

10 March 2015

Committee	Audit
Date	Wednesday, 18 March 2015
Time of Meeting	2:00 pm
Venue	Committee Room 1

ALL MEMBERS OF THE COMMITTEE ARE REQUESTED TO ATTEND



**for Sara J Freckleton
Borough Solicitor**

Agenda

1. ANNOUNCEMENTS

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the visitors' car park at the front of the building and await further instructions (staff should proceed to their usual assembly point). Please do not re-enter the building unless instructed to do so.

In the event of a fire any person with a disability should be assisted in leaving the building.

2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

To receive apologies for absence and advise of any substitutions.



Item	Page(s)
3. DECLARATIONS OF INTEREST	
Pursuant to the adoption by the Council on 26 June 2012 of the Tewkesbury Borough Council Code of Conduct, effective from 1 July 2012, as set out in Minute No. CL.34, Members are invited to declare any interest they may have in the business set out on the Agenda to which the approved Code applies.	
4. MINUTES	1 - 10
To approve the Minutes of the meeting held on 10 December 2014.	
5. GRANT THORNTON PROGRESS REPORT	11 - 22
To consider the external auditor's report on progress against planned outputs.	
6. GRANT THORNTON CERTIFICATION REPORT 2013/14	23 - 31
To consider Grant Thornton's Certification Report 2013/14.	
7. STATEMENT OF ACCOUNTING POLICIES	32 - 51
To approve the accounting policies to be used during the 2014/15 closedown.	
8. INTERNAL AUDIT PLAN MONITORING REPORT	52 - 91
To consider the Internal Audit work undertaken and the assurance given on the adequacy of internal controls operating in the systems audited for the period December 2014 to February 2015.	
9. INTERNAL AUDIT PLAN 2015/16	92 - 96
To approve the Internal Audit Plan 2015/16.	
10. SAFEGUARDING AUDIT	97 - 107
To consider the progress which has been made in relation to the recommendations arising from the safeguarding audit.	
11. PUBLIC SERVICE NETWORK COMPLIANCE	108 - 111
To consider the report on the Council's compliance with the Public Service Network.	
12. CORPORATE RISK REGISTER	112 - 120
To consider the risk register and the risks contained within it.	

DATE OF NEXT MEETING
WEDNESDAY, 24 JUNE 2015

COUNCILLORS CONSTITUTING COMMITTEE

Councillors: R E Allen (Vice-Chairman), Mrs K J Berry, Mrs J E Day, M Dean (Chairman),
Mrs S E Hillier-Richardson, A C Tugwell and D J Waters

The Council has a substitution procedure and any substitutions will be announced at the beginning of the meeting.

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Audit Committee held at the Council Offices,
Gloucester Road, Tewkesbury on Wednesday, 10 December 2014 commencing
at 2:00 pm**

Present:

Chairman
Vice Chairman

Councillor M Dean
Councillor R E Allen

and Councillors:

Mrs J E Day and Mrs S E Hillier-Richardson

AUD.23 ANNOUNCEMENTS

- 23.1 The evacuation procedure, as noted on the Agenda, was taken as read.
- 23.2 The Chairman introduced David Johnson, the new Audit Manager for Tewkesbury Borough Council from Grant Thornton, and welcomed him and Alex Walling, Engagement Lead from Grant Thornton, to the meeting.

AUD.24 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

- 24.1 Apologies for absence had been received from Councillors Mrs K J Berry, A C Tugwell and D J Waters. There were no substitutions for the meeting.

AUD.25 DECLARATIONS OF INTEREST

- 25.1 The Committee's attention was drawn to the Tewkesbury Borough Council Code of Conduct which was adopted by the Council on 26 June 2012 and took effect from 1 July 2012.
- 25.2 There were no declarations made on this occasion.

AUD.26 MINUTES

- 26.1 The Minutes of the meeting held on 24 September 2014, copies of which had been circulated, were approved as a correct record and signed by the Chairman.
- 26.2 With regard to Minute No. AUD.22.4, the Policy and Performance Group Manager indicated that a report would be taken to the March meeting of the Committee to give an update on the progress against outstanding recommendations arising from the safeguarding audit which had been given a limited opinion.

AUD.27 GRANT THORNTON PROGRESS REPORT

- 27.1 Attention was drawn to Grant Thornton's progress report, circulated at Pages No. 10-20, which set out the progress which had been made in relation to the Audit Plan, together with any emerging national issues and developments that might be relevant to the Borough Council. Members were asked to consider the report.
- 27.2 Members were advised that the Annual Audit Letter 2013/14 would be considered under the next Agenda Item. With regard to the certification of claims and returns 2013/14, the detailed testing and reporting for the housing benefit subsidy claim had been completed in time to meet the Department of Work and Pensions deadline and a report would be presented at the Audit Committee meeting on 18 March 2015. In terms of planned work, the interim accounts audit was due to be carried out in February/March 2015 but could potentially be brought forward to January. The findings would be used to inform the Accounts Audit Plan which would be brought to the Audit Committee meeting in June and would set out how Grant Thornton would approach the accounts audit. The work to inform the 2014/15 value for money conclusion was planned for the summer and would be very much in line with the work which had been done for 2013/14 concentrating on two specific areas: financial resilience; and economy, efficiency and effectiveness.
- 27.3 The progress report included emerging issues and developments which it was felt should be brought to the Committee's attention. Members were advised that the Department of Communities and Local Government (DCLG) was consulting on proposals to bring forward the audit deadline for 2017/18 from the end of September 2018 to the end of July 2018. Whilst this was some time away, it would have an impact upon both local authorities and their auditors. Grant Thornton would be working closely with the Finance Team over the next two to three years to try to bring the various stages forward so that this was a gradual change. In response to a query as to whether this could be accommodated, the Finance and Asset Management Group Manager indicated that he was well aware of the issues and he would be working with his team to see how they could meet these deadlines.
- 27.4 The Engagement Lead indicated that Grant Thornton had recently published a document about financial resilience and national work around value for money; Tewkesbury Borough Council was mentioned specifically in recognition of its work around the public sector hub. The Finance and Asset Management Group Manager undertook to circulate the electronic version of the document to the Committee following the meeting.
- 27.5 It was
RESOLVED That that Grant Thornton progress report be **NOTED**.

AUD.28 ANNUAL AUDIT LETTER 2013/14

- 28.1 Attention was drawn to Grant Thornton's Annual Audit Letter 2013/14, circulated at Pages No. 23-26, which summarised the key findings from the work that had been carried out at Tewkesbury Borough Council for the year ended 31 March 2014. Members were asked to consider the Annual Audit Letter 2013/14.
- 28.2 The Audit Manager explained that Grant Thornton had reported the findings arising from the audit of the Council's financial statements to the Audit Committee meeting on 24 September 2014 and had issued an unqualified opinion on 29 September 2014. It was a clean opinion with only a small number of areas to address, none of which were significant. An unqualified value for money conclusion for 2013/14 was also issued on 29 September 2014. Only limited work was needed in relation to the Government's consolidation pack as Tewkesbury Borough Council was below the

threshold. As mentioned under the previous Agenda Item, a report on the certification of grant claims and returns would be brought to the next meeting of the Committee, although it was noted that there was nothing significant to report. The Letter also confirmed the audit fee for 2013/14 which was set by the Audit Commission. The key recommendations identified during the 2013/14 audit were set out at Appendix A, Page No. 25 of the report, and had previously been reported in the audit findings report. The recommendation that the Chief Finance Officer should not have the ability to post journals had been agreed and implemented in accordance with the due date of 30 September 2014. Appendix B, set out at Page No. 26 of the report, confirmed the audit fee and the fact that there were no fees for the provision of non-audit services. No additional services had been provided or requested by the Council.

28.3 Having considered the information provided it was

RESOLVED That the Annual Audit Letter 2013/14 be **NOTED**.

AUD.29 PROTECTING THE PUBLIC PURSE - FRAUD BRIEFING 2014

29.1 Attention was drawn to the 'Protecting the Public Purse: Fraud Briefing 2014' written by the Audit Commission for Tewkesbury Borough Council. Members were asked to consider the fraud briefing.

29.2 The Engagement Lead from Grant Thornton indicated that the report was provided by the Audit Commission and the findings were predominantly based on the fraud and corruption survey which the Council had completed earlier in the year. Whilst she did not intend to go through the briefing in detail, it had been brought before Members to raise awareness that fraud was a real risk and it was essential to have good controls in place. It was to be borne in mind that the graphs intended to show where Tewkesbury Borough Council stood in relation to other local authorities in the comparator group; low figures were not necessarily positive as this could mean that fraud was going undetected. The Policy and Performance Group Manager advised that the document would be taken to the Corporate Governance Group for consideration and he would bring a further report to the Audit Committee in March.

29.3 It was

RESOLVED That the Audit Commission's 'Protecting the Public Purse: Fraud Briefing 2014' be **NOTED**.

AUD.30 INTERNAL AUDIT PLAN MONITORING REPORT

30.1 The report of the Policy and Performance Group Manager, circulated at Pages No. 39-77, summarised the work undertaken by the Internal Audit team for the period September to November 2014. Members were asked to consider the audit work completed and the assurance given on the adequacy of internal controls operating in the systems audited.

30.2 Members were advised that full details for the work undertaken during the period were attached at Appendix 1 to the report and the Policy and Performance Group Manager confirmed that the team was currently on target to achieve the minimum 90% completion of the Audit Plan by the end of the financial year. A list of audits within the 2014/15 Audit Plan and their progress to date could be found at Appendix 2 to the report. He indicated that the Internal Audit team was very small comprising only two members of staff, one of whom would be starting maternity leave at the end of January 2015, and action would need to be taken to ensure that the service remained adequately resourced. It was noted that details of all audit recommendations had been included within the monitoring report at Appendix 3 to help provide the Committee with an overview of the work undertaken and the implementation of audit recommendations. The Policy and Performance Group

Manager went on to confirm that no incidents of fraud, corruption or theft had been reported during the period. At the Audit Committee meeting on 24 September 2014, Members had been informed that there had been a request from Tewkesbury Town Council for its internal audit work to be undertaken by the Borough Council's Internal Audit team. It had been estimated that 5-7 days would be required to carry out the work; however, following an initial meeting with the Town Clerk to discuss the scope of the audit, it was considered that 10 days would be more appropriate.

- 30.3 In terms of the audits which had been completed during the period, Members were advised that the capital accounting audit had confirmed that there was a good level of control in the approach and a good level of scrutiny in relation to all capital grants which were assessed by a Member Working Group. The capital grants criteria did require updating and a new scheme would be provided for 2015/16. The asset register which was maintained within Financial Services had been found to be accurate, although it was recommended that a periodic check be carried out against the land terrier in order to identify any omissions as part of the year-end review. In respect of asset valuations, the contract whereby asset valuation advice was provided to the Council had now expired and it was therefore recommended that it be retendered.
- 30.4 With regard to the audit on ICT – Public Sector Network (PSN) Compliance, Members were reminded that the Business Transformation Group Manager had attended the last meeting of the Committee to explain PSN to Members. The audit had included following-up previous audit recommendations within the PSN Compliance audit 2013/14 as well as looking at the 2014/15 self-assessment. There were some procedural actions outstanding, for instance, the completion of personal commitment statements for all PSN users and the completion of a business case for all users of removable media devices. In order to comply with PSN requirements, the Council must ensure that all users had undergone a Baseline Personnel Security Standard (BPSS) check. Members were informed that the Council's Senior Risk Information Owner had now been identified as the Deputy Chief Executive, however, it was recommended that this be formalised by the Corporate Leadership Team and that the responsibilities of the role be defined. This would be done via an Information Governance Assurance Framework and a report would be taken to the Executive Committee. An issue in respect of access to the ICT server room had now been resolved and access would only be granted by the Property team at the request of the ICT Manager. The 2014/15 PSN Code of Compliance had been completed and returned, however, a response had been received stating that the submission had been unsuccessful as five PSN users were yet to undergo the BPSS check. There was a three month window for multiple resubmissions and this issue could be easily resolved within that timeframe. A Member queried why the five users had not had the BPSS check and the Policy and Performance Group Manager indicated that he would need to clarify the reason with the ICT Manager. He confirmed that the Council had until the end of January 2015 to gain PSN approval.
- 30.5 Members were reminded that, at the March meeting of the Audit Committee, Grant Thornton had indicated that National Non-Domestic Rates (NNDR) would not be subject to external audit and Members had sought assurance that this would be picked up by Internal Audit. As such an additional audit had been included in the Audit Plan which had shown that there was a satisfactory level of control. In respect of collectable rates, procedures were currently being established and documented concerning the identification of renewable energy resources; the value on the return was currently a nil value. It had been noted that the policy in relation to discretionary relief needed to be updated to reflect the Localism Act 2011 in that the relief was now payable to all ratepayers.

- 30.6 In relation to the audit of the business flood grants, Members were advised that local authorities were responsible for administering the flooded business support scheme in accordance with guidance provided by the Government. To date, £124,000 of the £475,000 available had been allocated and it was therefore recommended that a decision should be made in relation to how the remaining grant monies would be allocated to businesses within the Borough. A submission would be made to the Government to see whether the money could be used in a different way. With regard to the National Fraud Initiative (NFI) audit, the Policy and Performance Group Manager indicated that a data matching exercise was carried out every two years which involved matching data held on Tewkesbury Borough Council systems with that held by other local authorities and matching internal payments to suppliers to identify fraud and error. In addition, a further matching exercise between Council Tax and Electoral Register data was now completed on an annual basis which helped to identify people who were claiming single person occupancy when they were not entitled to do so. There was a good level of assurance that the outcomes of the 2013/14 NFI data matching exercise had been progressed and this would be considered in more detail at Agenda Item 10.
- 30.7 Members were advised that there was a rolling programme which audited the accuracy of local performance indicators reported to the Overview and Scrutiny and Executive Committees. There was a satisfactory level of assurance that systems were in place to accurately calculate the figures for the local performance indicators in respect of the Revenues and Benefits Service and Environmental and Housing Service which had been reviewed during the audit. A Member noted that the percentage Council Tax collected had been reported as 57.28%, and that this had been fairly stated, however, she felt that this seemed quite low. In response, the Policy and Performance Group Manager clarified that this was the six month figure. With regard to the Council Tax audit, there was a good level of control for most objectives although a number of recommendations had been made around inspections of new homes which were not currently recorded on the Northgate system. A Member questioned whether Officers liaised with builders and developers to ensure that new homes did not slip through the net in terms of collecting Council Tax. The Revenues and Benefits Group Manager explained that Officers monitored the proposals in the planning systems and went out to meet with developers to discuss likely dates of completion. The law allowed the Council to serve a completion notice based on when it was felt that the property could be finished and, therefore, the date from which Council Tax would be payable. The notices could give up to 13 weeks to complete the development. The housing market was fairly buoyant and it was often the case that someone would move into the property before a completion notice was required which meant that Council Tax was chargeable straight away. He provided assurance that empty properties were visited regularly. A Member went on to query whether Officers were reliant on people informing the Council that they had moved into the property, i.e. whether Officers were active or reactive. The Revenues and Benefits Group Manager explained that, if the Council was aware of an empty property, this would be visited by an Officer to confirm that it remained empty. Properties were monitored by an Officer who had a monthly round to check whether people were living in the 'empty' properties. If a bill was sent out and no response received, or the paperwork was 'returned to sender', an investigating officer would be sent out to establish the situation. Members were advised that failing to notify the Council of moving into, or owning, a property was not a specific offence unlike with Housing Benefit where criminal proceedings could be started if someone failed to inform the Council of a change in circumstances. There were some low level administrative procedures which could theoretically be applied but these were unlikely to solve the problem and, as such, it was important that Officers were on top of the situation concerning empty properties within the Borough.

- 30.8 Members noted that a lot of work had been carried out in relation to the contract registers, as part of the corporate improvement work undertaken by Internal Audit. There was an action within the Council's Procurement Strategy that contract registers should be in place for each service grouping and this had been given greater emphasis by the Local Government Transparency Code 2014 which would be considered at Agenda Item 11. Internal Audit had also played a proactive role on the project team which had looked at the processes and systems within Revenues and Benefits. Work undertaken included process mapping, equalities analysis and process challenge whilst ensuring fundamental internal controls remained. The improvement programme was beginning to have an impact with the number of days to process claims being reduced.
- 30.9 Having considered the information provided it was
RESOLVED That the Internal Audit Plan Monitoring Report be **NOTED**.

AUD.31 FLOOD GRANT AUDIT

- 31.1 The report of the Environmental and Housing Services Group Manager, set out at Pages No. 78-85, summarised the progress which had been made against the actions arising from the review of flood grants. Members were asked to consider the progress which had been made.
- 31.2 The Environmental Health Manager advised that flood grants were mostly large capital grants which were administered by the Borough Council. The majority of these grants were reported to the Flood Risk Management Group and the Overview and Scrutiny Committee. A review of flood grants for capital improvements had been completed in May 2014 and a number of recommendations made, as set out in the audit report attached at Appendix 1 to the report. A summary of the progress against the recommendations was attached at Appendix 2 to the report. All issues identified had been actioned with the exception of recommendation 1 'grant terms and conditions should be formalised between Tewkesbury Borough Council and Gloucestershire County Council'. With regard to this action, the suggestions made by Tewkesbury Borough Council were now being rolled out to all other districts in Gloucestershire and the subsequent agreement was in the process of being finalised. It was hoped that this would be completed by the end of the month. The Policy and Performance Group Manager indicated that a follow-up audit would be undertaken to confirm that all of the recommendations had been implemented.
- 31.3 It was
RESOLVED That the progress against the actions arising from the review of flood grants be **NOTED**.

