frequency of induction training to be established.</p> <p>Introduce self-serve training systems through e-learning and ensure all new employees complete mandatory induction training within 30 days. Probationary periods should not be signed off if mandatory training has not been satisfactorily completed. Existing staff to have mandatory training requirements identified for their roles and reported on an exceptions basis.</p> | <p>Responsible Manager: HR Manager</p> <p>Implementation date: Looking at corporate induction process and currently under review. Consideration being given to hard copy and interactive learning.</p> <p>Full review to be undertaken which is currently underway.</p> <p>July 2019</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|---|----------------|--|---|---|--|
| | | completed. | | | |
| 9 | Medium (AMBER) | <p>Bespoke health and safety training</p> <ul style="list-style-type: none"> • There is no systematic approach in reference to how the training is being recorded. • There are dates in place for training for both supervisors and team leaders, but there is no evidence that training took place or who attended the training sessions. • There is no review date in place for any training that was completed. • There is no information that the employee in question still currently works for the Council. | Potential lack of adequate training and knowledge will result in errors being made leading to reputational damage and personal injury and non-compliance. | <p><u>Be-Spoke training</u></p> <p>To develop further the 2014 action plan to ensure all training is completed and recorded in a timely manner. Consider what the new system can provide in order to establish record integrity in regards to the current workforce training requirements, how it is reported and how potential training gaps can be identified.</p> | <p>Responsible Manager: HR Manager</p> <p>Continue to review and explore how training can be monitored and recorded on the HR 21 system. By the end of the first financial quarter we will have a better understanding of the budgets allocation and spend on training and training records.</p> <p>Implementation date: July 2019</p> |
| <p>The newly appointed Senior Health and Safety Advisor formulated a comprehensive and robust plan to address the points identified above.</p> | | | | | |
| <p>Audit: General Data Processing Regulations</p> | | | | | |
| <p>Assurance: Moderate</p> | | | | | |
| 1 | High (RED) | <p><u>Awareness</u></p> <p>A significant proportion of elected Members across both Councils have not attended the sessions offered by the Councils for the purpose of informing them of the GDPR and their role in ensuring compliance.</p> | Any Councillors who have not received the appropriate guidance and information relating to GDPR put the Councils at greater risk of a breach and the substantial financial penalties and reputational damage that could follow. | <p>Ensure that receiving the necessary training and registering with the ICO is a compulsory part of Member induction for all new Councillors.</p> <p>Remind those Councillors who have not yet attended training sessions that the Council requires them to attend - and remind them of the risks and consequences of a breach to both the</p> | <p>Responsible Manager: Head of Legal, Equalities and Democratic Services</p> <p>Implementation Date: December 2018</p> <p>During the municipal year there have been</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|---|--|--|--|
| | | | | <p>Council and the Individual.</p> <p>Provide a refresher course for Members relating to GDPR and Data Protection. Offer multiple dates for each Authority to maximise attendance.</p> | <p>two GDPR sessions delivered with a number of Members attending (12). The GDPR and Data Protection training has been discussed at all of the Member Development Steering Group meetings. A briefing note was issued to group leaders for them to discuss on 30th August 2018 along with subsequent copies and reminders at the Member Development meeting on 8th October 2018.</p> |
| 2 | High (RED) | <p><u>Data Protection Officer</u></p> <p>There is a potential conflict of interest issue relating to the Data Protection Officer (in line with the EU Article 29 Working Party directive).</p> <p>As the current Data Protection Officer in question has responsibility over ICT and HR, this potentially results in a conflict of interest.</p> | <p>As the role of the Data Protection Officer is to monitor internal compliance in addition to providing advice and information on data protection compliance, any conflict of interest within the role of the Data Protection Officer could result in challenge leading primarily to reputational damage, and also financial penalty in the event of a data breach.</p> | <p>Assess the potential for any conflicts of interest relating to the current post holding the role of Data Protection Officer.</p> <p>Ensure that there are sufficient safeguards in place so that the current position of Data Protection Officer is not compromised with regards to any potential conflict of interest.</p> | <p>Responsible Manager:</p> <p>Head of Transformation & Organisational Development</p> <p>Implementation Date:</p> <p>November 2018</p> <p>The Head of Legal & Democratic Services or an appropriate substitute will be called upon to provide support in the event that the current Data Protection Officer is involved in an issue that is likely to result in a conflict of interest.</p> |
| 3 | Medium (AMBER) | <p><u>Third Party Data Processes</u></p> <p>Not enough has been done to ensure that existing partners have been asked to provide assurance on how they safeguard and process data on the Council's behalf. To date, very few responses have been</p> | <p>Existing partners who process data on the Council's behalf may potentially not be compliant with the GDPR thereby increasing the risk of penalty in the event of a data breach.</p> | <p>Undertake an exercise to seek assurances from existing third party partners over their safeguarding and data processing arrangements.</p> | <p>Responsible Manager:</p> <p>Procurement Manager</p> <p>Implementation Date:</p> <p>All Information Asset Owners (managers)</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|---|------------|--|---|---|---|
| | | <p>received.</p> <p>Under GDPR both the Data Controller and Data Processor can have penalties imposed upon them in the event of a data breach.</p> | | | <p>were trained on their responsibilities with regards their data and given advice on contacting third party processors and ensuring all documentation (data processing agreements/contracts) were up to date. This was done in conjunction with the contracts team who assisted with contract wording and amendments.</p> <p>The procurement process now includes a security questionnaire to help procuring managers understand the third parties competence with regards data protection.</p> <p>DPIA's are also required to be completed and signed off for all new projects involving personal data.</p> |
| Audit: Universal Credits | | | | | |
| Assurance: Limited | | | | | |
| There has been DWP intervention with an agreed action plan to assist the service transformation. | | | | | |
| 1 | High (RED) | <p>Processing Times</p> <p>Processing times for new housing benefit claims, council tax Support claims and change of circumstances are not been dealt with within a timely manner or within the DWP guidelines . Information published by DWP shows that the processing times increased in quarter 4, 2017/18 compared to quarter 3 2017/18 by 58% for Bromsgrove District Council.</p> | <p>Reputational damage for not meeting the government processing timescales. Sanctions imposed by DWP. Increased costs for employing temporary staff to assist in processing back logs of work. Staff's health and wellbeing.</p> | <p>Review the management and staff structure within the processing team to ensure the team have the correct expertise, knowledge and support to deliver the service.</p> <p>Review staff training plans and ensure senior staff are available within the team to answer questions and mentor staff.</p> <p>Review the job description for the</p> | <p>Responsible Manager:</p> <p>Assistant Financial Support Manager (Welfare Support)</p> <p>Actions:</p> <p>An interim revised management structure has been implemented with the benefits responsibility being separated from the customer services manager vacant role and an experienced benefits manager appointed to this role.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------|--|------|--|---|
| | | <p>Meetings have taken place with DWP regarding the timescales and actions have been put in place to clear the back log.</p> <p>In the last re-structure within the benefits team. The processing section lost experienced staff to other sections within the council as well as the Financial Independence Team which this new role was being advertised at a higher grade. This left a huge knowledge gap within the processing team and new staff needed to be recruited. The lack of experience, knowledge within the current team has impacted on the speed that claims are processed.</p> <p>The performance measures shown on the Orb show performance information within the operational and strategic measures. The last comment recorded for Bromsgrove District Council was in December 2016. The measures do not give an accurate reflection or transparency to highlight if there are any processing issues.</p> <p>There has also been several senior staff missing within the team for a time to support and monitor new staff due to</p> | | <p>Financial Support Officer role to ensure it entices the right skills and experience needed for the role.</p> <p>Hold monthly one to one meetings with the processing team for new staff and regular one to one's for more experienced staff as well as regular meetings with the whole team to discuss work priorities and progress. Establish a set of key performance Indicators within the team and adapt measures on the Orb to reflect useful data. Pull the performance data for benefits together for transparency and review the use of this information as a management tool.</p> <p>Agree a trigger for work volumes so if it hits the trigger, senior management are made aware and implement a contingency plan.</p> <p>Review the processing procedure for documents received from DWP and look into the possibility of the Civica system being able to automatically deal with the correspondence from DWP.</p> <p>Address all actions set by DWP and on the action plan and continue to monitor Processing timescales within the team.</p> | <p>In conjunction with the DWP a further review has provided more support to the officers, Including additional management support. This exercise has included a review of job descriptions and allocation of resources.</p> <p>Existing measures have been revised. A new set of measures have been created to include indicators of speed of processing and outstanding work volumes. The revised measures will allow development of trigger points for action in relation to back logs.</p> <p>We are constantly looking at ways to improve Civica and system use. This has proved difficult historically due to resourcing but we now have a senior system support officer in post that will be responsible for system development. The officer will carry out a full review of the use of the system over the forthcoming financial year</p> <p>Implementation date:</p> <p>Resource Review –undertaken by May 2019</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|------------|--|---|---|---|
| | | <p>sickness, agile working and the team structure. This has led to a lack of processing leadership and concern over the health and wellbeing of staff due to work volumes and lack of motivation within the team.</p> <p>Due to the back log of claims, temporary agency staff have been recruited. On occasions claims in the back log still cannot be awarded as information is missing causing further delays.</p> | | <p>Review the working environment for the processing team and develop the level of competency and knowledge within the team.</p> | <p>Revised Operational Measures 1st April 2019</p> <p>Civica System Review – 31st March 2020</p> |
