

8 December 2015

Committee	Audit
Date	Wednesday, 16 December 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 - 11
To approve the Minutes of the meeting held on 30 September 2015.	
5. ANNUAL AUDIT LETTER 2014/15	12 - 18
To consider Grant Thornton's Audit Letter 2014/15.	
6. CERTIFICATION YEAR-END LETTER 2014/15	To Follow
To consider the certification year-end letter 2014/15.	
7. GRANT THORNTON PROGRESS REPORT	To Follow
To consider the external auditor's report on progress against planned outputs.	
8. INTERNAL AUDIT PLAN MONITORING REPORT	19 - 47
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 September – November 2015.	
9. SAFEGUARDING AUDIT	48 - 51
To consider the progress which has been made in relation to the recommendations arising from the safeguarding audit.	
10. FIGHTING FRAUD CHECKLIST	52 - 65
To consider the report on the Council's overall fraud arrangements.	
11. MONITORING OF SIGNIFICANT GOVERNANCE ISSUES	66 - 70
To consider the monitoring report on the Significant Governance Issues identified in the Annual Governance Statement and to review progress against the actions.	
12. CORPORATE RISK REGISTER	71 - 79
To consider the Risk Register and the risks contained within it.	

DATE OF NEXT MEETING
WEDNESDAY, 23 MARCH 2016
COUNCILLORS CONSTITUTING COMMITTEE

Councillors: K J Cromwell, A J Evans, R Furolo (Chairman), Mrs P A Godwin, B C J Hesketh, Mrs S E Hillier-Richardson and Mrs H C McLain (Vice-Chairman)

Substitution Arrangements

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

Recording of Meetings

Please be aware that the proceedings of this meeting may be recorded and this may include recording of persons seated in the public gallery or speaking at the meeting. Please notify the Democratic Services Officer if you have any objections to this practice and the Chairman will take reasonable steps to ensure that any request not to be recorded is complied with.

Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the public and press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Audit Committee held at the Council Offices,
Gloucester Road, Tewkesbury on Wednesday, 30 September 2015 commencing
at 2:00 pm**

Present:

Chairman
Vice Chairman

Councillor R Furolo
Councillor Mrs H C McLain

and Councillors:

K J Cromwell, A J Evans, Mrs P A Godwin, B C J Hesketh and Mrs S E Hillier-Richardson

AUD.15 ANNOUNCEMENTS

- 15.1 The evacuation procedure, as noted on the Agenda, was advised to those present.
- 15.2 The Chairman welcomed Alex Walling, Engagement Lead from Grant Thornton, to the meeting. It was noted that David Johnson, Audit Manager for Tewkesbury Borough Council from Grant Thornton, would also be attending the meeting but was running late.

AUD.16 DECLARATIONS OF INTEREST

- 16.1 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.
- 16.2 There were no declarations made on this occasion.

AUD.17 MINUTES

- 17.1 The Minutes of the meeting held on 24 June 2015, copies of which had been circulated, were approved as a correct record and signed by the Chairman.

AUD.18 GRANT THORNTON AUDIT FINDINGS 2014/15

- 18.1 Attention was drawn to Grant Thornton's report, circulated at Pages No. 12-45, which set out the audit findings for the Council for 2014/15. Members were asked to consider the report.
- 18.2 Alex Walling, Engagement Lead from Grant Thornton, explained that the report highlighted the key findings from Grant Thornton's audit of the Council's financial statements for the year ended 31 March 2015. Under the Audit Commission's Code of Practice, Grant Thornton was required to report whether, in its opinion, the Council's financial statements represented a true and fair view of the financial position, its expenditure and income for the year, and whether they had been properly prepared in accordance with the Chartered Institute of Public Finance and

Accountancy (CIPFA) Code of Practice on Local Authority Accounting. In addition to this work, Grant Thornton was also required to reach a formal conclusion on whether the Council had put into place proper arrangements in terms of the Value for Money (VFM) conclusion.

- 18.3 Members were advised that today was the deadline for issuing opinions and by the end of the meeting the Statement of Accounts 2014/15 and Letter of Representation would both be approved and posted online. It was anticipated that an unqualified opinion would be issued in respect of the financial statements which meant that they represented a true and fair view. The accounts contained only a small number of errors, the majority of which had been adjusted by management, and the working papers continued to be of good quality with staff responding promptly to all queries. One area which had been flagged up was bad debt provision for housing benefit; this was not an error but it was on the low side, particularly given the move towards Universal Credit. No adjustments had been identified affecting the Council's reported financial position which was very positive. In terms of VFM, Grant Thornton proposed to give an unqualified conclusion again this year. One area which had been highlighted for Tewkesbury Borough Council, and the majority of other local authorities, was the longer term financial position of the Council. Whilst there were no issues with the arrangements within the Council, there was a potential overreliance on New Homes Bonus which was a concern given that there were so many unknowns going forward. There had been no issues with the whole accounts and no significant weaknesses had been identified within the internal controls. A small number of recommendations had been made and were set out at Appendix 1 to the report. The Engagement Lead thanked the Finance team and reiterated that the arrangements in place at the Council were generally very good, the working papers were excellent, and the team was very prompt in responding to audit queries.
- 18.4 In drawing attention to Page No. 20 of the report, the Engagement Lead explained that there were two presumed significant risks which were applicable to all entities, whether corporate or public sector: improper revenue recognition, as there was a presumed risk that revenue may be misstated, and management override of controls. The audit work undertaken had not identified any issues in those regards. Operating expenses and employee remuneration had been identified as 'other' risks, and detailed testing was carried out due to the amount of transactions and large figures involved. No significant issues had been identified aside from it being flagged up that remuneration for one Officer had been erroneously omitted from senior employee remuneration. Pages No. 22-23 of the report looked at the policies, estimates and judgements set out in the accounts and, whilst no significant issues had been found, there was an 'amber' warning around bad debt provision; this was an estimate and something which Officers might like to consider for the future, particularly in respect of housing benefit and Universal Credit. Page No. 25 of the report set out the other areas which Grant Thornton was required to communicate when approving the accounts e.g. matters in relation to fraud, non-compliance with regulations, confirmation requests from third parties. No significant issues had been identified in respect of internal controls. Page No. 28 of the report set out the adjusted and unadjusted misstatements and Members were informed that it was quite an achievement that none had been required in 2014/15. Misclassifications and disclosure changes were included at Page No. 29 and set out the details of two disclosures in respect of senior officer remuneration and minor changes to the financial statements to improve presentation e.g. ensuring cross-references to other notes within the accounts were correct.
- 18.5 Page No. 31 of the report set out the areas covered in the VFM conclusion which was based on ensuring that the Council had proper arrangements in place for securing financial resilience and challenging how it secured economy, efficiency and effectiveness. It was proposed that, from 2015/16 onwards, the VFM conclusion would look at slightly different areas: finance; partnership working, a

growing area in the public sector; and decision making. A document was currently out for consultation which closed later that day. Overall, the work had highlighted that the Council managed its finances effectively, had a relatively high level of reserves and had managed its expenditure to achieve an underspend against its original budget, whilst delivering its savings targets. The Council's Medium Term Financial Plan had gaps in future years for identified savings and there was a potential overreliance on a single source of income with the New Homes Bonus, which was something to be aware of. Page No. 32 onwards provided more detail around the areas which Grant Thornton had been asked to look at by the Audit Commission with the final fees charged for the audit set out at Page No. 38. Confirmation was provided that there were no significant facts or matters which impacted on Grant Thornton's independence as auditors.

