



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT BOARD

MONDAY, 15TH SEPTEMBER 2008 AT 6.00 P.M.

CONFERENCE ROOM, THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

MEMBERS: Councillors S. R. Peters (Chairman), C. R. Scurrall (Vice-Chairman), Miss D. H. Campbell JP, Mrs. H. J. Jones, Mrs. C. J. Spencer and E. C. Tibby

AGENDA

1. To receive apologies for absence
2. Declarations of Interest
3. To confirm the accuracy of the minutes of the meetings of the Audit Board held on 9th June and 25th June 2008 (Pages 1 - 6)
4. Audit Commission's International Standard on Auditing (ISA 260) (to follow)
5. Civic Bonfire and Fireworks Event - Feedback (Pages 7 - 12)
6. Local Neighbourhood Partnerships (Pages 13 - 30)
7. Internal Audit Performance and Workload (Pages 31 - 36)
8. Recommendation Tracker (Pages 37 - 46)
9. Risk Management Tracker (Pages 47 - 52)
10. To consider any other business, details of which have been notified to the Head of Legal, Equalities and Democratic Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

2nd September 2008

K. DICKS
Chief Executive

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT BOARD

MONDAY, 9TH JUNE 2008 AT 6.00 P.M.

PRESENT: Councillors Miss D. H. Campbell JP, Mrs. H. J. Jones (during Minute Nos. 01/08 to 07/08), S. R. Peters, C. R. Scurrall, Mrs. C. J. Spencer and E. C. Tibby

Also in attendance: Ms. L. Cave, District Auditor, the Audit Commission and Councillor G. N. Denaro (Portfolio Holder for Finance)

Observers: Councillors R. Hollingworth and Mrs. J. D. Luck

Officers: Mr. T. Beirne, Ms. J. Pickering and Ms. D. Parker-Jones

1/08 **ELECTION OF CHAIRMAN**

RESOLVED that Councillor S. R. Peters be elected Chairman of the Board for the ensuing municipal year.

2/08 **ELECTION OF VICE CHAIRMAN**

RESOLVED that Councillor C. R. Scurrall be elected Vice-Chairman of the Board for the ensuing municipal year.

3/08 **APOLOGIES FOR ABSENCE**

No apologies for absence were received.

4/08 **DECLARATIONS OF INTEREST**

No declarations of interest were received.

5/08 **MINUTES**

The minutes of the meeting of the Audit Board held on 17th March 2008 were submitted.

RESOLVED that the minutes be approved as a correct record.

6/08 **ANNUAL AUDIT AND INSPECTION LETTER**

A copy of the Audit Commission's Annual Audit and Inspection Letter, which had already been referred to the Performance Management Board and the Cabinet, was considered. Ms. L. Cave, District Auditor with the Audit Commission, presented the report and highlighted the key elements of this. It was noted that, overall, Council services had improved over the last year, and

at a faster rate than other councils, but from a low base. The Council needed to continue to make improvements and ensure it did not become complacent, with value for money being the top focus for the coming year.

RESOLVED that the Audit Commission's Annual Audit and Inspection Letter be noted.

7/08 **AUDIT AND INSPECTION PLAN 2008/09**

The Board considered the Audit Commission's 2008/09 Audit and Inspection Plan. Ms Cave presented the Plan, which she advised would need to be reviewed once the Council's Statement of Accounts had been audited.

RESOLVED that the Audit Commission's Audit and Inspection Plan be noted and approved.

8/08 **INTERNAL AUDIT PERFORMANCE AND WORKLOAD**

Consideration was given to a report which provided a summary of the current performance and workload of the Internal Audit Section. The Head of Financial Services explained the background to the report and advised that future training on this would be provided.

Following vacancies in the Audit Team resources, 80% of the 2007/08 Audit Plan had been completed within the financial year, which it was noted was still 5% above target. Four audits had been deleted as agreed by the Audit Board, with four audits having been transferred to 2008/09. Arrangements were being looked into with Worcester City Council for interim cover for the vacant management post and KPMG, the Council's former external auditors, were acting as consultants on the Payroll and Customer Service Centre audits, which the Audit Commission had advised would need to be completed.

RESOLVED:

- (a) that the current status and work completed on the 2007/08 Audit Plan be noted and approved;
- (b) that the work completed by the Internal Audit Section between March and May 2008 be noted;
- (c) that the summary of investigations completed by the Internal Audit Section be noted;
- (d) that the current Internal Audit Performance Indicator statistics be noted; and
- (e) that it be noted that there were no new or updated Internal Audit documents to report.

9/08 **RECOMMENDATION TRACKER**

Members considered a report which provided a summary of previously selected audit report "priority one" recommendations. The Head of Financial Services stated that this was another area where training would assist Board members and advised that priority one recommendations were those which were fundamental to improving controls within the system. It was proposed

that any priority one recommendations which were still ongoing and outside of their target dates would be referred to the Corporate Management Team (CMT) for Heads of Service to monitor and action as appropriate.

The Head of Financial Services provided a number of updates in relation to recommendations and the Board specifically wished to place on record its concerns that there was only one Planning Enforcement Officer.

RESOLVED:

- (a) that the "priority one" recommendations detailed in Appendix A to the report be noted; and
- (b) that these be brought back to the Audit Board following referral to the Corporate Management Team.

10/08 **RISK MANAGEMENT TRACKER**

Consideration was given to a report which presented an end of year overview of Actions/Improvements detailed in business area Risk Registers for the period 1st April 2007 to 31st March 2008. The Head of Financial Services provided some background information on the Risk Register process and advised that although there had been significant improvements in the recording of updates, definitive target dates were not always being recorded and registers were not always being utilised as designed. However, there was a planned programme of risk management training which would support the development of a risk culture through the organisation.

RESOLVED that the progress to date against all business area risk register Actions/Improvements for 2007/08 be noted.

11/08 **POSSIBLE FUTURE AGENDA ITEMS/MEMBER TRAINING**

The Chairman requested that Members let him know if there were any topics on which they wished to receive training as part of their role on the Board, and if there were any specific issues that they wished the Board to give consideration to. He added that future issues for consideration might include:

- quarterly meetings with the Audit Commission;
- the Council's use of energy;
- information on the Local Government Pension Scheme and the Council's policy in this regard;
- Council policy on car loans;
- review of Job Evaluation plans and procedures; and
- shared services.

The meeting closed at 7.09 p.m.

Chairman

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT BOARD

WEDNESDAY, 25TH JUNE 2008 AT 6.00 P.M.

PRESENT: Councillors S. R. Peters (Chairman), Miss D. H. Campbell JP,
Mrs. H. J. Jones, Mrs. C. J. Spencer and E. C. Tibby

Also in attendance: Councillor G. N. Denaro (Portfolio Holder for Finance)

Officers: Mr. T. Beirne, Ms. J. Pickering and Ms. D. Parker-Jones

12/08 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor C. R. Scurrall (Vice-Chairman).

13/08 **DECLARATIONS OF INTEREST**

Councillor Miss. D. H. Campbell JP declared a personal interest in agenda item 3 (2007/08 Statement of Accounts and Governance Statement) as a member of the Operating Trust of Bromsgrove Arts Centre.

Councillor Mrs. C. J. Spencer declared a personal interest in agenda item 3 (2007/08 Statement of Accounts and Governance Statement) as a member of the Operating Trust of Bromsgrove Arts Centre.

14/08 **2007/08 STATEMENT OF ACCOUNTS AND GOVERNANCE STATEMENT**

Consideration was given to the unaudited Statement of Accounts and Governance Statement for the year ended 31st March 2008 (and not 31st March 2007 as denoted in the report).

The Head of Financial Services introduced the report and advised that the preparation of an Annual Governance Statement was a new statutory requirement. The purpose of the Governance Statement was to provide and demonstrate that there was continuous review of the effectiveness of the Council's internal control and risk management systems, in order to give an assurance on their effectiveness and to produce action plans to address any identified weaknesses. Statements of practice were also now included in the document, similar to those provided by international organisations, together with a (non-statutory) Value for Money section which detailed the key improvements and areas currently being addressed. The Chairman raised a number of questions on the report, which the Head of Financial Services provided responses to.

RESOLVED that the Governance Statement 2007/08 be noted; and

RECOMMENDED that the Council approve the unaudited Statement of Accounts for the year ended 31st April 2008 in accordance with the Accounts and Audit Regulations 2003 amended 2006.

The meeting closed at 6.30 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15TH SEPTEMBER 2008

CIVIC BONFIRE AND FIREWORKS EVENT - FEEDBACK

Responsible Portfolio Holder	Councillor Roger Hollingworth
Responsible Head of Service	John Godwin

1. SUMMARY

The report relates to feedback resulting from the report presented to this Board on 17th March 2008 and aims to address the issues raised at the meeting.