| 2 | High (RED) | <p>Volume of correspondence</p> <p>The testing identified a large volume of correspondence from DWP within the benefit teams work queues waiting to be processed such as revised notifications when earnings alter each month. This is particularly common for customers who are on zero hour contracts. If there are deductions for loans, advances from Universal Credit awards then revised notifications are issued even though this change does not affect either the Council Tax or Housing Benefit award as they still require an officer to look at document to ascertain this.</p> | <p>Potential impact on work load for the recovery team if customers are overpaid. Potential for complaints from customers caused by the delay in the processing causing reputational damage and the potential for inaccurate assessments.</p> | <p>Review the current process for processing the correspondence from DWP to filter out correspondence that does not require any action (e.g. a triage) and look into the possibility of the Civica system being able to automate the correspondence from DWP.</p> | <p>Responsible Manager:</p> <p>Assistant Financial Support Manager (Welfare Support)</p> <p>Actions:</p> <p>We cannot control the volume of change of circumstances we receive from the DWP. However we are improving automation levels through Civica. Where claims, or historic notifications have created an exception, no future notifications for that claim can be processed automatically until the exception is cleared. Changes to procedures have been introduced to ensure exceptions are cleared daily; this will increase the level of automation.</p> <p>The improvements to automation and monitoring of exceptions will improve speed of processing figures and</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|------------|---|--|--|---|
| | | | | | <p>automation levels.</p> <p>Implementation date:</p> <p>Changes implemented May 2019.</p> |
| 3 | High (RED) | <p>Errors due to lack of accuracy</p> <p>No quality checks were carried out in the month of September due to other priorities within the Quality Assurance & Improvement Team and staff sickness. These checks are valuable as the Quality Assurance Team have identified claims that have not been processed correctly and the average accuracy rate on claims based on the information provided on the 24th October 2018, ranged from 38% to 92% and the average being 71%.</p> <p>All monitoring is carried out by the Quality Assurance Team and no monitoring is being carried out within the processing team.</p> <p>There is no evidence of any KPI's set, measured or reported against for accuracy within the processing team.</p> <p>The open office environment can be distracting and processing staff have to cover</p> | <p>Potential for the award to be incorrect which could result in a customer complaint and reputational damage.</p> | <p>Implement KPI's within the quality assurance team on the number of checks per month. Share with line managers any issues found so that they can be addressed with the individual and monitor performance to ensure actions have been addressed.</p> <p>Financial Support Services Welfare Team Manager to introduce monitoring within the team to check work is being carried out within timescales, correctly & identifies training needs.</p> <p>Review the working environment for officers processing claims and introduce yearly appraisals/PDR, regular one to ones and staff training plans and ensure staff are keeping them up</p> | <p>Responsible Manager:</p> <p>Assistant Financial Support Manager (Quality & Improvement)</p> <p>Actions:</p> <p>The interim structure provides additional resource in the quality assurance team to ensure that improvements are made within the teams.</p> <p>We implemented new Quality Checking Guidance on the 1st January 2019. This tells officers levels of quality checks that will be completed based on their performance and how feedback will be given.</p> <p>We will look to implement quality checks within the team itself once reporting lines have been decided. These could be completed using the Quality Check module within Civica and can be done instantly once assessment has been completed.</p> <p>Implementation date:</p> <p>31st January 2019 & 30th April 2019</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|---|---|---|---|
| | | <p>phones and provide lunch cover on the counter which is reducing the time for them to process claims.</p> <p>While this is not a direct impact of Universal Credit the lack of knowledge and experience within the processing team has impacted on the processing of claims. All staff have training plans but there was no evidence these had been reviewed or that regular one to ones were taking place. There is currently no corporate policy that annual PDR's have to take place.</p> <p>Lack of support and guidance for new staff due to experienced staff leaving the team and availability of senior staff has also been a factor.</p> | | | |
| 4 | Medium (AMBER) | <p>Personal Budgeting Support (PBS) & removal of PBS funding</p> <p>It was identified that there were outstanding personal budget support requests that had not been contacted for an appointment for Bromsgrove District Council.</p> <p>Customers failing to attend appointments for personal</p> | <p>The key risk is reputational damage followed by potential breach of contract with the DWP.</p> | <p>Prioritise making contact with the customers who have been awaiting support. This is to ensure the organisation is meeting its contractual obligations to DWP. A recommended time frame needs to be set for the support requests that are outstanding and for all future claims as a standard but realistic operation.</p> | <p>Responsible Manager: Senior Financial Support officer.</p> <p>Actions: Due to outstanding work there was a need for the Financial Independence Team to support the processing staff. This need has decreased now.</p> <p>Appointments are arranged with customers who require personal budgeting support, due to the high level of none attendance</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|---|---|--|---|
| | | <p>budgeting support or unable to contact the customer to make the appointment.</p> <p>The Personal Budgeting Support is currently being delivered by the Financial Independence and funded by the DWP which will cease in April 2019. The responsibility is being passed to the Citizen Advice who will deliver the service solely from April 2019.</p> | | <p>Assess the business impact the loss of funding will have on the Financial Independence Team from April 2019.</p> | <p>we are double booking appointments but making sure there is cover if all people attend.</p> <p>We will be looking to review the Financial Independence Officer job role as part of the Personal Budgeting Support funding removal and as part of the wider structure review.</p> <p>Implementation Date: 30th September 2019</p> |
| 5 | Medium (AMBER) | <p>UC impact on Debt Recovery</p> <p>Unable to provide assurance that UC is not having an impact on Council Tax recovery as the reason for the debt is not recorded by the recovery team.</p> <p>Universal Credit has impacted on the recovery for customers who were placed in temporary accommodation prior to April 2018. The financial information provided by DWP is not clear and requires manual work to identify which customer the funds relate to, in order to transfer the funds into the correct account. The correct process is time consuming.</p> | <p>Potential emerging risk as this has the possibility of growing experientially as the scheme matures.</p> | <p>Explore system to see if management information can be gathered to assess the risk.</p> <p>Review the process for the collection of temporary accommodation funds to see if the process could be made more efficient.</p> | <p>Responsible Manager: Financial Support Manager</p> <p>Actions: Reports can be run to identify recovery rates for current and former Council Tax support claimants – these can be interrogated to determine whether the claimant is in receipt of Universal Credit and review the impact of Universal Credit on collection of Council Tax arrears.</p> <p>The process for making payments to cases within temporary accommodation and dispersed units will be reviewed following the implementation of the new Housing System, as tenants of dispersed units are included in the existing processes</p> <p>Implementation date: 31st March 2020 (Awaiting new housing</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
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| | | | | | system) |
| There has been DWP intervention with an agreed action plan to assist the service transformation. | | | | | |
| Audit: On / Off Street Parking | | | | | |
| Assurance: Significant | | | | | |
| 1 | Medium (AMBER) | <p>Value for Money</p> <p>It is difficult to assess value for money using the current financial system. There is no easy way of identifying if or where savings have been made year on year and what the make up of the costs are although overall cost figures can be seen.</p> <p>A general analysis of the costs expenditure and PCNs issued over the last three years found:</p> <ul style="list-style-type: none"> Per Clause 4.3 of the Service Level budgets should be discussed and set with Wychavon District Council each year. Currently this is not being undertaken. There has been no consistent coding of Income and Expenditure in order to compare like for like | <p>Financial loss if savings are not made and costs are not kept to a minimum regardless of who is running the service. Inaccurate or incomplete management information could potentially lead to poor management decisions.</p> | <p>In order to fully understand if the service being provided by Wychavon District Council is providing value for money then a full breakdown of income and expenditure is required.</p> <p>This needs to include all costs not just the monetary costs for example resource time incurred by Bromsgrove District Council in the monitoring of the contract, lost income incurred from the turnover of staff/sickness.</p> <p>The review needs to also take into account what the Service Level Agreement identifies as the service provided and what the actual service Wychavon District Council now provides and whether this has evolved over the course of the agreement.</p> <p>The costs of the service then need to be analysed to identify potential savings (if there are any).</p> <p>The relationship that has developed</p> | <p>Responsible Manager:</p> <p>Environmental Services Manager</p> <p>A review will be undertaken with Wychavon District Council to identify any changes and amendments to the original SLA including a review of the original breakdown of expenditure.</p> <p>Quarterly financial meetings to take place with Wychavon to monitor costs and performance</p> <p>Implementation date:</p> <p>29th March 2019</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------|--|------|--|-------------------------------------|
| | | <p>information. There has also been miscoding of income.</p> <ul style="list-style-type: none"> There is no breakdown of costs from the invoices received from Wychavon District Council. The total sum is placed against the Other Local Authorities Code. In the case of the Quarter 1 invoice for Bromsgrove the breakdown sheet was different to the invoice that had been paid. In this case it was the invoice that was correct but these are never checked. Over the last three years there has been a steady increase in the number of PCNs issued. However Cancellations and write-offs have remained constant. <p>Without a full analysis of expenditure it is difficult to see where future savings could be made if there needs to be any.</p> <p>The goodwill that has been built up over the contract also needs to be considered and quantified in any decisions taken.</p> | | <p>between the parties the knowledge of the districts, the timeliness of responses to requests for information and the understanding of Members roles within a Local Authority environment all need to be considered along side the cost of the service.</p> | |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|-------------------------------|----------------|---|--|--|--|