AUD.32 NATIONAL FRAUD INITIATIVE DATA MATCHING

- 32.1 The report of the Revenues and Benefits Group Manager, circulated at Pages No. 86-89, asked Members to consider the outcomes from the Council Tax and Electoral Registration data matching exercise 2012/13.
- 32.2 The Revenues and Benefits Group Manager indicated that the National Fraud Initiative (NFI) was a data matching exercise facilitated by the Audit Commission. It involved comparing Council Tax discounts and exemptions information with that held by the Audit Commission. The data held was drawn from a number of bodies, including Gloucestershire County Council records and other Department of Work and Pensions information. Where a match was found it indicated that there was an inconsistency in the information held by the various organisations which required further investigation. The matching of Council Tax and Electoral Registration data was originally undertaken every two years but was now an annual exercise.

- 32.3 The 2013/14 data matching exercise had drawn to a close in the summer of 2014. The findings of the previous data matching exercise had been released in February 2014 and had indicated that 44 matches had been identified resulting in the cancellation of single person discount for 140 claimants totalling £50,182.76; 102 'Council Tax rising 18s' had also been identified resulting in the cancellation of single person discount for 36 claimants totalling £9,309.69. To put these figures into perspective, the total value of single person discount awarded in 2013/14 was £3.7m. At the last count, the Council had in the region of 12,000 claims for single person discount. In legislative terms there was no fraud with Council Tax discounts and exemptions and there was no specific offence for failure to notify the Council about a change in circumstances. The average overpayment was approximately £360 per person which was not a level at which the Council would prosecute. There was no legal bar to prosecuting for low level amounts but it was Council policy not to prosecute cases where the overpayment was less than £2,000 unless other alternatives had been considered and/or tried and failed.
- 32.4 In terms of improving internal control, in addition to moving to an annual review, consideration would be given to sending out an annual mailshot to tell people that they must advise the Council of change in circumstances where they were no longer eligible for a single person discount. A Member felt that the timing of the letters would be very important and she suggested that August/September would be more appropriate than the beginning of the year given the number of children returning from university etc. The Revenues and Benefits Group Manager confirmed that this was the exactly the time he had in mind. It was subsequently
- RESOLVED** That the outcomes from the Council Tax and Electoral Registration data matching exercise 2012/13 be **NOTED**.

AUD.33 LOCAL GOVERNMENT TRANSPARENCY CODE 2014

- 33.1 Attention was drawn to the report of the Finance and Asset Management Group Manager, circulated at Pages No. 90-95, which set out the requirements of the Local Government Transparency Code 2014. Members were asked to consider the requirements and to approve the actions taken to ensure compliance.
- 33.2 Members were advised that the new requirements of the Local Government Transparency Code 2014 had been identified as a significant governance issue within the Council's Annual Governance Statement. The Local Government Transparency Code had been introduced in January 2011 and required local authorities to publish data in relation to: every transaction over £500, senior officer salaries; and Members' Allowances. The Council had complied with those requirements. In May 2014, the Secretary of State had issued a replacement Transparency Code with significantly more requirements than the existing Code. A table setting out the requirements of the Code was included at Paragraph 2.1 of the report. The Council would be required to publish quarterly: information on each individual item of expenditure over £500; every transaction on a Government procurement card; and details of every invitation to tender and contracts in excess of £5,000. In addition, it would be required to publish annually: all land and building assets; details of grants to voluntary, community and social enterprise organisations; an organisation chart showing the top three tiers; numbers of staff and spending; parking accounts and controlled spaces, including details of any parking surplus; details of salaries over £50,000; the Council's Constitution; the ratio between the highest paid taxable earnings for the given year and the median earning figure of the whole authority workforce; and details of fraud. There was a one-off requirement to report any waste contracts in place.

- 33.3 The first publication of the quarterly data requirements was required by the end of December 2014 and the first annual publication by the beginning of February 2015. Information was currently being compiled for publication in line with the required timeline and would be uploaded onto a dedicated transparency page of the Council's website, with the exception of some information, such as parking and procurement, which would be linked to existing pages. The Finance and Asset Management Group Manager emphasised the huge amount of work which had been undertaken across various Council departments to ensure that all of the requirements were met and he indicated that it was essential that this information was kept up to date.
- 33.4 A Member raised concern about the extra pressure on staff to ensure that this data was published regularly and the Finance and Asset Management Group Manager agreed that this would be an extra responsibility for staff, although there would be less work required going forward after the initial publication. A Member queried whether Parish and Town Councils would be expected to comply with the Code and the Finance and Asset Management Group Manager confirmed that the Code would apply to any Parish or Town Councils with gross annual income or expenditure exceeding £200,000. Whilst she recognised the amount of work involved, the Member welcomed the changes as she felt that the public had a right to know how money was being spent. Nevertheless, she doubted that this was something which Parish and Town Councils would be able to do quickly and easily and she questioned whether the Borough Council could provide a service to those who needed it, particularly given that the Borough Council was carrying out the audit for Tewkesbury Town Council. The Finance and Asset Management Group Manager indicated that he was happy to advise on the regulations but Parish and Town Councils would need to gather their own information for publication. In terms of carrying out more internal audit work on behalf of Parish and Town Councils, this was very much a question of whether the necessary resources were available within the Internal Audit team.
- 33.5 The Policy and Performance Group Manager went on to explain that it was intended to include a small number of days within the Audit Plan 2015/16 to ensure that the Council continued to comply with the Code and it was subsequently
- RESOLVED** That the requirements of the Local Government Transparency Code 2014 be **NOTED** and the actions taken to ensure compliance be **APPROVED** as set out in Paragraph 3 of the report.

AUD.34 REGULATION OF INVESTIGATORY POWERS (RIPA)

- 34.1 Attention was drawn to the report of the Borough Solicitor, set out at Pages No. 96-108, which updated Members on the inspection and report from the Office of Surveillance on the Council's arrangements for the use of the powers under the Regulation of Investigatory Powers Act 2000. Members were asked to consider the findings and recommendations within the report.
- 34.2 Members were advised that the Regulation of Investigatory Powers 2000 (RIPA) and the Protection of Freedoms Act 2012 legislated for local authorities to use covert methods of surveillance and information gathering to assist in the detection and prevention of crime in relation to the authority's core functions. The Council's use of covert surveillance authorisations under RIPA was subject to regular inspection and audit by the Office of the Surveillance Commissioner and a review of the Council's management of covert activities had been carried out on 3 February 2014. The inspection report, attached at Appendix 1 to the Committee report, noted that there had been no authorisations for directed surveillance and no authorisations for the use and conduct of a covert intelligence source in the period since the last review in August 2010. Notwithstanding this, the report had

recommended that RIPA training should continue to be formally delivered by the Council to staff who were likely to engage the legislation to ensure that it could be applied to the appropriate standard should it be required. The report also recommended an amendment to the Tewkesbury Borough Council Procedural Guide Regulation of Investigatory Powers Act 2000.

34.3 A Member indicated that some local authorities had used covert surveillance in relation to bin collections and he questioned whether this was a method used by Ubico, the local authority-owned company which would be delivering the Tewkesbury Borough Council waste service. The Borough Solicitor clarified that Ubico did not use covert surveillance for any of its clients and, even if this was not the case, there would be no requirement for Tewkesbury Borough Council to agree for it to be used within the Borough as the Council had full control over the contract for the delivery of its waste service. The Council was able to use a range of measures for detecting crime and covert surveillance was very much a last resort.

34.4 Having considered the information provided it was

RESOLVED That the findings and recommendations within the Office of Surveillance Commissioners' report regarding the Council's arrangements for the use of the powers under the Regulation of Investigatory Powers Act 2000 be **NOTED**.

AUD.35 MONITORING OF SIGNIFICANT GOVERNANCE ISSUES

35.1 The report of the Borough Solicitor, circulated at Pages No. 109-114, set out the Significant Governance Issues and the action to be taken to address them as identified in the Council's Annual Governance Statement. Members were asked to consider the progress made against those issues.

35.2 Members were advised that the table set out at Appendix 1 to the report, comprised the Significant Governance Issues and the proposed action and timescale for completion, with the addition of a further column which indicated the progress by 30 November 2014. It was noted that progress was being made against all identified issues and the actions proposed were currently on target to achieve the intended timescale. The issue in relation to risk management and business continuity was covered under the next Agenda Item.

35.3 It was

RESOLVED That the progress against the Significant Governance Issues identified in the Council's Annual Governance Statement be **NOTED**.

AUD.36 CORPORATE RISK REGISTER

36.1 The report of the Policy and Performance Group Manager, circulated at Pages No. 115-121, attached the corporate risk register which had recently been reintroduced. Members were asked to consider the corporate risk register and the risks contained within it.

36.2 Members were advised that the corporate risk register had recently been reintroduced and was reported through the performance management framework which was reviewed by the Overview and Scrutiny Committee. The reporting of the register had been discussed by the Corporate Governance Group where it was agreed that the Audit Committee was the most appropriate Committee to review the register given that its Terms of Reference included the responsibility to monitor the effective development and operation of risk management.

- 36.3 The Policy and Performance Group Manager explained that the register, attached at Appendix 1 to the report, was being reported exactly as it had been at the Overview and Scrutiny Committee meeting on 9 September 2014. There were a number of risks which needed to be updated and he would ensure that it would be a 'live' document going forwards. The register was a corporate document which had been endorsed by the Corporate Leadership Team.
- 36.4 A Member raised concern that there was very little detail included in the register and she felt that the document should include dates and the names of responsible Officers. She indicated that she was new to the Audit Committee and it was not clear to her how the current controls and further controls matched the risk descriptions. The Policy and Performance Group Manager indicated that the register was intended to be a high-level document with the detail contained within a project risk register which sat below and was dealt with by Operational Managers. A Member agreed that it was important for someone to take ownership of the risks within the corporate risk register and he felt that it would be beneficial if slightly more information could be included in the report which was brought to the Committee in terms of the risk itself; any mitigating controls in place; the accountable Officer; and timescale. On that basis it was

RESOLVED That the information included in the corporate risk register be **NOTED** and that the document be updated for further meetings to include details of the risk itself; any mitigating controls in place; the accountable Officer; and timescale.

The meeting closed at 3:20 pm

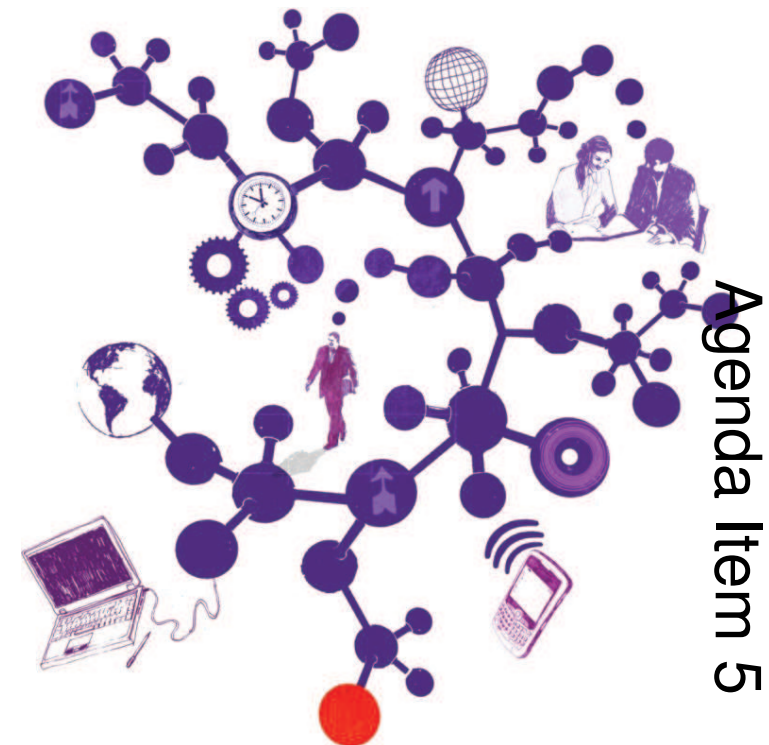
Audit Committee Update for Tewkesbury Borough Council

Year ended 31 March 2015

March 2015

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

This paper provides the Audit 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; and
- a number of challenge questions in respect of these emerging areas which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- ~~A~~All aboard? our local government governance review 2015
- Stronger futures: development of the local government pension scheme
- Rising to the challenge: the evolution of local government, summary findings from our fourth year of financial health checks of English local authorities
- 2020 Vision, exploring finance and policy future for English local government
- Where growth happens, on the nature of growth and dynamism across England

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 Audit Manager.

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Progress at 18 March 2015

Work	Planned date	Complete?	Comments
<p>2014-15 Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2014-15 financial statements.</p>	June 2015	No	The plan will be completed as part of the interim audit process and will be agreed in time to be presented at the June Audit Committee
<p>Interim accounts audit Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> • updating our review of the Council's control environment • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing 	March 2015	No	The interim accounts audit is currently being undertaken and our findings will be used to inform work to be undertaken at final accounts audit. An update will be provided to the June Audit Committee as part of our Audit Plan.
<p>2014-15 final accounts audit Including:</p> <ul style="list-style-type: none"> • audit of the 2014-15 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion. 	July – August 2015	No	Initial discussions have been held with Council Officers to discuss emerging issues. Council Officers also attended CIPFA FAN events, run by Grant Thornton, which identified challenges to Local Government accounts for 14/15

Progress at 18 March 2015

Work	Planned date	Complete?	Comments
<p>Value for Money (VfM) conclusion</p> <p>The scope of our work to inform the 2014/15 VfM conclusion comprises:</p> <ul style="list-style-type: none"> • An initial risk assessment; • A detailed review of arrangements; • Using knowledge from other audits; • Reviewing key documents; and • Discussion with officers <p>16</p>	June 2015	No	<p>Our work will be focussed on the two criteria specified by the Audit Commission i.e.</p> <ul style="list-style-type: none"> • The organisation has proper arrangements in place for securing financial resilience; and • The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness. <p>It is anticipated that Value for Money work will begin earlier than the accounts' audit to allow full consideration of the Council's processes to managing economy, effectiveness and efficiency.</p>

Emerging issues and developments

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All Aboard? - Local Government Governance Review 2015

Grant Thornton

Our fourth annual review of local government governance is available at <http://www.grant-thornton.co.uk/en/Publications/2015/Local-Government-Governance-review-2015-All-aboard1/>.

We note that the challenges faced by local authorities are intensifying as austerity and funding reductions combine with demographic pressures and technological changes to create a potential threat to the long-term sustainability to some organisations. Maintaining effective governance is becoming ever more complex and increasingly important.

Against this background we have focused this year's review on three key areas:

Governance of the organisation – the main area of concern highlighted in this year's governance survey is the level of dissatisfaction with the scrutiny process.

Governance in working with others – there is an urgent need for scrutiny to exercise good governance over the complex array of partnerships in which local authorities are now involved. Boundary issues notwithstanding, by 'shining a light' on contracted-out activities and joint operations or ventures, scrutiny committees can bring a new level of transparency and accountability to these areas.

Governance of stakeholder relations – despite the work that a number of local authorities are doing with the public on 'co-production', almost a third of respondents to our survey did not think their organisation actively involves service users in designing the future scope and delivery of its services.

We conclude that local authorities need to ensure that their core objectives and values are fulfilled through many other agencies. This implies a greater role for scrutiny and a need to make sure local public sector bodies' arrangements are as transparent as possible for stakeholders.

Hard copies of our report have been provided to the Chief Executive and S151 officer and are available from your Engagement Lead or Audit Manager.



Independent Commission into Local Government Finance

Local government issues

The Independent Commission on Local Government Finance was established in 2014 to examine the system of funding local government in England and bring forward recommendations on how it can be reformed to improve funding for local services and promote sustainable economic growth. It published its final report, [Financing English Devolution](#), on 18 February 2015.

The report notes that the core of the Commission's proposition is the devolution of powers, funding and taxes to sub-national entities over a 10 year period. They estimate that this could lead to over £200 billion in public expenditure being controlled at a sub-national level. The expectation is that councils and their partners would work collaboratively to manage differences in capacity and resources. They see local areas becoming self sufficient.

The Commission advocates a 'variable speed' approach to reform with 'Pioneers' able to and wishing to reform at a faster pace. Reforms advocated for all authorities include:

- An independent review of the functions and sustainability of local government in advance of the next spending review
- Freedom to set council tax and council tax discounts and full retention of business rates and business rates growth
- Multi-year financial settlements
- The ability to raise additional revenue through the relaxation of the rules on fees and charges

'Pioneer' authorities would also implement:

- Single placed-based budgets for all public services
- Management of funding equalisation across a sub-national area
- Further council tax reforms including the ability to vary council tax bands and undertake revaluations
- Newly assigned and new taxes such as stamp duty, airport taxes and tourism taxes
- The establishment of Local Public Accounts Committees to oversee value for money across the placed-base budget.

Issues for Consideration

Have Members been briefed by your Chief Finance Officer on the key findings of the Independent Commission's final report?

Inspection into the governance of Rotherham Council

Local government issues

On 4 February 2015 the Secretary of State for Communities and Local Government, Eric Pickles announced the publication of [Louise Casey's report](#) . Her inspection of the exercise of functions on governance, children and young people and taxi and private hire licensing states:

"Rotherham Metropolitan Borough Council is not fit for purpose. It is failing in its legal obligation to secure continuous improvement in the way in which it exercises its functions. In particular, it is failing in its duties to protect vulnerable children and young people from harm."

