

9. Risk Management Group Monitoring - Verbal Update
10. Risk Register - Covid-19 and Brexit - Verbal Update
11. Risk Champion - Verbal Update Report (Councillor K. Van Der Plank)
12. Audit, Standards and Governance Committee Work Programme (Pages 61 - 62)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

16th November 2020

If you have any queries on this Agenda please contact
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Due to the current Covid-19 pandemic Bromsgrove District Council will be holding this meeting in accordance with the relevant legislative arrangements for remote meetings of a local authority. For more information please refer to the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police Crime Panels meetings) (England and Wales) Regulations 2020.

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If you have any questions regarding the agenda or attached papers please do not hesitate to contact the officer named above.

Notes:

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

10TH SEPTEMBER 2020, AT 6.00 P.M.

PRESENT: Councillors L. C. R. Mallett (Chairman), A. J. B. Beaumont, J. E. King, A. D. Kriss, C. J. Spencer and K. J. Van Der Plank

Observers: Mr. Jackson Murray, Mr. Neil A. Preece (Grant Thornton) and Councillor G. N. Denaro

Officers: Ms. J. Pickering, Mr. A. Bromage, Ms. J. Willis and Mr. M. Bradley

Democratic Services Officers: Ms. A. Scarce and Mrs. J Gresham

13/20 **APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Due to problems with connectivity apologies were received from Councillor S Baxter and Councillor P Whittaker with no named substitutes.

14/20 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

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

15/20 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 22ND JULY 2020**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 22nd July 2020 were submitted.

RESOLVED that the minutes of the Audit, Standards and Governance Committee meeting held on 22nd July 2020 be approved as a correct record.

16/20 **GRANT THORNTON - PROGRESS REPORT**

The Engagement Lead, Grant Thornton presented the Bromsgrove District Council District Council Progress report and in doing so highlighted the following to Members:

- Due to the delay in the preparation of the Financial Statements Audit the dates of the audit procedure had changed and the audit process was due to commence towards the end of September.
- The Value for Money Conclusion would be part of the Audit Findings Report received towards the end of November.
- The National Audit Office had completed their consultation on a new code of practice and future audits may look very different as a result of the changes. Any changes going forward would be reported to the Committee at a future meeting.
- The Redmond Review had recently been published and detailed the effectiveness of local audit and the transparency of local authority financial reporting. This review would be considered by the Committee at a future meeting.

The Executive Director of Finance and Resources reported to Members that her team and Grant Thornton were meeting every day to ensure that everyone was clear of the process and timelines. She apologised for the delay in the preparation of accounts and explained that this had been a challenging and unprecedented time for the teams. The Engagement Lead, Grant Thornton clarified that remote audits took longer and therefore this meant that, although the aim was to get the accounts completed by the middle of September with a view to then commencing the audit process, the timelines were still not guaranteed. Members were assured that extra resources were being utilised to ensure that the audit would be completed in good time.

The Chairman thanked Grant Thornton and the Executive Director of Finance and Resources for their report.

RESOLVED that the Grant Thornton - Progress Report be noted.

17/20

INTERNAL AUDIT - PROGRESS REPORT

The Head of Internal Audit Shared Service presented the Internal Audit – Progress Report and reported to Members that since the update at the last meeting things had started to progress.

Members queried the impact of Covid-19 and associated lockdown on the overall delivery of the Audit Plan. The Head of Internal Audit Shared Service explained that Quarter 1 of the audit plan was stalled due to the

lockdown however the plan recommenced as of 1st June 2020. It was noted that two reviews that were planned for Quarter 4 were being risk assessed and may need to be rolled over to the 2020/2021 Audit Plan.

Members were informed that remote audits had proved to be a learning curve for the service and that officers were working their way through the new ways of conducting a remote audit and the extended length of time they took.

RESOLVED that the Internal Audit - Progress Report 2020/21 be noted.

18/20

INTERNAL AUDIT - SAFEGUARDING VERBAL UPDATE REPORT

The Head of Internal Audit Shared Service and the Head of Community and Housing Services presented the verbal update in respect of the Safeguarding Audit update. It was clarified that several recommendations as a result of the audit had been satisfied and although there were areas that needed to be further embedded the progress that had been made was positive and that the service was on the right track to ensure that the risks were being mitigated.

The Head of Community and Housing Services provided the Committee with further clarity on the recommendations that had appeared in the previous Follow Up Report on Safeguarding and in doing so highlighted the following to Members:

- The Team Brief was a tool that was used to inform officers of Safeguarding leads and safeguarding policies that were adopted by the Council. In addition to this Net Consent was used as a way of cascading Safeguarding policies to all office-based staff. For non-office-based staff face-to-face training was provided.
- DBS check procedures had changed and there was no set period and no guidance provided when they had to be renewed. This meant that good supervision was needed, and an annual check carried out to ensure that the checks were still current.
- That new Members undertook annual Safeguarding as part of their induction.
- The service we good at retaining necessary information and went over and above in the day-to-day activities however were poor at providing evidence but the picture was improving.

The Chairman thanked the head of Internal Audit Shared Service and the Head of Community and Housing Service for their update. A number of these points were also picked up in the Risk Champion's report.

RESOLVED that the update in respect of the Safeguarding Audit verbal update be noted.

19/20

INTERNAL AUDIT - HEALTH AND SAFETY VERBAL UPDATE REPORT

The Senior Health and Safety Advisor presented the Health and Safety Update to Members and, in particular, drew their attention to the following:

- Since the last meeting, a review of the Health and Safety Policies had taken place and these policies were now available on The Orb.
- Fire Risk Assessments would always be 'in progress' as they were an ongoing and statutory requirement.
- A significant amount of work had been carried out in respect of Covid secure measures and their implementation including one-way systems, signing in and out of Council buildings.
- Health and Safety training had been introduced as part of the induction training and this could be delivered in person or virtually.

Members queried some of the areas in the update and were particularly interested in the levels of staff in buildings and whether there were adequate numbers of first aiders and fire wardens. They were assured that there were adequate resources to ensure staff safety and the caretakers were aware of all procedures in place including cleaning of the buildings and Covid-secure measures that were needed.

There was discussion regarding what the protocol was in case of a terrorist attack and it was reported to Members that Business Continuity Plans were currently being updated and terrorist attacks were included in these plans.

The Chairman thanked the Senior Health and Safety Advisor for the comprehensive update.

RESOLVED that the Health and Safety update be noted.

20/20

RISK MANAGEMENT GROUP MONITORING UPDATE - VERBAL UPDATE REPORT

The Executive Director, Finance and Resources updated Members on the Risk Management Group Monitoring Group and in doing so highlighted the following:

- Business Continuity Plans were being updated
- The risk appetite and how risk policy was looked at was being considered
- The risk of Covid-19 and the associated lockdown

It was agreed that the updated Risk Register would be considered at the next meeting including Covid-19 and Brexit.

The Chairman acknowledged that this was the Executive Director, Finance and Resources final meeting with the Audit, Standards and Governance Committee and thanked her for all her hard work and wished her luck for the future. This was echoed by the Committee.

RESOLVED that the Risk Management Group Monitoring verbal update be noted.

21/20

RISK CHAMPION - VERBAL UPDATE REPORT (COUNCILLOR K. VAN DER PLANK)

Councillor K Van der Plank, as the Committee's Risk Champion presented her most recent report, following discussions with the Head of Community Services. Councillor Van der Plank explained that her discussions had covered the following four areas and she would provide information on each of these in turn, concluding with a number of recommendations, which she hoped the Committee would support.

- Training
- Policies, procedures and ways of working
- Recruitment
- Role in the community

In respect of training, Councillor Van der Plank had made the following observations from her discussions with the Head of Community Services.

- Clear accountabilities: the Head of Community Services was the safeguarding lead for the Council.

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- A detailed piece of work had been carried out some 5 years ago, which mapped all posts and identifying all roles that needed additional safeguarding training or checks.
- The approach taken to Safeguarding was that it was everyone's responsibility so basic safeguarding training had been rolled out to everyone.
- For office-based roles basic safeguarding training was provided through the IT system called NetConsent. This was controlled through access to an individual's PC and if the training was not completed access was denied until the training had been completed.
- For non-office-based staff training was face to face to face, where the training was made, where possible related to the particular role of the staff.
- Certain roles had been identified as requiring additional safeguarding training and this was picked up with Worcestershire County Council (WCC) assistance. Councillor Van der Plank provided a number of examples of where this had happened.
- Consideration was also given to services that were outsourced by the Council, as part of its statutory responsibility.
- All new starters (including volunteers) had to do safeguarding as part of their induction programme
- Elected members were offered training annually, and a briefing paper was also included as part of induction folder new Councillors received. It was noted that this training was not mandatory, and Councillor Van der Plank suggested that due to low attendance at some of these sessions, consideration should be given to how this training was provided.