| Audit: Council Tax | | | | | |
| Assurance: Significant | | | | | |
| 1 | Medium (AMBER) | <p><u>Discount/ Exemption Reviews</u></p> <p>There have not been any formal reviews of ongoing discounts and exemptions during the financial period. There is currently no formal procedure for periodic reviews of discount/ exemption types in accordance with a defined schedule.</p> <p>Some discounts/exemptions are given on a varying limited time basis, whereby the end date of the discount/ exemption is defined based on available information, e.g. student disregards during the period of the student's course. However, the Civica OpenRevenues system does not automatically cancel these discounts/ exemptions once the defined period has elapsed. A system report must be generated, and the relief must be cancelled manually by the assessor. Testing indicated that there are issues with this, and one instance of a student disregard continuing when it shouldn't was found during a review of ongoing reductions.</p> | <p>Failure to ensure discounts and exemptions are managed in accordance with defined procedures and legislative requirements, resulting in financial loss for the Councils, and potential reputational damage.</p> | <p>To develop a schedule for reviewing ongoing discounts/ exemptions on a periodic basis, and ensure reductions to customer bills are removed in a timely manner once they are no longer required.</p> | <p>Management Response:</p> <p>A review schedule is currently being developed. Implementation is planned for April 2019, with completion of the discount/ exemption reviews expected 31st March 2020.</p> <p>Responsible Officer: Financial Support Services Manager</p> <p>Implementation Date: Implementation April 2019 and completion by end March</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|-------------------------------|----------------|---|---|--|--|
| 2 | Medium (AMBER) | <p><u>Customer Account Notes</u></p> <p>A random sample of 25 accounts with ongoing discounts/ exemptions at the time of the audit work for both authorities identified some issues with the lack of assessor notes to clarify and justify decisions made.</p> | <p>Failure to fully document the decision making process in applying discounts/ exemptions, resulting in a potential lack of clarity, transparency and reputational damage.</p> | <p>Remind staff of the need to ensure all decision making actions are fully documented in the relevant customer account. To consider further officer training for ensuring a full audit trail is documented and easily accessible on the Civica OpenRevenues system.</p> | <p>Management Response: Agreed. Staff to be reminded of the need to ensure that all relevant information is held.</p> <p>Responsible Manager: Financial Support Services Manager</p> <p>Implementation Date: w/c 25/02/19.</p> |
| 3 | Medium (AMBER) | <p><u>Ledger Reconciliations</u></p> <p>Monthly reconciliations are being completed for the posting of cash payments to the Civica ledger and OpenRevenues systems for both authorities. However, historical discrepancies have not yet been amended on the ledger to account for prior year transactions for Bromsgrove District Council.</p> | <p>Failure to ensure ledger transactions are accurate, resulting in potential material inaccuracies in reported management information, leading to reputational damage and financial loss if information is relied upon for financial decision making purposes.</p> | <p>To ensure all reconciliation discrepancies are resolved in a timely manner, so that transactions recorded on the general ledger are accurate and can be relied upon for management reporting purposes.</p> | <p>Management Response: Agreed. All discrepancies identified should be resolved by the following monthly reconciliation takes place</p> <p>Responsible Manager: Financial Services Manager</p> <p>Implementation Date: 30/05/19</p> |
| Audit: NNDR | | | | | |
| Assurance: Significant | | | | | |
| 1 | Medium (AMBER) | <p><u>Website Pages</u></p> <p>There are aspects missing to aid the customer with self-service.</p> <p>Bromsgrove has no change of address form but does have a link to online self-service portal.</p> | <p>Risk of providing out of date information and causing customers to take up resources through staff time when they could self-serve potentially leading to reputation damage.</p> | <p>To update and review the web pages to enable customers to self-serve easily, to ensure that the webpages contain all relevant information.</p> | <p>Management Response: This will be addressed with the development of the online portal.</p> <p>Responsible Officer: Financial Support Services Manager</p> <p>Implementation Date: April 2019</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|---|---|--|--|
| | | In addition, not all available reliefs and exemptions are available on the Council websites, e.g. pub relief. | | | |
| 2 | Medium (AMBER) | <p>Forms</p> <p>All forms which request information need to be reviewed to ensure compliance with the General Data Protection Regulations (GDPR), which came into effect May 2018.</p> | Potential risk of not complying with requirements of the data protection legislation. | Review and alter forms to comply with General Data Protection Regulations. | <p>Management Response:</p> <p>All existing forms will be reviewed to ensure compliance with standards as part of the development of the online portal.</p> <p>Responsible Officer: Financial Support Services Manager</p> <p>Implementation Date April 2019</p> |
| 3 | Medium (AMBER) | <p>Formal Reviews of Reliefs/ Exemptions</p> <p>There is no formal schedule for reviewing all ongoing reliefs and exemptions to ensure ongoing entitlement.</p> <p>In addition there is no formal guidance for defining and documenting the decision making process for awarding discretionary charitable reliefs.</p> | There is a risk that exemptions, reliefs and discounts are being applied either incorrectly or are continuing past their 'end' date, potentially leading to a financial loss. | <p>To develop and implement a formal plan for reviewing all reliefs and exemptions in accordance with a defined schedule.</p> <p>To ensure there is suitable formal guidance in place for reviewing discretionary reliefs.</p> | <p>Management Response:</p> <p>A review schedule is currently being developed. Implementation is planned for April 2019, with completion of the relief/ exemption reviews expected 31st March 2020.</p> <p>Guidance for applying discretionary charitable relief will be developed in conjunction with the review schedule.</p> <p>Responsible Officer: Financial Support Services Manager</p> <p>Implementation Date: Implementation April 2019 and completion of the review process by end March 2020.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|---|----------------|--|---|---|--|
| 4 | Medium (AMBER) | <p>Reconciliations</p> <p>Monthly reconciliations are being completed for the posting of cash payments to the Civica ledger and OpenRevenues systems. However, historical discrepancies have not yet been amended on the ledger to account for prior year transactions.</p> | <p>Management decisions may be affected by misleading management information, potentially resulting in financial loss or reputational damage for the authority.</p> | <p>To ensure all discrepancies are resolved in a timely manner, so that management information extracted from ledger transactions are accurate.</p> | <p>Management Response: Agreed. All discrepancies identified in a monthly reconciliation to be identified and remedied by the following monthly reconciliation.</p> <p>Responsible Officer: Financial Services Manager</p> <p>Implementation Date: 30/05/19</p> |
| Audit: Housing Benefits | | | | | |
| Assurance: Limited | | | | | |
| There has been DWP intervention with an agreed action plan to assist the service transformation. | | | | | |
| 1 | High (RED) | <p>Claims not being made defective / processing times</p> <p>Testing identified that not all claims were being made defective 30 days after the request for information in order to process the claim and information still needed to be sourced 3 months after the claims was submitted. This had already been identified as a possible issue which has been confirmed by the testing.</p> <p>There were 2 claims where the surnames were different on the application form to what had been recorded on the benefit system with no file note to</p> | <p>Potential for inaccurate reporting of processing timescales. Reputational damage for not meeting the government processing timescales. Sanctions imposed by DWP.</p> | <p>Undertake re-fresher training with the processing team.</p> <p>Monitor claims.</p> <p>Implement actions as advised in the Universal Credit Impact report.</p> <p>Produce a report that can pull off data showing new claims and change of circumstance processing times that do not require cleansing before submitted to the DWP.</p> | <p>Management Response:</p> <p>There was a long period of 2018/19 where absenteeism amongst the Benefits Management team was a problem. This caused some housekeeping tasks to slip as 1 senior officer was responsible for 30 officers.</p> <p>We now have a stable management team following the interim structure changes and there are 3 team leaders each of whom are responsible for a maximum of 11 officers. Additionally we have an assistant manager and a customer support manager both overseeing the operational and strategic management of the team.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|------------|--|---|---|--|
| | | <p>acknowledge the difference. There was a postcode that was difference on the application form to what had been recorded on the system.</p> <p>A child's surname had been spelt incorrectly on the system</p> <p>The processing times have already been highlighted as an issue under the Universal Credit impact audit 2018/19. Actions have been put in place to reduce the processing times and are being closely monitored.</p> <p>The report showing the processing times is checked and cleansed, removing the council tax support claims and checking for any abnormalities before the figures are reported to DWP.</p> <p>There were 3 cases identified during the testing that due to a system error at Victoria Forms resulted in a delay in receiving the application forms. This was identified as the date on the report differs from the date received on Civica.</p> | | <p>Liaise with Victoria Forms to identify the reason for the applications not being submitted the same day and to prevent any further delays without the team being made aware.</p> | <p>Reports are now run through Civica to identify cases where they should have been made defective. The team leaders issue reminders to individual officers to make claims defective and the importance of doing so has been highlighted to the entire team.</p> <p>The issues raised regarding surname differences could be held on the system but through Core or Revenues.</p> <p>We are currently working with Victoria Forms to improve the New Claim and make it more dynamic. We will also be looking into introducing the Change of Circumstance Form later this financial year once testing has been completed.</p> <p>Responsible Manager: Assistant Financial Support Manager</p> <p>Implementation Date: Completed</p> |