It summarises the following serious failings:

- a council in denial about serious and on-going safeguarding failures
- an archaic culture of sexism, bullying and discomfort around race
- failure to address past weaknesses, in particular in Children's Social Care
- weak and ineffective arrangements for taxi licensing which leave the public at risk
- ineffective leadership and management, including political leadership
- no shared vision, a partial management team and ineffective liaisons with partners
- culture of covering up uncomfortable truths, silencing whistle-blowers and
- paying off staff rather than dealing with difficult issues

The report has had widespread press coverage and in a statement in the House of Commons the Secretary of State confirmed that he is considering exercising his powers of intervention in relation to Rotherham.

Challenge question

Have members been briefed by your Chief Finance Officer on:

- the headline messages from the inspection of aspects of Rotherham MBC's governance arrangements?
- whether there are any lessons to be learned by the authority and actions that need to be taken to strengthen its overall governance arrangements in response to the risk of child sexual abuse, including the robustness of member oversight, challenge and scrutiny?

Provision for Business Rates Appeals

Accounting and audit issues

Unlodged appeals

The Chancellor's Autumn Statement included a change to the rules relating to business rates appeals. As a result we do not expect to see any provisions for unlodged appeals in local authorities' 2014/15 accounts, although we will expect this to be re-considered for 2015/16 accounts.

The change restricts the backdating of Valuation Office Agency (VOA) alterations to rateable values. Only VOA alterations made before 1 April 2016 and ratepayers' appeals made before 1 April 2015 can now be backdated to the period between 1 April 2010 and 1 April 2015. The aim is to put authorities in the position as if the revaluation had been done in 2015 as initially intended, before the deadline was extended to 2017.

There may be some fluctuations in provisions at 31 March 2015 as unlodged appeals provisions are released. However, there may also be increased numbers of appeals lodged prior to 31 March 2015. These appeals may be more speculative in nature and therefore authorities may need to consider whether prior year assumptions remain valid in estimating their provisions.

Utilisation of provision

As part of the provisions disclosures in the accounts, local authorities need to disclose additional provisions made in the year, the amounts used (i.e. incurred and charged against the provision) during the year and unused amounts reversed during the year.

We understand that the software used for business rates may not provide values for the amounts charged against the provision during the year and that there is no simple software solution for this for 2014/15. Local authorities will need to consider available information and make an estimate of the amount for appeals settled in the year.

Challenge questions

- Has your Head of Finance reassessed the methodology for making the business rates provision?
- Has your Head of Finance got arrangements in place for the estimation of appeals to be charged against the provision?



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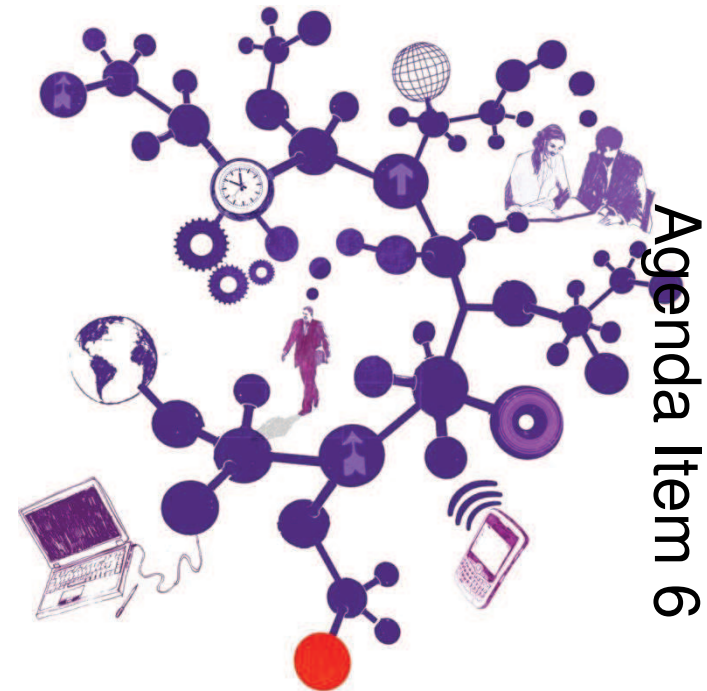
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Certification report for Tewkesbury Borough Council

Year ended 31 March 2014

December 2014

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Section 1: Summary of findings

01. Summary of findings

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Summary of findings

Introduction

We are required to certify certain claims and returns submitted by Tewkesbury Borough Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

We certified one claim (the housing benefit subsidy claim) for the financial year 2013/14 relating to expenditure of £18.7 million.

This report summarises our overall assessment of the Council's management arrangements in respect of the certification process.

Approach and context to certification

Arrangements for certification of some claims and returns are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Our approach to certification work, the roles and responsibilities of the various parties involved and the scope of the work we perform remain unchanged from previous years.

Key messages

A summary of all claims and returns subject to certification under the Audit Commission regime is provided at Appendix A. The key messages from our certification work are summarised in the table below and set out in detail in the next section of the report.

Aspect of certification arrangements	Key Messages	RAG rating
Submission & certification	Submitted by the Council and certified by Grant Thornton by the due deadline	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	The housing benefit subsidy claim was amended and was also subject to a qualification letter	●
Supporting working papers	There were no issues noted with the Council's working papers	●

Certification fees

The indicative certification fee set by the Audit Commission for 2013/14 for Tewkesbury Borough Council is based on final 2011/12 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The fees for certification of housing benefit subsidy claims were reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. This is set out in more detail in Appendix B.

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The indicative fee for certification work for 2013/14 was £11,528. Additional work was required to certify the housing benefit subsidy claim at a cost of £625. We have requested approval from the Audit Commission for a fee variation for this additional amount.

Acknowledgements

We would like to take this opportunity to thank the Council officers for their assistance and co-operation during the course of the certification process.

Grant Thornton UK LLP
December 2014

Appendices

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Appendix A: Details of claims and returns certified for 2013/14

Claim	Subsidy claimed (£)	Claim amended?	Amendment (£)	Claim qualified?	Comments
Housing benefit subsidy claim	18,593,038	Y	+148	Y	<p>The claim was qualified due to a small number of issues noted in our sample testing:</p> <ul style="list-style-type: none"> • Incorrect entry of payslip data • Incorrect entry of tax credit - a four-weekly tax credit had been entered as monthly. <p>We are required to report all errors to the DWP hence the qualification of this claim.</p>

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Appendix B: Fees

Claim or return	2012/13 fee (£)	2013/14 indicative fee (£)	2013/14 actual fee (£)	Variance year on year (£)	Explanation for significant variances
Housing benefits subsidy claim	14,433	11,528	12,153	-2,280	No requirement to certify council tax benefit in 2013/14.

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TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	18 March 2015
Subject:	Statement of Accounting Policies
Report of:	Simon Dix, Finance and Asset Management Group Manager
Corporate Lead:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor A L Keyte
Number of Appendices:	One

Executive Summary:

This report sets out the main changes in accounting policies under the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 supported by International Financial Reporting Standards (IFRS) from UK GAAP (Generally Accepted Accounting Practice). These policies outline the specific principles, bases, conventions, rules and practices applied when preparing and presenting the financial statements.

Recommendation:

To APPROVE the accounting policies to be used during the 2014/15 closedown.

Reasons for Recommendation:

The accounting policies govern the accounting treatment used to close the final accounts which this Committee are asked to approve in September after the audit has been completed.

Resource Implications:

There are no direct financial implications arising from the approval of accounting policies.

Legal Implications:

There are no direct legal implications arising from the approval of accounting policies, however, Section 21 of the Local Government Act 2003 enables the Secretary of State to make regulations requiring accounting practices including the Statement of Accounts to be undertaken in accordance with proper accounting practices (i.e. the current Code of Practice).

Risk Management Implications:

There is a risk of the accounts being qualified if the proper accounting practices are not followed or if they deviate substantially from the Code of Practice on Local Authority Accounting.

Performance Management Follow-up:

Grant Thornton will audit this as part of the year end audit and will issue an opinion in September 2015.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The Council is required to produce an annual Statement of Accounts prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15. In order to do this the Council has to review all its accounting policies to ensure it complies with the Code as the policies outline the principles applied when preparing the accounts.

2.0 MAIN CHANGES IN ACCOUNTING POLICIES

2.1 There are no significant changes in policies this year but some changes have been made which can be seen below. The full list of accounting policies can be found at Appendix 1. The changes are not considered to have a material impact on how the information presented compares to the previous year's information.

2.1.1 Depreciation

Slight amendment on the policy for depreciation on vehicles, plant, furniture and equipment from 3-5 years to 'percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer'.

2.1.2 Cash and Cash Equivalents

Clarification of the definition of cash to say 'cash is represented by cash in hand deposits with financial institutions repayable without penalty on notice of not more than 24 hours'.

2.1.3 De-cluttering

In the hope of making the accounts more 'user friendly' we have taken out some policies that are not relevant to us as a Council. These include foreign currency translation, borrowing and restructuring of debt plus acquisitions and discontinued operations.

2.1.4 Future changes

CIPFA has already indicated the changes coming in the 2015/16 Code; the main ones that affect the Council are:

- less burden on reporting for Heritage Assets; and
- IFRS 13 – Fair Value Measurement.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 None.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Local Government Act 2003 and Accounts and Audit Regulations 2011.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 None.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

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Appendices: Appendix 1 - Statement of Accounting Policies – 2014/15

NOTES TO THE ACCOUNTS

1. Accounting Policies and Accounting Standards Issued, Not Adopted

1.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2013/2014 financial year and its position at the year-end of 31 March 2014. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2011, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2013/2014 and the Service Reporting Code of Practice 2013/2014, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Council prepares its accounts on the basis that it remains a going concern; that is that there is the assumption that the functions of the Council will continue in operational existence.

1.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3 Cash and Cash Equivalents

The Council deems cash and cash equivalents to include all short-term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

The Council defines 'readily convertible' to mean an investment which can be 'called' within 30 days and has insignificant withdrawal penalties.

Bank Overdrafts that are an integral part of the Council's cash management will be included within cash and cash equivalents.

1.4 Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Authority are members of the Local Government Pensions Scheme administered by Gloucestershire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Gloucestershire County Council pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate of 4.3% (to be confirmed) (set by the actuary)

- The assets of the Gloucestershire County Council pension fund attributable to the council are included in the Balance Sheet at their bid value as required by IAS 19.

The change in the net pensions liability is analysed into several components:

- Service cost comprising

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs

- net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

- Contributions paid to the Gloucestershire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. However, the Council has a policy not to allow this.

1.5 Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events

- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.6 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid or ten years (whichever is the lesser). The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified into two types:

- Loans and receivables - assets that have fixed or determinable payments but are not quoted in an active market.
- Available-for-sale-assets - assets that have quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Only investments which are not 'callable' within 30 days (and would incur penalties for early withdrawal) and are due within 12 months would be classified as short-term investments. All others are classified as cash equivalents (see policy 1.3).

Available-for-sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis
- Equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Instruments Entered Into Before 1 April 2006

The council entered into a number of financial guarantees that are not required to be accounted for as financial instruments. These guarantees are reflected in the Statement of Accounts to the extent that provisions might be required or a contingent liability note is needed under the policies set out in Policy 1.18.

1.7 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

The policy of this Council is to recognise all grants straight away in the Comprehensive Income and Expenditure Account unless there are conditions attached to the grant that require repayment and the Council believes this is more than likely to occur based on previous experience.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.8 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.9 Interests in Companies and Other Entities

The Authority has a controlling interest in a Trust which has the nature of subsidiary and requires it to prepare group accounts. The Council acts as management agents and deficit funds the Trust so all cash flows, income and expenditure is held in the Single Entity's accounts with no adjustments.

1.10 Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the FIFO (first in, first out) costing formula.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

The Council currently has no long term contracts.

1.11 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Comprehensive Income and Expenditure Account and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.12 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to [the Deferred Capital Receipts Reserve (England and Wales) or Capital Receipts Reserve (Scotland)] in the Movement in Reserves Statement. [When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve (England and Wales).]

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.13 Non-Current Assets Held for Sale and Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

To be classed as 'held for sale' the following criteria must be met:

- The asset is available for immediate sale in the present condition subject to terms that are usual and customary for such assets;
- The sale must be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated;
- The asset must be actively marketed for a sale at a price that is reasonable in relation to the current value;
- The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment [or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement)]. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

1.14 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA *Service Reporting Code of Practice 2014/15* (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multi-functional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

1.15 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.16 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of tangible fixed assets is capitalised on an accruals basis, provided that it yields benefits to the council and the services that it provides are for more than one financial year. Expenditure that secures but does not extend the previously assessed standards of performance of asset (e.g. repairs and maintenance) is charged to revenue as it is incurred.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition at its current location for its intended use, including the purchase price and any dismantling and removal costs. Assets are then carried in the Balance Sheet using the following measurement bases:

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. The items within a class of property, plant and equipment are revalued simultaneously to avoid selective revaluation of assets and the reporting of amounts in the financial statements that are a mixture of costs and values as at different dates. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.)

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

The Council operates a de minimis for capital purposes of £10,000 except where a specific government grant has been received or it is an enhancement of an existing asset.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer
- Infrastructure – as estimated by the valuer.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

The authority has taken the view that 'significant' means:

- The cost of the component is more than 25% of the cost of the asset as a whole; and
- The cost of the component is more than £500,000.

However, if depreciating the single asset as opposed to the separate components will not result in a material mis-statement of either depreciation charges or the carrying amount of the asset then componentisation will not be required.

1.17 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement [equal to either an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance (England and Wales)]. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance [MRP], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.18 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.19 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

1.20 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

1.21 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.22 Heritage Assets

The Authority holds three classes of Heritage Assets: archaeological artefacts, held at Tewkesbury Museum on loan and at Gloucestershire County Council, civic regalia held at the Council Offices in display cabinets and historical battle sites and monuments.

All of these are held for the objective of knowledge and culture. The museum exhibits and historical sites are to provide historical understanding and appreciation of the local area and the civic regalia is held for historical and cultural appreciation of the Borough.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment.

The accounting policies in relation to heritage assets includes both tangible and intangible assets (which we currently do not have). The Authority's collections of heritage assets are accounted for as follows.

Archaeological Collection

The Holm Hill Archaeological Collection was uncovered when Tewkesbury Borough Council undertook some archaeological rescue excavations in 1974 and 1975 in preparation for building new offices.

The collection includes objects from five principal periods as listed:-

- Period 1 Iron Age
- Period 2 late Anglo-Saxon/Anglo Norman
- Period 3 mid 11th to mid 14th century
- Period 4 late medieval to 18th century
- Period 5 modern (18th century to 1970s)

Items include pottery, weapons, knives, tools and coins.

The valuation obtained is for insurance purposes and the Officer in charge of the regalia reviews the values annually to ensure they are adequately insured. The Officer is responsible for getting the items revalued when they feel is necessary.

Artefacts uncovered on the site of the old art deco Sabrina cinema (now the Roses Theatre site) and various other Borough sites over 40 years ago have been catalogued by Gloucestershire County Council this year with the aim of loaning them to Tewkesbury Museum for display. Among the artefacts catalogued are human bones and pottery but, according to the County Archaeologist, they have only archaeological value and no monetary value (due mainly to the fact they would be hard to put a reliable value on).

The Authority does not (normally) purchase any archaeological items and all items held have been excavated on our land.

Civic Regalia and similar items

The civic regalia is mostly displayed in glass cabinets near the Council Chamber for people to view and includes sterling silver maces and pendants.

The valuation obtained is for insurance purposes and the Officer in charge of the regalia reviews the values annually to ensure they are adequately insured. The Officer is responsible for getting the items revalued when they deem necessary.

All the civic regalia has been purchased or acquired (mainly through the creation of Tewkesbury Borough Council from 3 constituent authorities).

Historic Battle Sites

The Authority has many sites and monuments on the English Heritage protected list, mostly relating to the 1471 Battle of Tewkesbury.

There is no reliable way to measure the value of these assets due to the nature of them and so we do not recognise these on the balance sheet.

The Authority does not normally purchase such land.

Sculptures

The authority took ownership of two custom built sculptures on 4 May 2014, named 'The Arrivall'. These 18ft sculptures were created by Tewkesbury Battlefield Society and depicts a scene from a battle during the 1471 'War of the Roses'.

The cost of construction has been obtained and this has been used as the basis for the insurance value. This is reviewed annually and is the figure we would value them at.

Heritage Assets - general

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment – see the relevant note.

It is not known to dispose of heritage assets but if the event occurred the proceeds would be accounted for in line with the general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (policies 1.13 and 1.16).

1.23 Council tax and Business Rates (NNDR)

The Council tax and business rates (NDR) income recognised in the Comprehensive Income and Expenditure Account is the Council's share of accrued Council tax and business rates recognised in the Collection Fund.

The transactions contained within the Collection Fund are prescribed by legislation and we (as a billing authority) have no discretion to deviate from this at all.

This means:

- the transactions included within the Collection Fund are limited to cashflows (as statute dictates) whereas the income is recognised on a full accruals basis in the Comprehensive income and Expenditure statement (including our share of the year's surplus or deficit on the Collection Fund whereas in reality this is distributed in the following year).
- the year end surplus/deficit on the Collection fund is based on estimates made in January.

The difference between the Collection Fund figures and those required in the accounts are taken to the Collection Fund Adjustment Account through the Movement in Reserves Statement.

1.24 Accounting Standards that have been issued but not yet adopted

The Code of Practice on Local Council Accounting in the United Kingdom 2015/16 (the Code) has introduced several changes in accounting policies which will be required from 1 April 2015.

To be completed once the 2015/16 Code has been released at the end of March 2015.