2. RECOMMENDATION

Members are recommended to note the feedback and responses to the queries raised from the original report.

3. BACKGROUND

- 3.1 Members will be aware that the 2007 Bonfire event was organised for the first time as a chargeable event to the public. This presented a number of additional organisational challenges to the officers responsible for delivering a successful event.
- 3.2 The report presented to this Board on 17th March 2008 addressed in detail a number of issues in relation to security, access and probity.
- 3.3 The concerns were discussed in full with additional queries raised during the meeting that are addressed in Appendix A to this report.
- 3.4 In addition there will be a press release nearer November that will inform the public how the Council will look to improve the accessibility and security of income received from the bonfire.

4. FINANCIAL IMPLICATIONS

None arising from this report.

5. LEGAL IMPLICATIONS

None.

6. COUNCIL OBJECTIVES

Council Objective 2 Improvement and Council Objective 3 Sense of Community and Well Being.

7. RISK MANAGEMENT

The delivery of the bonfire is included in the risk register for street scene and community to mitigate any risks arising from the provision of the bonfire.

8. CUSTOMER IMPLICATIONS

The public will be made aware of the paid ticket system for the annual bonfire event through external communications throughout the year leading up to the event.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

The paid ticket system will need to accommodate less abled customers.

10. VALUE FOR MONEY IMPLICATIONS

None.

11. OTHER IMPLICATIONS

Procurement Issues None
Personnel Implications None
Governance/Performance Management None
Community Safety including Section 17 of Crime and Disorder Act 1998 Community Safety support the improvements to the event
Policy None
Environmental None

12. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	No

Executive Director (Partnerships and Projects)	No
Executive Director (Services)	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

13. WARDS AFFECTED

All Wards.

14. APPENDICES

Appendix A – feedback to queries.

15. BACKGROUND PAPERS

None.

CONTACT OFFICER

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Tel: (01527) 881730

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BONFIRE – AUDIT BOARD

1. Quote from other organisations re cost of Security Company?

LMS Events and Security Company (LMS) were the company selected to manage the event.

Their selection was carried out in line with procurement rules after market testing.

LMS were chosen because

- They have a reputation nationally for managing similar events
- They could deliver within the budget available
- Their previous good working relationship with the Council

The overall management of the event included – BDC Events Team, BDC Health and Safety, LMS, and the Police.

The police also carried out a separate health and safety check for themselves.

2. Did they stop using the clickers as things were getting to dangerous?

At no time during the event did the police, LMS, or BDC staff judge there was any danger.

The clicker and stamping system was used at all six access points to record all visitors.

The system worked well and we are confident that the vast majority of visitors were recorded. However the number of visitors turning up at the last minute did mean not every person attending was recorded; despite every effort being made to do so.

3. Ball park figure as to the economic logic as to why the option was chosen?

The clicker and stamping system was chosen on the advice and recommendations of the Police and LMS. The Police and LMS advised that a system that allowed the quickest and safest access to the event by the public should be implemented. The safety of the public attending the event was always the prime responsibility of all staff managing the event and the system of entry was designed on this basis.

4. Probity

The income collected at the event was managed by LMS and the income was taken away from the park and banked by an independent company, who also manage our car parks income.

The final audited income for the event was in line with the number of attendees. (This includes an estimation for the under count on the clickers). The first unaudited count overestimated the income because of double counting.

At no point did officers have any concerns of impropriety.

5. Lessons for 2008

For 2008 we will be introducing advanced sales and a box office on the night. While this will be more expensive it will allow easier management of the money and easier recording of the number of visitors. It will also allow easier access through the entry points.

6. Summary

The 2007 the bonfire was successfully delivered within the agreed budget with the full cooperation of the police.

For 2008 a box office system will be introduced to allow easier management of access to the bonfire and easier management of the income from the event.

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15TH SEPTEMBER 2008

LOCAL NEIGHBOURHOOD PARTNERSHIPS

Responsible Member	Councillor Roger Hollingworth, Leader of the Council
Responsible Head of Service	Hugh Bennett, Assistant Chief Executive

1. SUMMARY

- 1.1 Cabinet (30th April 2008) agreed the findings of the independent evaluation of the neighbourhood area committees (now re-named local neighbourhood partnerships - LNPs). The Assistant Chief Executive was given responsibility for forming a third pilot in the "Hagley and Rural" area, improving the terms of reference of the LNPs and organising two stakeholder events, one on the third pilot and one with the all stakeholders on the potential expansion of LNPs.
- 1.2 The Performance Management Board have considered this report, but also asked that it be referred to the Audit Board for consideration, in particular, the terms of reference for LNPs.

2. RECOMMENDATION

It is recommended that the Board consider the attached report and make recommendations to the Cabinet, as it sees fit.

3. PROGRESS TO DATE

- 3.1 Officers have had difficulty trying to work out the boundaries for each ward and a number of constitutional/legal issues with LNPs. The latter has now been sorted out (see terms of reference attached); however, the former i.e. the boundaries of each LNP remains a concern. A consultation exercise is now underway with two events planned in November and December for stakeholders to feed in their views. It is hoped that these sessions will unpick the boundaries issue. The consultation lasts until 3rd October 2008.
- 3.2 The consultation letter, boundary maps, draft terms of reference and consultation questions are set out in the Appendices of the report for consideration by the Board.

4. BACKGROUND

- 4.1 January 2007 Cabinet agreed to establish two LNPs in Alvechurch and Rubery. This was in response to the Leader and Leader of the Opposition's concern to devolve more decision-making to local communities and as a response to the then White Paper "Strong and Prosperous Communities".

- 4.2 As part of the pilots, it was agreed to carry out an evaluation. This was undertaken by a consultant funded from the Learning to Deliver Fund.
- 4.3 The White Paper has now become the Local Government and Public Involvement in Health Act (2007). The Act represents a significant shift in the statutory requirements for local authorities for community engagement. Previously, we had a duty to consult, one of the “4Cs of Best Value”, whereas we now have a “duty to involve”.
- 4.4 Essentially, we need to move from what might be considered “arms length” consultation, to bringing our customers inside the process of Government. The flip side of this coin is that the vast majority of residents do not want to be involved more with the political process (only 20% of residents when surveyed expressed a desire to be more involved). This poses a challenge for us, which is further compounded by a general lack of clarity about the objectives of neighbourhood management. The Local Government Association, has set out ten objectives:-
1. Bring real power close to the people.
 2. Devolve power from central Government to local Councils.
 3. **Devolve power through local Councils to individuals, communities and local organisations.**
 4. **Strengthen local political leadership**
 5. Secure efficiently provided local services tailored to individual and local needs.
 6. **Steer all community public services to meet priorities agreed with local people.**
 7. Transfer key public services and agencies to local democratic control.
 8. Reform local taxation.
 9. Streamline inspection.
 10. Create an equal partnership between local and central Government.
- 4.5 While there have been some teething problems with the two pilots, there is a general agreement that they have added value, but need increased clarity, to be put on a more formal footing and that we spend more time refining the model before any expansion across the whole District.
- 4.6 3, 4 and 6 are highlighted above as these are the three objectives, which officers believe the Council should focus on for the three pilots. By providing each LNP with a budget and an opportunity to develop a neighbourhood plan that links into the budget process of the Council and its partners, we are devolving power i.e. money equals power to deliver change.
- 4.7 Given the relatively low public interest in being involved in political processes and also the change to the Executive/Scrutiny form of local government and creation of “front line” Members, LNPs provide an opportunity to strengthen the ward councillor role and to enhance three tier working.
- 4.8 Finally, ward councillors are uniquely placed to understand what matters to local people. With the increasing focus of Central Government on CPA, CAA and LAAs i.e. big picture, target driven management, the smaller, tactical issues, that residents often want resolved can simply be muscled out by this agenda. LNPs provide a forum for ward councillors, interested residents, senior officers and partners to discuss and resolve these issues.