- 18.6 A Member drew attention to the action plan, set out at Pages No. 42-45 of the report. She noted that the first recommendation related to the monitoring of the method for calculation of bad debt provisions and she queried where this was reported. The Finance and Asset Management Group Manager confirmed that it was monitored internally by management but he was happy to report to the Committee, if Members so wished. The Member indicated that she would like an update in six months' time given that it was a recurring issue within Grant Thornton's report. With regard to the Council's reliance on New Homes Bonus, a Member indicated that the policy statement he had read suggested that the New Homes Bonus was very likely to continue and he queried at what point it would be considered acceptable to build in that assumption. The Finance and Asset Management Group Manager explained that there had been a lot of rumours about potential changes over the last 12 months but it was not necessarily the case that New Homes Bonus would end in totality as that would have a significant impact on a number of district councils. Notwithstanding this, decisions could only be made based on current knowledge until the Council was officially advised of any changes. Officers took a prudent view on the amount of income which was likely to be received; £600,000 was currently included in the budget but over £800,000 had been received which gave a significant buffer to be able to react to any changes in Government policy. Housing was a big issue for the Government and the Council should be in a good position to benefit from the New Homes Bonus scheme if it was not amended significantly. Members would be updated as soon as a definite message was received by the Government. The Member expressed the view that 'overreliance' was an overly critical word to use and the Engagement Lead indicated that the intention was simply to flag up the uncertainty about the future of New Homes Bonus. The Finance and Asset Management Group Manager confirmed that he had no issue with it being highlighted as a potential risk and he felt that it was important that the risk be acknowledged by both Officers and the auditors.
- 18.7 The Chairman offered his congratulations to the Finance team on a very positive report and thanked them for their hard work on behalf of the Audit Committee. Accordingly it was

RESOLVED That Grant Thornton's audit findings 2014/15 be **NOTED**.

AUD.19 LETTER OF REPRESENTATION

- 19.1 Attention was drawn to the Section 151 Officer's Letter of Representation on the financial statements for the year ended 31 March 2015, which had been circulated at Pages No. 46-48. Members were asked to consider the letter.
- 19.2 The Finance and Asset Management Group Manager indicated that, as the Council's Section 151 Officer, he was required to write a Letter of Representation to the external auditors which outlined the principles on which the accounts were based, and confirmed compliance with the law, as well as disclosing any fraudulent

activity that may have taken place. The letter also confirmed that the Section 151 Officer had not played an active role in the production of the accounts and so could perform his Section 151 duties independently.

- 19.3 In response to a query, Members were informed that there had been no significant changes to the Letter compared to the one which had been approved the previous year. Accordingly, it was

RESOLVED That the Letter of Representation be **APPROVED** and signed by the Section 151 Officer.

AUD.20 STATEMENT OF ACCOUNTS 2014/15

- 20.1 The report of the Finance and Asset Management Group Manager, circulated at Pages No. 49-147, set out the Statement of Accounts for 2014/15. Members were asked to approve the Statement of Accounts as attached at Appendix 1 to the report.

- 20.2 The Finance Manager explained that the Statement of Accounts was a statutory document which demonstrated the Council's financial position at the end of the financial year. In line with the revised Accounts and Audit (England) Regulations 2011 guidelines, approval of the accounts was now made by the Section 151 Officer by 30 June, the accounts were then audited and amended, if necessary, by 30 September before the Section 151 Officer signed the accounts again. Those accounts were then approved by the Audit Committee and signed by the Chairman.

- 20.3 In terms of income and expenditure, Members were advised that working balances had remained at £450,000 and the Council had underspent against its net budget by £78,000 in the year. In terms of the overspends, additional costs had been incurred as a result of savings plans not being met, most notably in respect of staff savings as the Council now had a much smaller workforce and a lower turnover of staff; a £94,000 one-off cost was associated with the transfer of Waste Services to Ubico and the resultant release of the Council from the rental contract for the Swindon Road Depot; there had been an overspend as a result of benefit claims expenditure being higher than budgeted, and it was noted that the Council had not been able to process all claims in order to reclaim the total amount paid out from Government subsidy. With regard to underspends, grant funding had not been fully utilised; additional income had been generated through trade waste and garden waste; income from planning and land charges was above budget; and there had been additional recovery of Council Tax overpayments relating to previous years. The Council had also released earmarked reserves from the previous year which had been set aside to fund future expenditure but had subsequently not been required in full, however, the Council had also recognised an additional requirement for future reserves which had been approved by Executive Committee in July 2015. This had resulted in a change of £78,000 which matched the underspend for the year and, as such, there was no change in the working balances held at year end.

- 20.4 The Finance Manager went on to explain that the total net worth of the Council had decreased by £4.2M to £1.8M. The decrease in worth was summarised in the Movement in Reserves Statement, contained within the Statement of Accounts. One of main factors was an adjustment relating to the accounting for business rates due to the impact of a large refund to Virgin Media which had a successful appeal against the rateable value that had been applied dating back to 2005. Other adjustments included a reduction in the capital receipts reserve, as the Council had paid for improvements to the Council Offices and the building of the new leisure centre, and a £5.1M increase in the pension deficit as well as adjustments on the Council's fixed assets. The Council Tax collection fund

balance showed a surplus of £1.3M at year end which was positive. This would be redistributed amongst the precepting bodies of Gloucestershire County Council, Gloucestershire Police and Tewkesbury Borough Council. The balance on the collection fund for business rates was a deficit of £14.9M at year end as a result of collecting less than estimated before the start of the financial year and due to the need to set aside funds to cover future appeals. Central Government was allocated 50% of the deficit; Tewkesbury Borough Council was allocated 40%; and Gloucestershire County Council 10%. In terms of capital resources, the total balance was £12.3M, including capital grants, however, after allowing for commitments, the unallocated budget available for new capital grant projects was just under £1M. The Annual Governance Statement had been approved by the Audit Committee at its meeting in June with no changes being required. It had subsequently been signed off by the Leader of the Council and the Chief Executive and had not, therefore, been re-presented to support the Statement of Accounts.

- 20.5 A Member noted that 55% of the Council's underspend was classed as 'other' and he sought clarification as to what sort of items this included. The Finance Manager explained that there was an extensive list and there were many fluctuations, however, these were natural underspends and overspends within departments and there was nothing significant enough to report. Accordingly, it was

RESOLVED That the Statement of Accounts 2014/15 be **APPROVED**.

AUD.21 PROSECUTION POLICY FOR THE COUNCIL TAX REDUCTION SCHEME

- 21.1 The report of the Revenues and Benefits Group Manager, circulated at Pages No. 148-163, set out the current position regarding the Prosecution Policy for the Council Tax Reduction Scheme. Members were asked to recommend to the Executive Committee that the revised Prosecution Policy be adopted, as set out at Appendix 2 to the report.
- 21.2 Members were advised that the Council was no longer required to investigate and prosecute Housing Benefit and Council Tax fraud as those responsibilities were now being carried out by the Single Fraud Investigation Service and the Crown Prosecution Service. The Borough Council still had a responsibility to investigate Council Tax Reduction Scheme Fraud, which was the replacement for Council Tax Benefit. On that basis, it was necessary to review the existing Prosecution Policy and make appropriate changes.
- 21.3 Referring to Paragraph 2.2 of the report, the Revenues and Benefits Group Manager explained that the main changes would remove any reference made to Housing Benefit and Council Tax Benefit and replace them with 'Council Tax Reduction Scheme'; include Council Tax Reduction Scheme offences; change the title of the Revenues and Benefits Manager to read 'Revenues and Benefits Group Manager'; make changes to the section covering administrative penalties to reflect the Council Tax Reduction penalty requirements and delete the section on collection of the penalty; and include a section on other penalties where the Borough Council could impose a penalty of £70 for cases where it was determined that fraud had not been committed and the person had either been negligent in making an incorrect statement, or had no reasonable excuse in failing to notify the Borough Council of a change in circumstances. All changes were highlighted at Appendix 2 to the report.
- 21.4 In response to a Member query regarding the imposition of penalties, the Revenues and Benefits Group Manager clarified that there was a new penalty which could be applied in cases where it was determined that fraud had not been committed and the person had either been negligent in making an incorrect statement, or had no reasonable excuse in failing to notify the Borough Council of a change in circumstances. The £70 penalty rate was set by the Department for Work and Pensions and could not be amended. A Member queried how this would be

enforced and was advised that Officers would investigate cases as they had done previously with Council Tax and Housing Benefit when they had been able to administer penalties if appropriate. The Member went on to question whether the penalty would cover the cost of carrying out the investigation. The Revenues and Benefits Group Manager indicated that this would depend on the length of the investigation and the amount of work that had gone into the process; if the Council had been made aware of the change of circumstances within a reasonable period then an investigation may be unnecessary and the penalty would cover the cost of Officer time, however, a full fraud investigation could cost up to £3,000. A Member asked what the likely recovery rate would be and was informed that a payment plan would be established with individuals in difficult circumstances and most did adhere to the plan. The Revenues and Benefits Group Manager did not have enforcement or collection rate figures to hand but he provided assurance that all cases were followed through and action was taken to recover penalties where appropriate. The Finance and Asset Management Group Manager indicated that an updated Prosecution Policy would assist with the recovery of outstanding debt and there would be less need for bad debt provision if more money could be recovered throughout the year.