In respect of policies, procedures and ways of working Councillor Van der Plank highlighted the following areas:

- The safeguarding policy was reviewed and updated annually and was currently being carried out. It was also noted that this was signed off by the relevant Portfolio Holder.
- A new approach had been introduced since lockdown with a Safeguarding champion being appointed as the contact point for each service area. The champions played a key role in ensuring training was up to date and communications were disseminated to everyone in that service area.
- A log was kept of safeguarding referrals and what action had been taken and any outcomes. It was noted that there had been approximately 25 in the last 12 months.
- Clear processes appeared to be in place for handling serious incidents.

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- The Council worked closely with WCC which seemed to work well, with Council officers often asking WCC Officers for advice.
- Referrals came from several areas including from Members.

In respect of the discussions Councillor Van der Plank had had with the Head of Community Services around recruitment the following observations were reported:

- The importance of Safer recruitment policies being followed for all recruitment. This included DBS checks where applicable and following up on references. It appeared unclear as to how the Council was compliant in this area and Councillor Van der Plank flagged that there had not been any training on safer recruitment for some time, which she felt needed to be addressed.
- It was noted that references and DBS checks also applied to volunteers.
- For the final section of her report, Councillor Van der Plank highlighted her observations in respect of the role in community:
- As previously stated the Council had good clear links and worked well with WCC on safeguarding on a day to day basis and also more formally through the Corporate Parenting Board and the Bromsgrove Partnership which was also used as a route to the wider voluntary sector.
- There did not seem to be much overlap with Parish Councils in this area other than through a representative from CALC sitting on the Bromsgrove Partnership.

Councillor Van der Plank also noted that there were a number of barriers and issues which impacted on effective working in this area, these included:

- Officer time constraints were the biggest challenge. It was anticipated that as the role of the Safeguarding Champion developed this would improve.
- It was acknowledged that record keeping and recording training was always a challenge. However, general awareness across the organisation would help with this.
- Leadership was important and was felt that it was helpful having the Chief Executive as the District Council's representative on the Safeguarding Board.
- Councillor Van der Plank questioned what plans were in place to improve, and whether there were sufficient resources to achieve the improvements.

After a short debate, the following actions to enable improvement and to minimise risk in some areas (for the Head of Community Services and the Portfolio Holder to consider) and recommendations were agreed by Members.

Actions

1. Face to face training – consider how testing for understanding could be carried out for example at the end of session follow it up with a quiz or ask some follow up questions to ensure there is an understanding of the training, this could be done in a one-to-one session with the relevant Line Manager.
2. Ensure that records are kept up to date.
3. Review and refresh the safer recruitment training.
4. Check the policy and the process for references to ensure that these are all being requested and followed up in a timely manner.
5. DBS checks – whilst it appeared clear that these were done for new starters it was not clear what happened when staff change roles within the organisation. This needed to be addressed to ensure those relevant checks were carried out.
6. The Head of Community Services, in conjunction with the relevant Portfolio holder consider how best to share areas of improvement and encourage best practice in respect of Safeguarding with Parish Councils including perhaps giving Parish Councillors access to the Council's safeguarding training – especially if an online course for District Councillors was developed.

RECOMMENDED that

- 1) the Member Development Steering Group consider making Basic Safeguarding training for Members be mandatory and carried out at least once in 4-year term;
- 2) the Member Development Steering Group consider providing training for both Safeguarding and other types of training in different formats, such as online; and
- 3) the Cabinet and relevant Portfolio Holder considers bringing the updated Safeguarding Policy to full Council due to the length of time since it was last reviewed and as a reminder to Members of its importance.

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Members considered the Audit, Standards and Governance Committee's Work Programme for 2020/21.

RESOLVED that the Audit, Standards and Governance Committee's Work Programme for 2020/21, be updated to include the items discussed and agreed during the course of the meeting.

The meeting closed at 7.25 p.m.

Chairman

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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

24th November 2020

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 report which was presented at the meeting of the Committee in July 2020.
- 1.2 It has been 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 Committee is asked to RESOLVE that 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 Chapter 7 of Part 1 of the Localism Act 2011 ('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

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councillor has breached his or her Code of Conduct can be investigated, together with arrangements under which decisions on such allegations can be made.

Service / Operational Implications

Member Complaints

- 3.3 The Monitoring Officer has been dealing with various Parish complaints largely in respect of process and is liaising with the Clerks of the Parish Councils concerned to provide advice and support.
- 3.4 There has been one Parish complaint which has been received with regard to matters discussed at a Parish Planning sub committee. The monitoring Officer is currently obtaining further detail to establish if the issues touch the Code and will report further at the next meeting.

The New Normal

- 3.5 Meetings continue to be held remotely in order to meet the requirements of the new legislation with all public meetings being live streamed to the Council's You Tube channel, and a link provided on the Council's website to access these. This allows the public to continue to see that Council business is carrying on and that decisions are being made in an appropriate manner.
- 3.6 All committees are now being held remotely, including the full Council meetings and the Municipal Calendar for 2020/21 continues, with a number of additional Planning Committee meetings been added to this.
- 3.7 The legislation which was put in place at the beginning of lockdown remains in place until 7th May 2021, although it is anticipated that this will be reviewed prior to that date and remote meetings will continue well in to 2021.
- 3.8 In light of the need to work remotely new IT equipment has been rolled out to all Members in order for this to be achieved more easily and efficiently for all concerned. Training on the new equipment was provided in various formats, including face to face (with all social distancing guidelines being adhered to), online and for those Members with a good knowledge of IT the equipment was provided together with an instruction sheet and telephone number for them to ring should they have any issues.

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- 3.9 The Council is working towards moving over to Microsoft Teams as the preferred platform for holding remote meetings.
- 3.10 The Constitution Review Working Group continues to meet and at its last meeting discussed delegations in respect of Section 106 monies, public speaking at Planning Committee for TPOs and the Council Procedure Rules in relation to Notices of Motion. The Working Group have asked for further information in respect of the TPO item and their findings will be reported back in due course. A report will be presented at the Council meeting to be held on 2nd December in respect of the other areas discussed.

Customer / Equalities and Diversity Implications

- 3.11 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.

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

No appendices

6. BACKGROUND PAPERS

Chapter 7 of the Localism Act 2011.

AUTHOR OF REPORT

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Report on Progress of Best Practice Recommendations

| | |
|---------------------------------|--|
| Relevant Portfolio Holder | Councillor Geoff Denaro |
| Portfolio Holder Consulted | No |
| Relevant Head of Service | Claire Felton, Head of Legal, Equalities and Democratic Services |
| Ward(s) Affected | n/a |
| Ward Councillor(s) Consulted | n/a |
| Key Decision / Non-Key Decision | Non-Key Decision |
| | |

1. SUMMARY OF PROPOSALS

The Chairman of the Committee on Standards for Public Life has requested an update be provided in respect of the implementation of the recommendations published in his report of January 2019 and the Council's response is attached at appendix 1 to this report.

2. RECOMMENDATIONS

The Audit, Standards and Governance Committee RESOLVES that

- 2.1 that the Committee approve the amended arrangements for handling Member complaints; and**
- 2.2 the Council's response to the Chairman of the Committee of Standards for Public Life's recommendations be approved and returned to him before the deadline of 30th November 2020.**

3. KEY ISSUES

Background

- 3.1 In January 2019 The Committee on Standards for Public Life published its Local Government Ethical Standards report. In that report, a number of recommendations were made and identified some best practice recommendations to improve ethical standards in local government. The best practice represented a benchmark for ethical practice which the Committee expected all local authorities to implement.
- 3.2 The Audit, Standards and Governance Committee considered a report on those findings at its meeting on 10th October 2019 and carried out a review of the Code of Conduct to reflect the CSPL Best Practice Recommendations and made recommendations on to Council for those changes be approved. Those changes were agreed at the Council meeting held on 20th November 2019 and the Constitution updated accordingly.