- 4.9 The consultant who evaluated the pilots has made the following recommendations and the Council's response is set out in bold; these are in effect, the recommendations to the Cabinet.
- 4.9.1 A set of core objectives and terms of reference needs to be agreed for all LNP pilots. **Response: agreed.**
- 4.9.2 The emphasis of the LNPs should be to operate tactically between the strategic role of Bromsgrove Partnership and individual partner agencies rather than duplicating the effort of either and the operational and local role of PACT and other community fora. **Response: agreed.**
- 4.9.3 The Council rolls out the pilots to a further two areas, in consultation with local Members and key partners and with a clear commitment to the agreed objectives of the LNPs. **Response: Roll out one further pilot in Hagley after up front consultation with our partners that this is an acceptable way forward.**
- 4.9.4 As different opinions exist about the use of devolved budgets, we recommend that Bromsgrove District Council consider devolution of a small local budget to one of the pilots to enable it to deliver small scale local projects. **Response: provide the two existing pilots in Alvechurch and Rubery with budgets of £15,000 each and Hagley with a year one budget of £4,000, as per the first years of Alvechurch and Rubery.**
- 4.9.5 The important role of local members at Parish, District and County Council levels both as key links with their councils and as facilitators of local community action within the LNPs needs to be clarified. **Response: ensure the primacy of elected Members (all tiers) is built into the core objectives and terms of reference of the committees.**
- 4.9.6 Where Parish Councils exist they need to be encouraged to take part in the LNPs, influencing key local decisions and in some cases taking action to address these. Work needs to be done to clarify the respective roles of the LNPs and Parish and Town Councils. **Response: agree, the proposed third pilot in Hagley, has been deliberately chosen to provide a further opportunity to test the NAC model in a three tier area. Hagley Parish Council and CALC will be consulted in advance of this proposal being approved by the District Council. We also need to hold a stakeholder event for all partners to consider our approach beyond 2008/2009.**
- 4.9.7 In the original paper to Cabinet (January 2007) the concept of Area or Neighbourhood Plans was proposed as a key output from the LNPs. To date no progress has been made on these in either pilot. Simple, clear and measurable Area Plans which build on locally agreed priorities help to focus LNPs and aid clarity about the role and purpose of these groups, which is important in ensuring ongoing community support. **Response: agree. All three LNPs will need assistance to develop a simple, cost effective form of consulting residents on priorities, in order to shape these plans.**

- 4.9.8 National best practice suggests that some dedicated officer support for neighbourhood management processes is important. We would consider that this support falls into two categories: administrative support and senior level officer support. **Response: support to be provided by Corporate Communications, Policy and Performance Team; however, continued expansion will eventually require further support and a review of the number of evening meetings that senior officers are being asked to attend.**

5. FINANCIAL IMPLICATIONS

The original approved budget bid for a pilot neighbourhood office be re-focused to provide the funding as set out in this report i.e. £34,000, less the £8,000 already set aside for the two year one pilots.

6. LEGAL IMPLICATIONS

The evaluation report identified the need to put the LNPs on a more formal footing, particularly, as the amount of money delegated has increased. However, if the LNPs were to be formally constituted, all aspects of the Council's ethical governance framework, access to information rules would apply to their members, their meetings and all business transacted by the LNPs. This would prove cumbersome for this type of scheme. Therefore it is proposed that the legal status of the LNPs remain as a consultative forum and that authority is delegated to a Senior Officer to hold the budgets and make payments on receipt of a request from a LNP which is lawful and falls within its terms of reference.

7. COUNCIL OBJECTIVES

Council Priority – Sense of Community.

8. RISK MANAGEMENT

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

- Lack of agreement from stakeholders.
- Lack of sound governance.

8.2 These risks are being managed as follows:

- Consultation with stakeholders on this report.
- Terms of reference for each NAC with Equalities, Legal and Democratic input.

9. CUSTOMER IMPLICATIONS

Resolution of local issues that impact on resident's quality of life.

10. EQUALITIES AND DIVERSITY IMPLICATIONS

The Equalities and Diversity Forum and Disabled User's Forum have similar process of being able to bid for funding through each budget round.

11. VALUE FOR MONEY IMPLICATIONS

Spending aligned to local priorities.

12. OTHER IMPLICATIONS

Procurement Issues - N/A
Personnel Implications - None at this stage.
Governance/Performance Management -N/A
Community Safety inc Section 17 Crime & Disorder Act 1998 - N/A
Policy - N/A
Environmental - N/A
Equalities and Diversity - N/A

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holders	No
Chief Executive	No
Executive Director (Services)	No
Assistant Chief Executive	Yes
Head of Service	No
Head of Financial Services	No
Head of Legal & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

13. APPENDICES

Appendix 1 – Consultation Letter
Appendices 2, 3 and 4 – Boundary Maps
Appendix 5 – Terms of Reference
Appendix 6 – Consultation Questions

14. BACKGROUND PAPERS

30th April 2008 Cabinet Report - Neighbourhood Area Committee Evaluation
19th August 2008 PMB Report - Local Neighbourhood Partnerships.

CONTACT OFFICERS

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Appendix 1

14th July 2008

Corporate Communications Policy and Performance

The Council House, Burcot Lane, Bromsgrove
Worcestershire B60 1AA

Telephone: (01527) 881242

Textphone: (01527) 881291

Fax: (01527) 881212

DX: 17279 Bromsgrove

Email:- l.berry@bromsgrove.gov.uk

Direct line: 01527 881412

Dear Stakeholder,

Re. Local Neighbourhood Partnerships

Please accept my apologies for not getting this letter out to you sooner. We have encountered a number of administrative and legal issues, which we have had to resolve, before sending out this consultation. Because of these issues, we have re-named our proposed approach to neighbourhood management, to local neighbourhood partnerships (LNPs), from neighbourhood area committees (NACs).

Over the last 18 months the District Council and its partners have been piloting two LNPs, one in Alvechurch and one in Rubery. Whilst the two pilots have actually operated in quite different ways, the independent evaluation concluded that there was “strong support for operating at an area or neighbourhood level” from those involved.

Although the evaluation indicated strong support, it also identified that the existing two pilots and any future pilots need to be put on a firmer footing, with clarity about their aims and objectives, relationship to other organisations and their governance.

The background to the establishment of these pilots is the Council’s priority: Sense of Community. As a Council we are increasingly concerned that residents are becoming less involved in their communities and civic life. Another of the Council’s corporate priorities is: Customer Service. Through our work with the Police at Partners and Communities Together (PACT) meetings, we know that solving very local concerns is key to improving our residents’ satisfaction, alongside some of the more “big picture” issues like the town centre and regeneration of Longbridge.

As a result the District Council wants to take a number of steps:-

1. Consult with you over the proposal for a third pilot in the “Hagley and Rural” area.

We would like to set up this third NAC this year. “Hagley and Rural” is the West Mercia Police boundary used for community policing and PACT meetings. As you can see from the first map attached, this area includes six parish councils and one, Belbroughton that straddles the boundaries. We would like your views on how we might create a LNP in this area of the District.

Ideally, the District Council, would like a LNP for each community; however, we would not be able to resource this, so when considering this issue, please think about the capacity of both councillors and officers to support the number of LNPs you propose.

2. Consult you about the potential expansion of LNPs across the whole District

In the longer term, the District Council would like to see LNPs operating across the whole District. Although our primary focus at this stage is the development of a third pilot, in "Hagley and Rural", we would be interested in your views on the possible number of LNPs and their boundaries for the whole District. Please have a look at the maps attached which show the Parish boundaries against the police boundaries (Appendix 1), County Council ward boundaries (Appendix 2) and District Council boundaries (Appendix 3).

3. Consult you on the outline terms of reference for LNPs.

Over the coming months we will need to firm up the governance arrangements for the existing two pilots and the proposed third one. This work will need to be undertaken by the District Council's Equalities, Legal and Democratic Department, however, we think it is important to give you an outline terms of reference for the LNPs at this stage, to inform your thinking on sections 1 and 2 above and to consult you on the terms of reference, in advance of the planned legal work. An outline terms of reference is attached at Appendix 4.

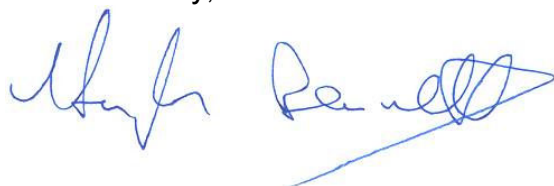
4. Run two stakeholder events later in the year.

The consultation will run for 12 weeks and close on Friday 03 October. At the end of that period, we will collate the results and set up two consultation events, one for the councillors and interested local residents of the "Hagley and Rural" area, so that we can look at this issue in more detail; and a second stakeholder event to look at the longer-term expansion of NACs across the whole District. I will be writing to you again, during the 12-week consultation period with dates for these two meetings.

I always find it useful when responding to consultations, if I have a series of questions to prompt my thinking, so I have set out 10 questions in Appendix 5, to help shape your response.

Finally, if I can be of any further assistance, please do not hesitate to contact me.