| 2 | High (RED) | <p>Subsidy</p> <p>During the course of the audit it was identified that due to the</p> | <p>Loss of subsidy and the potential for reputational</p> | <p>Undertake a review of the causes of the errors and carry out training.</p> | <p>Management Response: This has not been an issue for the team</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|------------|--|--|---|--|
| | | number of claims which had resulted in a Local Authority error or Admin processing delay. The authorities will not be able to claim the subsidy resulting in a financial shortfall | damage. | | <p>previously and is as a result of the previous absence of management.</p> <p>The interim structure again will ensure that we have capacity to work alongside the Quality and Improvement team and monitor workloads, processing times and admin delay.</p> <p>The Quality and Improvement team identify Local Authority Error/Admin Delay levels weekly to monitor. Again due to sickness and absenteeism last year within the Benefits Management team these concerns were not responded too.</p> <p>We are conscious of the financial implication this can have and will ensure that this is a one off and that as per previous years this does not happen again.</p> <p>Responsible Manager:</p> <p>Assistant Financial Support Manager Senior Quality and Improvement Officer</p> <p>Implementation Date:</p> <p>Completed</p> |
| 3 | High (RED) | Recovery of overpayments. The testing identified accounts that needed chasing. There were a number of accounts that had been sent to the DWP to | Lack of action resulting in delays in recovering debts, resulting in a failure to recover monies which could | Review the recovery process and procedures to ensure they remain fit for purpose. | <p>Management Response:</p> <p>A review of procedures for the Invoice Recovery of Housing Benefit overpayments has been implemented.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------|--|--|--|--|
| | | <p>recover from the claimants UC. However, no response had been received from the DWP to advise if the recovery could be taken from the award. There are some Housing Benefit Overpayments that need action to transfer the information to the sundry debtor team to start the process to recover the money. The action from the 2017/18 audit to revise the operational measures for Housing Benefit overpayment and revision to working procedures to ensure timely notification of debt cases not progressing through recovery remains outstanding.</p> | <p>lead to financial loss and reputational damage.</p> | <p>Ensure there is closer monitoring and exercising of recovery to claim back over paid benefit.</p> | <p>An initial high level flow for invoice recovery has been developed. This flow has determined the points in the process which can be automated, to ensure that recovery action has been taken promptly, and methods for reporting exceptions to team members for the correction of collection issues.</p> <p>The flow also includes review points for identifying outstanding referrals to DWP and Direct Earnings Attachments where payments have not been made.</p> <p>The revised processes will be implemented in the second quarter of 2019/20</p> <p>The transfer of Housing Benefit overpayments to the Sundry Debt system for invoice recovery has been frustrated due to work pressures that developed during 2018/19. The implementation of Universal Credit, and the loss of a number of experienced assessment officers impacted on the ability to maintain performance and, on advice from DWP, resources were targeted to the assessment of New Claims and Change of Circs.</p> <p>Overpayments not in recovery were not processed during this period. The work pressures have been addressed and the appointment of new Team Leaders within the Housing Benefit Team has increased the resource available for exception</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|---|---|---|---|
| | | | | | <p>testing. This has enabled a process for monitoring of these debts to be implemented commencing in May 2019</p> <p>Responsible Manager:</p> <p>Financial Support Services Manager</p> <p>Implementation Date:</p> <p>30 September 2019</p> |
| 4 | High (RED) | <p>Classification</p> <p>Testing identified overpayments that the classification has had to be manually adjusted, due to the customers going onto UC. This is to ensure the subsidy is not claimed. The Quality Assurance team are carrying out these manual adjustments which is due to be completed by the 30/04/2019.</p> | <p>Failure to complete this exercise may result in an inability to claim the correct subsidy.</p> | <p>Monitor the activity against the action plan to ensure the work is on track for completion at the end of April 2019 and ensure there is a contingency in place if the monitoring is indicating a short fall.</p> | <p>Management Response:</p> <p>Reclassification has been completed 2nd week April 2019.</p> <p>This issue was caused by Civica Open Revenues and its treatment of the 2 week run on from Housing Benefit to Universal Credit. The software function is now working and the historic errors/issues have been corrected.</p> <p>Responsible Manager:</p> <p>Senior Quality and Improvement Officer</p> <p>Implementation Date:</p> <p>Completed</p> |
| 5 | Medium (AMBER) | <p>Write Off's</p> <p>The action was to remind the team to ensure write off</p> | <p>Risk of financial loss in instances where money is</p> | <p>Need to consider cover for key roles when there is a long period of absence</p> | <p>Management Response:</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|--|-----------------|--|---|--|--|
| | | <p>procedures are adhered to and actions are documented.</p> <p>2018/19 follow up found that this action has not been completed due to the absence of the income team leader.</p> | <p>written off when there is a possibility of recovering it in a reasonable timeframe, potentially leading to reputational damage.</p> | <p>to ensure the service can function efficiently.</p> | <p>Action was not completed during 2018/19 year due to the absence of the responsible manager.</p> <p>Controls for the completion of Audit actions for future year have been implemented with Audit actions recorded within the individual team's Action and Development Plans.</p> <p>Responsible Manager:</p> <p>Financial Support Services Manager</p> <p>Implementation Date:</p> <p>June 30th 2019</p> |
| <p>There has been DWP intervention with an agreed action plan to assist the service transformation.</p> | | | | | |
| <p>Audit: Procurement</p> | | | | | |
| <p>Assurance: Limited</p> | | | | | |
| 1 | High (RED) | <p>Training control</p> <p>Testing identified that there had been no procurement training carried out prior to April 2018. In relation to a query raised by a Member testing confirmed that that an individual conducted work on the scoring matrix and tender prior to receiving relevant training.</p> <p>Although training has been completed since April 2018, it is the responsibility of the services</p> | <p>Lack of clear guidance potentially leading to inappropriate procurement activities which are not in accordance with corporate or legislative requirements, potentially resulting in financial penalty and reputational damage.</p> | <p>It is recommended to assess the current controls that are in place in relation to ensuring the most appropriate staff is trained.</p> <p>Services evaluate the current level of support and training that is available to staff and tailor future requirement to ensure training is provided in a timely manner and sufficient logs are kept.</p> | <p>Responsible Officer: -</p> <p>Team Leader – Contracts and Commercial</p> <p>Implementation Date: -</p> <p>August 2019</p> <p>Checks to be introduced on training undertaken by staff involved in procurement – initial declaration of interest form (see below) to ask for this information and for staff to identify any additional training needs which the procurement team can then address.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|------------|--|--|--|--|
| | | <p>to contact procurement to arrange training sessions on an ad-hoc basis for new staff / staff undertaking procurement for the first time which does not always take place in a timely manner.</p> <p>Procurement have circulated to heads of services lists of staff who have attended training – but for services to identify gaps and ensure attendance</p> | | | |
| 2 | High (RED) | <p>Collusion</p> <p>Testing identified a lack of control over spotting possible collusion of staff with the contractors in aim to aid procurement bids. It was found that there is no declaration form in place to keep stored on file and it is based on a notice of trust which due to the nature of procurement being a high risk area for fraud to take place presents a risk to the council.</p> <p>It was also identified that it is common for staff to have knowledge of / links to potential contractors due to building a rapport with existing suppliers or networking / soft-market testing. Staff only be expected to remove themselves from a process if the link was personal rather than professional which</p> | <p>Lack of clear guidance or controls potentially leading to collusion or fraud, potentially resulting in financial implications, invalid contracts and reputational damage.</p> | <p>It is recommended that staff are fully briefed about declarations and that referees quoted on tenders need to be totally independent. Under no circumstances should there be any personal link to the contractor for staff undertaking a tendering process. Staff with any direct link to the contractor is to be removed from the process. Any deliberate breach of declaration to be investigated with the potential result being a disciplinary hearing.</p> | <p>Responsible Officer: - Team Leader – Contracts and Commercial</p> <p>Implementation Date: - August 2019</p> <p>New declaration of interest forms to be introduced asking all staff involved in procurement to declare any personal interest / links to potential suppliers. Responses to be held with procurement documents to provide clear audit trail.</p> <p>Price scoring to be undertaken by procurement and/or finance teams. Service team undertaking quality scoring to have no knowledge of price score before quality scores are determined.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|---|--|---|---|
| | | presents a lack of transparency and high risk of collusion. | | | |
| 3 | High (RED) | <p>Scoring Matrix – Above £25K</p> <p>From assessing the scoring matrix it was noticed that there are various versions in use as Service areas are using their own scoring matrix template design instead of the corporate scoring matrix, items above the £25k tend to be consulted with by the corporate procurement team.</p> | <p>There is risk that if Services are using their own matrix and not the agreed corporate matrix there is inconsistency in approach which could lead to challenge and reputational damage.</p> | <p>It is recommended that a review of the current matrix is undertaken to ensure it remains fit for purpose and the all Services use it to provide a uniformed approach for the organisation. Due to the amount of money involved it is also recommended spot checks are used. All deviations are to be sanctioned by the Corporate procurement team.</p> | <p>Responsible Officer: - Team Leader – Contracts and Commercial</p> <p>Implementation Date: - August 2019</p> <p>Scoring matrix to be reviewed and standardised. Any deviations to be discussed with and agreed by the procurement team.</p> <p>Price scoring to be undertaken by finance / procurement team.</p> <p>Procurement team to combine price and quality scores to give final score.</p> |