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- 3.3 Whilst the Council has already got in place the majority of the best practice recommendations, as indicated in the proposed response at appendix 1 to this report, further consideration has been given to them, which has resulted in the amendment to the Council's "Arrangement for handling complaints against members" attached at appendix 2 to this report and the proposed change is highlighted at 4.12 of that document.

Financial Implications

- 3.4 It is not anticipated that there will be any financial implications.

Legal Implications

- 3.5 CSPL made a number of recommendations and identified best practice to improve ethical standards in local government. Their recommendations were made to Government and to specific groups of public officeholders. They recommended 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.
- 3.6 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

- 3.7 There are no specific service or operational implications.

Customer / Equalities and Diversity Implications

- 3.8 No Equality Impact Needs Assessment has been undertaken.

4. RISK MANAGEMENT

None.

5. APPENDICES

Appendix 1 - CSPL local government ethical standards 15 best practice recommendations
Appendix 2 – updated - Arrangements for handling Member Complaints

AUTHOR OF REPORT

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Tel.: 01527 881488

CSPL local government ethical standards 15 best practice recommendations

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.

Progress: These are already incorporated onto the Council's Code of Conduct.

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

Progress: a) implemented

b) to be considered in New Model Code as adopted locally – see 3 below.

Meanwhile there is a filter for trivial or malicious allegations by any party in the Council's adopted "Arrangements for Handling Complaints against Members" under the Localism Act 2011.

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.

Progress: The Council has adopted a Code which was agreed by the Monitoring Officers of all Worcestershire Councils (County and District). It is accordingly discussed with other Worcestershire Monitoring Officers at their regular meetings. The Code will comply with statutory requirements and published to the public accordingly. The views of affected organisations will always be taken into consideration.

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.

Progress: It is available on the website and on request at Council premises.

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.

Progress: This is updated as populated and is published on the Council's website.

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

Progress: This is now included in the Council's published "Arrangements" for handling complaints against Members.

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

Progress: This is in Place.

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.

Progress: This is already the case.

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.

Progress: This would be done should the case arise but to date this has not been necessary.

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.

Progress: These are published on the Council's website.

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.

Progress: Noted.

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.

Progress: This is already provided by the Principal Council.

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.

Progress: See response to 3 above – the Worcestershire network of Monitoring Officers work very cooperatively in relation to any standards issues, including this or any other situation where a Monitoring Officer requires support or assistance from a fellow Monitoring Officer.

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.

Progress: This has already been put in place for the Council's [RBC's] wholly owned Company.

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

Progress: This is already standard practice within the Council.

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Bromsgrove District Council

Arrangements for managing standards complaints under the Localism Act 2011

1. Introduction

- 1.1 Sections 28(6) and (7) of the Localism Act 2011 require the District Council to have in place “arrangements” under which allegations that an elected Member or voting co-opted Member of the authority or of a parish council within the authority’s area, or of a committee or sub-committee of the authority or parish council, has failed to comply with the relevant authority’s Code of Conduct can be investigated and decisions made on such allegations.
- 1.2 Such arrangements must provide for the authority to appoint at least one Independent Person, whose views must be sought by the District Council before it takes a decision on an allegation which it has decided shall be investigated, and whose views may be sought by the authority at any other stage, or by the Member or co-opted Member against whom an allegation has been made.
- 1.3 These arrangements set out how a complaint that an elected or voting co-opted Member of the authority or of a parish council within the authority’s area has failed to comply with his/her authority’s Code of Conduct can be made, and how such allegations will be dealt with by the District Council.

2. The Code of Conduct

- 2.1 The District Council has adopted a Code of Conduct for Members. The Code is available on the authority’s website or on request from Reception at the Council House or the Customer Service Centre.
- 2.2 Each parish council within the authority’s area is also required to adopt a Code of Conduct. A copy of any parish council Code of Conduct can be obtained from the Clerk/Executive Officer to the relevant Parish Council.

3. Making a complaint and complaint acknowledgement

- 3.1 Complaints must be made in writing to:

Mrs C Felton
Monitoring Officer
Bromsgrove District Council
The Council House
Burcot Lane
Bromsgrove
B60 1AA
Email: c.felton@bromsgroveandredditch.gov.uk

- 3.2 The Monitoring Officer is a senior Officer of the authority who has statutory responsibility for maintaining the Register of Members' Interests and who is responsible for administering the system in respect of complaints of Member misconduct.
- 3.3 In order to ensure that the authority has all the information it needs to be able to process a complaint, the model Complaint Form should ideally be completed. The form is available on the authority's website or is available on request from Reception at the Council House or the Customer Service Centre.
- 3.4 Complainants are asked to provide their name and contact details in order that the Monitoring Officer can acknowledge receipt of the complaint and keep the complainant informed of progress with the complaint. If a complainant wishes to keep his/her details confidential this should be indicated on the form, in which case the authority will not disclose the complainant's details to the Member against whom a complaint has been made (the 'subject Member') without the complainant's prior consent. The authority would not normally investigate anonymous complaints unless there is a clear public interest in doing so.
- 3.5 The Monitoring Officer will issue a written acknowledgement to the complainant. At the same time the Monitoring Officer will write to the Member against whom the complaint has been made to notify them of the complaint (subject to point 5.4 below). Both the complainant and the subject Member will be kept informed of progress with the complaint. If the subject Member is a parish councillor the Parish Council Clerk/Executive Officer will (subject to 5.4 below) also be notified of the complaint.
- 3.6 If, at any stage during the process, a complainant wishes to withdraw his/her complaint, the Monitoring Officer will consider, in consultation with the Independent Person, whether it is appropriate for the complaint to be terminated, or whether it is in the public interest for the complaint to proceed to conclusion.

4. Review of Complaint by the Monitoring Officer and options available to the Monitoring Officer following review

- 4.1 The Monitoring Officer will review every complaint received and, following consultation with the Independent Person, will make a decision as to what action, if any, should be taken with the complaint. Where the Monitoring Officer has taken a decision, she will inform the subject Member, complainant, and if the subject Member is a parish councillor the Parish Council Clerk/Executive Officer, in writing of her decision and the reason(s) for the decision.

- 4.2 Where the Monitoring Officer requires additional information in order to come to a decision she may request information from the complainant, subject Member or any other relevant party. Examples of a relevant party include:
- a Leader of a Political Group;
 - a Chairman, Vice-Chairman or Clerk/Executive Officer of a Parish Council;
 - a representative of the Worcestershire County Association of Local Councils;
 - a representative of the Police or other relevant regulatory body;
 - the District Council's Chief Executive; or
 - any other party who the Monitoring Officer is of the opinion might be in a position to assist in providing relevant information in relation to a complaint.
- 4.3 If a complaint identifies possible criminal conduct or breach of other regulation by any person the Monitoring Officer has the power to refer the matter to the Police or other regulatory agency. A complaint identifying possible criminal conduct shall be referred to the Police by the Monitoring Officer.
- 4.4 In accordance with Police requirements, the Monitoring Officer shall take no action whatsoever in relation to the complaint until such time as the Police have concluded their investigation into the complaint and notified the Monitoring Officer of its outcome. Further, the Monitoring Officer will not notify the subject Member of the existence of the complaint or of the referral of the complaint to the police until the matter has been investigated by the police and the Monitoring Officer has been authorised by the police to consider any action at local level (as set out in para 4.6 below)
- 4.5 As regards notification of the Complainant, the Monitoring Officer shall notify the Complainant only that the complaint has been referred to the Police. It will not be possible for any further information to be provided by the Monitoring Officer regarding the complaint for however long the Police may take in concluding their investigations.
- 4.6 If at the conclusion of their investigation, the Police decide either to take action against the subject Member, or not to take any action, the Monitoring Officer will, in consultation with the Independent Person, consider whether any further action at local level may be deemed necessary on behalf of the Authority to maintain high standards of Member conduct.
- 4.7 The Monitoring Officer will establish a process for referring relevant complaints to the Police and the Form attached at Appendix A shall be used to make the referral.
- 4.8 Subject to 4.3 above, the Monitoring Officer may decide:
- that no further action be taken with respect to the complaint (which would apply where, for example, a complaint is found to

be factually incorrect and therefore has no basis, or where a complaint is unsubstantiated or does not relate to a breach of the Code of Conduct);

- to seek to resolve the complaint informally, via local resolution; or
- that a formal investigation into the complaint is required.

In all cases the Monitoring Officer will write to the relevant parties detailing her decision and the reason(s) for the decision.