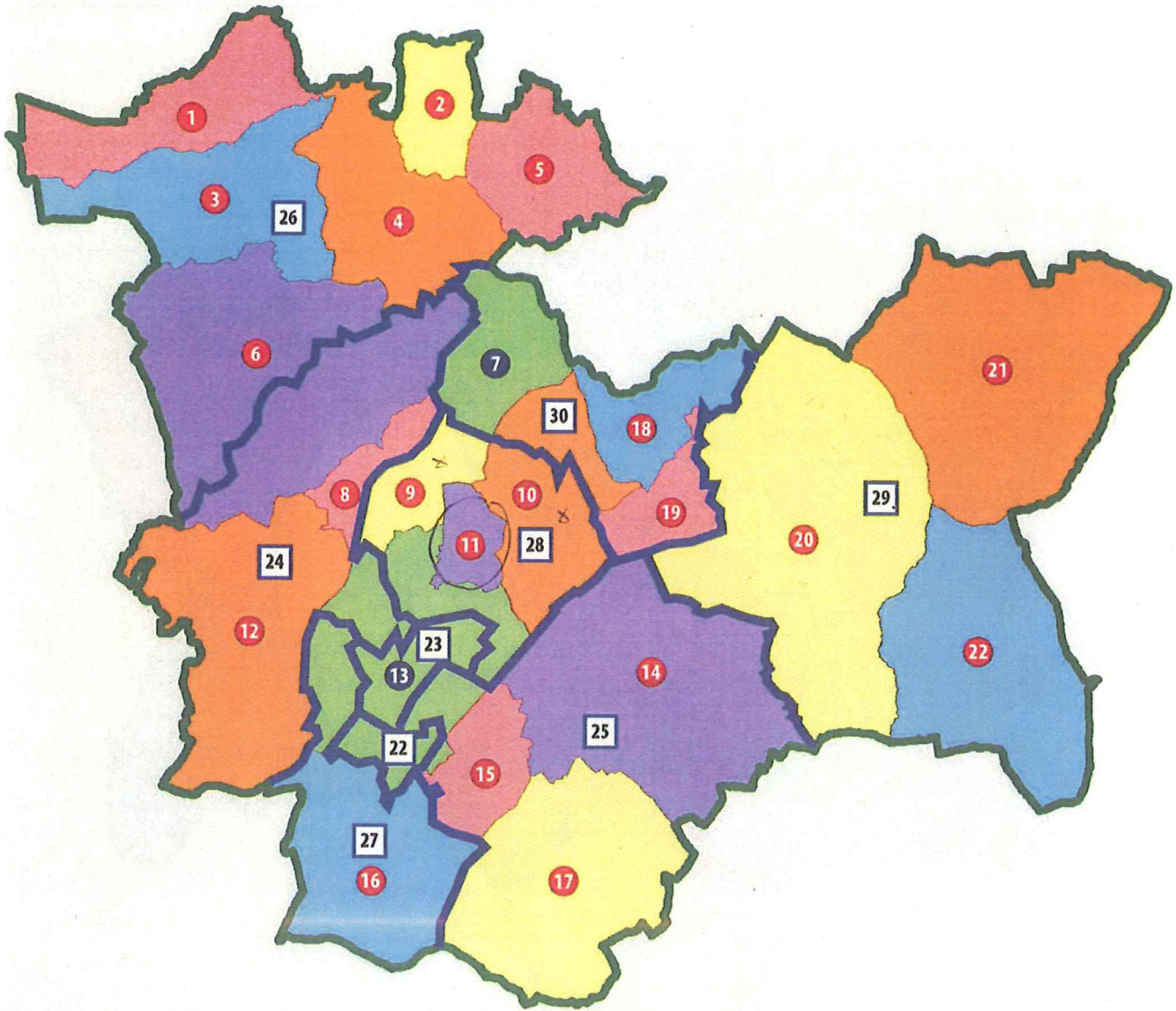
Yours faithfully,



Hugh Bennett
Assistant Chief Executive

Encs.

Bromsgrove District Parish and West Mercia Police Boundaries



Key

Parish

- 1 Hagley
- 2 Hunnington
- 3 Clent
- 4 Romsley
- 5 Frankley
- 6 Belbroughton
- 8 Bournheath

- 9 Catshill
- 10 Lickey and Blackwell
- 11 Lickey End
- 12 Dodford with Grafton
- 14 Tutnall and Cobley
- 15 Finstall
- 16 Stoke Prior
- 17 Bentley Pauncefoot
- 18 Cofton Hackett
- 19 Barnt Green

- 20 Alvechurch
- 21 Wythall
- 22 Beoley

Non Parish

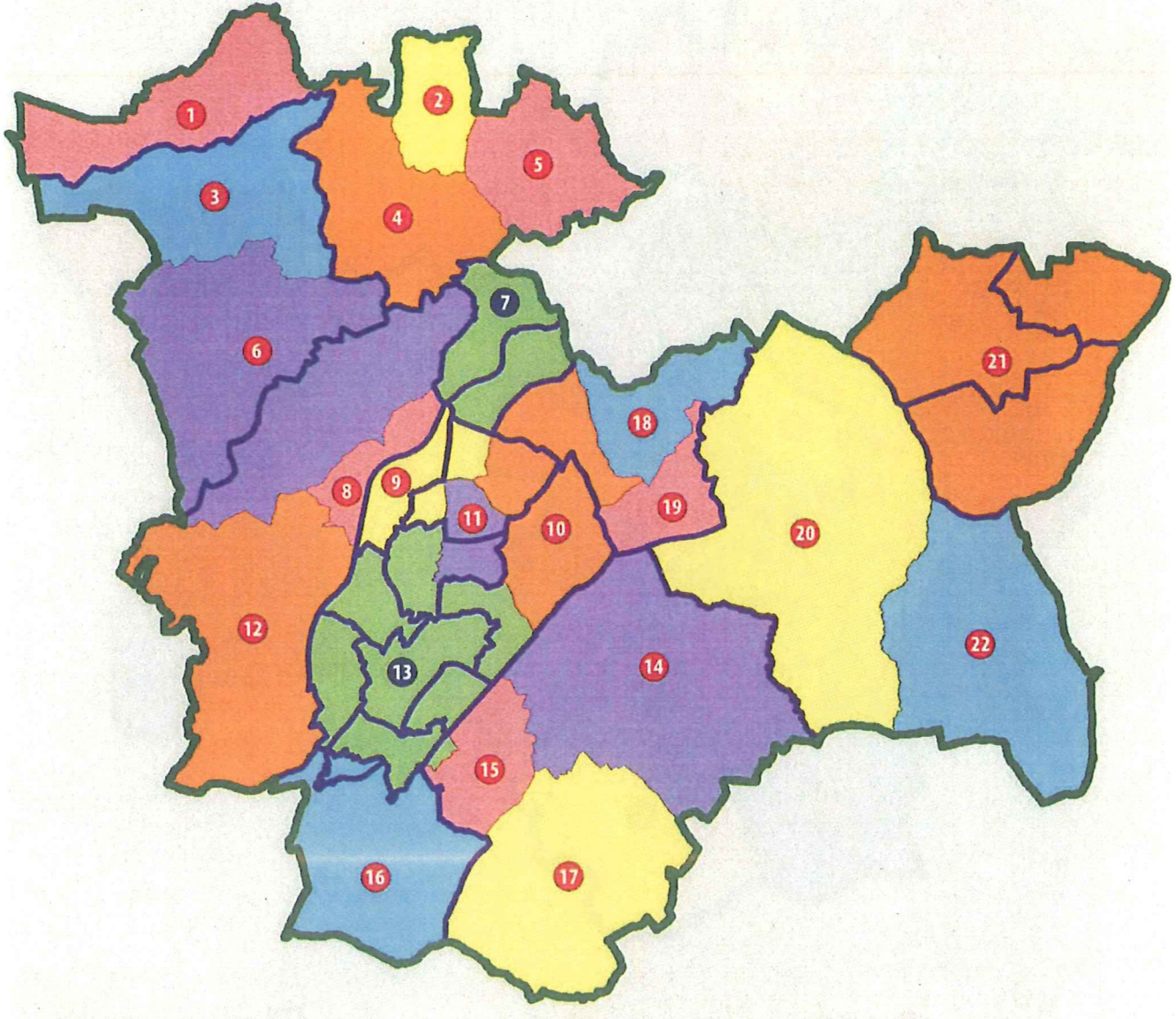
- 7 Rubery
- 13 Bromsgrove

West Mercia Police Boundaries

- 22 Charford
- 23 St. Johns

- 24 Sidemoor and Woodvale
- 25 Tardebigge and Slideslow
- 26 Hagley and Rural
- 27 South Rural
- 28 Catshill and Marlbrook
- 29 Alvechurch and Wythall
- 30 Rubery and Rural

Bromsgrove District Parish and Ward Boundaries



Key

Parish

- 1 Hagley
- 2 Hunnington
- 3 Clent
- 4 Romsley

- 5 Frankley
- 6 Belbroughton
- 8 Bournheath
- 9 Catshill
- 10 Lickey and Blackwell
- 11 Lickey End
- 12 Dodford with Grafton

- 14 Tutnall and Cobley
- 15 Finshall
- 16 Stoke Prior
- 17 Bentley Pouncefoot
- 18 Cofton Hackett
- 19 Barnt Green
- 20 Alvechurch