| 4 | Medium (AMBER) | <p>Scoring Matrix – Under £25k</p> <p>It was found from the assessment that the scoring matrix is not spot checked if the value is under £25k.</p> | <p>There is risk that if Services are using their own matrix and not the agreed corporate matrix there is inconsistency in approach which could lead to challenge and reputational damage.</p> | <p>It is recommended to conduct spot checks on the scoring matrix for items below £25k to give assurance that the scoring matrix is accurate and fair. Any deviation to be sanctioned by Corporate Procurement Team.</p> | <p>Responsible Officer: - Team Leader – Contracts and Commercial</p> <p>Implementation Date: - August 2019</p> <p>Scoring matrix to be reviewed and standardised. Any deviations to be discussed with and agreed by the procurement team.</p> <p>Price scoring to be undertaken by finance / procurement team.</p> <p>Procurement team to combine price and quality scores to give final score.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|-------------|-----------------|---|--|---|---|
| 5 | Medium (AMBER) | <p>Centralising Information Controls</p> <p>Testing indicated that the Orb is the central location point for items such as procedure manuals, but it is not being actively monitored or updated. Although located on the Orb there is no central location on the Orb for procurement.</p> <p>Testing on the eProcurement system also identified attachments are not always attached to logs causing a risk of having inconsistency in the approach towards tenders and a lack of audit trail in place.</p> | <p>Lack of controls over centralised information could potentially lead to documentation being lost and not being kept updated and not being available to staff potentially leading to inappropriate actions, financial loss and reputation damage.</p> | <p>It is recommended to evaluate and review the way information is being stored in central locations and consider having a central location put on the Orb for procurement.</p> | <p>Responsible Officer: - Team Leader – Contracts and Commercial</p> <p>Implementation Date: - August 2019</p> <p>Procurement section of the Orb being reviewed and up-dated.</p> |
| 6 | Medium (AMBER) | <p>Staff Training</p> <p>The assessment found that although there are training notes available dated October/November 2018, and full list of attendees for these sessions (and later mop-up sessions). No checks on understanding post-training or the current competency of staff that are managing procurement projects.</p> | <p>Lack of checks on understanding and training records of those managing procurement projects could lead to the council being criticised potentially leading to reputational damage and noncompliance with statutory requirements and local requirements.</p> | <p>A robust training and development programme to be implemented and delivered on an annual basis to ensure ongoing competency of procurement staff.</p> | <p>Responsible Officer: - Team Leader – Contracts and Commercial</p> <p>Implementation Date: - August 2019</p> <p>General procurement training to be repeated annually/on ad hoc basis as need arises.</p> <p>More in-depth training programme to be developed and rolled out from Autumn 2019 with sessions covering topics such as specification development, scoring, and transparency and managing existing relationships within the procurement process.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|--|------------|---|--|--|---|
| | | | | | <p>Post-training checks on understanding to be included.</p> <p>Bespoke training sessions will continue to be made available to particular procurement project teams.</p> |
| Audit: Risk Management | | | | | |
| Assurance: Limited | | | | | |
| Zurich has been commissioned to assist with the compilation of the corporate risk register. | | | | | |
| 1 | High (RED) | <p>Risk Management Group</p> <p>At the time of the audit no risk management group meetings had taken place for a long period of time.</p> <p>However a meeting did take place after audit completed testing on the 20th May 2019. Although it is positive that a meeting took place there is still fundamental risk to the council at this time due to time it has taken for a meeting to take place since the last risk management group meeting. Unless there is consistency then there will still be continued risk.</p> | <p>Failure to monitor risks in accordance with the defined strategy, resulting in ineffective risks management practices, which could lead to reputational damage for the authority.</p> | <p>Risk Management Group meetings have commenced with the first one taking place on the 20th May 2019 and the hope is this will be a monthly occurrence for the first 6 months which will either then become monthly or quarterly.</p> <p>This is a positive step forward however as separate risk meetings have proved ineffective in the past the Council to monitor these meetings for added value and effectiveness of aiding the Risk Management process and if they are found to be of no value then to consider alternative arrangements e.g. becomes a regular agenda item on the Corporate Management Team meeting</p> | <p>Responsible Officer: -</p> <p><i>Executive Director of Finance and Resources</i></p> <p>Implementation Date: -</p> <p>Following meeting on 20th May 2019 2 further meetings have been arranged on a monthly basis to enable the group to:</p> <ul style="list-style-type: none"> • Review Zurich Municipal Health Check • Receive training on 4Risk system <p>In addition health Check had been undertaken by Zurich Municipal.</p> <p>Completed.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|------------|--|--|--|--|
| 2 | High (RED) | <p>Corporate Risk Register updates</p> <p>As identified previously the 4risk system has not been regularly reviewed, updated or used as the central repository for risk management.</p> <p>Although service areas are keeping their service risk register up to date to improve their specific areas, corporate risks are not being kept up to date on the 4risk system.</p> <p>Testing identified that corporate risks in the 4Risk system was last reviewed in 2013/14 and was due a review on 31/1/2019 which at the time of testing was overdue.</p> <p>It was also identified that 16 out of 16 actions within the corporate risks on the 4risk system still require action and each of the actions should have been implemented by the end of 2014.</p> <p>Corporate risks are on a spreadsheet which gets presented to members but the main system for managing risk has not been kept up to date.</p> | <p>Omission of review information could result in challenges to the process, or instances where reviews are being missed which are not identifiable from the information provided, resulting in reputational damage for the authorities.</p> <p>If the 4risk system is not being kept up to date re corporate risks it means that there is a potential lack of knowledge sharing occurring for staff which could lead to risks not being communicated potentially leading to reputational damage, challenges to the processes or instances where reviews are not able to be justified.</p> | <p>Management have already decided that the 4risk system is part of the future plans and is going to be an on-going project. Therefore the 4risk system to be reviewed on a quarterly basis to ensure that it remains fit for purpose and that the corporate risk registers are updated and remain up to date.</p> | <p>Responsible Officer: - Executive Director of Finance and Resources</p> <p>Implementation Date: -</p> <p>The Corporate Risk Register on 4Risk has been updated to reflect the new corporate risks and is monitored by CMT etc.</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|-------------------|---|--|--|---|
| 3 | High (RED) | <p>Risk Management Training Information Available to Staff</p> <p>Testing found the orb has minimal training material available for staff to view and use as reference for risk management. Information held dates back to 2015 and staff training has not been undertaken since this time.</p> <p>There is an option to self-teach staff in the use of the 4risk system within the system itself but there are no items available via the orb to highlight this facility.</p> | <p>A lack of reference material and training of staff could lead to staff being non-compliant with risk management requirements potentially leading to unacceptable or unidentified risk which could impact the reputation of the authority or have more serious consequences.</p> | <p>To assess the training material available to staff currently on the Orb for Risk Management and establish a folder where all risk management training material can be held and updated on a regular and timely basis. In addition to</p> <p>Include information on the orb regarding self-learning on the 4risk system.</p> | <p>Responsible Officer: - <i>Executive Director of Finance and Resources</i></p> <p>Implementation Date: -</p> <p>September 2019 to commence risk training package across authority.</p> <p>Risk group to be trained in June/July then roll out to organisation following update of material available.</p> |
| 4 | Medium (AMBER) | <p>Portfolio Holder Monitoring</p> <p>From the previous audit and follow up it was found that there was no process for portfolio holder monitoring.</p> | <p>Reduced high level management challenge, and reduced understanding of the issues affecting the service resulting in reduced control, potentially leading to reputational damage for the authorities.</p> | <p>Establish processes to ensure new and existing Portfolio Holders are made aware of the current risks that have been identified for the Service and that these are regularly revisited.</p> | <p>Responsible Officer: - <i>Executive Director of Finance and Resources</i></p> <p>Implementation Date: -</p> <p>HOS to discuss with Portfolio Holder on a quarterly basis.</p> |
| 5 | Medium (AMBER) | <p>Risk Management strategy</p> <p>After reviewing the Risk Management Strategy audit identified that there is no review date in place.</p> | <p>Risk Management is a high priority area within an organisation so without having an action plan it could lead to high priority items not being completed within a suitable timeframe and could</p> | <p>To review the current Risk Management Strategy and include review date controls</p> <p>Consider including within the Strategy an action plan for the i training of staff</p> | <p>Responsible Officer: - <i>Executive Director of Finance and Resources</i></p> <p>Implementation Date: -</p> <p>December 2019</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|---|----------------|--|---|--|--|
| | | | <p>open the council to risk of reputational damage or death in service if certain risks are not identified.</p> <p>There is also risk that without a strategy there is no goal for managing risk within the authority.</p> | | |
| <p>Zurich has been commissioned to assist with the compilation of the corporate risk register.</p> | | | | | |
| <p>Audit: Transport</p> | | | | | |
| <p>Assurance: Limited</p> | | | | | |
| 1&2 | Medium (AMBER) | <p>Utilisation of Vehicles</p> <p>Vehicle Tracking The ability to monitor utilisation of vehicles has improved with the part implementation of vehicle tracking. This system does provide a variety of vehicle management benefits but it is not installed across the fleet. On vehicles where it has been installed the usage is limited e.g. out of area usage, out of hour's usage, investigative work.</p> | <p>By not utilising the fleet or gathering key management information in regard to fleet usage there is the potential to make poor management decisions in regard to the replacement of vehicles and underutilisation of the available fleet leading to financial implications.</p> | <p>It is accepted that Tracker technology comes with associated costs. However, if it is to be used to its full capabilities then the level of monitoring would need to be increased and depending upon the success, extended across the fleet.</p> <p>Whilst low mileage does not necessarily confirm poor utilisation, it does provide an indication which may warrant further investigation. This may provide scope for reducing vehicle costs e.g. rationalising vehicles, replacing hire vehicles with underutilised vehicles. For these reasons it is recommended that fuel monitoring is regularised across the</p> | <p>The existing vehicle tracker operational procedure would need to be reviewed in order to fully utilise the system. The existing procedure restricts the usage of this system. The reviewed procedure would need to reflect the full intent and our expectations by using the system to its full potential.</p> <p>The proposed procedure will need to be reviewed in consultation with all parties and then communicated to all staff prior to implementation.</p> <p>Responsible manager: Environmental Services Manager</p> <p>Implementation date: Review date set for Sept 2019. Implementation by April 2020.</p> <p>Fuel monitoring via the transport fleet</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|---|----------------------------|--|--|