- 4.9 Where the Monitoring Officer attempts to deal with a complaint informally via local resolution she will liaise with the relevant parties to seek to agree a way forward. If the subject Member accepts that his/her conduct was inappropriate and offers an apology, and/or any other remedial action is offered or undertaken by either the subject Member or the authority, the Monitoring Officer will notify the complainant of any reasonable terms offered.
- 4.10 If the complainant accepts the terms offered the Monitoring Officer will write to all relevant parties detailing the outcome and the matter will be closed.
- 4.11 If the complainant does not accept the terms offered the Monitoring Officer will, in consultation with the Independent Person and any other relevant parties, determine whether the complaint merits formal investigation.
- 4.12 The Monitoring Officer, in consultation with the Independent Person will consider whether a complaint is trivial or malicious and will consider where the Public Interest lies in deciding whether any complaint should be further investigated.

5. Formal Investigation

- 5.1 The Council had adopted a procedure for the investigation of misconduct complaints.
- 5.2 If the Monitoring Officer decides that a complaint merits formal investigation she will appoint an Investigating Officer, who may be another Officer of the authority, an Officer of another authority or an external investigator.
- 5.3 The Investigating Officer will conduct the investigation and in doing so will liaise with any relevant parties, as appropriate. The Investigating Officer will decide whether he/she needs to meet or speak with the complainant, the subject Member or any other parties to understand the nature of the complaint and so any parties can explain their understanding of events and suggest what documents the Investigating Officer might need to see, and who the Investigating Officer may need to interview.

- 5.4 In exceptional cases, where it is appropriate to keep a complainant's identity confidential or disclosure of details of the complaint to the subject Member might prejudice the investigation, the Monitoring Officer can delete the complainant's name and address from the papers given to the subject Member, or delay notifying the subject Member until the investigation has progressed sufficiently.
- 5.5 At the end of his/her investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to the complainant and the subject Member, to give both parties an opportunity to comment on the report and identify any matters which are not agreed or which require further attention.
- 5.6 Having received and taken account of any comments which either the complainant or the subject Member might make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.
- 5.7 The Monitoring Officer will review the Investigating Officer's final report and, in consultation with the Independent Person, will determine the next course of action to be taken with this. If the Monitoring Officer is not satisfied that the investigation has been conducted fully and feels that any aspect of the Investigating Officer's final report is incomplete, or requires further attention, she may ask the Investigating Officer to reconsider his/her report.

6. No evidence of a failure by the subject Member to comply with the Code of Conduct

If the Investigating Officer finds that there is no evidence of a failure by the subject Member to comply with the Code of Conduct and the Monitoring Officer is satisfied with the Investigating Officer's findings, the Monitoring Officer will, following consultation with the Independent Person, write to the complainant, the subject Member, and if the complaint relates to a Parish Councillor the Parish Council Clerk, confirming that she is satisfied that no further action is required. A copy of the final report will be sent to the complainant and subject Member and the matter will be closed.

7. Evidence of a failure by the subject Member to comply with the Code of Conduct

- 7.1 If the Investigating Officer finds that there is evidence of a failure by the subject Member to comply with the Code of Conduct and the Monitoring Officer is satisfied with the Investigating Officer's findings, the Monitoring Officer will, following consultation with the Independent Person and depending on the nature and seriousness of the failure in question, determine whether to send the matter for a local hearing of the Standards Committee or to seek to resolve the matter via local resolution.

Local Resolution

- 7.2 If the Monitoring Officer attempts to conclude the matter via local resolution she will, in consultation with the Independent Person, liaise with the relevant parties to seek to agree a fair resolution, with a view to ensuring higher standards of conduct by the subject Member in the future. If a fair resolution is agreed and the subject Member complies with the suggested resolution the Monitoring Officer will write to the relevant parties to confirm the position and will report the matter to the Standards Committee for information. The matter will then be closed.
- 7.3 If the complainant tells the Monitoring Officer that any proposed resolution is not, in their view, adequate, or if the subject Member is not prepared to undertake any proposed action, such as giving an apology, the Monitoring Officer will, in consultation with the Independent Person, determine whether to close the matter without further action or to refer it for a local hearing. The Monitoring Officer will write to the relevant parties to confirm her decision and the reasons(s) for the decision.

Local Hearing

- 7.4 The Council has adopted a procedure for local hearings.
- 7.5 The Standards Committee will decide whether the subject Member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the Member.
- 7.6 Where a local hearing is to take place, the Monitoring Officer will conduct a 'pre-hearing process' which is aimed at facilitating the smooth running of the hearing. As part of this process the subject Member will be asked to give his/her response to the Investigating Officer's report in order to identify what is agreed and what is likely to be in contention at the hearing. The Chairman of the Committee may also issue directions as to the manner in which the hearing will be conducted.
- 7.7 At the hearing, the Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the subject Member has failed to comply with the Code of Conduct. For this purpose the Investigating Officer may ask the complainant to attend and give evidence to the Committee. The subject Member will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the Committee as to why he/she considers that he/she did not fail to comply with the Code of Conduct.
- 7.8 The Committee may, with the benefit of any advice from the Independent Person, conclude that the subject Member did not fail to comply with the Code of Conduct, and dismiss the complaint. If the Committee concludes that the subject Member did fail to comply with the Code of Conduct, the Chairman will inform the subject Member of this finding and the Committee will then consider what action, if any,

should be taken as a result of the Member's failure to comply with the Code of Conduct. In doing this, the Committee will give the subject Member an opportunity to make representations in relation to the failure and will consult the Independent Person, and will then decide what action, if any, to take on the matter.

8. Action that can be taken where a Member has failed to comply with the Code of Conduct

8.1 The Council has delegated to the Standards Committee and the Monitoring Officer authority to administer complaints in accordance with the agreed process. The following actions may be taken after a hearing:

8.1.1 Publish findings in respect of the Member's conduct;

8.1.2 Report findings to Council, or to the Parish Council, for information;

8.1.3 Recommend to the Member's Group Leader (or in the case of un-grouped Members, recommend to Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;

8.1.4 Recommend to the Leader of the Council that the Member be removed from the Cabinet, or removed from particular Portfolio responsibilities;

8.1.5 Instruct the Monitoring Officer to, or recommend that the Parish Council, arrange training for the Member;

8.1.6 Remove the Member, or recommend to the Parish Council that the Member be removed, from all outside appointments to which he/she has been appointed or nominated by the authority or by the Parish Council;

8.1.7 Withdraw, or recommend to the Parish Council that it withdraws, facilities provided to the Member by the Council, such as a computer, website and/or email and internet access; or

8.1.8 Exclude, or recommend that the Parish Council exclude, the Member from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.

8.2 There is no power to suspend or disqualify the Member or to withdraw Members' or special responsibility allowances.

9. Decision of the Standards Committee

- 9.1 At the end of the hearing, the Chairman will state the decision of the Committee as to whether the Member failed to comply with the Code of Conduct and any actions which the Committee resolves to take.
- 9.2 As soon as reasonably practicable after the hearing, the Legal Advisor to the Committee will prepare a formal decision notice in consultation with the Chairman of the Committee. A copy of the decision notice will be sent to the complainant, the subject Member, and if the complaint relates to a Parish Councillor to the Parish Council Clerk. The decision notice will be made available for public inspection and the decision will be reported to the next convenient meeting of the Council.

10. Standards Committee Hearings

The Independent Person will be invited to attend all meetings of the Committee where a hearing is being conducted. His/her views will be sought and taken into consideration before the Sub-Committee takes any decision on whether the subject Member's conduct constitutes a failure to comply with the Code of Conduct, and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

11. The Independent Person

The Independent Person is a person who has applied for the post following advertisement of a vacancy for the post, and is appointed by a positive vote from a majority of all the members of Council.

A person cannot be "independent" if he/she:

- 11.1 Is, or has been within the past 5 years, a Member, co-opted Member or Officer of the authority or the County Council, Fire Authority or Police Authority.
- 11.2 Is or has been within the past 5 years, a Member, co-opted Member or Officer of a parish council within the authority's area, or
- 11.3 Is a relative, or close friend, of a person within paragraph 11.1 or 11.2 above. For this purpose, "relative" means –
 - 11.3.1 Spouse or civil partner;
 - 11.3.2 Living with the other person as husband and wife or as if they were civil partners;
 - 11.3.3 Grandparent of the other person;
 - 11.3.4 A lineal descendent of a grandparent of the other person;
 - 11.3.5 A parent, sibling or child of a person within paragraphs 11.3.1 or 11.3.2;

- 11.3.6 A spouse or civil partner of a person within paragraphs 11.3.3, 11.3.4 or 11.3.5; or
- 11.3.7 Living with a person within paragraphs 11.3.3, 11.3.4 or 11.3.5 as husband and wife or as if they were civil partners.