- 21 Wythall
- 22 Beoley

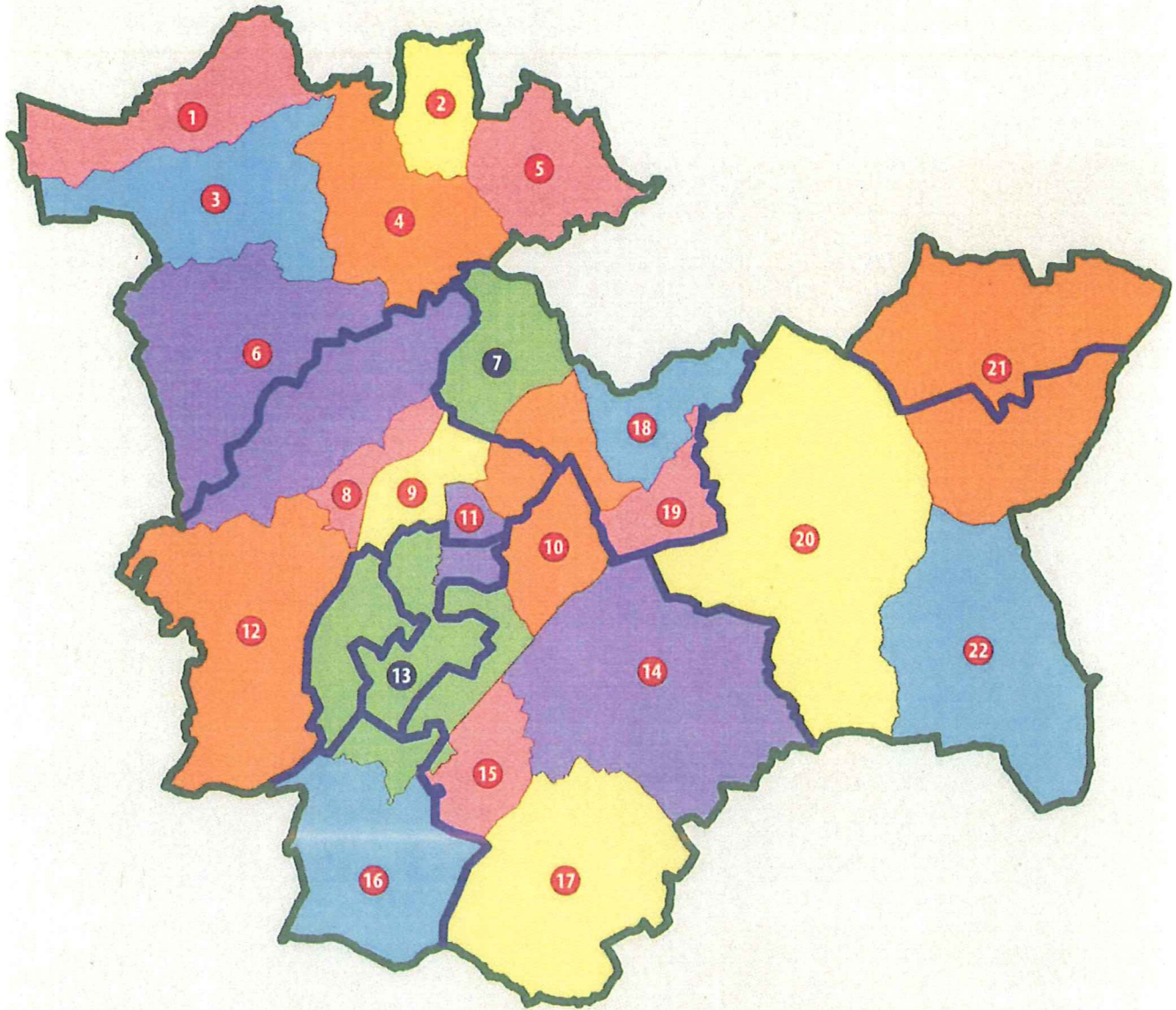
Non Parish

- 7 Rubery
- 13 Bromsgrove

Ward Boundaries

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Bromsgrove District Parishes and Worcestershire County Council Electoral Divisions



Key

Parish

- 1 Hagley
- 2 Hunnington
- 3 Clent
- 4 Romsley
- 5 Frankley
- 6 Belbroughton
- 8 Bournheath
- 9 Catshill
- 10 Lickey and Blackwell
- 11 Lickey End
- 12 Dodford with Grafton

- 14 Tutnall and Cobley
- 15 Finstall
- 16 Stoke Prior
- 17 Bentley Paucefoot
- 18 Cofton Hackett
- 19 Barnt Green
- 20 Alvechurch

- 21 Wythall
- 22 Beoley
- Non Parish**
- 7 Rubery
- 13 Bromsgrove

Electoral Divisions

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Terms of Reference

Local Neighbourhood Partnerships

1. Overall Purpose

- 1.1 To create a forum where the tiers of local government, local strategic partners and residents can work together on tackling local issues and improve resident's satisfaction.

2. Membership and Operation of LNPs

- 2.1 Each Local Neighbourhood Partnership (LNP) will be made up of the County Councillor, District Councillors and, where appropriate a representative from each parish council, the PACT Chairman and other members of the local community. As a guideline, the Council would recommend 2 members of the local community.
- 2.2 The proposed membership of each LNP will be considered and agreed by the Local Strategic Partnership Board.
- 2.3 All members of each LNP will have voting rights,
- 2.4 Each LNP will produce a formal agenda and minutes in relation to each meeting and shall arrange appropriate administrative support to discharge these functions. Each LNP will publish an annual timetable of its meeting dates and ensure appropriate publicity nearer to each meeting, so that the community is aware of the meeting. .
- 2.5 A senior officer from the District Council will be attached to each LNP to provide advice and guidance.
- 2.6 Representatives from other local organisations, who are not represented on the LNP, will be invited from time to time to attend meetings to provide additional support on local interest issues and these will be determined by local agreement between the LNP and these organisations.
- 2.7 The Chairman and Vice-Chairman to be annually elected by the LNP.
- 2.8 Decisions will be based on a majority and the LNP will be quorate if 25% of the LNP is present. The Chairman will have a casting vote; however, it is hoped that this situation will be avoided and any dispute referred to senior officer attached or Assistant Chief Executive, who has overall responsibility for all LNPs.

3. Specific Responsibilities

- 3.1 Strengthen local political leadership through joint working between the each tier of government.
- 3.2 Produce a short annual action plan, based on resident's views.
- 3.3 Act at a tactical level between the Bromsgrove Partnership and PACTs, to provide local leadership on issues that cannot be resolved by PACT, but which are not sufficiently strategic for Bromsgrove Partnership.
- 3.4 Commission parish plans, where appropriate.
- 3.5 Endorse parish plans, prior to them being sent to the Bromsgrove Partnership and District Council.
- 3.6 Spend the allocated LNP budget on local resident's priorities, subject to agreement from the Assistant Chief Executive that the planned expenditure is consistent with the Council's Financial Regulations and other relevant policies and procedures.
- 3.7 Interface with the organisations that make up the Bromsgrove Partnership and other local agencies where appropriate, to resolve local issues and improve resident satisfaction.

4. Community Engagement

- 4.1 Each NAC will need to engage annually with its residents on priorities for the forthcoming year.
- 4.2 The method of consultation should be simple and is not prescribed and will be funded from the delegated budget.
- 4.3 Advice should be sought from the senior district council officer attached to each LNP on consultation techniques.
- 4.4 The PACT meetings will provide the main forum from which public issues can be picked up and referred to the LNP.

5. Frequency of Meetings

- 5.1 Each LNP will meet formally meet every 2 months.
- 5.2 These meetings will be open to the public and advertised in advance. The District Council will advertise these dates on its website and in Together Bromsgrove, its resident's magazine, but local advertising will be the responsibility of each LNP.

5.3 The start of each meeting will allow 15 minutes of questions from the floor to the LNP. The Chairman will have discretion on whether to take further questions from the floor during in the meeting

5.4 Papers for each meeting will be publically available five working days in advance of each meeting and minutes 5 working days after the meeting. Papers will be published on the Council's website.

6. Funding

6.1 Each LNP will have funding made available to it from the District Council, as agreed by Full Council. As a guide, funding is likely to be in the region of £15,000 per LNP.

6.2 Funding will be reviewed annually through the Council's budget cycle.

6.3 The funding will technically be delegated by Full Council to the Assistant Chief Executive, so that the Council operates within its Financial Regulations. Each LNP is not technically within the Council's Constitution so funding cannot be delegated directly to each LNP.