21.5 Having considered the information provided, it was

RESOLVED That it be **RECOMMENDED TO THE EXECUTIVE COMMITTEE** that the revised Prosecution Policy be **ADOPTED** as set out at Appendix 2 to the report.

AUD.22 INTERNAL AUDIT PLAN MONITORING REPORT

22.1 The report of the Corporate Services Group Manager, circulated at Pages No. 164-204, was the first monitoring report of the financial year and summarised the work undertaken by the Internal Audit team during the period April to August 2015. Members were asked to consider the audit work completed and the assurance given on the adequacy of internal controls operating in the systems audited.

22.2 Members were advised that the Internal Audit team consisted of two full time equivalent posts. Due to maternity leave, one of the posts had been covered by a secondment arrangement, however, that employee had recently been successful in obtaining a permanent position within the Corporate Services team and a temporary resource would need to be brought in between now and the end of quarter 3. It was noted that no incidents of fraud, corruption, theft or whistleblowing had been reported during the period. As advised at previous Audit Committees, the Internal Audit team had been commissioned by Tewkesbury Town Council to undertake its internal audit. The 2014/15 year end audit had concluded during the first quarter of 2015/16 and had been formally reported to the Town Council at its Council meeting on 29 June 2015. An audit plan had been approved and the delivery of the action plan was monitored by the Town Council's Finance Committee.

22.3 Full details of the work undertaken were attached at Appendix 1 to the report and a list of audits within the 2015/16 Audit Plan and their progress to date could be found at Appendix 2 to the report. The Corporate Services Group Manager drew attention to the Local Government Transparency Code audit set at Page No. 167 of the report. He explained that there was a Government drive to ensure that Councils were accountable for their spending and there had been a need to ensure that the relevant information was published on the Council's website in accordance with the Code. A number of days had been allocated within the 2015/16 Audit Plan and the audit had indicated that the Council was generally compliant overall. The Department of Communities and Local Government was not monitoring compliance and therefore risk was minimal, however, it had indicated that it would react if complaints were received under the Freedom of Information Act. It was

noted that improvements were currently being made to the system used for recording Freedom of Information Act requests and this would be maintained by the Corporate Services team. Members were informed that a limited opinion had been issued in relation to the audit of the complaints framework. The main concerns were around the way that the data was logged as some entries were not complete; access to the log meant that there was potential for live entries to be deleted; the log did not record the date acknowledgements were sent which meant that it could not be demonstrated that they were being sent within the requisite time period; and there was no monitoring of complaints until the six monthly report was produced for the Overview and Scrutiny Committee. The Council generally received a low number of complaints but it was felt that the system for recording complaints could be more robust and that improvements could be made to allow trend analysis and corporate learning. The recommendation arising from the review was for a fundamental review of the complaints framework which would commence the following month. In response to a Member query, the Corporate Services Group Manager advised that an update would be brought to the next meeting of the Committee in accordance with the usual procedure for those audits with a limited or unsatisfactory opinion. A Member questioned whether changes would be implemented throughout the course of the review, as opposed to waiting until the review had been completed, and was advised that some things could be implemented quickly, for example, access to the spreadsheet for recording complaints, however, some actions, such as the online system for recording Freedom of Information complaints, would take longer to put in place.

- 22.4 With regards to the business rates audit, there was a good level of assurance that the information provided in the annual NNDR3 return was accurate and the supporting documents were good quality, which reiterated Grant Thornton's audit findings, discussed under an earlier Agenda item. In terms of the Repair and Renew Grants audit, Members were informed that approximately £570,000 had been obtained through the scheme. The Memorandum of Understanding between the Council and Defra required the Council's Chief Internal Auditor to give an audit opinion to provide assurance that invoices submitted by the Council were in compliance with the grant scheme. The Corporate Services Group Manager advised that the grants that had been reviewed had complied with the criteria of the scheme and the quarterly invoices had been raised and sent to Defra within the agreed timescales, therefore, the overall opinion was that there was a satisfactory level of control in terms of conforming to the scheme. A Member queried whether the work which had been carried out to properties would be subject to inspection and the Environmental and Housing Services Group Manager explained that, whilst some were carried out, it was impossible to inspect all of the properties so there was some reliance on the invoices provided by builders. Members were advised that a 5% inspection sample was required as a minimum and that level had been exceeded. The Corporate Services Group Manager went on to advise that the Council was required to provide a return to the Department of Communities and Local Government to confirm compliance with the conditions attached to the Disabled Facilities Grant determination. A sample of grant applications had been reviewed and it was found that they were processed in accordance with the regulations. The Overview and Scrutiny Committee had established a Working Group to review the Disabled Facilities Grants process and the Working Group had met for the first time the previous week. The Disabled Facilities Grants process was also part of the Environmental Health systems thinking review.
- 22.5 Members were informed that an unsatisfactory opinion had been issued in relation to the tree inspection audit. The manual records demonstrated that tree inspections had taken place in both high and medium risk land assessment areas, however, there was limited assurance as to the robustness and completeness of the inspection process as there was no clear audit trail from the land assessment

to the inspection records; the manual records did not retain sufficient detailed information e.g. tree species, map co-ordinates; several areas of land were still awaiting investigation in respect of land ownership liability; tree tag reference numbers had been duplicated for different trees on the same site; and some trees had been inspected and tagged in error as the maps did not show the location of Council land. Inspection information within the Uniform system was found to be incomplete and could not be used to produce notification reports for Ubico to generate next inspection dates. The Environmental and Housing Services Group Manager provided assurance that she was working with the Asset Manager to rectify the issues and she indicated that new hardware and software was being trialled which could be used on site and could pinpoint trees to within 10cm. A Member felt that the system for reporting back to Councillors when they had raised issues with a tree needed to be improved so that they were able to keep members of the public abreast of what action was being taken. Another Member requested details of protected trees on Council land and the Environmental and Housing Services Group Manager undertook to ensure that both requests were addressed. A Member questioned how much the new equipment was likely to cost and was advised that the system which the Asset Management team was looking at could be used to manage other assets such as play areas. There would be a one-off cost of approximately £4,000 to purchase the tablets which were needed and an ongoing cost of approximately £4,000. It was understood that the tablets came with pre-loaded templates and that certain fields must be completed before the user would be allowed to move on which would address some of the issues which had been identified during the audit. In response to a query as to whether the Tree Panel could be used to carry out inspections, the Borough Solicitor clarified that the Tree Panel was in place to assess the amenity value of trees protected by Tree Preservation Orders in the event of an appeal; this was a completely different function and was unrelated to technical risk-based assessment of trees which was the focus of the audit. The Corporate Services Group Manager indicated that a progress report would be brought to the Audit Committee meeting in March 2016.

- 22.6 In terms of the car park audit, Members were advised that there was a satisfactory level of control in terms of the income relating to car parking tickets, permits and penalty notices being banked and allocated correctly to the general ledger, however, there was a minor issue regarding the recovery of unpaid direct debit instalments in relation to permits. The main items of expenditure claimed in relation to the car parking contracts of Security Plus and APCOA were verified for accuracy prior to payment and the contracts were well-managed and maintained. It was noted that corporate improvement work had been carried out in respect of the ICT asset inventory and fraud arrangements.
- 22.7 Appendix 3 to the report contained a summary of all audit recommendations and their status. The Corporate Services Group Manager explained that there was a need to consult with Group Managers as to whether the recommendations contained within the audits added value to the organisation and that was a piece of work which needed to be undertaken. In addition, he explained that it was a requirement of the Public Sector Internal Audit Standards that an independent review of the Internal Audit section be carried out every five years. It was intended that this would be implemented in the latter part of 2016 and a report would be brought to the Audit Committee setting out a brief for the review.
- 22.8 Having considered the information provided, it was
RESOLVED That the Internal Audit Plan Monitoring Report be **NOTED**.