| | | | | services with focus on exceptions e.g. low mileage, low mpg etc. | <p>systems will only identify high usage if used in isolation.</p> <p>With the appropriate changes to the existing tracker procedure to enable full utilisation of the systems potential by management team, the fuel usage is expected to reduce.</p> <p>Fuel usage will also be further reduced by reviewing the vehicle replacement programme. The possibility of using alternative fuel powered vehicles, such as electric may be an option to consider for low mileage usage.</p> <p>Managers and team leaders to be made aware of information that is available so that they can assess and monitor their team's fuel usage.</p> <p>Individual reports can be produced for each vehicle</p> <p>A full review of vehicle replacements is expected to be carried out by October 2019.</p> <p>Responsible manager: Environmental Services Manager Workshop and Transport Manager</p> <p>Implementation date: October 2019</p> |
| 3 | Medium (AMBER) | <u>Vehicle Inventory</u> Audit testing did find | Risk of vehicles not being | Records need to be reconciled and | Workshop and Transport Manager now has access to the MID records and this is checked every time a vehicle is purchased |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|--|--|---|---|
| | | <p>inconsistencies between the insurance schedule and the fleet. There is no regular reconciliation of the records other than when the insurance is renewed.</p> | <p>insured. Assets not properly recorded & controlled.</p> | <p>then periodically reviewed to ensure consistency and compliance with statutory requirements.</p> | <p>or disposed of or under long term hire. Access to this system was only granted in March 2019</p> <p>A recent audit identified all vehicles being used by the Housing sections. This information has been shared with Finance for accurate costing and reporting.</p> <p>Completed in February 2019 and monitored monthly</p> <p>Responsible manager: Workshop and Transport Manager</p> <p>Implementation date: September 2019</p> |
| 4 | Medium (AMBER) | <p><u>Vehicle Service & Repair Records</u></p> <p>Audit testing confirmed that some vehicle files were incomplete & did not retain a history of servicing/repairs.</p> <p>In the main this related to 'white fleet vehicles'.</p> | <p>Potential risk to operator's licence.</p> <p>Reputational damage could occur in the event of an accident and potential for financial implications if the insurance was nullified.</p> | <p>Vehicle repair & maintenance records are in need of review. Clear guidelines should be applied for the standard of record keeping particularly for the 'white fleet.'</p> <p>It may be appropriate to consider a computerised application to manage this area of work.</p> | <p>Workshops will have new Maintenance Planner Wall Charts with clearly allocated regular inspections for all of our white fleet. Monthly file checks to be undertaken by Workshop and Transport Manager to ensure paperwork is archived correctly - June 2019</p> <p>A suitable computerised fleet management system is to be investigated – March 2020</p> <p>Responsible manager: Environmental Services Manager Workshop and Transport Manager</p> <p>Implementation date: March 2020</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|---|---|--|--|
| 5 | Medium (AMBER) | <p>Accident Reporting</p> <p>A procedure is in place for accident reporting and electronic records are retained for recoding & monitoring purposes.</p> <p>The records were reviewed against insurance claims & also a list of payments made to car body repairs.</p> <p>The exercise confirmed inconsistencies between all records i.e.</p> <ul style="list-style-type: none"> Insurance claims not recorded in the accident record Repair work carried out (as per creditor payments) not appearing in the accident record or insurance claims records | <p>There is risk that all accidents are not properly recorded in which case;</p> <ul style="list-style-type: none"> Management are not fully aware of all accidents arising in the fleet Costs of accidents may not be being recovered via insurance claims The service Risk ENV9 is not being effectively managed | <p>All accidents or near misses must be reported in accordance with approved procedures to ensure that poor driving is properly addressed and, insurance claims are properly made.</p> | <p>If the repair costs are less than £250 then we do not put this through the insurance.</p> <p>The procedure for reporting accidents is explained to all Environmental Services and Housing drivers at induction and they are reminded frequently at team meetings. All accidents and near misses are required to be reported to the Workshop. All managers and team Leaders to ensure that their drivers report all accidents and near misses.</p> <p>Workshop and Transport Manager has agreed that there have been some inconsistencies over the last year these have been identified and a closer check of the reporting process is now in place. – June 2019</p> <p>From now on repair costs and details will be added to the accident report sheet.</p> <p>Workshop and Transport Manager to write to all managers with guidance notes on the accident reporting procedure – September 2019</p> <p>Responsible manager: Workshop and Transport Manager</p> <p>Implementation date: September 2019</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|--|----------------|--|---|--|--|
| Audit: Bromsgrove Energy Efficiency Fund (BEEF) | | | | | |
| Assurance: Moderate | | | | | |
| 1 | Medium (AMBER) | <p><u>End of Scheme Report</u></p> <p>Although an interim report has been produced detailing grant award, levels of spend etc., a final (reconciliation) report has not been produced that confirms:</p> <ul style="list-style-type: none"> The total number of cases assisted under the scheme, benefits achievements Actual spend on the scheme and any unspent balance that may be due to the council <p>Further audit work to reconcile the 'unspent' balance that was returned to the council proved unsatisfactory.</p> | Members are not informed of the final outcome(s) of the scheme and there is the potential of financial loss if unused money is not refunded when due. | Whilst acknowledging that an interim report was produced for Cabinet it would be good practice for a final report to be produced to provide for information and transparency purposes. This exercise would also provide confirmation that any unspent balances are correctly calculated and returned to the Council. | <p>Responsible Manager</p> <p>Housing Strategy Manager</p> <p>Implementation date</p> <p>August 2019</p> <p>We will provide an update to Cabinet that includes this information once the new provider is in place</p> |
| 2 | Medium (AMBER) | <p><u>Documentation</u></p> <p>A review of a sample of applications & associated forms and supporting information revealed:</p> <ul style="list-style-type: none"> eligibility questions (e.g. home ownership) were not clearly and consistently asked so were not clearly | Scheme documentation is not fit for purpose leading to reputational damage and unnecessary exposure to fraudulent activity and an inability to enforce if circumstances dictated. | Whilst the partner may have been responsible for drafting documentation a council representative should have reviewed this to ensure it was fit for purpose and captured all the required information in a consistent and appropriate manner. | <p>Responsible Manager</p> <p>Housing Strategy Manager</p> <p>Implementation date</p> <p>August 2019</p> <p>Once the new provider is in place we will work with them to produce this</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|------|----------------|--|---|---|--|
| | | <p>answered or in 37.5% of the applications reviewed (8) were not answered at all</p> <ul style="list-style-type: none"> in two cases, documents in use actually related to other councils/schemes (e.g. Redditch Borough Council and the Warwickshire Scheme) terminology in use (e.g. reference to statutory bodies) was very out dated | | | documentation |
| 3 | Medium (AMBER) | <p>Application Processing A review of a sample of 8 cases revealed:</p> <ul style="list-style-type: none"> There was insufficient evidence to confirm benefit awards & property ownership had been confirmed. Sample audit testing did confirm benefit awards & property ownership was satisfactory. Some cases were subject to approved discretionary approval although supporting | <p>Failure to confirm eligibility of applicants could lead to fraudulent applications & funds not being targeted to the most vulnerable households.</p> <p>For transparency purposes, an effective audit trail should be maintained to fully justify a discretionary award.</p> | <p>For transparency purposes all details to support discretionary approval should be retained</p> | <p>Responsible Manager Housing Strategy Manager</p> <p>Implementation date August 2019</p> <p>Once the new provider is in place we will establish a new record-keeping approach to this element of the scheme</p> |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| Ref. | Priority | Finding | Risk | Recommendation | Management Response and Action Plan |
|---|----------------|---|--|---|--|
| | | records were incomplete i.e. verbal | | | |
| Audit: Worcester Regulatory Services | | | | | |
| Assurance: Significant | | | | | |
| 1 | Medium (AMBER) | <p><u>Complaints Register</u></p> <p>A review of the complaints register showed 'blanks' in the date completed field suggesting that this remained outstanding</p> | Complaints remain unanswered leading to further complaints from the public and increasing the likelihood of reputational damage. | The quarterly review of complaints should include a check to confirm completeness of the register thereby providing an assurance that complaints are complete | The register is reviewed by the Head of Worcestershire Regulatory Services quarterly & the 'blanks' should have been checked out to ensure the complaint had been concluded. This will be done in future. The Head of Service agreed that the register be slightly amended to incorporate his initials to confirm that he had reviewed each complaint outcome as required by the Policy. |
| 2 | Medium (AMBER) | <p><u>Processing Timescales</u></p> <p>Audit testing did identify 4 (20%) of stage 2 investigations that were processed outside of the acceptable timescales</p> | Processing timescales not met leading to further complaints and increasing the likelihood of reputational damage. | Whilst accepting that a complaints should be properly investigated & this may extend processing times every effort should be made to adhere to timescales | Looking back at calculations the one case in 2018/19 (1) was completed within 15 days & 2017/18 (6) was also completed within 15 days & so the real % was 10%. Given that there were none in 2018/19 then I do not propose to report as this financial year shows an improving picture. |
| end | | | | | |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