7. Senior Responsible Officer

7.1 The senior responsible officer for NACs will be the District Council's Assistant Chief Executive.

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LNP Consultation Questions

1. Is the West Mercia Police's "Hagley and Rural" boundary the right one for a third pilot? If not, what boundary would you propose for this area?
2. Using the West Mercia Police boundaries, would give us nine LNPs for the District, which the District Council believes is about right. Do you agree? If not, what boundaries would you propose and why?
3. Do you agree with the proposed overall purpose of LNP as set out in Appendix 5 (1.1)?
4. If not, what alternative model would you suggest?
5. Do you agree with the proposed membership of LNPs, as set out in Appendix 5 (2.)?

6. Do you agree with the proposed specific responsibilities of LNPs, as set out in Appendix 5 (3)?

7. Community engagement is a key part of the Government's thinking on local governance. Do you agree with the approach set out in Appendix 5 (4.)?

8. Do you agree with PACT remaining the primary forum for local residents to have their say, but with the LNPs being open to the public, with a 15 minute session for questions from the floor?

9. Do you agree with the proposed funding for each NAC of circa. £15,000 (subject to Full Council approval)?

10. Is there anything else you wish to tell us?

Please return by Friday 3rd October to Louise Berry, Senior Policy & Performance Officer, Chief Executive's Department, Bromsgrove District Council, Council House, Burcot Lane, Bromsgrove B60 1AA

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15TH SEPTEMBER 2008

INTERNAL AUDIT PERFORMANCE AND WORKLOAD

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Head of Financial Services

1. SUMMARY

To present a summary of the current performance and workload of the Internal Audit Section.

2. RECOMENDATION

The Audit Board is recommended to note and approve the:

- Current status and work completed on the 2008/09 Audit Plan.
- Work completed by the Internal Audit Section between June and August 2008.
- Work regarding any investigations.
- Current Performance Indicator statistics.
- Amendments to the section's standard documentation.

3. BACKGROUND

Following the Audit Board meeting on the 25th April 2006, a number of standard agenda items and topics were agreed. This report includes information on the following areas:

- 2008/09 Audit Plan – Current Status.
- Audit Work Completed since the previous Audit Board meeting.
- Summary of Investigations.
- Performance Indicator statistics.
- New or updated audit documents.

4. 2008/09 AUDIT PLAN – CURRENT STATUS

The 2008/09 Audit Plan came into effect on the 1st April 2008. Detailed below is the work completed to date on the audit reviews detailed in the plan.

Description	Section	Start Date	Current Status			Comments
			To Start	Ongoing	Complete	
Audit Reviews						
Email and Internet Policy & Usage	E-Gov. & CS	Qtr 2		✓		Audit Brief completed and some testing done
Refuse Collection & Recycling	St. Scene & Waste Mngmnt	Qtr 4				
Regulation of Investigatory Powers	Legal & Demo..	Qtr 2		✓		Audit Brief completed and some testing done
Budgetary Control & Strategy	Financial Srvs	Qtr 4				
Payroll	HR & OD	Qtr 4				
Creditors	HR & OD	Qtr 4				
NNDR	HR & OD	Qtr 3-4				
Customer Service Centre	E-Gov. & CS	Qtr 2-3				
Benefits	Financial Srvs	Qtr 3				
Asset Management	Financial Srvs	Qtr 3				
General Ledger & Bank Reconciliations	Financial Srvs	Qtr 4				
Debtors	Financial Srvs	Qtr 2-3		✓		Audit Brief commenced
Treasury Management	Financial Srvs	Qtr 4				
Council Tax	Financial Srvs	Qtr 4				
Licensing (Inc Env and Taxi)	Planning & Env	4				
Post Room Process	Legal, Equals & Dem	3				
Projects						
Risk Management	Corporate	Qtr 1 - 4		✓		Regular reviews of risk carried out and reported on

5. AUDIT WORK COMPLETED

- 5.1 Due to vacancies and changes in the Audit Team resources a number of Audits from 2007/08 have been completed in the first quarter of 2008/09. This was to ensure the adequate controls were in place as part of the Use of Resources judgement for 2007/08.
- 5.2 Due to the resulting delays in the commencement of the 2008/09 Audit Plan the plan has been reviewed with the aim to comply with our internal control framework within the time remaining. As mandatory system audits are completed each year, some have been allocated as 'light touch'. These audits will have been undertaken thoroughly over the past few years and any issues have already been identified and managed or resolved and therefore any risks will be reduced. A 3 year audit plan should be introduced to schedule a full audit of these systems every third year.
- 5.3 In addition to reducing the time for some audits there is still a short fall of approximately 30 – 40 days. It is possible that statutory audits could be carried out by an external provider. Worcester City Council has offered 30 days audit work in the latter part of the financial year, which has been accepted. The HOFs has requested audit support from Redditch and Wychavon to meet the remaining shortfall.
- 5.4 It is anticipated that the Quarter 2 report submitted to this Board will demonstrate the revised Audit Plan to be on track.
- 5.5 To encourage joint working and capacity across the Districts the Audit Managers are preparing a report to Treasurers as to how the Internal Audit service can be provided across the County. This would ensure that skills and capacity could be addressed to ensure Audit Plans were met.
- 5.6 To date no scheduled audits have been completed due to the additional time spent completing 2007/08 audits. As detailed in the table above a number of audits have commenced.
- 5.7 Other activities include:
 - Ongoing communication with the Council's new external auditors.
 - The Internal Audit Section has a representative on the Risk Management Steering Group and has provided ongoing support and facilitation in implementing the Council's Risk Management Strategy.
 - Monthly monitoring of the Internal Audit Section's 2008/09 Performance Indicators. Further information has been provided in section 7.

6. SUMMARY OF INVESTIGATIONS

Internal Audit has not been involved in any allegations or investigations during the first period of 2008/09.

7. 2008/09 INTERNAL AUDIT PERFORMANCE INDICATORS

7.1 At the Audit Board meeting on the 19th February 2007, the new 2007/08 Performance Targets were agreed, these have been adopted for 2008/09. Detailed below is the performance against the agreed targets.

No	Description	2008/09 Target	2008/09 Actual	Comments
1	Delivery of Audit Plan (Jobs Finished)	90%	0%	No 2008/09 Audits completed to date
2	Delivery of Audit Plan (Resources)	95%	0%	No 2008/09 Audits completed to date
3	Productive audit time	69%	45% 13%	2007/08 Audit work 2008/09 Audit work
4	Assignments completed within budget	87%	N/A	No 2008/09 Audits completed to date
5	Response time to fraud/allegations	5 days	N/A	No fraud/allegations received to date
6	Pre-audit meetings held for each audit	100%		No 2008/09 Audits completed to date
7	Post audit meetings held for each audit	100%	N/A	No 2008/09 Audits completed to date
8	Draft report turnaround	5 days	N/A	No 2008/09 Audits completed to date
9	Final report turnaround	10 days	N/A	No 2008/09 Audits completed to date
10	Number of recommendations accepted	95%	N/A	No 2008/09 Audits completed to date
11	Post Audit Questionnaires returned	85%	N/A	No questionnaires send out to date
12	Customer feedback rating	92%	N/A	No questionnaires completed to date
13	Attendance	6.6 days	0 days	

7.2 Following each final report, the Head of Service and/or Service Manager are issued with a Quality Questionnaire. This enables them to rate the service they received and detail any areas that require improving

8. NEW OR UPDATED AUDIT DOCUMENTS

There are no new or updated Internal Audit documents to report.

9. FINANCIAL IMPLICATIONS

None outside existing budgets.

10. LEGAL IMPLICATIONS

The Council is required under Regulation 6 of the Accounts and Audit Regulations 2006 to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

11. COUNCIL OBJECTIVES

Council Objective 02: Improvement.

12. RISK MANAGEMENT

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

- Non-compliance with statutory requirements.
- Ineffective Internal Audit service.
- Lack of an effective internal control environment.

12.2 These risks are being managed as follows:

- Non-compliance with statutory requirements:
Risk Register: Financial Services
Key Objective Ref No: 3
Key Objective: Efficient and effective Internal Audit service
- Ineffective Internal Audit service:
Risk Register: Financial Services
Key Objective Ref No: 3
Key Objective: Efficient and effective Internal Audit service
- Lack of an effective internal control environment:
Risk Register: Financial Services
Key Objective Ref No: 3
Key Objective: Efficient and effective Internal Audit service

13. CUSTOMER IMPLICATIONS

No customer implications.

14. EQUALITIES AND DIVERSITY IMPLICATIONS

No equalities and diversity issues.

15. VALUE FOR MONEY IMPLICATIONS

None.

16. OTHER IMPLICATIONS

Procurement Issues: None
Personnel Implications: None
Governance/Performance Management: Effective governance process.
Community Safety including Section 17 of Crime and Disorder Act 1998: None
Policy: None
Environmental: None

17. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No
Chief Executive	Yes
Executive Director (Services)	Yes
Executive Director - Partnerships and Projects	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

18. WARDS AFFECTED

All Wards.