AUD.23 ICT ASSET INVENTORY AUDIT

- 23.1 Attention was drawn to the report of the Corporate Services Group Manager, circulated at Pages No. 205-210, which asked Members to consider the progress that had been made in implementing the internal audit recommendations to improve the control over ICT assets.
- 23.2 Members were reminded that an ICT audit had been undertaken as part of the 2014/15 Internal Audit Plan and had concluded that there was an unsatisfactory level of control, largely due to the asset register being unfit for purpose and there being no documented procedures. This opinion had been reported to the Audit Committee on 24 June 2015 and it had been requested that a progress report be brought to the next Committee on how the control issues identified were being resolved. The ICT Manager advised that, since the review, the ICT team had worked with Internal Audit to produce a new set of procedures and an asset management spreadsheet. The main changes which had been implemented involved purchase orders being made against each individual item on the asset register along with purchase dates; disposal was now checked with Finance before collection was arranged, disposal was arranged by the helpdesk and signed off by the ICT Operations Manager; annual review of all assets would now take place and users/departments that had signed out an asset would be asked to prove the location and condition of the asset; the asset register would have a check date and would be updated when the checks were completed; checks were run before equipment was disposed of and any hard drives must have a certificate of their destruction; mobile assets now needed to be signed in and out of ICT by the department/user that required it; assets were recorded against service, individual and purchase order number; and a full check had been completed to ensure that all items on the new asset sheet were accounted for.
- 23.3 In response to a query, the Finance and Asset Management Group Manager advised that the Council's current Asset Management Plan ended in 2015; a new Plan had been drafted and would be taken to the Transform Working Group and Executive Committee later in the year. A Member raised concern that some items being written-off may no longer be considered as assets if they had reached a certain age and he was assured that they were now given a depreciation value or a 'life expectancy', for instance, the average life expectancy for a PC was three to five years, which enabled Officers to identify when they would be due for replacement. A Member questioned whether missing items would be covered by insurance and was advised that only the more expensive, high risk items were covered in those circumstances. The Corporate Services Group Manager advised that a follow-up audit would be undertaken over the forthcoming months.
- 23.4 It was
- RESOLVED** That the progress which had been made in implementing the Internal Audit recommendations to improve the control over ICT assets be **NOTED**.

AUD.24 HEATH AND SAFETY - RISK ASSESSMENTS AUDIT

- 24.1 Attention was drawn to the health and safety risk assessments audit report, circulated separately. Members were asked to consider the progress which had been made in relation to the recommendations arising from the audit.
- 24.2 The Environmental and Housing Services Group Manager indicated that it had been recognised that a more effective IT system was required for risk assessments, which would allow working documents and previous actions to be stored, and she confirmed that a draft system had now been put in place. All existing health and safety documents would be transferred by the end of October

which would allow more effective monitoring on a regular basis. In respect of risk assessments managed by the Asset Management team, a management plan had been created to identify risk and gaps. To date, the asbestos risk gap had been identified, considered, actioned and documented on the plan. Members were advised that 25 Council-owned properties were included in the management plan; of those properties, nine were known to contain asbestos and a further two were suspected to contain asbestos. An inspection programme was now in place to monitor the identified risks. It was a similar situation in relation to Legionella and the Asset Management team was now receiving training. Risk assessments had been seen for the six properties with the potential to attract Legionella. Fire risk assessments had been commissioned since 2013; management plans were in place and would be updated by the end of October 2015. All electrical installation inspections were up to date with regard to portable appliance testing and the information would be recorded on the management plan by the end of October 2015.

24.3 Members were advised that there had been very limited risk assessments in place for grounds maintenance when it had transferred to Ubico in April 2015, however, the review of risk assessments was already part of the Ubico work plan and, therefore, work was progressing. More site specific risk assessments were being carried out for particular areas and arrangements had been made with Ubico to report back to the Council via the 'Keep Safe, Stay Healthy' Group. In relation to the gaps identified within community and economic development, risk assessment and lone working training had already taken place. A further health and safety audit would be carried out within the next six months to ensure compliance. The risk assessment training had been open to all departments and had emphasised the importance of keeping risk assessments up to date which would assist the Health and Safety Officer going forward.

24.4 In response to a query regarding the properties which contained asbestos, the Finance and Asset Management Group Manager confirmed that two of the properties were tenanted and the Asset Management team was working with the tenants to attain the level of asbestos etc. A Member asked that more detailed information be provided to the Committee about the different types of asbestos and the location of the high risk areas, and the Environmental and Housing Services Group Manager undertook to provide this following the meeting. A Member queried whether the Council obtained risk assessments from contractors and was assured that anyone procured to undertake work on behalf of the Council would be required to provide risk assessments.

24.5 It was

RESOLVED That the progress made in relation to the recommendations arising from the health and safety risk assessments audit be **NOTED**.

AUD.25 CORPORATE RISK REGISTER

25.1 The report of the Corporate Services Group Manager, circulated at Pages No. 211-220, attached the corporate risk register which Members were asked to consider.

25.2 Members were advised that the Council's overall risk management arrangements were overseen by the Corporate Governance Group and the corporate risk register, attached at Appendix 1, was a high level summary document which had been endorsed by the Corporate Leadership Team; changes to the register since the last update were highlighted in bold. It was noted that, if a devolution bid was accepted by the Government, this was likely to be a high level risk and would appear on the corporate risk register. A Member queried if there was any progress in relation to the Joint Core Strategy and was advised that Members had recently been provided

with a written update which indicated that there would be hearings in December designed to hear evidence as a result of further 'homework' set by the Inspector; there had been no changes since that time. A Member raised concern that March 2016 had been set as the proposed implementation date for a number of risks contained within the corporate risk register. In response, the Corporate Services Group Manager explained that some actions would be completed by March 2016 whereas some were year-end dates intended to reflect the progress made by that time.

25.3

It was

RESOLVED That the information contained within the corporate risk register be **NOTED**.

The meeting closed at 3:45 pm

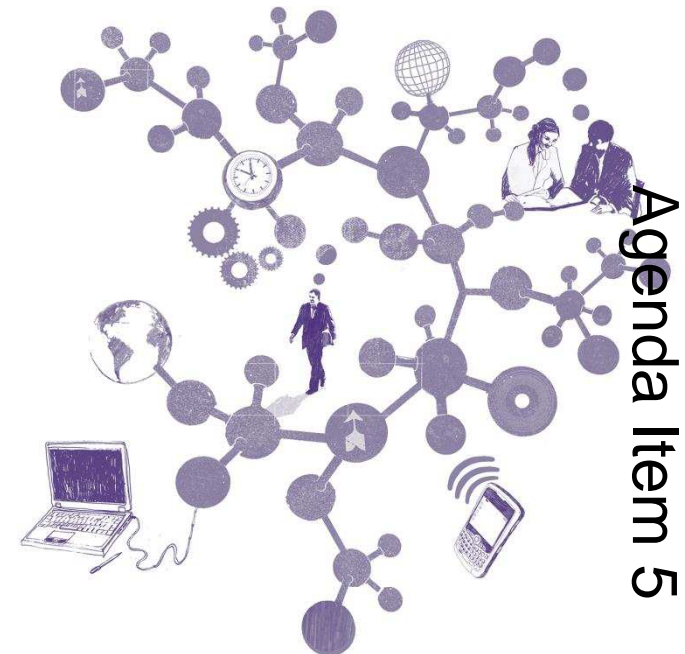
The Annual Audit Letter for Tewkesbury Borough Council

Year ended 31 March 2015

28 October 2015

Alex Walling
Engagement lead
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David Johnson
Audit Manager
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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Tewkesbury Borough Council ('the Council') for the year ended 31 March 2015.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 24 June 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and Public Sector Audit Appointments Limited.