APPENDIX 4

Follow Up

Planned Follow Ups:

In order to continue to monitor progress of implementation, 'follow up' in respect of audit reports is logged. The table provides an indication of the action taken against those audits and whether further follow up is planned. Commentary is provided on those audits that have already been followed up and audits in the process of being followed up.

For some audits undertaken each year follow-ups may not be necessary as these may be undertaken as part of the full audit. Other audits may not be time critical therefore will be prioritised as part of the overall work load so to minimise resource impact on the service area.

Follow up in connection with the core financials is undertaken as part of the routine audits that are performed during quarters 3 and 4.

Follow Up Assurance:

In summary:

- 2017/18 reports; 2 follow up satisfied, and 1 review scheduled for Q4;
- 2018/19 report; 1 satisfied, 2 pending and 5 reviews scheduled for Q3;
- 2019/20 report; 1 scheduled for Q3.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| <u>Audit</u> | <u>Date Final Audit Report Issued</u> | <u>Service Area</u> | <u>Assurance</u> | <u>Number of High, Medium and Low priority Recommendations</u> | <u>Date to be 1st Followed up or outcome</u> | <u>2nd Follow Up</u> | <u>3rd Follow Up</u> |
|----------------------------|---------------------------------------|------------------------|------------------|--|--|--|---------------------------------|
| | | | | | High and Medium Priorities 6mths after final report issued as long as implementation date has passed | High and Medium Priorities still outstanding 3mths after previous follow up as long as implementation date has passed | |
| 2017-18 Audits | | | | | | | |
| Disabled Facilities Grants | 28th September 2017 | Community Services | Moderate | The report found 1 high priority and 2 medium priority recommendations in relation to Records retention and security, Registration of Land Charges and Private Sector Home Repairs Assistance policy. Only 1 medium priority recommendation related directly to Bromsgrove District Council. | The follow up in February 2018 found that the one medium priority recommendation was in progress and the policy update would be reported to Cabinet in June 2018. No evidence that this took place therefore further follow up to take place. Follow up planned 28 th January 2019. | Follow up undertaken on the 28 th January 2019 confirmed policy reporting before Members remained outstanding but is due to be reported to Executive June 2019. Follow up September 2019 confirmed reported to Executive June 2019. No further follow up required. | |
| Environmental Waste | 27th November 2017 | Environmental Services | Moderate | The report found 1 high and 4 medium priority recommendations in relation to Bulky Waste Receipt Books, Business Waste Charges, Fees and Charges, Bulky Waste quotes and Garden Waste Invoices. | Follow up January 2019 found the 4 medium priority recommendations were satisfied and the high priority recommendation was in progress pending further transformation of the Business Support Team re. reconciliation and controlled stationery. Follow up required in April 2019. | This remaining recommendation will be followed-up as part of the 2019/20 Environmental Services (Bulky Waste) audit, scheduled to take place in Q4. | |
| Records Management | 5th January 2017 | Corporate | Limited | Reported 5 high and 1 medium priority recommendations; implementation of the information security policy, inventory of IT equipment, retention and disposal | Follow up February 2019 found 4 'high' and one 'medium' priority recommendations have been satisfactorily implemented with the final 'high' priority | Follow up in August 2019 confirming the confidential waste contract has been re-let. All waste is now either bagged or placed in | |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

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| | | | | schedule, confidential waste collection, storage of documents on the Orb and GCSx email accounts. | recommendation re. confidential waste to be completed on the 1 st April 2019 on the transfer of the responsibilities from PPL. | receptacles throughout sites and shredded on site as outstanding recommendation satisfied. No further follow up required. | |
| 2018-19 Audits | | | | | | | |
| GDPR | 13 th March 2019 | Corporate | Moderate | Reported 2 high and 2 medium (only 1 med in BDC) priorities in; Awareness, Data Protection Officer, and Third Party Data Processes. Follow up to be completed in 3 months | Follow up undertaken in August 2019. Outcome to be reported to CMT in October 2019. | | |
| On / Off Street Car Parking | 12 th March 2019 | Environmental Services | Moderate | Reported 1 medium and 1 low priority recommendations in On Street Parking Cost to the Council and Value for Money. Follow up to be completed in 3 months | Follow up undertaken October 2019. Medium priority recommendation implemented. No further follow up required. | | |
| Transport (Fleet) | 19th June 2019 | Operations | Limited | Reported 7 'medium' priority recommendations in Extension of the use of vehicle trackers on the fleet, Fuel monitoring to be introduced on an exception basis, Inventory records should be accurately maintained & be consistent with the insurance schedule, Vehicle service & repair files were not accurately maintained, Accident records are not accurate, Driver 'walk round' checks are not consistently carried out and Untaxed vehicle in used. A follow up will take place in 3 months. | Oct-19 | | |
| Procurement | 7th June 2019 | Corporate | Limited | Reported 3 'high' and 3 'medium' priority recommendations in Training Control, Collusion, The scoring matric above £25k, Training Controls, The scoring | To be completed as part of the 2019/20 audit in Q3 | | |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

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|------------------------------------|-----------------|------------------------------------|-------------|---|---------------|--|--|
| | | | | matrix under £25k and centralising information controls. A follow up will take place in 3 months. | | | |
| Risk Management | 28th June 2019 | Corporate | Limited | Reported 3 'high' and 3 'medium' priority recommendations in Risk Management Meetings, Risk Management Training Information available, Service Risk Register Updates, Risk Management Strategy and Portfolio Holder Monitoring. A follow up will take place in 3 months. | Nov 19 | Rescheduled as Zurich have been commissioned during October to assist with corporate risk register. | |
| BEEF | 26th April 2019 | Environmental Services | Moderate | Reported 3 'medium' priority recommendations in End of Scheme Reporting, Documentation and Application Processing. A follow up will take place in 6 months. | Oct-19 | | |
| Worcestershire Regulatory Services | 10th April 2019 | Worcestershire Regulatory Services | Significant | Reported 2 'medium' priority recommendations in Complaint register should be reviewed for completeness quarterly and Complaints should be completed within processing timescales. A follow up will take place in 6 months. | Oct-19 | | |
| Health and Safety | 20th July 2019 | Corporate | Limited | Reported 9 'high' and 5 'medium' priority recommendations in Policies, Fire Safety and Evacuations, Manager IOSH training, Lift Risk Assessments, Fuelling Point Assessment at RBC Depot, Fire Risk Assessment Action Plan, Fire Alarms, Evacuation of less able people from RBC Town Hall, Active and Re-active measures | Oct-19 | Action plan in place and being monitored by the Health and Safety Officer. | |

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

| | | | | | | | |
|-----------------------|--------------------|----------------------|---------|---|---------------|--|--|
| | | | | of a terrorist attack, Active and re-active measures of a terrorist attack, Action Plan Update, Financial Analysis and Training Budget, Induction Process and Bespoke H&S training. A follow up will take place in 3 months. | | | |
| 2019-20 Audits | | | | | | | |
| Markets | 6th September 2019 | Economic Development | Limited | Reported 4 high and 2 medium priorities in Recording of toll finds, Policy & Procedures, Records Comply with GDPR, Public Liability Assurance, Reconciliation of stalls and Fees, Charges and Incentive Scheme. Follow up to be completed in 3 months. | Dec-19 | | |
| end | | | | | | | |

APRIL – JUNE FINANCIAL SAVINGS MONITORING REPORT 2019/20

| | |
|--|---|
| Relevant Portfolio Holder | Councillor Geoff Denaro |
| Portfolio Holder Consulted | - |
| Relevant Head of Service | Jayne Pickering – Exec Director Finance and Resources |
| Ward(s) Affected | All Wards |
| Ward Councillor(s) Consulted | No |
| Key Decision / Non-Key Decision | Non–Key Decision |

1. SUMMARY OF PROPOSALS

To report to the Committee the monitoring of the savings for April – June 2019/20. This report presents the savings delivered for the first quarter against those identified in the medium term financial plan (MTFP)

2. RECOMMENDATIONS

- 2.1 That the Committee note the final financial position for savings as presented in the report and at Appendix 1.