11.4 Is actively engaged in local party political activity.

12. Revision of these arrangements

The Council may, by resolution, agree to amend these arrangements. The Chairman of the Hearings Sub-Committee may depart from these arrangements where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter.

13. Appeals

- 13.1 There is no right of appeal for a complainant or the subject Member of a decision of the Monitoring Officer or of the Hearings Sub-Committee. Any decision would however, be open to judicial review by the High Court if it was patently unreasonable, or if it were taken improperly, or if it sought to impose a sanction which the Council had no power to impose.
- 13.2 If a complainant feels that the authority has failed to deal with his/her complaint properly, he/she may make a complaint to the Local Government Ombudsman.

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GRANT THORNTON – Sector Report and Audit Progress Update

| | |
|--|---|
| Relevant Portfolio Holder | Councillor Geoff Denaro |
| Portfolio Holder Consulted | - |
| Relevant Head of Service | Chris Forrester – Head of Finance and Customer Services |
| Ward(s) Affected | All Wards |
| Ward Councillor(s) Consulted | No |
| Key Decision / Non-Key Decision | Non–Key Decision |

1. SUMMARY OF PROPOSALS

To present a sector update report from Grant Thornton relating to emerging public sector national issues and audit progress to date.

2. RECOMMENDATIONS

- 2.1 The Committee is asked to note updates as included in Appendix 1.

3. KEY ISSUES

Financial Implications

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

Legal Implications

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

Service / Operational Implications

- 3.3 The report attached at Appendix 1 updates Members on the progress on work undertaken by Grant Thornton since the last Committee meeting. Please note that primarily due to the complications of conducting an audit during these unprecedented times and competing priorities it is now likely that the audit of the accounts and sign off will be completed in January. In addition the appendix includes updates and links to National Issues and Grant Thornton Publications in relation to issues that are relevant to Local Government at the current time.
- 3.4 Officers are continuing to work with the auditors to ensure the Council successfully signs off its statement of accounts.

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 the 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 - Grant Thornton Report

6. BACKGROUND PAPERS

None

7. KEY

N/A

AUTHOR OF REPORT

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Audit Progress Report and Sector Update

Bromsgrove District Council
Year ending 31 March 2020
Page 33
9 November 2020



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Introduction



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This paper provides the Audit, Standards & Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a summary of emerging national issues and developments that may be relevant to you as a local authority.

Members of the Audit, Standards & Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at 9 November 2020

Financial Statements Audit

In our report to the 10 September Audit, Standards & Governance Committee we stated “We had initially planned to begin our work on your draft financial statements in early August, but this was put back to the beginning of September as the financial statements were not ready. On 27 August Officers notified us that they would not be able to prepare and publish the financial statements by 31 August as required by the amended regulations. We now plan to begin our audit work towards the end of September.

We will report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts by the end of November. However, given the delay to the start of our audit there is a significant risk that this timescale will not be achieved.”

We actually received the draft accounts on 18 September. Unfortunately our audit has not progressed as we or your officers had hoped and it is now realistic to state that our findings and audit opinion will be issued in the New Year. There are a number of reasons for this:

1) As noted above, conducting the audit entirely remotely presents significant challenges for both auditors and officers. These include the difficulties of not being able to communicate and discuss issues and questions in person, but having to share computer screens instead, as well as auditors having to watch officers run reports remotely. Our experience across all of our clients is that remote auditing has added approximately an additional 25% to the time we would normally expect. For example, in order to test that income received after 31 March is attributed to the correct financial year, we have to obtain a report showing the cash received in April and May. This took three Microsoft Teams calls between auditors and officers to obtain the correct population for our testing.

- 2) Officers have had a number of other competing commitments. These include the external audit of Rubicon Leisure Limited, continuing to implement a new finance system, responding to the various demands and challenges presented by Covid-19, as well as the “normal” day to day activities such as budget setting (for 2020/21), monitoring and reporting.
- 3) This has meant that we have not received a lot of the working papers we would expect in a timely manner. For example, at the time of writing this report (9 November):
 - a) we have been unable to select a debtor or creditor sample for either Redditch Borough Council or Bromsgrove District Council. We would expect detailed listings of these figures to be available at the start of our audit, and selection of samples for testing from those listings to be straightforward. Not having this basic audit evidence six weeks after the start of the audit is indicative of the delays experienced.
 - b) we have had several discussions with finance staff, in order to obtain a transaction listing of property, plant and equipment additions from which to select a sample. For Bromsgrove District Council we did not receive this until 28 October.
 - c) we are still waiting for responses to a number of questions we raised in the early stages of our audit, in early October.

We have referred to issues relating to Redditch Borough Council and Rubicon Leisure above as, because the same finance team is working across all of these organisations, they are inter-related and they have an impact on each other. We have discussed our concerns regarding the lack of progress weekly with the Acting Director of Resources. On 23 October we also discussed audit progress with the Chief Executive. It is clear that the Acting Director of Resources and the Chief Executive are both committed to completing the audit as quickly as possible, and more resources have been made available to use external consultants to support permanent staff. We hope that, with the Rubicon Leisure Limited audit now complete, additional resources being available and the financial ledger installation being postponed, the progress we would all like to see on the financial statements audit can now be made.

Progress at 9 November 2020 (Cont.)

Audit fees

In our audit plan to the 5 March Audit, Standards & Governance Committee we set out that our proposed audit fee would be £44,734 but that this did not include any additional fees arising from qualitative issues with the financial statements or working papers. On page four we set out some of the challenges caused by Covid-19 as well as some illustrative qualitative examples.

The additional challenges caused by Covid-19 and having to work remotely have been recognised across the sector with MHCLG extending the deadline for publishing pre audit accounts from the end of May to the end of July, with the audited accounts having to be re-advertised by the end of November instead of the end of July. In the commercial world, Companies House has automatically given all companies a three month extension for filing their accounts. As a minimum, we will be proposing an uplift to your audit fee for 2019/20 of 15% to reflect the additional work required as a result of the outbreak and we have included some specific examples of the additional time taken on the previous page.

As noted on page four, the quality of the working papers provided to us, and the timeliness of responses have not been as expected. In our audit plan we stated:

Client responsibilities

Where clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

As your responsibilities and our requirements have not been met this will result in additional audit fees. We have discussed with the Acting Director of Resources that the total additional fee could be around £20,000, but that we will confirm this once the audit is completed and we have had an opportunity to fully assess the time delays. All additional fees need Public Sector Audit Appointment (PSAA) approval.

Progress at 9 November 2020 (Cont.)

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment were reported in our Audit Plan.

We will report our work in the Audit Findings Report and aim to give our Value For Money Conclusion as soon as possible although, as explained on page four, this is now likely to be in the New Year.

The NAO consultation on a new Code of Audit Practice (the "Code") has finished, and the new Code has completed its approval process in Parliament. It therefore came into force on 1 April 2020 for audit years 2020/21 and onwards. The new Code supersedes the Code of Audit Practice 2015, which was published by the National Audit Office (NAO) in April 2015.

The most significant change under the new Code is the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations. Please see page 10 for more details.

Other areas

Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). The certification work for the 2019/20 claim is underway. In response to the impact of the Covid-19 pandemic, the DWP has moved the reporting deadline back to 31 January 2021. We will report our findings to the Audit, Standards & Governance Committee once our work is complete.

Given the delays we have faced in respect of the accounts audit, we will discuss with management the prioritisation of the financial statements audit or the work on the Council's housing benefit claim. In the event that the claim is prioritised this will mean further delays to the financial statements audit.

Meetings

We met with Finance Officers in May and July as part of our regular liaison meetings and continue to be in weekly discussions with finance staff, including the Acting Director of Resources, regarding emerging developments and to update on the the audit process. We also met with the Chief Executive on 23 October to discuss current issues as well as audit progress.