<p>Financial statements audit (including audit opinion)</p>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 30 September 2015 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none"> • the accounts contained only a small number of errors; the majority of which had been adjusted by management • bad debt provision for housing benefit requires further consideration in light of proposed changes to benefit regulations • the working papers continue to be of a high quality • finance staff responded promptly to all audit queries. <p>We issued an unqualified opinion on the Council's 2014/15 financial statements on 30 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council .</p>
<p>Value for Money (VfM) conclusion</p>	<p>We issued an unqualified VfM conclusion for 2014/15 on 30 September 2015.</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.</p>

Key messages - continued

Certification of housing benefit grant claim	We are currently auditing the Council's Housing Benefit claim and will report any findings to the Audit Committee in December.
Audit fee	Our fee for 2014/15 was £72,595 excluding VAT which was in line with our planned fee for the year and remains unchanged from the previous year. Further detail is included within appendix B.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
10	<p>1. Review of bad debt provision considered that the Council had under provided against the outstanding housing benefit debt. This leaves the Council at risk of not having enough resources to meet ongoing obligations should there be a change in the liability.</p> <p>Recommendation: The Council should continue to monitor the method for calculation of bad debt provisions and ensure that provisions for liabilities are based on appropriate assumptions and are adequate taking into account future benefit regulations</p>		<p>The Council continue to monitor outstanding debt and have a process in place for agreeing ongoing recovery from benefit entitlement. The Council have a good understanding of the current position and the future risk. It is considered that there is low risk of non collectability and a large proportion of the debt is managed through a formal agreement.</p> <p>The Council will continue to monitor any changes in regulation and will assess the impact on future collectability when outcomes are known</p> <p>Responsible office: Group Manager Finance and Asset Management Due date: Ongoing</p>
	<p>2. Review of the MTFP showed that a 3-5 year plan has been considered and has been based on reasonable assumptions. There are a number of gaps in future years which have yet to be addressed and no concrete plans have been made to identify how the shortfall will be met. Management have taken steps to address the gaps and the ongoing process will be monitored to ensure a balanced budget is achieved</p> <p>Recommendation: Plans to bridge the budget gaps in 2016-17 and 2017-18 should be drawn up as soon as possible</p>		<p>Detailed planning on meeting the budget deficit over the medium term carried out by management needs to be communicated and discussed with the newly formed Transform Working Group. This is an ongoing process which will need to be reviewed and updated in light of future government finance including the Comprehensive Spending Review</p> <p>Responsible office: Group Manager Finance and Asset Management Due date: Ongoing</p>

Appendix B: Reports issued and fees

We confirm below the fees charged for the audit.

Fees for audit services

	Per Audit plan £	Actual fees £
Council audit	59,895	59,895
Housing benefit grant certification fee	12,700	*12,700
Total audit fees	72,595	72,595

* Work is ongoing. Final fee to be confirmed in Annual Grant Report

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Reports issued

Report	Date issued
Audit Plan	24 June 2015
Audit Findings Report	30 September 2015
Certification Report	December 2015
Annual Audit Letter	October 2015



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TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	16 December 2015
Subject:	Internal Audit Plan Monitoring Report
Report of:	Graeme Simpson, Corporate Services Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor R J E Vines
Number of Appendices:	3

Executive Summary:

This is the second monitoring report of the financial year and summarises the work undertaken by and the assurance opinions given by Internal Audit for the period September – November 2015.

Recommendation:

To consider the audit work completed and the assurance given on the adequacy of internal controls operating in the systems audited.

Reasons for Recommendation:

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.

Resource Implications:

None.

Legal Implications:

None.

Risk Management Implications:

If the CAE does not report functionally to the board then this does not comply with the PSIAS.

If there are delays in response to the acceptance/implementation of essential audit recommendations then this potentially increases the risk of fraud, error, inefficiency or areas of non-compliance remaining within the systems audited.

Performance Management Follow-up:

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 reported to the Audit Committee and these can be found in Appendix 3.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The 2015/16 Internal Audit Plan was approved at Audit Committee on 18 March 2015. This is the second monitoring report of the financial year and summarises the work undertaken by and the assurance opinions given by Internal Audit for the period September – November 2015. It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that the Chief Audit Executive (Group Manager Corporate Services) 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 2015/16 Audit Plan and their progress to date can be found in Appendix 2.

2.3 When reporting, a 'split' opinion can be given. This means an individual opinion can be 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 All audit recommendations have been included within this monitoring report. This provides the Committee with an overview of the breadth of work undertaken and allows the Committee to monitor the implementation of the audit recommendations. The list of recommendations and their status can be found in Appendix 3.

N.B: recommendations that have been previously reported to the Audit Committee as implemented have been removed from the template.

3.0 INTERNAL AUDIT STAFFING

3.1 The Internal Audit establishment consists of two full-time equivalents, one of whom is on maternity leave. As reported to the Audit Committee in September 2015 this leave was originally covered by a secondment arrangement. The employee within the secondment role was successful in obtaining a permanent position within the Corporate Services Team. Therefore, an Internal Audit contractor has now been brought in to ensure there is no significant slippage in the Audit Plan.

4.0 FRAUD/CORRUPTION/THEFT/WHISTLEBLOWING

4.1 No incidents have been reported during the period.

5.0 PARTNERSHIP ARRANGEMENT WITH TEWKESBURY TOWN COUNCIL

5.1 As reported at previous Audit Committees, the Internal Audit team has been commissioned by Tewkesbury Town Council (TTC) to undertake their Internal Audit. During the period, Tewkesbury Town Council has identified two Councillors who are to act as 'auditors' and help the Town Clerk improve internal control. To support this, Internal Audit has developed a set of checklists to be used when undertaking this role.

6.0 OTHER OPTIONS CONSIDERED

6.1 None.

7.0 CONSULTATION

7.1 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.

8.0 RELEVANT COUNCIL POLICIES/STRATEGIES

8.1 Internal Audit Charter and Internal Audit Annual Plan.

9.0 RELEVANT GOVERNMENT POLICIES

9.1 None.

10.0 RESOURCE IMPLICATIONS (Human/Property)

10.1 None.

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

11.1 None.

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

12.1 Internal Audit contributes to VFM through their improvement work.

13.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

13 .1 None.

Background Papers: None

Contact Officer: Graeme Simpson, Group Manager Corporate Services
01684 272002 Graeme.simpson@tewkeshire.gov.uk

Appendices: Appendix 1 – Audit work undertaken September – November 2015
Appendix 2 – Audit Plan progress
Appendix 3 – Summary of recommendations

**List of Audits Completed as part of the 2015/16 Audit Plan
(September 2015 – November 2015)**

Audit	Audit Objective & Opinion		
Treasury Management	<p>Control Objectives (CO):</p> <ol style="list-style-type: none"> Investments are placed in accordance with the Council's Treasury Management Strategy. The investment register is reconciled on a monthly basis to the main accounting system. <p>Audit opinion</p>		
	CO	Assurance Level	Opinion
	1	Good	<p>The Council has a robust Treasury Management Strategy which is appropriate to the level of activity.</p> <p>Acceptable Counterparties are identified on a monthly basis based on the criteria set out in the Treasury Management Strategy; and activity is restricted accordingly.</p> <p>Each investment (amount and duration) is made with due regard to the Council's short to medium term cash flow requirement. Investments are supported by appropriate documentation, the agreed principal and interest payments are recovered on the due date specified.</p> <p>The Strategy imposes further lending restrictions and requires treasury management activity to be monitored with regards to:</p> <ul style="list-style-type: none"> - Non Specified Investments; - Liquidity Management; - Average Portfolio Rating; - Interest Rate Exposure; and - Long Term Lending <p>Adequate segregation of duties exists within the Treasury Management function to ensure that investments are placed securely and in accordance with the Strategy.</p>
2	Good	<p>The investment register is reconciled on a monthly basis to the main accounting system; the reconciliation is properly carried out and is subject to review and approval.</p>	

Debtors

Control Objectives (CO):

Audit Opinion:

1. Debt requests created by services are raised promptly and accurately.
2. Debtor invoices are generated accurately, with any adjustments being justified and payments correctly allocated.
3. Recovery action is appropriate and any outstanding debt is reported to services.
4. Monthly reconciliation of debtors to general ledger is undertaken.