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	18 March 2015
Subject:	Internal Audit Plan Monitoring Report
Report of:	Graeme Simpson, Policy and Performance Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor Mrs J M Perez
Number of Appendices:	3

<p>Executive Summary:</p> <p>This report is the third monitoring report of 2014/15 and summarises the work undertaken by the Internal Audit team for the period December 2014 to February 2015.</p>
<p>Recommendation:</p> <p>To CONSIDER the audit work completed, and the assurance given on the adequacy of internal controls operating in the systems audited.</p>
<p>Reasons for Recommendation:</p> <p>The work of Internal Audit Work complies with the Public Sector Internal Audit Standards (PSIAS). These standards state that the Chief Audit Executive (CAE) must report functionally to the board. This includes reporting on Internal Audit's activity relative to its plan.</p>

<p>Resource Implications:</p> <p>None.</p>
<p>Legal Implications:</p> <p>None.</p>
<p>Risk Management Implications:</p> <p>If the CAE does not report functionally to the board then this does not comply with the PSIAS.</p> <p>If there are delays in response to the acceptance/implementation of essential audit recommendations then this potentially increases the risk of fraud or error occurring.</p>
<p>Performance Management Follow-up:</p> <p>All recommendations made by Internal Audit are followed up within appropriate timescales to give assurance they have been implemented. All recommendations made by Internal Audit are now reported to the Audit Committee and these can be found in Appendix 3.</p>

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The 2014/15 Internal Audit Plan was approved at Audit Committee on 19 March 2014. This is the third monitoring report for the year and summarises Internal Audit work undertaken for the period December 2014 to February 2015. It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that the Chief Audit Executive (Group Manager Policy and Performance) reports formally to the 'board' (Audit Committee).

2.0 INTERNAL AUDIT WORK FOR THE PERIOD

2.1 The work undertaken in the period is detailed in Appendix 1. This provides commentary on the activity audited, the control objectives for each activity and the audit opinion for each control objective.

2.2 A list of the audits within the 2014/15 Audit Plan and their progress to date can be found in Appendix 2. From the current status of the plan, then the team is on course to achieve the minimum 90% target completion of the plan.

2.3 When reporting, a 'split' opinion is given. This means individual opinions are given for different parts of the system being audited. This approach enables Internal Audit to identify to management specific areas of control that are operating or not. Assurance opinions are categorised as 'good', 'satisfactory', 'limited' and 'unsatisfactory'. For the period being reported, all audit opinions have been given either a good or satisfactory level of control.

2.4 As previously reported to the Audit Committee, details of all audit recommendations have been included within this monitoring report. This will help provide the Committee with an overview of the breadth of work undertaken and allow the Committee to monitor the implementation of the audit recommendations. The list of recommendations and their status can be found in Appendix 3. Note: recommendations that have been previously reported to the Audit Committee as implemented have been removed from the template.

3.0 CORPORATE IMPROVEMENT WORK

3.1 Included within the 2014/15 Internal Audit plan is an allocation of days to undertake corporate improvement work. As reported previously to the Committee, the Policy and Performance Team can collectively identify corporate type activities that may have 'stagnated' or need resolving. Corporate Leadership Team and Group Managers are aware of this allocation of days and have been encouraged to put forward suggestions where the team may help. Work undertaken during the period or work to be programmed can also be found in Appendix 1.

4.0 HEALTH AND SAFETY WORK

4.1 It was previously reported to Audit Committee that the Council's Environmental Safety Officer (ESO) would be 'seconded' to the Internal Audit team to undertake Health and Safety Audits. The audits would be undertaken using the methodology used by Internal Audit. Health and Safety is a key part of the Councils' governance framework and findings from the audits will be formally reported to the Audit Committee. It was anticipated that the outcome of the first audit would have been reported before the end of 2014. The reason why this date has not been achieved is due to the ESO being involved in a significant health and safety investigation. The first of the audits, 'risk assessments including asbestos and legionella' is now at draft report stage and will be reported to the Audit Committee in June.

5.0 FRAUD/CORRUPTION/THEFT/WHISTLEBLOWING

5.1 No incidents have been reported during the period.

6.0 PARTNERSHIP ARRANGEMENT WITH TEWKESBURY TOWN COUNCIL

6.1 It was reported to Audit Committee on 24 September 2014 that there had been a request from Tewkesbury Town Council for its internal audit work to be undertaken by the Borough Council's Internal Audit Team. This has been approved by the Corporate Leadership Team and the number of days required for 2014/15 (estimated between 5-7 days) can be absorbed within the capacity of the team. The Town Council will be recharged for the work undertaken. Future work for 2015/16 will be formally allocated when putting together next year's Audit Plan. The audit work is currently at draft report stage and findings are currently being reviewed by the Policy and Performance Group Manager. A total of 12 days has been incurred on the audit.

7.0 OTHER OPTIONS CONSIDERED

7.1 None.

8.0 CONSULTATION

8.1 All managers are consulted prior to the commencement of the audit to agree the scope and each manager has the opportunity to complete a client survey at the end of the audit.

9.0 RELEVANT COUNCIL POLICIES/STRATEGIES

9.1 Internal Audit Charter and Internal Audit Annual Plan.

10.0 RELEVANT GOVERNMENT POLICIES

10.1 None.

11.0 RESOURCE IMPLICATIONS (Human/Property)

11.1 None.

12.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

12.1 None.

13.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

13.1 Internal Audit contributes to Value for Money through its improvement work.

14.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

14.1 None.

Background Papers: None

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01684 272002 Graeme.simpson@teWKesbury.gov.uk

Appendices: Appendix 1 – Audit work undertaken December 2014 - February 2015
Appendix 2 – Audit Plan progress
Appendix 3 – Summary of recommendations.

List of Audits Completed as Part of 2014-15 Audit Plan
(December 2014 – February 2015)

Audit	Audit Objective & Opinion						
Repair and Renewal Grants	<p>Control Objectives (CO):</p> <p>1. Repair and renew grants have been awarded in accordance with the grant criteria and adequate monitoring is taking place as per the Memorandum of Understanding (MOU) with DEFRA.</p> <p>Audit Opinion</p> <table border="1" data-bbox="395 685 1463 2074"> <thead> <tr> <th data-bbox="395 685 475 786">CO</th> <th data-bbox="475 685 667 786">Assurance Level</th> <th data-bbox="667 685 1463 786">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 786 475 2074">1</td> <td data-bbox="475 786 667 2074">Satisfactory</td> <td data-bbox="667 786 1463 2074"> <p>The Memorandum of Understanding (MoU) between the Council and Defra requires the Council's Chief Internal Auditor to give an audit opinion that invoices submitted by the Council are in compliance with the grant scheme. The scheme was due to end on 31 March 2015 but during the course of the audit this has now been extended by Defra to 30 June 2015. This was an interim audit to give reasonable assurance that the main conditions of the scheme are being complied with. Days have been allocated within the 2015/16 Audit Plan, for Internal Audit to formally sign off the scheme.</p> <p>At the time of audit, approximately £205,125.22 has been awarded. In terms of compliance with the scheme, a sample of 5 applications was checked as well as the underlying monitoring framework. The audit confirmed;</p> <ul style="list-style-type: none"> • Expenditure has been correctly approved and meets the definition of eligible property and eligible expenditure as set out in Schedule 1 and 2 of the MoU. • A record has been maintained of each grant application, the measures applied for, the value and a reference number as set out in Schedule 3 of the MoU. • Pre and post inspections greater than the required sample size of 5% have been carried out in accordance with Part 11 of the MoU. <p>With regards to invoicing Defra, at the time of the audit, quarterly invoices have yet to be raised. Para 2 of the MoU requires the Council to provide a schedule on the last working day of each quarter and will invoice Defra within 20 working days of the last quarter. No expenditure had been incurred in quarter 1 and in relation to quarter 2, as only £39k of expenditure had been incurred, it was verbally agreed with Defra this could be carried forward to the quarter 3 (period ending 31 December) invoice.</p> </td> </tr> </tbody> </table>	CO	Assurance Level	Opinion	1	Satisfactory	<p>The Memorandum of Understanding (MoU) between the Council and Defra requires the Council's Chief Internal Auditor to give an audit opinion that invoices submitted by the Council are in compliance with the grant scheme. The scheme was due to end on 31 March 2015 but during the course of the audit this has now been extended by Defra to 30 June 2015. This was an interim audit to give reasonable assurance that the main conditions of the scheme are being complied with. Days have been allocated within the 2015/16 Audit Plan, for Internal Audit to formally sign off the scheme.</p> <p>At the time of audit, approximately £205,125.22 has been awarded. In terms of compliance with the scheme, a sample of 5 applications was checked as well as the underlying monitoring framework. The audit confirmed;</p> <ul style="list-style-type: none"> • Expenditure has been correctly approved and meets the definition of eligible property and eligible expenditure as set out in Schedule 1 and 2 of the MoU. • A record has been maintained of each grant application, the measures applied for, the value and a reference number as set out in Schedule 3 of the MoU. • Pre and post inspections greater than the required sample size of 5% have been carried out in accordance with Part 11 of the MoU. <p>With regards to invoicing Defra, at the time of the audit, quarterly invoices have yet to be raised. Para 2 of the MoU requires the Council to provide a schedule on the last working day of each quarter and will invoice Defra within 20 working days of the last quarter. No expenditure had been incurred in quarter 1 and in relation to quarter 2, as only £39k of expenditure had been incurred, it was verbally agreed with Defra this could be carried forward to the quarter 3 (period ending 31 December) invoice.</p>
CO	Assurance Level	Opinion					
1	Satisfactory	<p>The Memorandum of Understanding (MoU) between the Council and Defra requires the Council's Chief Internal Auditor to give an audit opinion that invoices submitted by the Council are in compliance with the grant scheme. The scheme was due to end on 31 March 2015 but during the course of the audit this has now been extended by Defra to 30 June 2015. This was an interim audit to give reasonable assurance that the main conditions of the scheme are being complied with. Days have been allocated within the 2015/16 Audit Plan, for Internal Audit to formally sign off the scheme.</p> <p>At the time of audit, approximately £205,125.22 has been awarded. In terms of compliance with the scheme, a sample of 5 applications was checked as well as the underlying monitoring framework. The audit confirmed;</p> <ul style="list-style-type: none"> • Expenditure has been correctly approved and meets the definition of eligible property and eligible expenditure as set out in Schedule 1 and 2 of the MoU. • A record has been maintained of each grant application, the measures applied for, the value and a reference number as set out in Schedule 3 of the MoU. • Pre and post inspections greater than the required sample size of 5% have been carried out in accordance with Part 11 of the MoU. <p>With regards to invoicing Defra, at the time of the audit, quarterly invoices have yet to be raised. Para 2 of the MoU requires the Council to provide a schedule on the last working day of each quarter and will invoice Defra within 20 working days of the last quarter. No expenditure had been incurred in quarter 1 and in relation to quarter 2, as only £39k of expenditure had been incurred, it was verbally agreed with Defra this could be carried forward to the quarter 3 (period ending 31 December) invoice.</p>					

			<p>Quarter 3 has yet to be raised. Defra has confirmed a revised submission date of 28 February is acceptable and assurance has been given by officers this date will be achieved. There are also 2 further submission dates of 31 March 2015 and 30 June 2015.</p> <p>On the basis that there is a monitoring framework in place and, as the grants reviewed comply with the criteria of the scheme, provided that the new submission date of 28 February 2015 is achieved then, overall, the opinion would be that, generally, there is a satisfactory level of control with regards to administering the scheme.</p> <p>To strengthen the arrangements, recommendations have been made around the following;</p> <ul style="list-style-type: none"> • On legal advice, terms and conditions should be issued and signed for each grant award. These have been produced but have not been issued. These T&C discharge the Council's responsibility. • The check against the Business Flood Grant Scheme needs to be evidenced as claimants must not have received other sources of public funding. • The post inspections undertaken need to be reported within the Defra schedule. 						
New Leisure Centre	<p>Control Objectives (CO):</p> <ol style="list-style-type: none"> 1. The build of a new leisure centre and the associated capital expenditure has been formally approved. 2. There are adequate project management and budget monitoring procedures in place. 3. The appropriate procurement processes have been followed. <p>Audit Opinion</p> <table border="1" data-bbox="395 1330 1465 2042"> <thead> <tr> <th data-bbox="395 1330 485 1429">CO</th> <th data-bbox="485 1330 676 1429">Assurance Level</th> <th data-bbox="676 1330 1465 1429">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 1429 485 2042">1</td> <td data-bbox="485 1429 676 2042">Good</td> <td data-bbox="676 1429 1465 2042">The build of a new leisure centre has been subject to a number of reports to Executive Committee and Council since March 2011. Approval has been obtained in respect of the decision to build a replacement facility prior to the closure of the current one, for the new facility to be located on the Council Offices site, the facility mix, the preferred governance arrangement and the total budget for the project (including capital and revenue expenditure). Furthermore, information has been provided to full council in accordance with the requirements of the Council's Financial Procedure Rules.</td> </tr> </tbody> </table>			CO	Assurance Level	Opinion	1	Good	The build of a new leisure centre has been subject to a number of reports to Executive Committee and Council since March 2011. Approval has been obtained in respect of the decision to build a replacement facility prior to the closure of the current one, for the new facility to be located on the Council Offices site, the facility mix, the preferred governance arrangement and the total budget for the project (including capital and revenue expenditure). Furthermore, information has been provided to full council in accordance with the requirements of the Council's Financial Procedure Rules.
CO	Assurance Level	Opinion							
1	Good	The build of a new leisure centre has been subject to a number of reports to Executive Committee and Council since March 2011. Approval has been obtained in respect of the decision to build a replacement facility prior to the closure of the current one, for the new facility to be located on the Council Offices site, the facility mix, the preferred governance arrangement and the total budget for the project (including capital and revenue expenditure). Furthermore, information has been provided to full council in accordance with the requirements of the Council's Financial Procedure Rules.							

	2	Satisfactory	<p>The Council has an agreement in place with Pick Everard to provide project management services in relation to the new leisure centre project. In-house, the Council has identified its own project lead, project sponsor and stakeholders. Given the size of the project, its cost, complexity and strategic sensitivity; assurance was obtained that the appropriate project management processes and procedures are being followed.</p> <p>A risk register has been in place throughout the project and the project team has recently produced a revised risk register as a number of risks have now been negated given the progress made to date. The current risk register identifies the financial risks to the Council as well as reputational, operational and risks around the physical construction of the leisure centre. Risks are reported and reviewed as part of the monthly project team meetings.</p> <p>Assurance was obtained that budget monitoring is in place. Monitoring spreadsheets are used by the Asset Manager to track capital and revenue expenditure against the approved budgets. In addition, capital expenditure is monitored by Financial Services within a capital monitoring spreadsheet, which includes expenditure in relation to the new leisure centre project. Furthermore, all expenditure to date has been made in accordance with the Council's budget scheme of delegation.</p> <p>A Member Reference Group is in place which receives progress updates and information in relation to the build of the new leisure centre. It is recommended that its Terms of Reference are updated to reflect the roles of officers who currently sit on the group.</p>
	3	Satisfactory	<p>The build element of the new leisure centre is being procured through a framework agreement with SCAPE, a local authority owned and controlled company; for which the Council has entered into the appropriate access agreement. In respect of appointing an operator for the new leisure centre, the OJEU procurement process has been followed and audit testing provided assurance that this has been carried out in accordance with the requirements of the Council's Contract Procedure Rules and the Public Contracts Regulations 2006.</p> <p>Assurance was obtained during the audit that all appropriate delivery agreements are in place for the design and management of the new leisure centre project. In terms of compliance to these agreements, it is recommended that evidence of the NEC supervisor having the appropriate insurances in place is obtained.</p>

Information Governance	Control Objective (CO)	
	1. The Council has a robust information governance framework in place.	
	CO	Assurance Level
1	Satisfactory	<p>The Council is currently in the process of developing its information governance framework. It is acknowledged that the overarching policy is at an early draft stage and is intended to be a high level document which sets the tone for good information governance; supported by a number of individual policies and procedures. The key policies and procedures which support the framework were found to be in place and these were reviewed during the audit to ensure they are robust, up to date and relevant. Recommendations have been made in relation to reviewing and updating policies which are now due for review, developing document retention/destruction policies for service areas where these do not currently exist and developing an information governance training programme for staff and Members.</p> <p>The primary legislation governing data rights is the Data Protection Act, Freedom of Information Act and Environmental Information Regulations. Audit testing confirmed that the Council is generally in compliance with the key requirements of this legislation. For data protection purposes the Council is registered as a data controller on the Information Commissioner's public register, where data is processed on the Council's behalf appropriate contracts are in place and the appropriate technical and physical security measures are taken to protect personal data.</p> <p>As required by the Freedom of Information Act, the Council has developed a Publication Scheme, although this now requires updating and publishing in accordance with the Information Commissioners model scheme. Furthermore a freedom of information log exists although in order to address current issues with monitoring of these requests and compliance with response times, it is recommended that the potential for using the firmstep platform to manage these requests is investigated. Recommendations have also been made in respect of publishing information in relation to the Environmental Information Regulations on the Council's website.</p> <p>The audit also obtained assurance that the data required to be published by 31 December 2014 under the Local Government Transparency Code is now available on the Council's website and data due to be published by 2 February 2015 is in hand.</p>

S106 Grants

Control Objective

1. Procedures have been established in respect of the monitoring of S106 agreements and to follow-up previous audit recommendations made within the Section 106 Audit 2012/13

Audit Opinion

CO	Assurance Level	Opinion
1	Satisfactory	<p>A process for handling S106 agreements has been reviewed and updated and is documented within a new process map, the previous audit recommendation has therefore been implemented.</p> <p>With regard to previous audit recommendation 2, it is noted that this has been partially implemented. The S106 monitoring module was found to record obligations accurately. There is evidence in respect of triggers being completed within the monitoring module. However, the data retained does not provide assurance that regular monitoring is being undertaken in respect of identifying the number of properties being built, including those obligations associated with affordable properties.</p> <p>To assist with the monitoring of the completion of properties, consideration is now being given to receiving valuation updates from the revenues inspection process. This information will then be included within the monitoring module. Once triggers have been met, invoices in respect of obligations are raised promptly and for the accurate amount.</p>

The level of internal control operating within systems will be classified in accordance with the following definitions:-

LEVEL OF CONTROL	DEFINITION
<i>Good</i>	Robust framework of controls – provides substantial assurance.
<i>Satisfactory</i>	Sufficient framework of controls – provides satisfactory assurance – minimal risk. Probably no more than one or two 'Necessary' (Rank 2) recommendations.
<i>Limited</i>	Some lapses in framework of controls – provides limited assurance. A number of areas identified for improvement. A number of 'Necessary' (Rank 2) recommendations, and one or two 'Essential' (Rank 1) recommendations.
<i>Unsatisfactory</i>	Significant breakdown in framework of controls – provides unsatisfactory assurance. Unacceptable risks identified – fundamental changes required. A number of 'Essential' (Rank 1) recommendations.