Audit Deliverables

| 2019/20 Deliverables | Planned Date | Status |
|---|--------------|-------------|
| Fee Letter Confirming audit fee for 2019/20. | April 2019 | Complete |
| Audit Plan We are required to issue a detailed audit plan to the Audit, Standards & Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2019-20 financial statements and a Conclusion on the Council's Value for Money arrangements. Note we issued an addendum to our Audit Plan in April 2020 following the Covid-19 pandemic. | March 2020 | Complete |
| Audit Findings Report We now aim to report the Audit Findings Report to the January Audit, Standards & Governance Committee. | January 2021 | Not yet due |
| Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion. | January 2021 | Not yet due |
| Annual Audit Letter This letter communicates the key issues arising from our work. | April 2021 | Not yet due |

Sector Update

Councils continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local
government

The Redmond Review

The Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting – “The Redmond Review” was published on 8 September.

The review has examined the effectiveness of local audit and its ability to demonstrate accountability for audit performance to the public. It also considered whether the current means of reporting the Authority’s annual accounts enables the public to understand this financial information and receive the appropriate assurance that the finances of the authority are sound.

The Review received 156 responses to the Calls for Views and carried out more than 100 interviews. The Review notes “A regular occurrence in the responses to the calls for views suggests that the current fee structure does not enable auditors to fulfil the role in an entirely satisfactory way. To address this concern an increase in fees must be a consideration. With 40% of audits failing to meet the required deadline for report in 2018/19, this signals a serious weakness in the ability of auditors to comply with their contractual obligations. The current deadline should be reviewed. A revised date of 30 September gathered considerable support amongst respondents who expressed concern about this current problem. This only in part addresses the quality problem. The underlying feature of the existing framework is the absence of a body to coordinate all stages of the audit process.”

Key recommendations in the report include:

- A new regulator - the Office of Local Audit and Regulation (OLAR) to replace the Financial Reporting Council’s (FRC) role and that of Public Sector Auditor Appointments (PSAA)
- Scope to revise fees - the current fee structure for local audit be revised to ensure that adequate resources are deployed to meet the full extent of local audit requirements
- Move back to a September deadline for Local Authorities - the deadline for publishing audited local authority accounts be revisited with a view to extending it to 30 September from 31 July each year
- Accounts simplification - CIPFA/LASAAC be required to review the statutory accounts to determine whether there is scope to simplify the presentation of local authority accounts.

The OLAR would manage, oversee and regulate local audit with the following key responsibilities:

- procurement of local audit contracts;
- producing annual reports summarising the state of local audit;
- management of local audit contracts;
- monitoring and review of local audit performance;
- determining the code of local audit practice; and
- regulating the local audit sector.

The current roles and responsibilities relating to local audit discharged by the Public Sector Audit Appointments (PSAA); Institute of Chartered Accountants in England and Wales (ICAEW); FRC; and The Comptroller and Auditor General (C&AG) to be transferred to the OLAR.

How you can respond to the Review

One of the recommendations was for local authorities to implement:

The governance arrangements within local authorities be reviewed by local councils with the purpose of:

- an annual report being submitted to Full Council by the external auditor;
- consideration being given to the appointment of at least one independent member, suitably qualified, to the Audit Committee; and
- formalising the facility for the CEO, Monitoring Officer and Chief Financial Officer (CFO) to meet with the Key Audit Partner at least annually.

Whilst Redmond requires legislation, in practice the second and third bullets are things which authorities could start doing now.

The full report can be obtained from the gov.uk website:

<https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review>

Code of Audit Practice and revised approach to Value for Money audit work - National Audit Office

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The most significant change in the Code is the introduction of a new 'Auditor's Annual Report', which brings together the results of all the auditor's work across the year. The Code also introduced a revised approach to the audit of Value for Money.

Value for Money - Key changes

There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering governance, financial sustainability and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach
- The replacement of the binary (qualified / unqualified) approach to VfM conclusions, with far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The new approach to VfM re-focuses the work of local auditors to:

- Promote more timely reporting of significant issues to local bodies
- Provide more meaningful and more accessible annual reporting on VfM arrangements issues in key areas
- Provide a sharper focus on reporting in the key areas of financial sustainability, governance, and improving economy, efficiency and effectiveness
- Provide clearer recommendations to help local bodies improve their arrangements.

Implications of the changes

Grant Thornton very much welcomes the changes, which will support auditors in undertaking and reporting on work which is more meaningful, and makes impact with audited bodies and the public. We agree with the move away from a binary conclusion, and with the replacement of the Annual Audit Letter with the new Annual Auditor's Report. The changes will help pave the way for a new relationship between auditors and audited bodies which is based around constructive challenge and a drive for improvement.

The following are the main implications in terms of audit delivery:

- The Auditor's Annual Report will need to be published at the same time as the Auditor's Report on the Financial Statements.
- Where auditors identify weaknesses in Value for Money arrangements, there will be increased reporting requirements on the audit team. We envisage that across the country, auditors will be identifying more significant weaknesses and consequently making an increased number of recommendations (in place of what was a qualified Value for Money conclusion). We will be working closely with the NAO and the other audit firms to ensure consistency of application of the new guidance.
- The new approach will also potentially be more challenging, as well as rewarding, for audited bodies involving discussions at a wider and more strategic level. Both the reporting, and the planning and risk assessment which underpins it, will require more audit time, delivered through a richer skill mix than in previous years.

The Code can be accessed here:

https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf

Local government reorganisation in two-tier shire counties – County Councils' Network

The County Councils' Network (CCN) has published new independent evidence on the implications of local government reorganisation in two-tier shire counties ahead of the publication of the government's 'devolution and local recovery' white paper.

The report identifies considerations relating to:

- the costs associated with disaggregation;
- what this might mean in terms of risk and resilience of service provision;
- how service performance might be impacted;
- what it could mean for the place agenda; and
- issues arising from the response to Covid-19.

The report also sets out the financial implications of four unitary scenarios:

- Establishing one unitary authority in every two-tier area in England.
- Establishing two new unitary authorities in every two-tier area in England.
- Establishing three new unitary authorities in every two-tier area in England.
- Establishing two new unitary authorities and a children's trust in every two-tier area in England.

CNN note "With councils in shire counties facing billions in rising costs for care services, alongside financial deficits caused by the Coronavirus pandemic, the study from PricewaterhouseCoopers (PwC) shows merging district and county councils in each area into a single unitary council could save £2.94bn over five years nationally."

CNN go on to comment "The report concludes a single unitary in each area would reduce complexity and give communities a single unified voice to government. It would provide a clear point of contact for residents, businesses and a platform to 'maximise' the benefits of strategic economic growth and housing policy; integral to the 'levelling-up' agenda and securing devolution.

However, the report shows replacing county and districts with two unitary authorities in each area would reduce the financial benefit by two-thirds to £1bn over five years, with three unitary authorities delivering a net loss of £340m over the same period. A fourth scenario of a two-unitary and children's trust model in each county would deliver a net five year saving of £269m.

Alongside a minimum £1.9bn in additional costs from splitting county council services, the report outlines the establishment of multiple unitary authorities in each area creates the risk of disruption to the safeguarding of vulnerable children, while 'instability' in care markets could impact on the quality and availability of support packages and care home placements."



The full report can be obtained from the County Councils' Network website:

<https://www.countycouncilsnetwork.org.uk/new-analysis-reveals-that-single-unitary-councils-could-deliver-3bn-saving-over-five-years-and-maximise-the-benefits-of-economic-growth-and-housing-policy/>

Local government reorganisation in two-tier shire counties – District Councils’ Network

The District Councils’ Network (DCN) a report ahead of the publication of the government’s ‘devolution and local recovery’ white paper.

The report comments “Devolution should back the success of districts in delivery. It should not distract from the local recovery effort or reduce delivery capacity through forcing reorganisation into a less local, less agile, less responsive local government pushed by interests wanting county unitary councils everywhere. Local governance is a local matter, places must be free to decide how to organise services and to progress any kind of reform only where there is significant local agreement.”