CO	Assurance Level	Opinion
1	Good	<p>Through the sample testing of invoices assurance was obtained that debt requests created by services were raised promptly and accurately.</p> <p>Debtor invoices are generated accurately based on service requests. Adjustments undertaken on debtors are authorised where appropriate including the write-off of bad debt. Payments are received and recorded correctly within the debtors system and the general ledger. Furthermore any payments allocated to debtor's suspense are cleared promptly.</p> <p>Recovery action undertaken by financial services is appropriate with regard to the issues of reminders and final reminders. Furthermore, debt is notified to services regularly using an outstanding debtors report which is colour coded to identify the age of debt.</p> <p>The balancing statement file provides evidence that a monthly reconciliation of debtors to the general ledger is undertaken. A review of two of these statements also provided assurance as to the accuracy of the reconciliation process.</p>

Leisure Centre

Control Objectives (CO):

1. Monitoring arrangements exist which provide assurance that the new leisure centre will be built on time, within budget and to the required specification.
2. Payments concerning the project are authorised and are made in relation to materials on site or works completed
3. The Management Team, Council Members and the public are kept informed of the development of the new leisure centre

Audit Opinion

CO	Assurance Level	Opinion
1	Good	<p>A programme of works in respect of the building of the new leisure centre has been established by the contractor. In respect of this programme there are reporting arrangements in place which monitor its delivery in respect of being on time and within cost through the Pick Everard contract. Reporting through this contract occurs regularly and data supporting these reports is considered accurate although the implications of each warning notice issued should be addressed within a risk register.</p> <p>The monthly reporting includes a financial reporting element and this confirms the project is being delivered within the overall budget that was approved by members. Monthly reports are communicated to the project sponsor (Deputy Chief Executive) with regular financial updates also provided to the member working group.</p> <p>The quality monitoring of the build programme is undertaken by Faithfull & Gould. This is performed through an inspection regime which was found to consist of regular weekly visits. It should be noted that this inspection regime is not strictly in accordance with the contracted requirements, however, the Asset Manager indicated that the inspections are being performed at key times and therefore the current inspection arrangement is considered adequate. In addition, monitoring reports are produced on a weekly basis with a monthly summary. Information within the reports is adequate for the purposes of quality monitoring and a review of a sample of issues/defects confirmed that these are being resolved promptly.</p>
2	Good	<p>Through a review of invoices in relation to the build contract assurance was obtained that payments are being made in line with contractual terms. Furthermore, expenditure is being appropriately allocated within the general ledger.</p>

	3	Good	There is an active communication network in place to disseminate progress and issues of the leisure centre build to Members through the Leisure Facility Member Reference Group; staff and also members of the public.												
Budgetary Control	<p>Control Objectives (CO):</p> <ol style="list-style-type: none"> 1. The budget is formally approved at Council prior to the commencement of the financial year and the general ledger reflects the approved budget. 2. Responsibility for budgetary control is defined. 3 There is adequate budget monitoring. <table border="1" data-bbox="443 622 1455 1843"> <thead> <tr> <th data-bbox="443 622 515 723">CO</th> <th data-bbox="523 622 695 723">Assurance Level</th> <th data-bbox="703 622 1455 723">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="443 734 515 891">1</td> <td data-bbox="523 734 695 891">Good</td> <td data-bbox="703 734 1455 891">The 2015/16 budget of £9,209,670 was appropriately approved at Council, prior to the commencement of the financial year. The approved budget has successfully been uploaded to the General ledger.</td> </tr> <tr> <td data-bbox="443 902 515 1429">2</td> <td data-bbox="523 902 695 1429">Satisfactory</td> <td data-bbox="703 902 1455 1429"> <p>The Council's Financial Procedure Rules have been updated to reflect the current organisational structure, and Officer's roles with regards to Financial Management. At present they remain in draft format awaiting ratification by Council.</p> <p>The scheme of budget delegation is documented, and reflects the new organisational structure. However, there is no current (i.e. relating to the 2015/16 budget) record of the Council Officers to whom budget responsibility has been assigned and their signature by way of acknowledging acceptance.</p> <p>Training on budgetary control has been provided. The non-mandatory nature of the event meant that not all those that should have attended actually attended.</p> </td> </tr> <tr> <td data-bbox="443 1440 515 1843">3</td> <td data-bbox="523 1440 695 1843">Good</td> <td data-bbox="703 1440 1455 1843"> <p>Monitoring reports are produced on a regular basis, and contain accurate information that is received in a timely manner by the nominated budget holders.</p> <p>An independent review of budgets is carried out by Financial Services.</p> <p>Significant variances are investigated, documented and where appropriate formal action plans are implemented.</p> <p>Adequate governance arrangements exist - there is regular review and reporting of the Council's financial position at Senior Management, and Member level.</p> </td> </tr> </tbody> </table>			CO	Assurance Level	Opinion	1	Good	The 2015/16 budget of £9,209,670 was appropriately approved at Council, prior to the commencement of the financial year. The approved budget has successfully been uploaded to the General ledger.	2	Satisfactory	<p>The Council's Financial Procedure Rules have been updated to reflect the current organisational structure, and Officer's roles with regards to Financial Management. At present they remain in draft format awaiting ratification by Council.</p> <p>The scheme of budget delegation is documented, and reflects the new organisational structure. However, there is no current (i.e. relating to the 2015/16 budget) record of the Council Officers to whom budget responsibility has been assigned and their signature by way of acknowledging acceptance.</p> <p>Training on budgetary control has been provided. The non-mandatory nature of the event meant that not all those that should have attended actually attended.</p>	3	Good	<p>Monitoring reports are produced on a regular basis, and contain accurate information that is received in a timely manner by the nominated budget holders.</p> <p>An independent review of budgets is carried out by Financial Services.</p> <p>Significant variances are investigated, documented and where appropriate formal action plans are implemented.</p> <p>Adequate governance arrangements exist - there is regular review and reporting of the Council's financial position at Senior Management, and Member level.</p>
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Creditors	Control Objectives (CO): 1. Key controls in respect of the creditor's system are in place.						
	<table border="1"> <thead> <tr> <th data-bbox="440 282 507 362">CO</th> <th data-bbox="507 282 699 362">Assurance Level</th> <th data-bbox="699 282 1474 362">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 371 507 1460">1.</td> <td data-bbox="507 371 699 1460">Satisfactory</td> <td data-bbox="699 371 1474 1460"> <p>An up-to-date authorised signatory list is maintained.</p> <p>Amendments to the creditor database are in practice controlled; with amendments being input by one individual and approved by another.</p> <p>Invoices are only processed if they have been appropriately certified.</p> <p>Adequate arrangements exist to ensure that expenditure is allocated to the correct cost centre, and VAT is appropriately accounted for.</p> <p>Adequate control is evidenced over payment runs in that</p> <ul style="list-style-type: none"> - any potential duplicate payments are identified; - manual batch totals are agreed to system payment run totals; and - system payment run totals are agreed to BACS submission file totals. <p>A record is maintained of the issue and receipt of pre-signed cheques. However, periodic stock checks are not undertaken to confirm physical stock held matches recorded stock.</p> <p>Cheques are stored in a locked filing cabinet. The Council's insurers have confirmed that current insurance cover will remain in force even if the cheques are not kept in a safe or strong room. However, they would recommend to the contrary. The adequacy of cover has not been tested.</p> <p>Accurate balancing statements are prepared on a monthly basis and are reviewed by a Senior Officer.</p> </td> </tr> </tbody> </table>	CO	Assurance Level	Opinion	1.	Satisfactory	<p>An up-to-date authorised signatory list is maintained.</p> <p>Amendments to the creditor database are in practice controlled; with amendments being input by one individual and approved by another.</p> <p>Invoices are only processed if they have been appropriately certified.</p> <p>Adequate arrangements exist to ensure that expenditure is allocated to the correct cost centre, and VAT is appropriately accounted for.</p> <p>Adequate control is evidenced over payment runs in that</p> <ul style="list-style-type: none"> - any potential duplicate payments are identified; - manual batch totals are agreed to system payment run totals; and - system payment run totals are agreed to BACS submission file totals. <p>A record is maintained of the issue and receipt of pre-signed cheques. However, periodic stock checks are not undertaken to confirm physical stock held matches recorded stock.</p> <p>Cheques are stored in a locked filing cabinet. The Council's insurers have confirmed that current insurance cover will remain in force even if the cheques are not kept in a safe or strong room. However, they would recommend to the contrary. The adequacy of cover has not been tested.</p> <p>Accurate balancing statements are prepared on a monthly basis and are reviewed by a Senior Officer.</p>
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Corporate Improvement Work							
Fraud arrangements	An assessment of the Council's overall fraud arrangements was undertaken using the 'Fighting Fraud Checklist for Governance'. The work was requested by the Corporate Governance Group. The outcome of this assessment is an Agenda Item for Audit Committee in December.						
Environmental Health and Development Control service review	Internal Audit has provided advice on a number of work streams including: Disabled Facilities Grants (application and verification of documents); dealing with complaints; and payments reconciliation between the planning and finance systems. The Internal Auditor is a member of the project team.						