19. APPENDICES

None.

20. BACKGROUND PAPERS

None.

CONTACT OFFICER

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BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15TH SEPTEMBER 2008

RECOMMENDATION TRACKER

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Head of Financial Services

1. SUMMARY

To present a summary of progress to date against the previously selected audit report “priority one” recommendations.

2. RECOMMENDATION

The Audit Board is recommended to:

- Review the “priority one” recommendations detailed in Appendix A.
- Agree any necessary action and reporting process.

3. BACKGROUND

3.1 Following completion of an audit review, recommendations are made to assist Heads of Service and Managers to improve their operational effectiveness. Each recommendation is included in a final report and is prioritised based on the following matrix:

Priority 1: Recommendations that are **fundamental** to improving the controls within the system.

Priority 2: Recommendations that are **important** to improving the controls within the system.

Priority 3: Recommendations that are **desirable** to improving the controls within the system.

Prioritising recommendations enables Heads of Service and Managers to implement recommendations based on importance, in order to improve control within their systems and processes.

3.2 Heads of Service and Managers are contacted on a quarterly basis and an update is requested on each key “priority one” recommendation included on their audit reports. Progress is monitored along with any action completed.

4. RECOMMENDATION TRACKER REPORT SUMMARY

4.1 Attached in Appendix A is a summary of 7 key “priority one” recommendations that have are ongoing since initially reported. The summary report includes the following information:

- Audit Review Title;
- Service Area;
- Final Report Date;
- Recommendation;
- Due Date; and
- Current Position.

4.2 From the 7 recommendations:

- Five are ongoing and within the target date originally agreed or rescheduled; and
- Two are ongoing with no specific date established.

For the two recommendations that are ongoing, progress is being regularly monitored.

5. FINANCIAL IMPLICATIONS

None outside existing budgets.

6. LEGAL IMPLICATIONS

The Council is required under Regulation 6 of the Accounts and Audit Regulations 2006 to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

7. COUNCIL OBJECTIVES

Council Objective 02: Improvement.

8. RISK MANAGEMENT

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

- Non-compliance with statutory requirements.
- Ineffective Internal Audit service.
- Lack of an effective internal control environment.

8.2 These risks are being managed as follows:

- Non-compliance with statutory requirements:

Risk Register: Financial Services

Key Objective Ref No: 3

Key Objective: Efficient and effective Internal Audit service

- Ineffective Internal Audit service:
 Risk Register: Financial Services
 Key Objective Ref No: 3
 Key Objective: Efficient and effective Internal Audit service
- Lack of an effective internal control environment:
 Risk Register: Financial Services
 Key Objective Ref No: 3
 Key Objective: Efficient and effective Internal Audit service

8.3 Service specific improvements and actions are also monitored as part of each individual service risk register.

9. CUSTOMER IMPLICATIONS

No customer implications.

10. EQUALITIES AND DIVERSITY IMPLICATIONS

No equalities and diversity issues.

11. VALUE FOR MONEY IMPLICATIONS

Although there are no obvious value for money implications, implementing recommendations should improve the Council's overall control environment.

12. OTHER IMPLICATIONS

Procurement Issues: None
Personnel Implications: None
Governance/Performance Management: Effective governance process.
Community Safety including Section 17 of Crime and Disorder Act 1998: None
Policy: None
Environmental: None

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (Services)	No
Executive Director - Partnerships and Projects	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

14. WARDS AFFECTED

All Wards.

15. APPENDICES

Appendix A: Recommendation Tracker Report.

16. BACKGROUND PAPERS

None.

CONTACT OFFICER

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Tel: (01527) 881207

Recommendation Tracker Report

Priority 1 Audit Recommendations – Current Status

Current Position Key:

AMBER	Work currently ongoing
RED	Work yet to start

No.	Audit Title	Recommendation	Due Date	Current Position
1	Development Control (Planning and Environment Services) Final Report Issued: 30 th November 2006	<u>Planning Enforcement Procedures</u> We recommend that workable procedures should be agreed and written which conform to the Enforcement Concordat Good Practice Guide. We also recommend that when agreed the Policy should be publicised where appropriate as per the above guide.	Mar 07	<u>AMBER</u> The draft policy and procedure document has been written and reviewed by the Head of P & E and the Legal Department. Comments have been received back but no further work has been allocated New date; N/A – ongoing

No.	Audit Title	Recommendation	Due Date	Current Position
2	<p>Housing Enabling Service and Environment Services) (Planning and Environment Services)</p> <p>Final Report Issued: 2nd October 2006</p>	<p><u>Procedures</u></p> <p>We recommend that the action plan arising from the Audit Commission Strategic Housing Services July 2006 inspection report is implemented as soon as possible.</p> <p>As most homelessness related activities have been outsourced to BDHT, it is imperative that the action plan includes procedures for processes that are the responsibility of BDHT. Officers from BDC should consult with representatives of BDHT when compiling procedures for those activities undertaken by BDHT.</p>	Apr. '07	<p><u>AMBER</u></p> <p>Implementation of procedures is in progress.</p> <p>New date: October 2008</p>
3	<p>NNDR (Financial Services)</p> <p>Final Report Issued: 22nd February 2007</p>	<p><u>Billing Procedures</u></p> <p>We recommend that a clear documented procedure for billing is established which should not just focus on the input of data into academy.</p>	Jun. '07	<p><u>AMBER</u></p> <p>An online procedure manual has been made available. However, a full internal procedure manual still needs to be collated.</p> <p>The internal procedure work is ongoing and all Revenues staff are involved in the process.</p> <p>New date: December 08</p>

No.	Audit Title	Recommendation	Due Date	Current Position
4	NNDR (Financial Services) Final Report Issued: 22 nd February 2007	<p><u>Bill Suppressions</u></p> <p>We recommend that an adequate documented process for dealing with suppressed accounts is established.</p> <p>The process should include:</p> <ul style="list-style-type: none"> - the level of detail to be recorded on the NNDR system to support the suppressed bill; - adequate review process to ensure suppressed accounts are subject to a regular review; - the process for monitoring suppressed accounts, including the use of report 6100e; and - authorisation levels where necessary. 	Jun. '07	<p><u>AMBER</u></p> <p>Authorisation levels to suppress accounts has been reviewed and updated.</p> <p>The Support and Reconciliation Officer will commence this work at the beginning of September</p> <p>New date: December 08</p>
5	Web Development / Updates (E-Government and Customer Services) Final Report Issued: 24 th August 2007	<p><u>Policies and Procedures</u></p> <p>We recommend that you develop clear policies and procedures which effectively govern the management and operation of the Internet and Intranet site.</p>	Nov. '07	<p><u>AMBER</u></p> <p>Compilation of policies and procedures is on-going. The delay in completing the action is due to a vacancy within the department.</p> <p>New date: December 08</p>

No.	Audit Title	Recommendation	Due Date	Current Position
6	<p>Enforcement (Planning and Environment Services)</p> <p>Final Report Issued: 17th August 2007</p>	<p><u>Planning Enforcement Policy</u></p> <p>We recommend that a policy is written and adopted that sets out, in line with the Concordat Principles, the service standards that will be applied.</p> <p>We further recommend that once the policy has been adopted, all officers in the enforcement section should be made aware of its existence and purpose.</p>	Dec. '07	<p><u>AMBER</u></p> <p>A Draft Policy has been written by the Senior Enforcement Officer and was submitted to Head of P & E Services and the Legal Department for comments at the end of October.</p> <p>Comments have been received back but this policy will be the responsibility of new Principal Officer within Enforcement (as part of restructure planned to be effective from April 2008).</p> <p>New date: Sept 09</p>

No.	Audit Title	Recommendation	Due Date	Current Position
7	Budgetary Control System (Financial Services) Final Report Issued: 9 th May 2007	<p><u>Accountancy Procedures</u></p> <p>We recommend that an Accountancy Procedure Manual be created and distributed to all staff.</p> <p>The manual should include:</p> <ul style="list-style-type: none"> - aspects of the budget setting and monitoring process; and - all relevant operations fulfilled by the section. 	Mar. '08	<p><u>AMBER</u></p> <p>Work has been completed on collating a full task list of Accountancy roles and responsibilities.</p> <p>Work has started on allocating tasks and preparing procedure manuals for the relevant areas.</p> <p>New date: N/A – ongoing</p>

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BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15TH SEPTEMBER 2008

RISK MANAGEMENT TRACKER

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Head of Financial Services

1. Summary

To present an overview of Actions/Improvements as detailed in service area Risk Registers for the period 1st April to 30th June 2008.