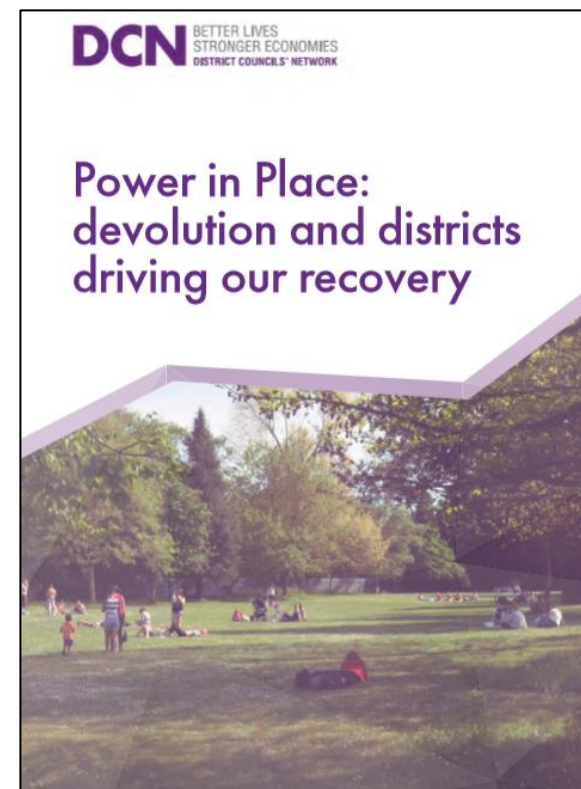
The report calls for the Devolution and Local Recovery White Paper to:

- 1) Deliver genuine devolution that moves quickly to drive local growth
- 2) Retain and build on the local capacity to deliver
- 3) Empower real-world economies
- 4) Continue to anchor local government in local communities
- 5) Reject false arguments that bigger local government is better or cheaper local government
- 6) Support strategic leadership across wider functional economic areas
- 7) Introduce an upper limit for the size of new unitary councils, in line with the principle of electoral equality

The report includes a number of case studies in each of these areas.

The full report can be obtained from the District Councils’ Network website:

<https://districtcouncils.info/wp-content/uploads/2020/08/DCN-Report-Sept-1.pdf>



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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 and Customer Services |
| 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 2020/21.

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to note the report.**

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 6 of the Accounts and Audit Regulations 2018 to “maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of 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 2020 to 31st October 2020 against the performance indicators agreed for the service.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

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3.5 Summary Dashboard:

| | |
|---|----------------------------|
| Total reviews planned for 2020/21 (originally): | 13 (minimum) |
| Reviews finalised to date for 2020/21: | 1 |
| Assurance of 'moderate' or below: | 1 |
| Reviews currently awaiting final sign off: | 2 |
| Reviews ongoing: | 7 |
| Reviews to be completed (Q3 to Q4): | 2 |
| Number of 'High' Priority recommendations reported to date: | 0 |
| Satisfied 'High' priority recommendations to date: | 0 |
| Productivity: | 63% (against targeted 74%) |
| Overall plan delivery to date: | 36% (against target >90%) |

Since the last sitting of the Committee two reports have been completed and are waiting final management sign off.

Follow Up reports that have been finalised since the last Committee sitting are reported in Appendix 4.

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

3.6 2020/21 AUDITS ONGOING AS AT 31st OCTOBER 2020

Two reviews that have moved to clearance stage since the last Committee sitting are:

- Markets
- Use of Agency and Consultants

Audits progressing through the planning or testing stage included:

- Health and Safety
- Council Tax
- Benefits
- NNDR
- Debtors
- Creditors
- Treasury 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 continuing during quarters 2 and 3 inclusive. The rolling testing programme results will be amalgamated as at the end of quarter 3 and formal audit reports issued during quarter 4.

The 2020/21 plan reflects the delayed start and certain lesser risk reviews will need to be rolled to next years plan. Priority continues to be given to potentially higher risk areas e.g. limited assurance audits. As we return to the new normal the impact of restrictions of the COVID-19 lockdown on the plan will be closely managed as the year progresses. The plan for 2020/21 has remained very flexible and the core financial areas of the business

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are currently being reviewed and reported on. With progress set to continue there is sufficient coverage for the Head of Internal Audit to provide an overall opinion. Committee will continue to be regularly informed of developments throughout the year and any variations to the plan will be overseen by the Executive Director and s151 Officer.

Critical review audits are designed to add value to an evolving Service area. Depending on the transformation that a Service is experiencing at the time of a scheduled review a decision is made in regard to the audit approach. Where there is significant change taking place due to transformation, restructuring, significant legislative updates or a comparison required a critical review approach will be used. In order to assist the service area to move forwards a number of challenge areas will be identified using audit review techniques. The percentage of critical reviews will be confirmed as part of the overall outturn figure for the audit programme. The outturn from the reviews will be reported in summary format as part of the regular reporting as indicated at 3.5 above.

Audit are now considering any new processes emerging from the extraordinary working arrangements that have been necessary to continue to provide the Bromsgrove residents with services both now and throughout the pandemic. Plan flexibility will continue to be required to include and provide assurance on these emerging areas.

Follow up reviews are an integral part of the audit process. There is a rolling programme of review that is undertaken to ensure that there is progress with the implementation of the agreed action plans. The outcomes of the follow up reviews are reported in full so the general direction of travel and the risk exposure can be considered by Committee. An escalation process involving CMT and SMT is in place to ensure more effective use of resource in regard to follow up and reduce the number of revisits necessary to confirm the recommendations have been satisfied. There are no material exceptions to report at this time.

3.7 Disabled Facilities Grants

A review was undertaken on behalf of Worcestershire County Council colleagues to allow for an audited return to be submitted by them prior to a 31st October 2020 deadline. Using the testing sample results the overall assurance that was given by the Head of the Worcestershire Internal Audit Shared Service was; "I can confirm to the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects based on the samples and testing matrix provided by County Auditors, the conditions attached to the Disabled Facilities Capital Grant Determination (2019-20) No [31/3170] have been complied with". This assurance was provided to County on the 26th October 2020.

3.8 AUDIT DAYS

Appendix 1 shows that progress continues to be made towards delivering the Internal Audit Plan and achieving the revised targets set for the year. As at 31st October 2020 a total of 84 days had been delivered against a target of 230 days for 2020/21.

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Appendix 2 shows the performance indicators for the service. These indicators were agreed by the Audit, Standards and Governance Committee on the 5th March 2020 for 2020/21.

Appendix 3 provides copies of the reports that have been completed and final reports issued since the last sitting of Committee.

Appendix 4 provides the Committee with 'Follow Up' reports that have been undertaken to monitor audit recommendation implementation progress by management.

Appendix 5 provides an overview of the Quality Assurance Improvement Plan.

3.9 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
- 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

3.10 National Fraud Initiative

NFI data set uploads have been ongoing from the beginning of October for Bromsgrove District Council in regard to the 2020/21 NFI national exercise. Data set uploading will continue until December 2020. Reasonable progress has been made to date and there is an expectation that all data sets will be uploaded by the deadline. WIASS will continue to provide advice and assistance in regard to the process.

3.11 Monitoring

To ensure the delivery of the 2020/21 plan and any revision required 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

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financial systems, as well as the revised plan for other systems which have been deemed to be 'high' and 'medium' risk. Due to changing circumstances and the impact of the COVID-19 pandemic a variation in the plan will be required. This will be agreed on a risk priority basis with the s151 Officer as the year progresses. With any adjustment to the plan there will remain comprehensive audit coverage for 2020/21.

3.12 Quality Assurance Improvement Plan

3.13 WIASS delivers the audit programme in conformance with the International Standards for the Professional Practice of Internal Auditing (ISPPA) as published by the Institute of Internal Auditors. A self assessment took place in August 2020 to identify potential areas for improvement and a programme of improvement was agreed before the Client Officer Group in September 2020. The outcome is reported for information at Appendix 5.

3.14 Customer / Equalities and Diversity Implications

There are no implications arising out of this report.

3.15 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.

3.16 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:

- 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 2020/21 |
| Appendix | 2 ~ Plan position and key performance indicators 2020/21 |
| Appendix | 3 ~ Finalised audit reports including definitions |
| Appendix | 4 ~ Finalised 'follow-up' reports. |
| Appendix | 5 ~ Quality Assurance Improvement Plan |

6. BACKGROUND PAPERS

Individual internal audit reports are held by Internal Audit.

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7. KEY

N/a

AUTHOR OF REPORT

Name: Andy Bromage
 Head of Internal Audit Shared Service,
 Worcestershire Internal Audit Shared Service
Tel: 01905 722051
E Mail: andy.bromage@worcester.gov.uk

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APPENDIX 1

Delivery against Internal Audit Plan for 2020/21 1st April 2020 to 31st October 2020

| Audit Area | Original 2020/21 Total Planned Days | Forecasted days to the 31st December 2020 | Actual Days Used to the 31st October 2020 |
|--|--|---|--|
| Core Financial Systems (see note 1) | 60 | 60 | 17 |
| Corporate Audits | 66 | 26* | 28 |
| Other Systems Audits (see note 2) | 68 | 10* | 22 |
| SUB TOTAL | 194 | 96 | 67 |
| Audit Management Meetings | 15 | 12 | 9 |
| Corporate Meetings / Reading | 5 | 3 | 4 |
| Annual Plans, Reports and Committee Support | 16 | 12 | 4 |
| Other chargeable (see note 3) | | | |
| SUB TOTAL | 36 | 27 | 17 |
| TOTAL | 230 | 123 | 84 |

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.