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

LEVEL OF CONTROL	DEFINITION
Good	Robust framework of controls – provides substantial assurance.
Satisfactory	Sufficient framework of controls – provides satisfactory assurance – minimal risk. Probably no more than one or two 'Necessary' (Rank 2) recommendations.
Limited	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.
Unsatisfactory	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	Status
Annual leave/flexi/TOIL	Draft – report to Audit Committee March 2016.
Local Government Transparency Code	Final – report to Audit Committee September 2015.
Complaints framework	Final – report to Audit Committee September 2015.
Repair & Renewal Grants	Final – report to Audit Committee September 2015.
Disabled Facility Grants	Final – report to Audit Committee September 2015.
Business Rates	Final – report to Audit Committee September 2015.
Car parks	Final – report to Audit Committee September 2015.
Tree inspections	Final – report to Audit Committee September 2015.
National Fraud Initiative	Draft – report to Audit Committee March 2016.
Property Services - new leisure centre	Final – report to Audit Committee December 2015.
Debtors	Final – report to Audit Committee December 2015.
Main Accounting System	Draft – report to Audit Committee March 2016.
Payroll	
Housing Benefits	
Treasury Management	Final – report to Audit Committee December 2015.
Budgetary Control	Final – report to Audit Committee December 2015.

Audit	Status
Creditors	Final – report to Audit Committee December 2015.
Cash & Bank	
ICT	
Garden Waste	In progress.
Ubico	
Cascades	
Elections	
Economic Development – grants	

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
DEVELOPMENT SERVICES								
S106 30	The monitoring process should give consideration to actively identifying completion of properties with the S106 module	1) Procedures to be set up for any new S106 agreements which will take into account the following actions:-- -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 2016/17.	1.7

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
ENVIRONMENTAL & HOUSING SERVICES								
<p>31</p> <p>Tree Inspections</p>	<p>A database of tree inspections should be established and maintained.</p>	<ol style="list-style-type: none"> The database should incorporate the tag numbers of all trees as well as details obtained from forms A, B and C as appropriate. The database should be capable of providing a report of all outstanding remedial works recorded on Form B's. In the interim, a temporary schedule of trees with outstanding remedial works should be established. The database should also be capable of providing reports of inspection intervals for all trees. In the interim, a schedule of high risk trees subject to further inspection should be established. 	<p>Group Manager Environmental & Housing Services</p>	<p>End March 2015 March 2017</p>	<p>E</p>	<p>June 2015 --- September 2015</p>	<p>An audit on tree inspections reported to Audit Committee in September 2015 confirmed an unsatisfactory level of control. As reported at committee, a new transformational project has been launched to resolve the issues identified. The previous manually intensive system was found to be inadequate. Technology that plots trees and allows inspections to be input on mobile devices is ready to be used. High risk locations to be inspected by March 2017.</p> <p>Days will be allocated within the 2016/17 audit plan to audit the new system.</p>	<p>2.12</p>
	<p>Form A's should be reviewed and missing sections completed where necessary.</p>	<ol style="list-style-type: none"> Officers should revisit the format of Form A and determine whether all of the sections currently shown are needed. Form A's for inspections completed to date should be reviewed and any relevant missing sections retrospectively completed. The risk zone information section should be completed for each tree inspection in order to ensure that any low and medium risk trees are 	<p>Grounds Maintenance Manager</p>	<p>End April 2014 March 2017</p>	<p>N</p>	<p>March 15 ----- September 2015</p>	<p>See comments above.</p>	<p>2.13</p>

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
		reclassified to high risk where necessary and any work and future inspections are carried out.						
Food control	Enhancements should be made to the food business registration process.	1. In order to obtain authorisation from the applicant, a declaration should be added to the online registration form.	Environmental Health Manager	End September 2014 Revised date: end August 2015 Revised date: end March 2016	N	October 2014 & January 2015 & March 2015 ----- September 2015	Recommendation outstanding as reported in the template presented at September Audit Committee. New implementation date agreed.	2.14
	The risk evaluation programme should be subject to a periodic management review.	1. A periodic management review should be undertaken to ensure that the risk evaluation programme is applied consistently by all inspecting officers. 2. 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 ----- Revised date: end March 2016	N	October 2014 & January 2015 & March 2015 --- September 2015	Recommendation outstanding as reported in the template presented at September Audit Committee. New implementation date agreed. The new env health structure has just been implemented and the lead officer for food safety explained that he is currently establishing a plan to ensure that properties are visited in the time frame set by their risk score and as part of that process management checks will be introduced	2.15

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
Garden Waste	A regular reconciliation between the garden waste database and the general ledger should be performed.	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 ---- September 2015	With the transfer of services to UBICO in April 2015, the administration of charging customers is now the responsibility of Customer Services. An audit is currently in progress to determine the progress made. The audit opinion will be reported to Audit Committee in March.	2.17
33	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 ---- September 2015	See comments above.	2.18

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
Garden Waste continued.....	In order to identify efficiencies, the following should be undertaken:	<ol style="list-style-type: none"> <li data-bbox="564 245 931 437">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. <li data-bbox="564 469 931 628">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 ---- September 2015	See comments above.	2.19
Safeguarding Children Self-assessment 34	Monitoring of the action plan should be undertaken.	<ol style="list-style-type: none"> <li data-bbox="564 660 931 852">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. <li data-bbox="564 884 931 1043">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. <li data-bbox="564 1075 931 1203">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 & May 15	A report on Safeguarding is an agenda item for Audit Committee in December 2015. Confirmed by relevant Group Manager that positive improvement has been made to mitigate the previous 'limited' opinion given by internal audit.	2.21

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
35 Homeless Audit 2014-15	Call off contracts for B&B properties should be established and assurance of the continuing suitability of the accommodation being provided should be obtained	Draft contracts will be issued out to establishments A check on properties to be undertaken biennially	Housing Manager	End September 2015	N		To be followed up in quarter 4 2015/16.	2.23
	To demonstrate best value a procurement exercise in relation to storage should be undertaken	An exercise is to be carried out to consider joint procurement of this service with other councils. Issues around storage contents and charging formulas will be considered at the time. It was agreed that audit would review the contract specification prior to issue.	Housing Manager	End April 2016	N		To be followed up in quarter 4 2015/16.	2.24

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
36	Consideration should be given to curtailing the recording of grant details from payment request forms on a spreadsheet as this information can be obtained from new financials	Agreed	D Steels	End December 2015	N		The outcome of the DFG service review is awaited as this may impact upon the recommendations made.	2.25
	Part 3 of the Application Form needs to be amended to take into account changes in legislation such as abolition of council tax benefit	Agreed	K Wood	End December 2015	N		See above.	2.26
	The process of grant approvals and payments should be reviewed in order to ensure applications are processed promptly.	Agreed 1. Delegation of the approval of grants and also payment authorisation to a senior Env Health Member 2. Uniform to be used to generate payment reports	D Steels	End December 2015	N		See above.	2.27