Recommendations/Assurance Statement

CATEGORY		DEFINITION
1	Essential	Essential due to statutory obligation, legal requirement, Council policy or major risk of loss or damage to Council assets, information or reputation. Where possible it should be addressed as a matter of urgency.
2	Necessary	Could cause limited loss of assets or information or adverse publicity or embarrassment. Necessary for sound internal control and confidence in the system to exist and should be pursued in the short term, ideally within 6 months.

Progress of Audit Plan

Audit	Progress as at 31 August 2014
Disclosure and Barring Policy	Complete – reported to Audit Committee 24.09.14
Data Quality (1)	Complete – reported to Audit Committee 24.09.14
Treasury Management	Complete – reported to Audit Committee 24.09.14
Garden Waste	Complete – reported to Audit Committee 24.09.14
Property Leases	Complete – reported to Audit Committee 24.09.14
Food Control	Complete – reported to Audit Committee 24.09.14
S106	Complete - reported to Audit Committee 18.03.15
Safeguarding	Complete – reported to Audit Committee 24.09.14
Main Accounting System	Complete – reported to Audit Committee 24.09.14
Budgetary Control	Complete – reported to Audit Committee 24.09.14
Capital Accounting	Complete - reported to Audit Committee 10.12.14
NNDR	Complete - reported to Audit Committee 10.12.14
Business Flood Grants (additional audit requested by Deputy Chief Executive)	Complete - reported to Audit Committee 10.12.14
National Fraud Initiative	Complete - reported to Audit Committee 10.12.14
Data Quality (2)	Complete - reported to Audit Committee 10.12.14
Homelessness	In progress will be complete by 31.03.15

Audit	Progress as at 31 August 2014
Council Tax	Complete - reported to Audit Committee 10.12.14
New leisure centre	Complete – reported to Audit Committee 18.03.15
ICT (1) – PSN compliance	Complete - reported to Audit Committee 10.12.14
Individual Electoral Registration (IER)	c/fwd to 15/16
Recycling	Substantially complete – will be complete by 31.03.15
Risk Management	In progress - will be complete by 31.03.15
Personal Professional Development/Behaviours Framework.	In progress – will be complete by 31.03.15
Information Governance	Complete – reported to Audit Committee 18.03.15
Housing Benefits (2)	In progress – will be complete by 31.03.15
Payroll	In progress – will be complete by 31.03.15
ICT (2)	In progress - will be complete by 31.03.15
Repair and Renewal Grants (additional audit – requires internal audit sign off)	Complete – reported to Audit Committee 18.03.15

APPENDIX 3 - AUDIT RECOMMENDATIONS

Key:

✓	<i>Recommendation implemented</i>
✗	<i>Recommendation not implemented</i>
—	<i>Recommendation partly implemented</i>
	<i>Follow-up not completed/ not due</i>

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref	
1. DEVELOPMENT SERVICES									
Debtors 64	Confirmation should be obtained that the payments made in relation to the JCS programme manager's post (employed through TBC) have been appropriately agreed by the JCS.	1. Agreed	Group Manager Development Services	End May 2014	N	August 2014 & Feb 2015	Yes- Evidence through minutes and project budget monitoring by JCS programme board.	✓	1.4

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
65 Flooded Business Support Grants	In respect of the remaining grant monies, a decision should be made on how this will be allocated to businesses within the borough in accordance with the HM Government guidance. Consideration should be given to the following:	<ol style="list-style-type: none"> 1. Re-promoting the scheme and targeting those businesses which are eligible but have not yet received a grant (potentially could use information from business rates to assist with this). 2. Subject to the appropriate approval and in addition to the above, re-visit the applications received and allocate additional grant monies to those businesses affected. 3. Put a case forward to DCLG and BIS with a proposal to use the remaining funding for the promotion of the borough. 	Group Manager Development Services/ Economic & Community Development Manager	End December 2014	N	January 2015	Yes- Based on feedback from local businesses, a proposal was put forward to BIS to use the remaining funding more flexibly and build resilience in the flood impacted areas of the borough. Approval was obtained from BIS on 05/01/15 to therefore use the remaining funding (£225,000) for the following: <ul style="list-style-type: none"> • Business continuity training support programme. • 'Trading during a crisis'- development of a business resilience training and support programme. • 'Getting better as a result'- B2B project. • Riverside pubs and business promotional campaign. • Establish a riverside pubs and tourism business group. 	✓ 1.6

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
S106	The monitoring process should give consideration to actively identifying completion of properties with the S106 module	<p>The development control manager has agreed the actions to this recommendation. As the Planning Section is due to undertake a review of their work practices, these actions will then be considered under this review process.</p> <p>1) Procedures to be set up for any new S106 agreements which will take into account the following actions:--</p> <ul style="list-style-type: none"> -Regular updates in respect of dwellings occupied should be recorded within the monitoring module --Regular updates on non-monetary obligations including affordable homes should be obtained and recorded within the monitoring module. -To update existing S106 conditions within the S106 monitoring module and to align current S106's to the new procedures. 	Development Control Manager	December 2015	N		To be followed up in Qtr1 2015/16.	1.7

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
2. ENVIRONMENTAL & HOUSING SERVICES								
67	<p>Recycling</p> <p>For the claiming of recycling credits, TBC needs to satisfy itself that waste has been recycled/reused (previous audit recommendation 3)</p>	<ol style="list-style-type: none"> Undertake for Jan14-March 14 a kerbside waste stream trace of material to end user following WCA Data audit procedures. Include appropriate WCA data audit procedures within new MRF contract through a compliance clause. Obtain written statements from bring site recyclers (where recycling credits are claimed) in relation to end processor of waste materials and end user. 	<p>Environmental & Waste Policy Officer</p>	<p>End March 2014</p>	<p>N</p>	<p>December 2014</p>	<p>Yes Action 1) & 3) negated as new contract with different MRF operator started from April 14. Monitoring of contract to be carried out by the Joint Waste Team. A recycling protocol recommendation (which includes setting out the expectations in respect of monitoring) has been raised in the recycling 2014-15 audit and will cover action points 1) and 3) see working paper 2. Re Action 2) this was found to be covered in the new contract.</p>	<p>✓</p> <p>2.3</p>
	<p>TBC should ensure that all companies connected with the handling of TBC recycled waste are compliant with the waste duty of care.</p>	<ol style="list-style-type: none"> Obtain copy of 13/14 transfer note in respect of the carriage of waste from delivery point to MRF. Include appropriate WCA data audit procedures within new MRF contract. Obtain copy of Salvation Army waste carrier licence. Undertake licence renewal check on MRF, MRF broker, re-processors (excluding element sent to waste), and bring site recyclers (from whom recycling credits are claimed). 	<p>Environmental & Waste Policy Officer</p>	<p>End March 2014</p>	<p>N</p>	<p>December 2014</p>	<p>Yes Action 1) & 3) & 4) negated – see comments above re new contract and recycling audit 2014-15.. Re Action 2) this was found to be covered in the new contract</p>	<p>✓</p> <p>2.4</p>

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
	Evidence of regular calibration testing with kerbside and bring site contractors/agents should be obtained on an regular basis.	<ol style="list-style-type: none"> On an annual basis obtain evidence of the calibration testing's undertaken at Delivery Point, MRF and, where possible, bring site recyclers. Include appropriate WCA data audit procedures within new MRF contract 	Environmental & Waste Policy Officer	End March 2014	N	December 2014	Yes Re Action 1) Calibration certificates obtained by the JWT as part of their 2013/14 checking, see recycling audit 2014/15 working paper 1. Re Action 2) this was found to be covered within the new contract	2.5
Licensing	The aide memoire is turned into a formal quality assurance checklist to be used for all licence types.	1. A quality assurance template is tailored for each licence type.	Senior Licensing Officer/ Licensing Officers	End March 2014 Revised date: end October 2014	N	August 2014	A formal follow up Internal Audit to be carried out end March/beginning of April 15. Update August 2014: Partially implemented- Checklists have been produced for some licence types and these are subject to review by the Licensing Team Leader when approving the licence. Similarly, procedure notes are in the process of being developed.	2.7
68	The quality assurance checklist is subject to sign off by a manager and together with all supporting documentation is scanned to IDOX.	<ol style="list-style-type: none"> Notify licensing team of this requirement. Update procedure notes. Ensure all documentation relating to the approval of a licence is scanned. 	Senior Licensing Officer	End March 2014 Revised date: end October 2014	N	August 2014	A formal follow up to be carried out end March/beginning of April 15.	2.7

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
69 Flood Alleviation Grants	A robust mechanism for monitoring the flood alleviation grants should be established.	<ol style="list-style-type: none"> 1. Grant terms and conditions should be formalised between Tewkesbury Borough Council and Gloucestershire County Council. 2. The progress reports should be enhanced to include details of the payee (i.e. Parish Council or contractor), the use of unique references for each scheme to trace expenditure within new financials, a record of the expenditure code used, details of the net and gross amounts paid for the purposes of reclaiming VAT and a record of invoices raised to GCC to reclaim the grant monies. 3. The progress reports should be updated on a regular basis, reconciled against the new financials system and provided to the Flood Risk Management Group. 4. In respect of schemes being led by the County Council, regular progress reports (including financials) should be requested. 5. The electronic project folders set up on the drainage drive should be kept up to date with all relevant documentation. 	Environmental Health Manager	End August 2014 Revised implementation date: End June 2015	E	February 2015	An agreement between GCC and TBC has been drafted (Action 1), meeting notes between GCC and TBC are documented (Action 4), and a review of expenditure against the finance system has been carried out (Action 6). Actions 2,3,5 to be implemented upon initiation of new projects.	2.8

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?		File ref
70		6. A review of the capital/ revenue split and cost codes used for the works should be undertaken in conjunction with Financial Services.							
	Accountability, ownership and on-going maintenance responsibility should be established for each of the schemes and agreements be put in place.	1. Ownership in respect of the land where the flood alleviation works have been undertaken should be established and appropriate agreements be put in place for ongoing liability.	Environmental Health Manager	End August 2014	E	February 2015	<p>Ownership of flood works is the control required to ensure responsibility for ongoing maintenance. This recommendation was specific to the Leigh and it was confirmed that the original properties affected by the flooding now have it written as a covenant within their deeds that they are responsible for maintenance of the flood bund. A management company has been established to support this.</p> <p>There are new projects at both Chaceley and Tirley and verbal assurance was provided that ownership issues are being considered in line the project specification.</p>	✓	2.9

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
<p style="text-align: center;">71</p>	<p>The arrangements for the storage of personal belongings for individuals identified as homeless should be enhanced.</p>	<ol style="list-style-type: none"> 1. An inventory of the items for which storage is being provided should be obtained for insurance purposes and to ensure that only items for which the council has a duty to protect are being stored. 2. The liability for loss or damage to such items should be established and appropriate cover and/or agreements be put in place. 3. Invoices received should be verified in respect of the number of storage containers and the dates for which storage has been provided. 4. Consideration should be given to establishing a maximum number of storage containers to be provided to any one individual based on the size of the accommodation and recharging for these storage costs. 5. Competitive quotes should be obtained in order to ensure we are continuing to obtain best value. 	<p>Housing Options Team Leader/ Group Manager Environmental & Housing Services</p>	<p>End July 2014</p>	<p>N</p>		<p>A homelessness audit will take place in Qtr4 which will include the follow up of these recommendations.</p>	<p>2.11</p>

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
73	Form A's should be reviewed and missing sections completed where necessary.	<ol style="list-style-type: none"> 1. Officers should revisit the format of Form A and determine whether all of the sections currently shown are needed. 2. Form A's for inspections completed to date should be reviewed and any relevant missing sections retrospectively completed. 3. The risk zone information section should be completed for each tree inspection in order to ensure that any low and medium risk trees are reclassified to high risk where necessary and any work and future inspections are carried out. 	Grounds Maintenance Manager	End April 2014	N	March 15	Action points 1 & 2 have been implemented in that form A has been amended to record multiple tree inspections for the whole area being inspected. Form B will still need to be completed in respect of defective trees. There were issues with the plotting points for trees and a new GPS handheld device now gives more accurate plot site recordings. Risk scoring of each tree is recorded, however, no reports are being generated from the database to inform grounds maintenance manager of next date for tree inspections.	— 2.13

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
74	Food control Enhancements should be made to the food business registration process.	<ol style="list-style-type: none"> In order to obtain authorisation from the applicant, a declaration should be added to the online registration form. Registration forms should be dated upon receipt and the date of registration be recorded as the date at which the business is recorded as a food establishment within the uni-form database. The requirements for registering and inspecting childminders as food business operators should be clarified and the appropriate action taken. Consideration should be given to making the public register of food businesses available on the council's website. 	Environmental Health Manager	End September 2014 Revised date: end August 2015	N	October 2014 & January 2015 & March 2015	<p>Recommendation: partially implemented Days have been allocated to the 2015/16 internal audit plan to formally follow up these recommendations.</p> <p>Registration forms received through the post are date stamped.</p> <p>In respect of childminders, these are considered low risk and therefore instead of an initial inspection regime the childminders will be invited to attend seminars on food safety.</p>	— 2.14
	The risk evaluation programme should be subject to a periodic management review.	<ol style="list-style-type: none"> A periodic management review should be undertaken to ensure that the risk evaluation programme is applied consistently by all inspecting officers. As required by the Food Law Code of Practice, the procedure for the authorisation of officers should be documented. 	Environmental Health Manager	End August 2014 Revised date: end August 2015	N	October 2014 & January 2015 & March 2015	<p>Recommendation: outstanding</p> <p>There will be a new env health staff structure and currently the intention is to have a lead food safety officer in post. The action points for this recommendation will be dealt with by this new post holder.</p>	✘ 2.15

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref	
75	The following updates should be made in relation to the authorisation of officers.	<ol style="list-style-type: none"> 1. The Food Standards Agency should be notified of the changes to Tewkesbury Borough Council's lead officer for environmental health matters, for inclusion in the Environmental Health Directory. 2. The warrant cards issued to all authorised officers should be updated as follows: <ul style="list-style-type: none"> - A signature of authorisation should be made by R North, Deputy Chief Executive. - The EC 852/2004 regulations should be included in the list of Acts and Orders of Regulations under which officers are authorised. 	Environmental Health Manager	End August 2014 Revised date: end August 2015	N	October 2014 & January 2015 & March 2015	<p>Recommendation – partially implemented</p> <p>Action point 1 – not implemented. This will be carried out when the new lead officer for food safety has been identified.</p> <p>Action point 2 – implemented. A letter of authorisation by the Deputy Chief Executive has been completed and this now supports the warrant card.</p>	—	2.16
Garden Waste	A regular reconciliation between the garden waste database and the general ledger should be performed.	<ol style="list-style-type: none"> 1. A reconciliation between the garden waste database and general ledger should be performed on a monthly basis and a threshold established at which any variances should be investigated. 	Garden Waste & Finance Officer	End September 2014 Revised date: End August 2015	N	January 2015 & March 2015	<p>Audit recommendations will be followed up in full audit programme for 2015-16.</p> <p>Garden Waste Service is currently under review as it is being transferred into Customer Services wef April 2015.</p>	X	2.17

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref	
76	The following actions should be undertaken in respect of the new garden waste system:	<ol style="list-style-type: none"> 1. A review of payments made in April 2014 should be undertaken for all 'cases awaiting action'. 2. Consideration should be given to incorporating a read receipt within the garden waste renewal emails in order to confirm receipt. 3. The option for customers to make a garden waste renewal payment via the 'MISC income payment' page on the councils website should be removed in order to direct all customers to the self-service portal where their details will be recorded within the garden waste database. 4. The garden waste database should be reviewed in order to identify any duplicate subscriptions which could potentially be appearing on both the collection and no collection lists. 	Garden Waste & Finance Officer/ Web & Digital Take-up Officer	End October 2014 Revised date: End August 2015	N	January 2015 & March 2015	<p>Audit recommendations will be followed up in full audit programme for 2015-16.</p> <p>Garden Waste Service is currently under review as it is being transferred into Customer Services wef April 2015.</p>	X	2.18
	In order to identify efficiencies, the following should be undertaken:	<ol style="list-style-type: none"> 1. The necessity for the current number of renewal stages should be re-assessed with a view to streamlining the renewals process and reducing the number of letters sent to customers. 2. The Garden Waste Service Handbook should be updated to reflect the new garden waste system and any amendments to the stages within the recovery procedure. 	Direct Services Manager/ Garden Waste & Finance Officer	End December 2014 Revised date – end August 2015.	N	January 2015 & March 2015	<p>Audit recommendations will be followed up in full audit programme for 2015-16.</p> <p>Garden Waste Service is currently under review as it is being transferred into Customer Services wef April 2015.</p>	X	2.19