3. KEY ISSUES

- 3.1 This report provides a statement to show the savings the period April – June 2019/20 as detailed in the MTFP and approved by Council in February 2019.
- 3.2 The medium term financial plan included £332k of savings identified to be delivered during 2019/20 the breakdown of these savings is attached at Appendix 1. £166k of these identified savings is in relation to a vacancy factor.
- 3.2 The statement shows that savings of £114k for 2019/20 have been delivered during the period April - June, it is anticipated that the £332k will be delivered by the end of the financial year. In addition, officers are currently identifying further income and efficiencies that can be realised in 2019/20 and these will be reported at quarter 2.
- 3.3 The External Auditors, Grant Thornton, have recommended that the delivery of savings be monitored more closely to ensure that the Council is meeting savings in the way that was expected when the budget was set. This monitoring was recommended to be undertaken by this Committee and Grant Thornton further advised that the savings monitoring should be against the Medium Term Financial Plan.

3.4 As members may be aware during the budget process, heads of service propose savings that are to be delivered during future financial years. The budget allocation is then reduced to reflect the proposed saving and officers meet on a monthly basis to ensure that all estimated reductions to budget are being delivered.

3.5 **Legal Implications**

None as a direct result of this report.

3.6 **Service/Operational Implications**

Timely and accurate financial monitoring ensures that services can be delivered as agreed within the financial budgets of the Council

4. **Customer / Equalities and Diversity Implications**

None, as a direct result of this report.

5. **RISK MANAGEMENT**

Effective financial management is included in the Corporate Risk Register.

6. **APPENDICES**

Appendix 1 – Saving monitoring April – June 2019/20

7. **BACKGROUND PAPERS**

Available from Financial Services

AUTHOR OF REPORT

Name: Chris Forrester – Financial Services Manager (Deputy S151)
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Tel: (01527) 881673

BROMSGROVE - SAVINGS & ADDITIONAL INCOME FROM 19-20 BUDGET ROUND

APPENDIX 1

| Department | Description of saving | 2019-20 £'000 | April - June 2019/20 £'000 | Comments | Quarter 1 | | | |
|---------------------------------------|---|------------------|----------------------------------|---|------------------|---|---------------------|-------------------|
| | | | | | On target Y/N | Additional (add to to in yr savings) £'000 | below target Y/N | Pressure £'000 |
| Community Services | Additional Income from new contract with Cannock Chase Council | -60 | -15 | New SLA with Cannock | Y | | | |
| Community Services | Additional Income from new contract with Cannock Chase Council - SLA with Cannock | -20 | -5 | New SLA with Cannock | Y | | | |
| Corporate Services | New Print Contract | -29 | -8 | Savings realised on procurement of new print contract | Y | -5 | | |
| Corporate Services | Car Mileage | -2 | -1 | Reduction in Car Mileage | Y | | | |
| Corporate Services | Community Group Funding | -5 | -5 | Budget has decreased due to the impact of the New Homes Bonus scheme reducing | Y | | | |
| Environmental Services | Review of budget allocations | -15 | -4 | Reductions in various materials, equipment & vehicle R&M budgets | Y | | | |
| Legal & Democratic | Review of budget allocations within Land charges | -2 | -2 | Budget no longer required | Y | | | |
| Legal & Democratic | Additional income on external legal work | -7 | -2 | | Y | | | |
| Customer Services & Financial Support | Reduction in operational budgets | -26 | -26 | | Y | | | |
| Corporate Services | Vacancy Management | -166 | -42 | 2% on any employee that does not require agency cover | Y | | | |
| | | -332 | -114 | | | -5 | | 0 |

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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 10th OCTOBER 2019

RISK MANANAGEMENT REVIEW

| | |
|------------------------------|---|
| Relevant Portfolio Holder | Councillor Geoff Denaro |
| Portfolio Holder Consulted | No |
| Relevant Head of Service | Jayne Pickering – Executive Director Finance and Resources |
| Ward(s) Affected | All Wards |
| Ward Councillor(s) Consulted | No |

1. SUMMARY OF PROPOSALS

- 1.1 For Members to consider the recommendations from Zurich Municipal in relation to the recent risk management review and to note the actions in place to strengthen current arrangements

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to asked to:**

2.1.1 note the current review of risk management arrangements being undertaken

3. KEY ISSUES

Financial Implications

- 3.1 Whilst there are no direct financial implications of implementing the recommendations from the review it is important to note that by having a robust and consistent risk management regime the financial implications of any issues that may arise from the impact of a risk is mitigated by the controls in place.

Legal Implications

- 3.2 The Council operates within a number of statutory Governance regulations and has obligations to deliver services within a compliant framework. The management of risk ensures that the Council works within a legal environment when supporting its residents.

Service / Operational Implications

- 3.3 Risk Management is a vital part of the controls in place within the Council to ensure that services are being delivered in a compliant and quality way to our residents. The identification and management of risks is key to the stability of our operational and financial structure. Effective risk management should be undertaken on a regular basis as shown below:



As part of the contract we hold with Zurich Municipal in relation to our insurance arrangements we also have support in managing risks and developing a robust framework of procedures and processes to identify and mitigate risk.

- 3.4 Following a recent Internal Audit which identified improvements that could be put in place a review was requested and undertaken by Zurich to enable officers to further understand how the current arrangements can be improved and strengthened.
- 3.5 The review considered the following areas:

Risk Culture & Leadership

Exploring the attitude that Senior Officers and Members take towards the role and priority of risk management

Risk Appetite & Strategy

Reviewing the extent to which the policies for risk management support the organisation and how the appetite for risk is considered and utilised

Governance

Establishing how assurance is provided to stakeholders, the effectiveness of reporting arrangements and how risk is managed within departmental areas.

Methodology

Assessing whether effective risk processes and tools are in place in order to support the organisation

People & Training

Evaluating the level of risk management skills, knowledge and capacity across the organisation

Projects, Partnerships & Supply Chain

Determining whether there are effective arrangements for managing risks within projects and with partners and suppliers

In considering the areas above a judgement was made as to the current position of the Council in relation to the maturity of risk management across the areas above. In all but

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 10th OCTOBER 2019

People and Training the risk management approach was seen to be “in development” with training being more inconsistent and fragmented so clearly an action that requires more structure and support.

- 3.6 The review found that there is evidence that the Council takes the management of risk to its objectives seriously and some key stakeholders recognise the value that the risk management framework brings to the organisation. Focus is given to understanding the key strategic risks facing the Council’s and there is also evidence that areas of the organisation are doing a considerable amount of work on an ongoing basis.
- 3.7 However, the review found that there is not a consistent approach to robust risk management processes. This has the potential to impact on the performance of service delivery, may result in key risks to the organisation not being identified or managed sufficiently and could result in a loss of stakeholder confidence should risks materialise which haven’t been identified or mitigated appropriately.
- 3.8 Despite this there is evidence that improvements are relatively easy to implement and Zurich recognised that there is a momentum for change which they found encouraging.
- 3.9 Three priority areas were identified as outlined below which are underpinned by several separate actions which will embed a robust risk management process.
- Improve the link between performance and risk by developing the role of the Cabinet and Portfolio Holders within the Risk Management framework to include consideration of, and input into, Strategic and Service Level Risk whilst being conscious of releasing such information into the public domain.
 - Provide greater direct support to Departmental management teams to build a robust risk profile and support the embedding of effective risk management practices.
 - Improve the level of risk management capability and awareness across Member and Officer groups, tailored to needs. Possibly supported by the establishment of a Risk Management Group

Next Steps

- 3.10 A session with the Corporate Management team has been undertaken recently to go through the recommendations and a further session has been set up to understand risk appetite. The risk management group has been re-established and an action plan to address the recommendations is being developed and will be presented to future meetings. Training has been agreed with Zurich and will be rolled out to managers and risk champions over the next year.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 10th OCTOBER 2019

Customer / Equalities and Diversity Implications

- 3.11 By promoting good governance the Council ensures that all of its residents and communities have a consistent standard of service and opportunities.

4. RISK MANAGEMENT

- 4.1 Effective Risk Management provides a framework for risks to be addressed and mitigated in relation to the delivery of the Councils Strategic Purposes. The action plan to improve risk management will be presented to future meetings of this committee.

5. APPENDICES

None

6. BACKGROUND PAPERS

Departmental risk registers.

AUTHOR OF REPORT

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AUDIT, STANDARDS & GOVERNANCE COMMITTEE

WORK PROGRAMME 2019/20

10 October 2019

- Monitoring Officer's Report
- Code of Conduct – Update Report
- Benefits and Compliance Annual Update Report
- Grant Thornton Annual Audit Letter 2018/2019
- Financial Savings Monitoring Report for April to June 2019
- Internal Audit – Progress Report
- Risk Management Review
- Risk Champion's Update Report
- Work Programme

23 January 2020

- Monitoring Officer's Report
- External Audit – Progress Report/Action Plan Update
- Internal Audit – Progress Report
- S11 Action Plan Update Report
- Financial Savings Monitoring Report June to September 2019
- Accounting Standards (Statement of Accounting Policies)
- Audited Statement of Accounts (including final Annual Governance Statement)
- Risk Management Strategy
- Risk Champion's Update Report
- Work Programme

12 March 2020

- Monitoring Officer's Report
- Annual Report
- External Audit – Progress / Action Plan Update Report
- External Audit – Certification Work Report 2018/19
- External Audit – Audit Plan March
- External Audit – Auditing Standards
- Internal Audit – Progress Report
- Internal Audit – Draft Audit Plan
- Housing Benefits Subsidy Account Report
- Financial Savings and Section 11 Monitoring Report for September to December 2019
- Risk Champion's Update Report
- Work Programme

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