* Where the forecasted days are less than the planned days for the year this reflects the adjustments that have been made to the plan during the year.

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APPENDIX 2

Audit Plan Position as at the 31st October 2020

| Audit Area | Planned days 2020/21 | Proposed Review | Current Position and indicative delivery date | | Assurance |
|--|-------------------------|-------------------------|--|-------|-----------|
| Accountancy & Finance Systems | | | | | |
| Debtors | 9 | Full | Testing underway | Q3/4 | |
| Main Ledger/Budget monitoring/bank rec | 10 | Full | To commence | Q3/4 | |
| Creditors | 9 | Full | Testing underway | Q3/4 | |
| Treasury Management | 6 | Full | Testing underway | Q3 | |
| Council Tax | 8 | Full | Testing underway | Q3/4 | |
| Benefits | 10 | Full | Testing underway | Q3/4 | |
| NNDR | 8 | Full | Testing underway | Q3/4 | |
| SUB TOTAL | 60 | | | | |
| Corporate | | | | | |
| IT | 8 | Full | To commence | Q4 | |
| Risk Management | 6 | Critical Friend Support | To commence | Q1/ 4 | |
| Health and Safety | 7 | Limited Focus | Testing underway | Q1/ 2 | |
| Procurement | 8 | Full | To commence | Q4 | |
| GDPR | 8 | Limited Focus | To commence | Q4 | |
| Orb | 9 | Full | Finalised | Q1 | Moderate |
| Use of Agency & Consultants | 9 | Full | Clearance | Q2 | |
| Projects | 11 | Critical Friend | To commence | Q4 | |
| SUB TOTAL | 66 | | | | |
| System / Management Arrangements | | | | | |
| Refuse Service Scalability | 6 | Limited Scope | To commence | Q4 | |
| Markets | 10 | Limited Scope | Clearance | Q2 | |
| Worcester Regulatory Services | 10 | Limited Scope | To commence | Q4 | |
| Advisory and Consultancy | 10 | Pull Down Budget | Q1 – Q4 | | N/a |
| Fraud and Investigations inc. NFI | 10 | Pull Down Budget | Q1 – Q4 | | N/a |
| Completion of prior years work | 8 | Pull Down Budget | Q1 – Q4 | | N/a |
| Report follow up | 10 | Pull Down Budget | Q1 – Q4 | | N/a |
| Statement of Internal Control | 4 | Pull Down Budget | Q1 – Q4 | | N/a |
| SUB TOTAL | 68 | | | | |
| NOTE: (D) = Draft. | | | | | |

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| General | | | | |
|---|------------|------------------|---------|-----|
| Audit Management Meetings | 15 | Pull Down Budget | Q1 – Q4 | N/a |
| Corporate Meetings/Reading | 5 | Pull Down Budget | Q1 – Q4 | N/a |
| Reports, Annual Plans and Committee Support | 16 | Pull Down Budget | Q1 – Q4 | N/a |
| SUB TOTAL | 36 | | | |
| PLAN TOTAL | 230 | | | |

Performance against Key Performance Indicators 2020-2021

The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2020/21. 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 | 2020/21 Position (as at 31 st October 2020) | | Frequency of Reporting |
|-------------------------|--|--|--|---|------------------------------|
| Operational | | | | | |
| 1 | No. of audits achieved during the year | Per target | Target = Minimum 13 Delivered = 1 (2 @ Clearance) | 😐 | When Audit Committee convene |
| 2 | Percentage of Plan delivered | >90% of agreed annual plan | 36% | 😐 | When Audit Committee convene |
| 3 | Service productivity | Positive direction year on year (Annual target 74%) | 63% (Q2 average) (Q1 average 50%) | 😐 | When Audit Committee convene |
| Monitoring & Governance | | | | | |
| 4 | No. of 'high' priority recommendations | Downward (minimal) | Nil to date (2019/20 = 9) | 😊 | When Audit Committee convene |
| 5 | No. of moderate or below assurances | Downward (minimal) | 1 (2019/20 = 7) | 😐 | 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 returns to date | 😐 | When Audit Committee convene |

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APPENDIX 3

2020/21 Audit Reports.

There were no finalised reports to include since the last Committee sitting.

Appendices A & B are indicated below and are applied to all reports. To save duplication these have been produced once, listed below for information.

APPENDIX A

Definition of Audit Opinion Levels of Assurance

| Opinion | Definition |
|------------------------------|--|
| Full Assurance | The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively. No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system. |
| Significant Assurance | 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. 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. |
| Moderate Assurance | 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 it's objectives. Assurance can only be given over the effectiveness of controls within some areas of the system. Follow up of high and medium priority recommendations only will be undertaken after 3 to 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system. |
| Limited Assurance | 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. Follow up of high and medium priority recommendations only will be undertaken after 3 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system. |
| No Assurance | 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. Follow up of high and medium priority recommendations only will be undertaken after 3 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system. |

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APPENDIX B

Definition of Priority of Recommendations

| Priority | Definition |
|-----------------|---|
| H | Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to. |
| M | Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives. 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. |
| L | Control weakness that has a low impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation is desirable as it will improve overall control within the system. |

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Appendix 4

FOLLOW-UP REPORTS:

There were no other finalised 'Follow-Up' reports to report since the last Committee sitting.

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Appendix 5

Quality Assurance Improvement Plan.

| Action Number | Area for Action and Standards Reference | Outcome Required | Action | Lead person | Target Date for completion | Date of Completion | Latest Position |
|---------------|---|--|---|--|----------------------------|--------------------|-----------------|
| 1 | 1000 | Updated Charter and Partner approval. | To review and update as appropriate, and present to COG and Partner Committees for approval. | Head of Internal Audit & Team Leader | Sep-21 (Annual Reports) | | |
| 2 | 1210.A1 - Training Requirements | Professional qualifications to be obtained. | Auditors to enhance their skills and qualifications through professional study e.g. IIA | Auditors | 2023/24 | | |
| 3 | 2420 - Timely Completion of Review Stages | Improvement in issuing the 'Draft Report' to the agreed date as set out in the Brief. To make improvements in the monitoring of the management response after the issue of a Draft Report. | Monitor the issue of Draft Reports and the receipt of management response during the financial year taking appropriate and timely action where the target dates are stressed. | Auditors | Mar-21 | | |
| 4 | 2500.A1 - Follow Up | More efficient and timely follow up in regards to reported management action plans. | To review and enhance the follow up process, and monitor progress to reduce potential slippage. | Audit Team Leader | Mar-21 | | |
| 5 | 2010.A1 - Annual Risk Assessments | More effective implementation of Annual Risk Assessments into the annual planning and use within individual audits. | To review the current process of using the annual risk assessments and how inclusion into annual planning and audit planning can be improved. | Head of Internal Audit / Audit Team Leader | Nov-20 | | |

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WORK PROGRAMME 2020/21

24 November 2020

- Standards Regime - Monitoring Officers' Report
- Progress on Best Practice Recommendations for Audit, Standards and Governance Committees
- Covid-19 Civil Contingencies Response
- Grant Thornton - Progress Report
- Internal Audit Monitoring Report
- Risk Management Group Monitoring Update
- Risk Register Update – Covid-19 and Brexit
- Risk Champion - Verbal Update Report (Councillor K. Van Der Plank)
- Audit, Standards and Governance Committee Work Programme

21 January 2021

- Standards Regime - Monitoring Officers' Report
- Statement of Accounts 2019/2020
- Grant Thornton – Audit Findings 2019/2020
- Housing Compliance Report
- Financial Savings Report – June to September 2020
- Risk Register Update
- Risk Champion - Verbal Update Report (Councillor K. Van Der Plank)
- Audit, Standards and Governance Committee Work Programme

Virtual Meetings 2020

- Annual Appointment of Risk Management Champion for the Committee
- Dispensations Report
- Final Statement of Accounts
- Treasury, Capital, and Investments Strategy
- Treasury Report Update (6 monthly)
- ASG Work Programme

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