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
77	The following actions should be undertaken in respect of identifying and reporting safeguarding issues.	<ol style="list-style-type: none"> 1. Safeguarding children should be defined under an appropriate lead member portfolio and updates be provided accordingly. 2. Following the appointment of the Housing Services Manager, contact details for the council's Deputy Designated Officer should be updated within the safeguarding children policy and other relevant forms of communication i.e. posters. 3. Relevant safeguarding training should be identified and provided to appropriate staff and training records maintained. 4. Safeguarding children should continue to be a consideration within the upcoming review of the corporate induction process. 	Group Manager Environmental & Housing Services	<p>End November 2014</p> <p>End January 2015</p> <p>End March 2015</p> <p>End November 2014</p>	E	January 2015	As this was given 'limited' assurance by Internal Audit, a formal report on progression of the actions will be brought to Audit Committee in March 2015.	2.20

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
7	Monitoring of the action plan should be undertaken.	<ol style="list-style-type: none"> 1. In order to monitor progress and ensure completion, ownership of the safeguarding children self-assessment action plan should be identified and monitored by an appropriate officer. 2. The action plan should remain fluid and be updated to include any new actions as a result of the Housing Options Team Leader leaving the authority etc. 3. Implementation dates within the action plan should be reviewed to ensure any new dates are feasible and can be achieved. 	Group Manager Environmental & Housing Services	End March 2015	E	January 15	See above	2.21
Repair & Renew Grants 2014/ 2015	The grant application process should conform to DEFRA's MOU.	<ol style="list-style-type: none"> 1. The office use section on the grant application forms should be completed for all applications. 2. The grant application process should document a check against the Business Flood Grant scheme, to ensure monies are not duplicated for the same purpose. 3. Contractual terms and conditions between the Authority and the claimants should be completed. 4. The Defra schedule should be completed in accordance with para 3.2 a)-c) and outstanding schedules submitted by 28 Feb 2015. 	Environmental Health Manager/ Licensing and registration officer.	1.31 May 2015 2.31 May 2015 3.31 May 2015 4. Completed email received from LRO which confirms that the schedules have been submitted by 28 Feb 2015.	E		Days have been allocated within the 2015/16 audit plan to formally audit the sign off of the scheme.	2.22

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref	
3. REVENUES & BENEFITS									
79	Housing Benefit-Debtors	Consideration should be given to ensuring that recovery is prompt and resource balanced.	1. To merge council tax recovery with HB debtors recovery, where possible. 2. To produce and review debtor instalment reports on a monthly basis, with workloads prioritised for recovery officer. Recovery action needs to be documented on the report.	Operational Manager	End January 2014 Revised implementation date December 2014.	N	August 2014 & March 2015	Recommendation: implemented Action 1 – implemented Unable to merge recovery within Northgate as two different modules. However, the recovery officer when reviewing HB sundry debt invoices will check for any outstanding ctax at the same time. Action 2 – implemented Revenues Team Leader reviews on a weekly basis the amount of debt and the number of invoices at each recovery stage.	✓ 3.2
		The Revenues and Benefits Write Off Policy should be amended to reflect changes in the organisational structure and the authorisation limits as set out in the Financial Procedure Rules. In addition, the proforma used to write-off debt should be enhanced to provide an explanation on how the outstanding debt arose.	1. Write off policy to be updated to reflect current authorisation limits. 2. The write off of overpayments by officers should be reflected within the policy 3. The write off proforma to be enhanced to provide an explanation on how the outstanding debt arose as in accordance with the requirements of the current policy.	Operational Manager	End January 2014 Revised date: end December 2014 Further revised date: end August 2015	N	August 2014 & March 2015	Recommendation: outstanding	✗ 3.3

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
08	Fraud procedures in relation to council tax reduction scheme need to be established and in this connection communicating the level of underpayment to the fraud investigation officer should be considered.	1. Council tax reduction scheme fraud policy and procedures to be developed.	Group Manager Revenues and Benefits	End September 2014 Revised implementation date End August 2015	N	January 2015 & March 2015	Recommendation: outstanding. The single fraud investigation services are taking over the benefit fraud investigation in May 2015. Any processes set up in respect of the reduction scheme will need to give consideration to how the SFIS handle the benefit fraud cases. A new implementation date of end August 2015 has been agreed with the Revenues Operations Manager.	X 3.7
	In order to assist with the processing and monitoring of claims, referral sheets should be downloaded onto Information at Work upon receipt and the start and end dates of referral should reflect the actual period of investigation.	1. Referral sheets should be downloaded onto Information at Work upon receipt. 2. Start and end dates of referral should reflect the actual period of investigation.	Group Manager Revenues and Benefits/ Operational Manager	End June 2014 Revised implementation date End August 2015	N	August 2014 & March 2015	See comments above	X 3.8
Council Tax 2014-15	Inspection process needs to be enhanced to ensure that council tax is raised at the earliest opportunity	1. Investigation of the possible use of electronic devices to record inspection data whilst out in the field – this may be linked to a similar review which is to be taken place within the planning section	Revenues Team Leader together with Group Manager	End February 2016	N			3.9

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
	A regular review process to be established in relation to severe mental impairment	<p>1. A disregard review programme plan is to be established that will identify disregards including severe mental impairment for which periodic reviews will be carried out.</p> <p>2. A severe mental impairment disregard and exemption review will be carried out.</p>	Revenues Team Leader	End September 2015	N			3.10
<p>NNDR</p> <p style="text-align: center;">81</p>	The Council's discretionary policy should give consideration to the changes introduced by the Localism Act 2011 in which discretionary relief can be given to any ratepayer.	A review of the discretionary policy in terms of the localism act 2011 will need to consider how business rate discretion could possibly support social economic activities.	Revenues and Benefits Group Manager with Development Services Group Manager	End December 2015	N			3.11
	The Business Rates recovery processes included in the Revenues and Benefits review, should give consideration to validation of a companies standing, the requesting for leases and checking their validity	Outstanding action to recommendation: recovery of debt in respect of Heybridge and Galeta. Visit and letters left in respect of the cases. Request to write off current debt to be reported to Executive Committee (possibly 15 July 2015).	Revenues and Benefits Manager and Revenues Team Leader.	End July 2015	N			3.12

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
1. FINANCE & ASSET MANAGEMENT								
National Fraud Initiative	Consolidation of duplicate creditor records.	1. A review of the suppliers identified as having more than one creditor reference should be undertaken and their records consolidated where appropriate.	Financial Services Manager	End September 2013 Revised implementation date: End March 2015	N	May 2014 & January 2015	Revised implementation date- End March 2015.	X 4.2
82	Budgetary Control	The budget scheme of delegation should be reviewed on an annual basis.	Finance Manager	End September 2014	N	January 2015	Yes- The budget scheme of delegation has been reviewed and updated since the audit, taking into account staff changes and new cost codes etc. This is now to be reviewed on an annual basis.	✓ 4.3
		The Service Managers Finance Handbook should be updated.	Finance Manager	End December 2014	N	January 2015	Yes - The handbook has been updated and circulated to CLT, Group Managers and Operational Managers.	✓ 4.3

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
88	The council's Financial Procedure Rules should be updated.	1. The council's Financial Procedure Rules should be updated to reflect the new titles, roles and responsibilities of officers; be appropriately approved and communicated to staff.	Finance Manager	End December 2014	N	January 2015	Partially- The Financial Procedure Rules have been updated; (<i>see finance drive: / financial policies: / FPR 11-12 v05</i>). However these form part of a bigger picture i.e. the council's constitution. The council currently has an interim constitution which was put together following the organisational review. This information will be pulled together over the next couple of weeks to be published by 2 February 2015 (in accordance with the Local Government Transparency Code). A full review of the constitution will then be undertaken with a deadline of March 2016. In connection with this, the updated Financial Procedure Rules therefore still require approval and to be communicated with staff.	4.3
Playgrounds follow-up	Prior to the transfer of a playground to TBC, documentary information confirming the playground conforms to EU standards and is in good condition should be obtained.	1. A playground history/maintenance file should be initiated on establishment of S106 agreement and updated on an ongoing basis following transfer:	Asset Manager	Agreed to follow up following the completed transfer of a new playground into the council's ownership.	E	February 2015	Due to take on a new playground at Cold Pool Lane in the next 3- 4 months. (Comment March 15:The Asset Manager has indicated that this transfer should take place September 2015).	4.5

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
84	Formal procedures for the monitoring of the contractor's performance under the contract should be developed and documented.	1. The procedures should include the following: <ul style="list-style-type: none"> • The monitoring activities to be undertaken by the Parking Officer. • The day to day monitoring of performance of CEO's on the ground. • Achievement. • Reporting and verification of KPI's. • Monitoring of machine income and enforcement income. 	Asset Manager	End June 2014 Revised implementation date: End March 2015	N	August 2014 & January 2015	Partially- Evidence to demonstrate that monitoring of the contractors performance under the contract is undertaken could be provided. Update on 20/01/15 established that the majority of written procedures have been completed, with just a few left outstanding.	4.7
	Consideration should be given as to whether the KPI's currently in place under the contract are appropriate.	1. In consultation with the lead authority and other participating councils; consider whether alternative KPI's should be adopted, as provided for by para 1.6.3.8 of the contract.	Asset Manager	End September 2014 Revised implementation date: end April 2015	N	January 2015	Not implemented - new implemented date agreed end April 2015	4.8

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
85 Property Audit – TBC building tenant leases	Charges raised should comply to the terms of the lease and receipt of payment should be monitored	<ol style="list-style-type: none"> 1. Debtor invoice request forms raised in relation to rent and service charges should state the payment terms of the lease. 2. Penalty charges should be raised where payments connected with the lease agreement are not received within the stated lease payment timescale. Details are to be recorded within the invoice 3. GCC Service and shower charge debt raised should adhere to the lease/deed of variation terms. In this connection to check invoices raised to GCC for 2013/14. 4. Evidence to support the costing of KW/hr in respect of GCC and the police utilities charge should be retained. 	Asset Manager	End November 2014 Revised implementation date: End April 2015	N	January 2015 & March 2015	Recommendation: partially implemented Action 1: not implemented Action 2: partially implemented. Review carried out to establish which tenants were currently not paying in accordance with the lease terms. Three identified these are currently being monitored. Action 3: implemented Action 4: implemented	4.10
	The disposal of commercial waste by TBC on behalf of tenants should be incorporated within the lease and the appropriate debt raised against the tenants.	<ol style="list-style-type: none"> 1. To review the collection and disposal of tenanted waste and to ensure consideration has been given to legal compliance and to the reimbursement of costs associated with this service by the tenants. 	Asset Manager	End November 2014 Revised implementation date: End April 2015	N	January 2015 & March 2015	Recommendation: partially implemented Discussion have taken place with the Environment Agency in respect of treating the waste from whole of TBC site (including tenants) as one commercial waste entity. This approach, however, does need further legal clarification.	4.11

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref	
88	Property inspections should be carried out when a lease is initiated and then at least on an annual basis	1. Agreed	Asset Manager	End November 2014 Revised implementation date: End April 2015	N	January 2015 & March 2015	Recommendation: outstanding	X	4.12
	Access and use of phone within the CAB room should be reviewed and an appropriate charge raised in relation to usage	1. Obtain report from IT re usage of phone since lease was initiated. 2. Establish charge for phone usage. 3. Issue debtors invoice for usage. 4. Raise invoices on a quarterly/annual basis in relation to phone usage.	Asset Manager	End November 2014	N	January 2015	Recommendation: implemented CAB have now had their own phone installed	✓	4.13
	The management of asbestos in respect of tenanted occupation needs to be developed	1. Property inspections should demonstrate that consideration has been given to the occurrence of asbestos. 2. A facilities management plan including asbestos to be developed.	Asset Manager	End November 2014 Revised implementation date: end April 2015	N	January 2015	Recommendation: partially implemented Action 1 & 2: A management plan has been initiated and consideration has been given to asbestos for both TBC offices and other tenanted premises – this needs to be completed. In addition property inspections need to be completed and demonstrate a condition check on asbestos.	–	4.14
Capital Accounting	A periodic check of the asset register maintained by Financial Services should be carried out against the land and property terrier in order to identify any omissions.	1. Consider carrying this out as part of the year-end review.	Finance Manager	End March 2015	N				4.15

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
New Leisure Centre	Project management arrangements should be enhanced as follows:	1. The Leisure Facility Member Reference Group Terms of Reference should be updated to reflect the roles of officers who currently sit on the group.	Asset Manager	End April 2015	N			4.18
	The following information should be requested from Faithful & Gould:	1. In order to ensure that the council is indemnified against any claims, proceedings, compensation and costs payable arising from the agreement; evidence of the insurances required to be in place under the delivery agreement should be obtained. 2. As required by the delivery agreement, evidence of a quality policy statement and quality plan should be requested.	Asset Manager	End March 2015	E			4.19
2. BUSINESS TRANSFORMATION								
Human Resources	That a staff check between current staff within the key areas i.e. cascades, housing and sports development and the DBS spreadsheet is undertaken on a yearly basis.	1. DBS spreadsheet amended to show that check will be carried out yearly from 1/4/15.	Human Resources Manager/Human resources assistant	End April 2015	N			5.3

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref	
69	Procurement Strategy 2013-14 Audit	<ol style="list-style-type: none"> One Legal to be provided with contract details in respect of Northgate renewal, West Mercia Energy and Firmstep so that these contracts can be placed on the High Value Contract Register. Contract registers for value less than £20,000 to be set up in respect of the 8 groups and to be placed on the public drive. 	<p>RE: 1. -Group Manager Revenues and Benefits (Northgate); -ICT Operations Manager (Firmstep) -Asset Manager (West Mercia)</p> <p>RE: 2. -Policy and Performance Officer in conjunction with Group Managers</p>	End August 2014	N	January 2015	<p>Yes- In accordance with the requirements of the Local Government Transparency Code, contract registers have now been developed for each service area and placed on the public drive. A central contracts register is also now published on the council's website- to be updated quarterly.</p>	✓	5.8
	To demonstrate compliance to the procurement strategy, the pre-procurement checklist should be completed in respect of high value procurement contracts and include suitable reference to 'social value'	<ol style="list-style-type: none"> Pre-procurement checklist to be amended to include additional aspects of the strategy i.e. 'Management of Risk'; 'Sustainability', 'Environmental responsibility' and 'Health and Safety' Procurement Group to include this recommendation as part of the action plan of the group and give consideration to this recommendation within future procurement training and dissemination of procurement information to staff. 	<p>Principal Solicitor (Commercial)</p> <p>Group Manager of Financial Services and Asset Management - as Chair of Procurement Group</p>	<p>End June 2014</p> <p>Revised implemented date: end December 2015</p>	N	August 2014 & March 2015	<p>Action 1 - implemented In respect of action point 1, the procurement checklist has been amended.</p> <p>Action 2 – contract procedure rules currently being redrafted to align to new procurement legislation. These procedure rules will need to be agreed by committee after which there will be staff training.</p>	—	5.10

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
	To comply with the Procurement Strategy, a formalised approach to the Community Right to Challenge needs to be established.	1. To be reviewed through the G8 group with CLT	Policy and Performance Manager	End July 2014	N	August 2014	Original revised implementation date of November 2014. Extend to June 2015. To be discussed with Group Managers and One Legal.	X 5.11
06 ICT 2014/15 PSN Compliance	The following actions should be undertaken in respect of reviewing and updating ICT and PSNA documentation.	<ol style="list-style-type: none"> 1. The powerpoint presentation used to provide awareness training to PSN users should be updated to reflect the new PSN framework. 2. Where personal commitment statements have not been received, these should be requested and upon receipt by fully completed by ICT Services and signed by an appropriate officer. 3. All requests for the use of removable media devices should be supported with a business case, suitably documented and approved. 4. A review of the council's Change Management Policy, last updated in 2010, should be undertaken. 5. The council's incident response process flow should be updated to reflect roles and responsibilities within the current organisational structure. 6. Consideration should be given to Patch Management being made a policy in its own right. 	ICT Operations Manager	End January 2015	N		ICT Manager to bring a report to March Audit Committee on progress of these actions. Since the last Audit Committee the council is now PSN compliant.	5.12

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
	The following actions should be undertaken in order to meet PSNA requirements for employees accessing the PSN network.	1. A criminal records check (unspent convictions) should be undertaken for all PSN users; in particular the following employees: 2135, 2120, 1842, 2022 and 1659.	ICT Operations Manager/ HR Assistant	End December 2014	E	January 2015	Yes- Confirmed with HR that the appropriate BPSS checks have been undertaken for these employees with the exception of the following: <ul style="list-style-type: none"> • 2120- no longer required to be a PSN user- confirmed with ICT that now removed as a user. • 1842- currently on maternity leave. 	5.13
3. ONE LEGAL								
4. POLICY & PERFORMANCE								
91								
1. DEMOCRATIC SERVICES								

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	18 March 2015
Subject:	Internal Audit Annual Plan 2015/16
Report of:	Graeme Simpson, Policy and Performance Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor Mrs J M Perez
Number of Appendices:	1

Executive Summary:

The Public Sector Internal Audit Standards (PSIAS) REF 2010 (Planning) requires that the Chief Audit Executive (CAE) is responsible for developing a risk based plan. Ref 2030 (Resource Management) requires that the CAE must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the plan.

Recommendation:

To APPROVE the Internal Audit Plan 2015/16, as detailed in Appendix 1.

Reasons for Recommendation:

1. The Terms of Reference of the Audit Committee require Members to consider a summary of proposed Internal Audit activity.
2. The PSIAS requires that the CAE reports functionally to the Board, an example of functional reporting is approving the risk based Internal Audit Plan.

Resource Implications:

None.