2. Recommendation

The Audit Board is recommended to note progress to date against all business area risk register actions for Quarter 1 2008/09 (April – June)

3. Background

- 3.1 During December 2006 a review of the Council's risk management arrangements was undertaken by the Internal Audit section. Following the review a new approach, which included updated documentation, was adopted. The revised Risk Management Strategy was approved by the Executive Cabinet on the 7th March 2007.
- 3.2 As part of the new approach, each business area is required to collate a risk register that details:
- Key Objectives;
 - Risk Score;
 - Current controls;
 - Actions and improvements;
 - Responsible officers and target dates for each action and improvement; and
 - Progress against each action and improvement.
- 3.3 Business areas update their risk registers on a regular basis to ensure that actions and improvements are being monitored and implemented. The actions and improvements are designed to reduce risks, improve controls and aid individual sections to achieve their objectives.
- 3.4 The Risk Management Steering Group meets on a monthly basis to review departmental registers, highlight any concerns with the Head of Service and to review progress on actions and improvements.

- 3.5 The departmental registers are reviewed at Corporate Management Team and Audit Board on a quarterly basis. The Corporate Risk Register 2008/09 is under review by Corporate Management Team and will be reported to the next Audit Board meeting.
- 3.6 In addition to the review of the registers there is a planned programme of risk management training that supports the development of the risk culture through the organisation.

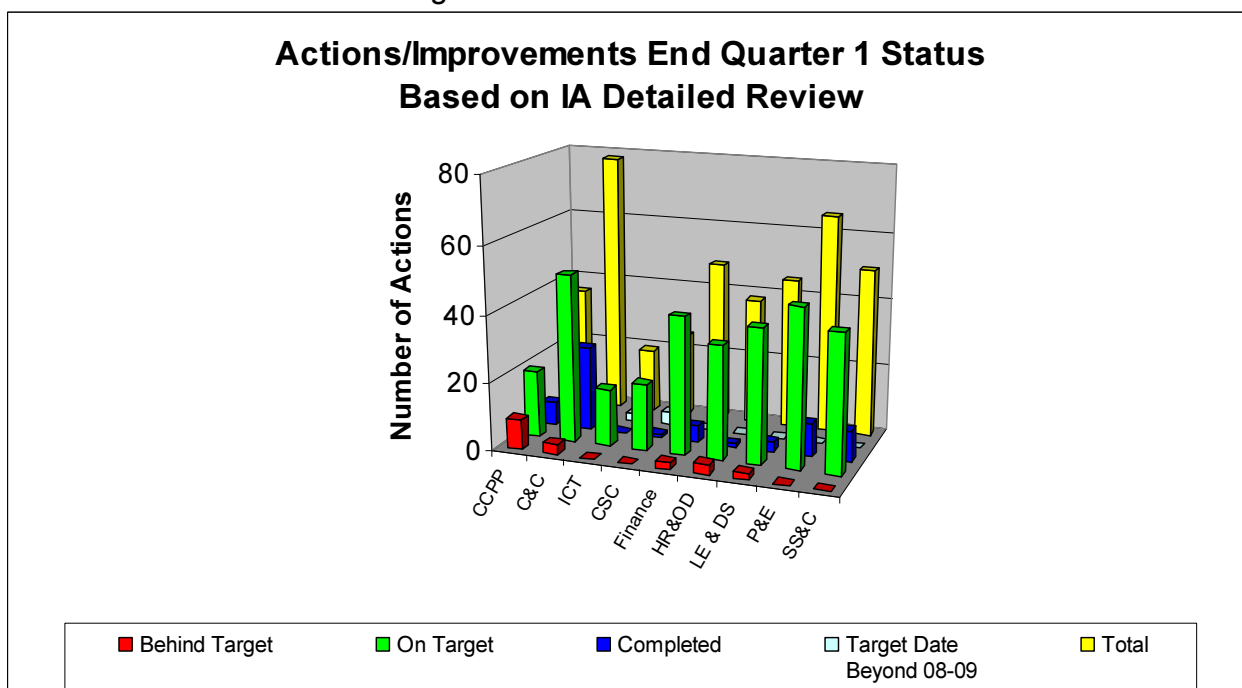
4. Actions/Improvements Summary

- 4.1 Each service area has submitted to Internal Audit the quarter 1 position for each Action/Improvement detailed on their Risk Register.
- 4.2 A detailed review of each Action/Improvement, target date, current position rating and commentary has been carried out. The Internal Audit overall opinion has identified some differences in the quarter 1 position ratings.

The above information is summarised in the table below.

Current Position Rating	Business submitted figures	IA Detailed Review
Behind target (Red)	19	19
On target (Green)	332	310
Target Beyond 08-09 (Pale Blue)		6
No Colour	9	8
Completed (Blue)	44	61
TOTAL	404	404

- 4.3 The chart below shows the status of all Actions/Improvements for the period 1st April to 30th June 2008 for each risk register based on Internal Audit’s detailed review.



- 4.4 In previous reports Internal Audit has included an end of year prediction based on the number of Actions/Improvements completed since the 1st April up to the end of the reporting quarter.

We have not included such a prediction within this report; the rationale being that to base a prediction on the current number of completed Actions/Improvements would not provide meaningful information. For example, if a service area has not completed any Actions/Improvements during quarter 1 because none had a target date within the quarter the prediction would be that no Actions/Improvements would be completed by the end of the financial year.

The next report, which will be based on the half year position, will include an end of year prediction as all services areas ought to have completed some Actions/Improvements.

- 4.5 Risk Registers are designed to be used as a management tool to facilitate the identification of potential issues that may prevent the Council's key objectives from being achieved.

Internal Audit's review of the use of the Red (behind target) current position rating has identified that service areas are using the Risk Register as an early warning system to identify possible issues and, therefore, are in a position to be aware of, evaluate potential consequences and manage risk in order to achieve objectives.

Of the 19 Actions/Improvements rated behind target (which represents 4.7% of the total number of Actions/Improvements) Internal Audit's detailed analysis has identified:

- 17 are Actions/Improvements where the target date may not be achieved; and
- 2 are Actions/Improvements that are actually behind target.

- 4.6 On 15th July 2008 Internal Audit issued each service area with a spreadsheet detailing the Actions/Improvements that at the end of the 2007/08 Financial Year were either behind target or had an extended target date (that is, due for completion in 08/09 or beyond).

Internal Audit requested that each service area:

- check whether the Action/Improvement has been included in the 2008/09 Risk Register;
- if yes, supply Internal Audit with the 2008/09 Risk Register Action/Improvement reference; or
- if not included, either:
 - o add it to the register and provide Internal Audit with the reference; or
 - o provide a brief explanation as to why it was not included.

A copy of the updated spreadsheet was to be returned to Internal Audit together with the quarter 1 update. Three services areas have provided an update to Internal Audit.

Without carrying out this exercise there is the risk that service areas have excluded key Actions/Improvements from their 2008/09 Risk Register. Additionally, Internal Audit will not have a complete audit trail.

Overall Summary

- 4.7 Internal Audit's review has identified an additional 17 Actions/Improvements that we perceive as completed based on the commentary provided.
- 4.8 Service areas are starting to use the Red current position rating constructively to identify Actions/Improvements that, in the future, may not be completed by the target date. In doing so Risk Registers are being used to ensure that risk is pro-actively managed.
- 4.9 It is important that when the new financial year's Risk Register is compiled service areas ensure that all Actions/Improvements that are either behind target or have an extended target date at the end of the previous financial year are included in the Risk Register or, if excluded, that there is a recorded rationale for why an Action/Improvement is no longer applicable. This provides a robust audit trail and ensures that key Actions/Improvements are not overlooked.

5. Financial Implications

None outside of existing budgets. The continued development of the risk management culture within the Council will aim to achieve improved assessment under the Use of Resources scoring.

6. Legal Implications

None except specific legislation associated with any of the risk registers key objectives.

7. Corporate Objectives

Council Objective 02: Improvement.

8. Risk Management

- 8.1 Developing and maintaining Service risk registers will assist the Council to achieve its objectives, priorities, vision and values. The development and continual review of the registers will also support the Councils achievement of the Use of Resources framework.
- 8.2 Improvements and actions are monitored as part of each individual Service risk register.

9. Customer Implications

In addressing the risks associated with the delivery of the Councils services the customers will receive a consistent and controlled quality of service provision.

10. Equalities and Diversity Implications

The specific issue of improving equality and diversity is included within the Legal, Equalities and Democratic Services departmental register.

11. Other Implications

Procurement Issues: None
Personnel Implications: None
Governance / Performance Management: Effective governance process.
Community Safety including Section 17 of Crime and Disorder Act 1998: None
Policy: None
Environmental: None

12. Others Consulted on the Report

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (Services)	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	yes
Head of HR & Organisational Development	Yes
Corporate Procurement Team	NA

13. Appendices

None.

14. Background Papers

Departmental risk registers – available from HOS

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