Legal Implications:

None.

Risk Management Implications:

If an annual Internal Audit Plan is not developed and approved then there will be no steer as to where audit resources should be deployed.

If the plan does not give adequate coverage of the internal control environment then resources will not be deployed effectively to the higher risk areas.

Performance Management Follow-up:

The Audit Committee will receive, on a quarterly basis, a monitoring report on achievement against the plan, and an audit opinion for each individual audit.

Any audit within the plan where recommendations have been made to improve control are subject to a follow-up audit.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 Internal Audit is part of the Policy and Performance Team which reports directly to the Chief Executive. This arrangement demonstrates compliance with PSIAS ref 1110 – organisational independence, as it allows the Policy and Performance Group Manager (delegated as CAE within the audit charter) to report to a level within the organisation that allows the Internal Audit activity to fulfil its responsibilities.

1.2 PSIAS ref 2010 – planning, requires that the CAE is responsible for developing a risk based plan to take into account the requirement to produce an annual Internal Audit opinion. The input of senior management and the Board (Audit Committee) must be considered in the process. The plan has been circulated to Group Managers and was endorsed by Corporate Leadership Team at its meeting held on 4 March 2015.

2.0 PUTTING TOGETHER THE PLAN

2.1 The plan provides a total of 400 productive days and is delivered by 2 full-time equivalent posts. This resource is appropriate, sufficient and will be effectively deployed to achieve the plan. Appropriate refers to the mix of knowledge, skills and other competencies need to perform the plan. Sufficient refers to the quantity of resources needed to accomplish the plan. Resources are effectively deployed when they are used in a way that optimises the achievement of the approved plan.

2.2 The number of days is the net total following allowance for non-working days such as weekends and bank holidays, annual leave, sickness, training etc. This number of days is deemed adequate to ensure there is adequate coverage of the Council's control environment. The plan is divided into key areas as follows:-

2.2.1 Governance

The Council has an assurance framework that helps contributes towards the effectiveness of its overall governance arrangements. On an annual basis, and in compliance with the Accounts and Audit Regulations 2011, the Council must produce an Annual Governance Statement (AGS). The purpose of the statement is to demonstrate the effectiveness of the governance arrangements and, if necessary, identify and take action on any significant governance issues that arise. Internal Audit work therefore supports the completion and integrity of the AGS.

2.2.2 Corporate Improvement

This work supports the traditional assurance work undertaken and aids corporate improvement by identifying key activities that need to be progressed. Corporate Leadership Team and Group Managers are aware of this pot of days and are encouraged to put forward suggestions where the team may help. Good examples of where the team has helped previously include: procurement, including 'Selling to the Council' guide; Customer Services; Revenues and Benefits improvement programme; tree inspections and playground inspections.

2.2.3 Fundamental Financial Systems

This is the audit review of the key financial systems which inform the year end Statement of Accounts. Although Internal Audit sits within the Chief Executive Unit, it still recognises its responsibility to support the Finance and Asset Management Group Manager to discharge his duties as the Council's Section 151 Officer, one of which is to maintain sound financial control. As reported previously, these are established systems which Internal Audit has concluded to be satisfactorily controlled. On this basis, the financial systems are not always audited on an annual basis. For example, Creditors, Debtors and Cash & Bank were not audited in 2014/15 but have been included within the 2015/16 plan.

2.2.4 Service Areas

These are service activities that have been risk assessed based upon factors such as size of budget, inherent risk, previous audit history and the period since last audit. The main source for identifying these activities is the Council's revenue and capital budgets.

2.2.5 Other Areas

There is an allocation of days under 'consultancy and advice'. This covers representation on corporate groups such as the Health and Safety Group, Procurement Group, Business Continuity Group and Equalities Forum. The days also cover general advice given on an ad hoc basis.

An estimated number of days are allocated for follow-up reviews. This is an important element of audit work to provide assurance as to whether audit recommendations have been successfully implemented.

There is an allocation of days to cover 2014/15 work which is ongoing at 31 March 2015.

The Committee has been informed of the internal audit work undertaken at Tewkesbury Town Council. An allocation of days has been included for 2015/16 work.

3.0 OTHER OPTIONS CONSIDERED

3.1 None

4.0 CONSULTATION

4.1 Consultation has taken place with Corporate Leadership Team, Group Managers and the Lead Member for Corporate Governance.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 Internal Audit Charter.

- 6.0 RELEVANT GOVERNMENT POLICIES**
- 6.1 None.
- 7.0 RESOURCE IMPLICATIONS (Human/Property)**
- 7.1 None.
- 8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 8.1 None.
- 9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 9.1 Internal Audit contributes to value for money through its routine audit work and corporate improvement work.
- 10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 10.1 None.

Background Papers: None

Contact Officer: Graeme Simpson, Policy and Performance Group Manager
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Appendices: Appendix 1 – Internal Audit Plan 2015/16

PROPOSED INTERNAL AUDIT PLAN 2015/16

	Est No of days	Total
Corporate Governance		
Annual leave/flexi/TOIL	10	
Local Government Transparency Code	5	
Complaints framework	10	
National Fraud Initiative	5	
Health & Safety - tree inspections	10	40
Corporate Improvement	65	65
Fundamental financial systems		
Main Accounting System	10	
Payroll	10	
Business Rates	10	
Housing Benefits	20	
Treasury Management	10	
Budgetary Control	5	
Creditors	10	
Debtors	10	
Cash & bank	10	95
Service Areas		
Economic Development (grants)	10	
ICT	20	
Garden Waste	10	
Property Services - new leisure centre	10	
Ubico	20	
Environmental Health - Repair & Renewal Grants	5	
Cascades	10	
Elections	10	
Car Parks	5	
Disabled Facility Grants	10	110
Tewkesbury Town Council	15	15
Consultancy & Advice (incl corporate group representation)	30	30
Follow up reviews	30	30
Audit work brought forward	15	15
Total		400

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	18 March 2015
Subject:	Safeguarding Audit
Report of:	Val Garside, Environmental and Housing Services Group Manager
Corporate Lead:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor Mrs C Wright
Number of Appendices:	Two

<p>Executive Summary: To provide an update in relation to the recommendations arising from the safeguarding audit.</p>
<p>Recommendation: To CONSIDER the progress which has been made in relation to the recommendations arising from the Safeguarding audit.</p>
<p>Reasons for Recommendation: The audit identified a number of controls and actions that needed to be implemented.</p>

<p>Resource Implications: None specific for this report.</p>
<p>Legal Implications: None specific for this report.</p>
<p>Risk Management Implications: None specific for this report.</p>
<p>Performance Management Follow-up: Regular monitoring of action taken.</p>
<p>Environmental Implications: None specific for this report.</p>

1.0 INTRODUCTION/BACKGROUND

1.1 A review of the Safeguarding Children's Self-Assessment was carried out in September 2014, a series of recommendations were made. The audit report is attached at Appendix 1.

2.0 PROGRESS AGAINST RECOMMENDATIONS ARISING FROM SAFEGUARDING AUDIT

2.1 All issues identified within the audit have either been actioned or are ongoing:

- Councillor Claire Wright has been identified as the Lead Member for Safeguarding. Councillor Wright receives regular updates at her briefings each month.
- Paula Baker has now been appointed as the Housing Services Manager. Part of her job description is to act as Deputy Safeguarding Officer.
- New posters giving relevant contact information have been installed around the staff areas of the Council.
- Arrangements have been made for new starters to be inducted in relation to their role and safeguarding.
- In respect of training, some Officers have already received training; others are booked on training courses over the year. Safeguarding Champions have been appointed in each of the teams across the organisation; part of their role is to identify staff that require training.
- The Section 11 Audit will be reviewed and updated by the Environmental and Housing Services Group Manager and the Housing Services Manager on a quarterly basis.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 None.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 Tewkesbury Safeguarding & Children's Policy

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Statutory Guidance on making arrangements to safeguard and promote the welfare of children under Section 11 of the Children Act 2004 (HM Government 2005)

Working Together to Safeguard Children: A guide to inter-agency working to safeguard and promote the welfare of children (HM Government 2006)

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 Training costs

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 None.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None

Contact Officer: Val Garside, Environmental and Housing Services Group Manager
01684 272259 val.garside@teWKesbury.gov.uk

Appendices: Appendix 1 - Audit Report (including appendices)
Appendix 2 – Progress against recommendations

Introduction:

Section 11 of the Children Act 2004 places a duty on the council to ensure their functions are discharged having regard to the need to safeguard and promote the welfare of children and young people. A self-assessment against the 8 standards (33 conditions) relating to this duty was undertaken as part of a countywide compliance audit and reported that in respect of the conditions, 16 had been met, 12 partially completed, 3 not completed and 2 were not applicable to the council. This audit will review this self-assessment to verify the accuracy of the reporting of the conditions and also to confirm that stated actions are in the process of being delivered.

Control Objectives (CO):

1. The reporting on the conditions within the self-assessment is accurate and actions have been implemented by the stated date.

Audit opinion:

CO	Assurance Level	Opinion
1	Limited	<p>All conditions within the safeguarding children self-assessment have been completed and, in line with the guidance provided, actions have been noted where the condition is not considered to be fully met.</p> <p>A review of the self-assessment provided assurance that the responses given are a fair reflection of the council's safeguarding arrangements at the time of its completion in November 2013. Furthermore, the supporting evidence is considered to be appropriate to demonstrate either partial, full or non-compliance; although this evidence could be strengthened in some areas.</p> <p>Areas of good practice are demonstrated through the council having in place a safeguarding children policy which is available to all staff. This policy is implemented throughout the council, demonstrated by a number of referrals that have taken place. There is a clear line of accountability within the organisation, procedures are in place for the reporting of any safeguarding issues or concerns at a senior management level and close working with other authorities enables communication with individual children and their families. Staff awareness in respect of safeguarding children is maintained through staff and member briefings.</p> <p>In relation to the reporting of safeguarding issues, the audit did identify the following areas which require action:</p> <ul style="list-style-type: none"> • member updates to an appropriate lead member • the update of staff contact details following recent staff changes • the provision of safeguarding training for appropriate staff.

		<p>The self-assessment requires the creation of an action plan to address those conditions that have not been fully met. The audit focussed on those actions with due dates up to April 2014; all of which remained outstanding. It has therefore been recommended that in order to monitor progress and ensure its completion; ownership of the action plan should be identified and monitored by an appropriate officer. This is particularly important as the Gloucestershire Safeguarding Children Board (GSCB) will be requesting updates on progress against the created action plans in the autumn. If at this point it is identified that actions have not been completed and any areas of non-compliance are identified, it is possible that the Independent Chair of the GSCB would conduct a review into the potential impact this would have on safeguarding children and young people in Gloucestershire. This poses a high risk, reputationally, for the council if there were to be a serious case review.</p>
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Appendices

- A Recommendations**
- B Limited Assurance Statement**

APPENDIX A: RECOMMENDATIONS

AUDIT:	Safeguarding children self-assessment	DATE:	15 September 2014	AUDITOR:	A Grundy
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CO No	Rec No	Risk (of non-implementation)	Recommendation	Action to be taken	Officer Responsible	Implementation Date	Priority
102	1	Reporting of safeguarding issues unclear	The following actions should be undertaken in respect of identifying and reporting safeguarding issues:	<ol style="list-style-type: none"> 1. Safeguarding children should be defined under an appropriate lead member portfolio and updates be provided accordingly. 2. Following the appointment of the Housing Services Manager, contact details for the council's Deputy Designated Officer should be updated within the safeguarding children policy and other relevant forms of communication i.e. posters. 3. Relevant safeguarding training should be identified and provided to appropriate staff and training records maintained. 4. Safeguarding children should continue to be a consideration within the upcoming review of the corporate induction process. 	Group Manager Environmental & Housing Services	<ol style="list-style-type: none"> 1. November 2014 2. January 2015 3. March 2015 4. November 2014 	E
	1	2	Non-compliance to GSCB section 11 audit	Monitoring of the action plan should be undertaken.	<ol style="list-style-type: none"> 1. In order to monitor progress and ensure completion, ownership of the safeguarding children self-assessment action plan should be identified and monitored by an appropriate officer. 2. The action plan should remain fluid and be updated to include any new actions as a result of the Housing Options Team Leader leaving the authority i.e. update of posters etc. 3. Implementation dates within the action plan should be reviewed to ensure any new dates are feasible and can be achieved. 	Group Manager Environmental & Housing Services	March 2015

E= Essential – Necessary due to statutory obligation, legal requirement, Council policy or major risk of loss or damage to Council assets, information or reputation. Where possible it should be addressed as a matter of urgency.

N= Necessary - Could cause limited loss of assets or information or adverse publicity or embarrassment. Necessary for sound internal control and confidence in the system to exist and should be pursued in the short term, ideally within 6 months.

APPENDIX B: Limited Assurance Statement

AUDIT:	Safeguarding children self-assessment	DATE:	15 September 2014
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Control Objective:

The reporting on the conditions within the self-assessment is accurate and actions have been implemented by the stated date.

Limited Assurance Statement within audit opinion of report	Supplementary information relating to limited assurance statement
<p>All conditions within the safeguarding children self-assessment have been completed and, in line with the guidance provided, actions have been noted where the condition is not considered to be fully met.</p> <p>A review of the self-assessment provided assurance that the responses given are a fair reflection of the council's safeguarding arrangements at the time of its completion in November 2013. Furthermore, the supporting evidence is considered to be appropriate to demonstrate either partial, full or non-compliance; although this evidence could be strengthened in some areas.</p> <p>Areas of good practice are demonstrated through the council having in place a safeguarding children policy which is available to all staff. This policy is implemented throughout the council, demonstrated by a number of referrals that have taken place. There is a clear line of accountability within the organisation, procedures are in place for the reporting of any safeguarding issues or concerns at a senior management level and close working with other authorities enables communication with individual children and their families. Staff awareness in respect of safeguarding children is maintained through staff and member briefings.</p> <p>In relation to the reporting of safeguarding issues, the audit did identify the following areas which require action:</p> <ul style="list-style-type: none"> • member updates to an appropriate lead member • the update of staff contact details following recent staff changes • the provision of safeguarding training for appropriate staff. <p>The self-assessment requires the creation of an action plan to address those conditions that have not been fully met. The audit focussed on those actions with due dates up to April 2014; all of which remained outstanding. It has therefore been recommended that in order to monitor progress and ensure its completion; ownership of the action plan should be identified and monitored by an</p>	<p>Section 11 of the Children Act 2004 places duties on a range of organisations to ensure that their functions and any services that they contract out to others are discharged having regard to the need to safeguard and promote the welfare of children. Section 11 also outlines the arrangements that these organisations should have in place to reflect the importance of safeguarding across the organisation. The Gloucestershire S11 audit tool combines the requirements of S11 with locally agreed safeguarding standards. Therefore, some are statutory requirements, whilst others are locally agreed safeguarding best practice.</p> <p>In order to demonstrate compliance; a self-assessment must be completed by each authority. This also requires the creation of an action plan to address those conditions that have not been fully met. The purpose of the action plan is for the council to be clear about where improvements are needed and to have plans in place to address them throughout the year. The audit focussed on those actions with due dates up to April 2014; all of which remained outstanding.</p> <p>It has therefore been recommended that in order to monitor progress and ensure its completion; ownership of the action plan should be identified and monitored by an appropriate officer. This is particularly important as the Gloucestershire Safeguarding Children Board (GSCB) will be requesting updates on progress against the created action plans in the autumn. If at the point of review actions have not been completed, it is possible that the Independent Chair of the GSCB would want to speak to councils safeguarding lead</p>

E= Essential – Necessary due to statutory obligation, legal requirement, Council policy or major risk of loss or damage to Council assets, information or reputation. Where possible it should be addressed as a matter of urgency.

N= Necessary - Could cause limited loss of assets or information or adverse publicity or embarrassment. Necessary for sound internal control and confidence in the system to exist and should be pursued in the short term, ideally within 6 months.

APPENDIX B: Limited Assurance Statement

AUDIT:	Safeguarding children self-assessment	DATE:	15 September 2014
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appropriate officer. This is particularly important as the Gloucestershire Safeguarding Children Board (GSCB) will be requesting updates on progress against the created action plans in the autumn. If at this point it is identified that actions have not been completed and any areas of non-compliance are identified, it is possible that the Independent Chair of the GSCB would conduct a review into the potential impact this would have on safeguarding children and young people in Gloucestershire. This poses a high risk, reputationally, for the council if there were to be a serious case review.

officer to understand what potential impact this would have on safeguarding children and young people in Gloucestershire. There are also high risks to the authority, reputationally, if there were to be a serious case review and there was evidence that employees did not understand their safeguarding responsibilities.

E= Essential – Necessary due to statutory obligation, legal requirement, Council policy or major risk of loss or damage to Council assets, information or reputation. Where possible it should be addressed as a matter of urgency.

N= Necessary - Could cause limited loss of assets or information or adverse publicity or embarrassment. Necessary for sound internal control and confidence in the system to exist and should be pursued in the short term, ideally within 6 months.

Children’s Safeguarding Action Plan

March 2015

Risk (of non-implementation)	Recommendation	Action to be taken	Update
Reporting of safeguarding issues unclear	The following actions should be undertaken in respect of identifying and reporting safeguarding issues:	<ol style="list-style-type: none"> 1. Safeguarding children should be defined under an appropriate Lead Member Portfolio and updates be provided accordingly. 2. Following the appointment of the Housing Services Manager, contact details for the council’s Deputy Designated Officer should be updated within the safeguarding children policy and other relevant forms of communication i.e. posters. 	<p>Councillor Claire Wright , Lead Member for Health and Wellbeing</p> <p>Paula Baker, Housing Services Manager now in post.</p> <p>Safeguarding posters now updated and in situ.</p>

Risk (of non-implementation)	Recommendation	Action to be taken	Update
		<p>3. Relevant safeguarding training should be identified and provided to appropriate staff and training records maintained.</p> <p>4. Safeguarding children should continue to be a consideration within the upcoming review of the corporate induction process.</p>	<p>Training booked and in place for Val Garside, Paula Baker.</p> <p>Human Resources have recently attended Safer Recruitment Training</p> <p>Safeguarding Champions to advise training required with their relevant sections.</p>
Non-compliance to GSCB Section 11 audit	Monitoring of the action plan should be undertaken.	1. In order to monitor progress and ensure completion, ownership of the safeguarding children self-assessment action plan should be identified and monitored by an appropriate officer.	Monitoring of Section 11 audit action plan to be reviewed through one to ones between Group Manager and Housing Services Manager, Portfolio Briefings and Audit Committee.

Risk (of non-implementation)	Recommendation	Action to be taken	Update
		<p>2. The action plan should remain fluid and be updated to include any new actions as a result of the Housing Options Team Leader leaving the authority i.e. update of posters etc.</p> <p>3. Implementation dates within the action plan should be reviewed to ensure any new dates are feasible and can be achieved.</p>	<p>As above</p> <p>To be reviewed in one to ones</p>

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	18 March 2015
Subject:	Public Services Network Compliance
Report of:	Tina Nicholls Business Transformation Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor M G Sztymiak
Number of Appendices:	None

<p>Executive Summary:</p> <p>Tewkesbury Borough Council currently uses Public Services Network (PSN) to exchange data electronically with other PSN-connected agencies. PSN connects together local authorities, government departments, the NHS, agencies such as the Driver and Vehicle Licensing Agency (DVLA) and Police authorities.</p> <p>To remain accredited to PSN the Council must complete an annual assessment process. Failure to meet the required standards may result in the Council's connection to PSN being withdrawn.</p> <p>In September 2014, Members received a report on work underway to stay connected and requested a further update once the reassessment was complete.</p> <p>The Council has now been successful in its submission and has received approval to continue using PSN until January 2016.</p>
<p>Recommendation:</p> <p>Members are asked to CONSIDER the information provided.</p>
<p>Reasons for Recommendation:</p> <p>To provide assurance that action is being taken on a risk-related issue involving external assessment of the Council's compliance with mandatory requirements.</p>

<p>Resource Implications:</p> <p>It may be necessary to invest in technical and policy enhancements to address cases of non-compliance with PSN requirements. Where necessary, these will be assessed and justified through a business case.</p>
<p>Legal Implications:</p> <p>There are no direct legal implications of non-compliance with PSN requirements.</p>

Risk Management Implications:

PSN provides a secure channel for sending and receiving data electronically, especially Government data which is classified as 'Official' (the majority of information that is created or processed by the public sector). Non-availability of the PSN due to failure to comply with requirements could increase the likelihood of data protection breaches when exchanging data, with associated reputational, financial and service delivery impacts.

The risks associated with failure to achieve compliance with the PSN Code of Connection are being managed through a process managed by Cabinet Office and Communications and Electronic Security Group.

Performance Management Follow-up:

Reporting on the annual re-assessment process and result of this will be made to this Committee.

Environmental Implications:

None

1.0 INTRODUCTION/BACKGROUND

- 1.1** Local authorities, government departments, the NHS, agencies such as the DVLA and Police authorities have their own computer networks which are connected together using PSN. PSN is used mostly for information sharing, however, it is planned to increase the number of secured, shared applications across this network, to increase efficiency and reduce costs. The PSN is managed by the Cabinet Office with an annual Code of Connection compliance process involving the CESG (Communications and Electronic Security Group) based in Cheltenham.
- 1.2** The Council currently uses PSN to send and receive data electronically with other PSN-connected agencies. Currently, the main users of PSN are Revenues and Benefits (electronic transfer of data) and Customer Services ('Tell Us Once' notifications). There is other ad hoc use for secure communications with Police, the NHS and Social Services.
- 1.3** To remain accredited to PSN the Council must complete an annual assessment process, which includes an annual IT Health Check of the ICT infrastructure. Failure to meet the required standards may result in the Council's connection to PSN being withdrawn.

2.0 COMPLIANCE RESULTS

- 2.1** The Council has now been successful in its submission and has received approval to continue using PSN until January 2016.

- 2.2** Following an Internal Audit review of the self- assessment, recommendations mainly procedural related, have been identified to strengthen compliance:
1. The PowerPoint presentation used to provide awareness training to PSN users should be updated to reflect the new PSN framework - Completed
 2. Where personal commitment statements have not been received, these should be requested and upon receipt by fully completed by ICT Services and signed by an appropriate officer – Completed.
 3. All requests for the use of removable media devices should be supported with a business case, suitably documented and approved – Completed.
 4. A review of the Council's Change Management Policy, last updated in 2010, should be undertaken – To be completed.
 5. The Council's incident response process flow should be updated to reflect roles and responsibilities within the current organisational structure – Completed.
 6. Consideration should be given to Patch Management being made a policy in its own right – To be completed.

3.0 OTHER OPTIONS CONSIDERED

- 3.1** None. Being disconnected from PSN could mean that the Council is unable to fully carry out its public duties. For example, it would be unable to electronically exchange benefits data with the Department for Work and Pensions which is a mandatory requirements in respect of housing benefits data.

4.0 CONSULTATION

- 4.1** None.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

- 5.1** Revenues & Benefits service delivery priorities

6.0 RELEVANT GOVERNMENT POLICIES

- 6.1** Cabinet Office and CESG - Public Services Network compliance and usage requirements

7.0 RESOURCE IMPLICATIONS (Human/Property)

- 7.1** Significant ICT and HR resource required to maintain the PSN connection

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

- 8.1** None

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

- 9.1** The PSN is key enabling technology for electronic Government. There is a cost to the council of maintaining the PSN connection (met by ICT service budgets).

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None

Background Papers: None

Contact Officers: Matthew Reeve , IT Operations Manager
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Appendices: None

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	18 March 2015
Subject:	Corporate Risk Register
Report of:	Graeme Simpson, Policy and Performance Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor Mrs J M Perez
Number of Appendices:	1

Executive Summary:

The corporate risk register was re-introduced in 2014 and was reported through the performance management framework which is reviewed by Overview and Scrutiny Committee. At Corporate Governance Group, which is attended by the relevant Lead Member, the reporting of the register was discussed. There was full agreement that the most appropriate Committee for reviewing the register was the Audit Committee. The Committee has within its Terms of Reference the responsibility to monitor the effective development and operation of risk management.

Recommendation:

To CONSIDER the risk register and the risks contained within it.

Reasons for Recommendation:

Risk management is an important part of the Council's assurance framework. The risk register is a mechanism to demonstrate that key corporate risks are recognised and managed. The Audit Committee has within its Terms of Reference the responsibility to monitor the effective development and operation of risk management.

Resource Implications:

None.

Legal Implications:

None.

Risk Management Implications:

If a sound risk management framework is in place then this will help deliver the Council's priorities and key projects.

Performance Management Follow-up:

The register will be a 'live' document and updates will be provided to the Audit Committee at each of its meetings.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The corporate risk register has recently been re-introduced and was reported through the performance management framework which is reviewed by Overview and Scrutiny Committee. At Corporate Governance Group, which is attended by the relevant Lead Member, the reporting of the register was discussed. There was full agreement that the most appropriate Committee for reviewing the register was the Audit Committee. The Committee has within its Terms of Reference the responsibility to monitor the effective development and operation of risk management.

2.0 CORPORATE RISK REGISTER

2.1 The risk register was re-introduced in 2014 and reported to Overview and Scrutiny Committee on 9 September 2014. The register was first reported to Audit Committee on 10 December 2014. This is, therefore, the second update to the Audit Committee. The Corporate Governance Group oversees the Council's overall risk management arrangements. The register is a corporate document and has been endorsed by the Corporate Management Team. The register can be found in Appendix 1.

2.2 The register is a live document and, as such, risk descriptions may change in time, new risks emerge and current risks mitigated. Any changes to the register will be notified to the Audit Committee, a report will be brought to each Committee. Changes to the register since the last update are shown in bold.

2.3 Corporate related risks are formally discussed at monthly management team meetings with operational related risks forming part of normal business dialogue within the services. The risk register is a high level summary document, risks relating to project type activities such as the Joint Core Strategy and new leisure centre are supported by more detailed project risk registers.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 None

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 Risk Management Strategy

6.0 RELEVANT GOVERNMENT POLICIES

6.1 None.

- 7.0 RESOURCE IMPLICATIONS (Human/Property)**
- 7.1 None unless there are any specific risks identified.
- 8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 8.1 None unless there are any specific risks identified.
- 9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 9.1 Risk management will help deliver the priorities of the Council.
- 10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 10.1 None.

Background Papers: None

Contact Officer: Graeme Simpson, Policy and Performance Group Manager
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Appendices: Appendix 1 – Corporate Risk Register

APPENDIX 1 - CORPORATE RISK REGISTER

Risk description	Responsible Officer(s)	Current controls	Further control action and proposed implementation dates
<p>Financial sustainability: if in light of further cuts in government funding, a shortfall in planned income or significant increases in operating costs then this will impact upon the quality and level of service delivery and the ability to influence and address community issues.</p>	<p>Corporate Leadership Team Group Manager – Finance & Asset Management</p>	<p>MTFS, Savings Programme, Budget Working Group, Business Transformation strategy.</p>	<p>Delivery of savings programme and Transform programme (March 2016) , strategic service review programme (March 2016), procurement action plan (March 2016)</p>
<p>Business Transformation: If projects within the business transformation programme are not properly scoped then there is the potential the programme will not realise the required financial savings and deliver the necessary transformational outcomes.</p>	<p>Group Manager – Business Transformation</p>	<p>Business Transformation Strategy, Transform Working Group, Savings programme, project management framework.</p>	<p>Scope individual projects - review project management arrangements (July 2015). Production of baseline assessments – complete. Strategic service review programme (March 2016). Customer Access Model - complete. Develop channel shift strategy (March 2016)</p>
<p>Leadership capability: If Managers and Members do not work together effectively to proactively drive and take difficult decisions that are needed in a difficult environment then it will impact upon building a more resilient council and balancing a difficult budget.</p>	<p>Chief Executive</p>	<p>Member & Officer Protocol. Portfolio Briefings. Political structure.</p>	<p>Leadership development training. (March 2016)</p>

APPENDIX 1 - CORPORATE RISK REGISTER

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Risk description	Responsible Officer(s)	Current controls	Further control action and proposed implementation dates
<p>Collaboration: If the Council does not effectively collaborate with its strategic partners then this could lead to a reduction in services or failure to address social issues which cannot be addressed in isolation.</p>	<p>Deputy Chief Executive</p>	<p>Leadership Gloucestershire Local Strategic Partnership (Public Service Centre Partners) GCC relationship Town and Parish Council relationship</p>	<p>Delivery of Transformation Programme (March 2016) Financial Inclusion (March 2016)</p>
<p>Economic growth: If there is inadequate engagement with the business community, particularly at a strategic level then the potential to deliver sustainable economic growth for the Borough may not be fulfilled to its maximum potential.</p>	<p>Group Manager – Development</p>	<p>Strategic Economic Plan, partnership working with Local Enterprise Partnership, Tewkesbury Town Masterplan, Economic Development & Tourism Strategy.</p>	<p>Delivery of SEP (March 2016), deliver phase 3 of the Tewkesbury Masterplan (March 2016), delivery of ED & T strategy (March 2016), Scrutiny Review of Car Park Strategy – complete.</p>
<p>Joint Core Strategy: if the JCS fails at the pre-submission examination stage then this will result in significant delay to the timetable then resulting in the failure to develop sustainable growth and prevent piecemeal development.</p>	<p>Group Manager – Development</p>	<p>JCS consultation, formal project programme, evidence base.</p>	<p>Progression of pre-submission draft to examination stage – complete. Ensure all supporting evidence is robustly presented. (July 2015)</p>

APPENDIX 1 - CORPORATE RISK REGISTER

Risk description	Responsible Officer(s)	Current controls	Further control action and proposed implementation dates
<p>Government policy: If there is a change in government or shift in government policy then the significance of this change/shift will need to be carefully assessed to determine any financial/legislative/economic/social impact on the council and its communities.</p>	<p>Corporate Leadership Team Group Manager – Policy & Performance</p>	<p>Strategic policy network e.g. LGA, CIPFA, Centre for Public Scrutiny, professional networking.</p>	<p>Ongoing review and monitoring of national landscape (ongoing action).</p>
<p>Asset Management: If assets are not managed to optimum performance then this could adversely affect the Council's finances and there could be missed opportunities to maximise their potential.</p>	<p>Group Manager – Finance & Asset Management</p>	<p>Office refurbishment and rationalisation, new leisure centre.</p>	<p>Review of asset portfolio (March 2016). Development of asset management strategy. (December 2015)</p>
<p>Training & Development: If workforce planning is not effective then employees and Members may not have the skills and capacity to fulfil their potential and help deliver the Council's priorities.</p>	<p>Group Manager – Business Transformation Group Manager – Democratic Services</p>	<p>Behaviours framework, corporate training budget, Service plans, and 1-2-1 sessions.</p>	<p>Develop training & development programme. (December 2015) Develop new workforce strategy (December 2015)</p>
<p>Customer expectation: If the Council does not effectively communicate its purpose and priorities to influence customer demand then customer expectation may not realistically reflect the significant financial pressures facing the Council.</p>	<p>Group Manager – Business Transformation</p>	<p>Communications Strategy, complaints framework, Satisfaction Survey.</p>	<p>Develop new customer services strategy including Channel Shift (March 2016)</p>

APPENDIX 1 - CORPORATE RISK REGISTER

Risk description	Responsible Officer(s)	Current controls	Further control action and proposed implementation dates
<p>Delivery of Operational Services: If the future of Operational Services is not clearly mapped then this leads to organisational uncertainty of a key frontline service and may prevent the service from improving performance and VFM.</p> <p>If the transfer of operational services is not effective then this may lead to customer dissatisfaction and represent a reputational risk to the Council.</p>	<p>Deputy Chief Executive</p> <p>Group Manager – Environment & Housing</p>	<p>Interim management arrangements with CBC, sharing of CBC depot.</p>	<p>Presentation of UBICO business case - complete.</p> <p>Client Monitoring Framework. (March 2016)</p>
<p>Business Continuity: If robust business continuity arrangements are not in place then in the event of an incident there could be sustained loss of key services.</p>	<p>Group Manager – Business Transformation</p>	<p>Corporate Business Continuity Plan, service business plans, ICT disaster recovery arrangements.</p>	<p>Identify priority services and test plan (September 2015)</p>
<p>Information Governance: if necessary safeguards for, and appropriate use of, personal information and data are not in place then the Council and individual employees may become individually liable for breaches of legislation.</p>	<p>Deputy Chief Executive</p> <p>Group Manager – Business Transformation</p>	<p>PSN compliant, ICT Policy, Data Protection Policy, Fraud & Corruption Policy, nominated Senior Information Risk Owner.</p>	<p>Development of information governance policy (July 2015), Training programme (December 2015).</p>
<p>Welfare reform: if the impact of welfare reform legislation is not managed then this potentially affects the understanding of the impact and the ability to address the implications on services, the community and partners.</p>	<p>Deputy Chief Executive</p>	<p>Revenues & Benefits Improvement Programme</p>	<p>Work with Severn Vale Housing/CAB/DWP particularly around financial inclusion (March 2016)</p>

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Risk description	Responsible Officer(s)	Current controls	Further control action and proposed implementation dates
<p>Emergency planning: if the Council fails to respond effectively to an emergency then this will have an adverse impact upon the needs of our communities.</p>	<p>Group Manager – Environment & Housing</p>	<p>Emergency plan and team, Communications Strategy, testing of rest centre arrangements, Flood Risk Management Group.</p>	<p>Review of response to recent flooding incident including review of Sandbag Policy (complete - reviewed by Flood Risk Management Group and reported to Overview and Scrutiny Committee 2 December 2014)</p>
<p>New leisure centre : if planning approval is not obtained or if financial parameters are not met then it is unlikely there will be a sustainable leisure provision. If unforeseen works occur or value engineering assumptions are not deliverable then additional capital investment will be required to complete the centre.</p>	<p>Group Manager – Finance & Asset Management</p>	<p>Appointment of project manager, approved budget, dialogue with English Heritage.</p>	<p>Development of governance and budgetary control framework, development of contract specification, planning consultation (complete)</p>
<p>Individual electoral registration: If not implemented correctly then there is a risk the electoral register will be incomplete and would result in denying individuals the right to vote.</p> <p>If the register is incomplete then there is a risk that individuals entitled to vote will not have the right to exercise their vote.</p>	<p>Group Manager – Democratic Services</p>	<p>DWP data matching, software testing, council tax movements, project plan.</p> <p>Household notification letter to every property</p> <p>Early despatch of poll cards</p> <p>Data sharing agreement with GCC (16-17 yrs persons)</p>	<p>Monthly checks, data sharing agreement with GCC (16-17 yrs persons), awareness campaign (Heart FM and council tax booklet feature) – (May 2015)</p>

APPENDIX 1 - CORPORATE RISK REGISTER

Risk description	Responsible Officer(s)	Current controls	Further control action and proposed implementation dates
<p>Tewkesbury Borough Plan: if the Tewkesbury Borough Plan (TBP) fails to progress to the pre-submission stage then this will result in the failure to develop sustainable growth and prevent piecemeal development</p>	<p>Group Manager – Development Services</p>	<p>TBP</p>	<p>Progression of plan to pre-submission stage (December 2015)</p>