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
REVENUES & BENEFITS								
Housing Benefits - Debtors	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.	<ol style="list-style-type: none"> Write off policy to be updated to reflect current authorisation limits. The write off of overpayments by officers should be reflected within the policy 	Operational Manager	End January 2014 Revised date: end December 2014 Further revised date: end August 2015 Further revised date: end March 2016	N	August 2014 & March 2015 --- September 2015	Reported as outstanding to Audit Committee in September 2015 with new implementation date agreed.	3.3
HB Fraud 37	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.	<ol style="list-style-type: none"> 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 Further revised date: end March 2016	N	January 2015 & March 2015 --- September 2015	Implemented. Policy presented at Audit Committee in September 2015 and subsequently approved at Executive Committee.	3.7

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
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		To be followed up by internal audit in quarter 4 2015/16.	3.9
	A regular review process to be established in relation to severe mental impairment	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.	Revenues Team Leader	End September 2015 Revised date: End October 2015	N	September 2015	Implemented. Programme in place.	3.10
NNDR	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 Revised date: End March 2016	N	September 2015	Revised date of March 2016 reported in September template.	3.11
	The Business Rates recovery processes included in the Revenues and Benefits review, should give consideration to validation of a company's 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 Revised date: End March 2016	N	September 2015	Revised date of March 2016 reported in September template Write off request and supporting reason to be presented at Executive Committee.	3.12

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
Benefits Audit 2014-15	To support the benefit application process in respect of foreign nationals evidence of the Tier 1 and Tier 2 assessment and associated decision made by the benefits assessor should be retained.,	Agreed	Team Leader Benefits	End December 2015	N	December 2015	Verbally confirmed by the Operations Team Leader that all relevant documentation will be retained. Such cases are few and far between.	3.13
69	<p>The checking of benefit claims should give consideration to the following:-</p> <p>The checks undertaken by the Benefits Team Leader should be dated.</p> <p>The checking regime will be documented</p> <p>Consideration should be given to staff resilience to ensure that checking is undertaken on a consistent basis</p>	Agreed	Team Leader Benefits in conjunction with Group Manager Revenues and Benefits	End March 2016	N	December 2015	<p>Partially implemented.</p> <p>Checks are now dated within the spreadsheet.</p> <p>Checking regime yet to be documented – will be done so based upon a risk assessment.</p> <p>Where possible, contingency arrangements will be put in place to cover staff absence.</p>	3.14

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
FINANCE & ASSET MANAGEMENT								
40 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 Revised implementation date: End June 2015 Revised implementation date: End December 2015	N	May 2014 & January 2015 & May 2015 & September 2015	Implemented. Where practical, an exercise has been undertaken to consolidate payment details to the same supplier.	4.2
Budgetary Control	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 Revised implementation date: End June 2016	N	January 2015 & May 2015	The Financial Procedure Rules have been updated. Approval of rules will form part of the wider constitution review.	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. Revised implementation date: End October 2015	E	February 2015 ---- September 2015	The council is soon to take on a playground at Coldpool Lane from the developer. The Asset Manager provided evidence of the relevant documentation that is in place.	4.5

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
Property Audit – TBC building tenant leases	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.	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 Revised implementation date: End August 2015 Further revised implementation date: End December 2015	N	January 2015 & March 2015 & May 2015 ---- September 2015	Update September 2015: The Asset Manager indicated that there has been recent legislative changes in relation to the control of waste and he is in dialogue with the Environment Agency. Revised implementation date of December 2015. To be followed up by internal audit quarter 4 2015/16.	4.11
41	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 Revised implementation date: End March 2016.	N	January 2015 & March 2015 & May 2015 ---- September 2015	Update September 2015: The AM confirmed that formal inspections of high rent tenants is due to start this month. To be followed up by internal audit quarter 4 2015/16.	4.12

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
<p>Local Transparency Agenda Audit- 2015/16</p> <p style="text-align: center; vertical-align: middle;">42</p>	<p>Ensure that documents published are in accordance and retained to guarantee it is compliant with the Local Transparency Code requirements.</p>	<p>Within reason ensure:</p> <ol style="list-style-type: none"> 1. Expenditure exceeding £500 complies with annex A of the Local Transparency Code 2015, February 2015. 2. Ensure Government Procurement Card Transactions document complies with the Transparency Code 2015, February 2015. 3. Areas such as supplier details, type of invitation & dates (end & review dates) within the Contract Register need to be fully completed and not left blank. 4. Local Authority Land document needs to comply with the latest Local transparency guidance (publishing land and social housing asset and parking information), version 1.4, dated 5 June 2015 5. Officers within the 'Organisation chart' need to be updated with the recent organisational changes. 6. Ensure the PDF version of the Senior Salaries document for March 2015 is consistent with the March 2015 Excel and CSV (Comma Separated Values) documents. 	<p>Finance Manager</p> <p>Finance Manager</p> <p>Group Managers/ Department Managers</p> <p>Asset Manager</p> <p>Finance Manager</p> <p>Finance Manager</p>	<p>September 2015</p> <p>December 2015</p> <p>December 2015</p> <p>October 2015</p> <p>September 2015</p> <p>September 2015</p>	<p>N</p>		<p>To be followed up by internal audit quarter 4 2015/16</p>	<p>4.19</p>

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
43		7. It is suggested all documents published relating to Transparency are retained, in accordance with data retention section of the Local transparency guidance-publishing data, version 1.3 dated 5 June 2015.	Finance Manager	December 2015				
	Ensure the Councils Transparency website pages are clear and easy to understand for the benefit of members of public.	<p>1. Improvements to the individual titles webpages within the Councils website to include an explanation of what the document contains along with any contact details of the relevant officer responsible for uploading the data.</p> <p>2. Within the 'Transparency page' 'write up' section on the website needs to be updated to reflect the new 2015 code & the new Lead Member for Finance & Asset Management</p>	Finance Manager	End September 2015	N		See above.	4.20
		Finance Manager	End September 2015					

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
44	A reconciliation between the payments recorded on the 'chipside' and also 'Bristow and Sutor' databases against the general ledger should be undertaken on a regular basis.	Agreed Monthly checks will take place with Financial Services.	Car Parks Officer	End December 2015	N			4.21
	Recovery processes need to be established which provide assurance that prompt action is taken where direct debit payments relating to parking permits have failed	Agreed	Car Parks Officer	End March 2016	N			4.22
	All variable charges within the APCOA contract need to be verified prior to payment and the invoice calculations checked	Agreed In respect of the TBC variable enforcement monthly invoices the ratio calculation concerning supervisory hours to be reperformed. In respect of TBC other items monthly invoice the chargeable unit for TEC and travel to be verified.	Car Parks Officer	End December 2015	N			4.23

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref	
CORPORATE SERVICES									
45	Procurement Strategy	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'	1. 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.	Principal Solicitor (Commercial) Group Manager of Financial Services and Asset Management - as Chair of Procurement Group	End June 2014 Revised implemented date: end December 2015	N	August 2014 & March 2015		5.10
		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 Revised implementation date: End June 2015 Revised implementation date: End December 2015	N	August 2014 & May 2015	Extended deadline reflects that there have been no receipted community right to challenge bids.	5.11
	ICT Asset Inventory	Implement a robust and accurate asset inventory supported with documented procedures.	To include (but not a definitive list); Purchase orders to be recorded, separation of duties in the acquisition and disposal process, physical check of equipment, escalation process for exceptions, disposal procedures, user responsibility, asset register structure, ensuring prior to roll out the register is accurate from the outset.	ICT Operations Manager	September 2015	E		Reported to Audit Committee in September 2015 as a result of 'limited' internal audit opinion. As reported, internal audit will follow up in quarter 4, 2015/16.	5.12

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
Risk Management	Refresher training should be provided for staff and members who have an involvement with the risk management framework.	1. Arrange training for staff and members who have an involvement in the risk management framework.	Group Manager – Policy and Performance	December 2015	N		Risk management in particular, the council's risk appetite has been discussed at Transform Working Group. Between now and the end of the financial year the risk management strategy will require updating. Prior to this, a workshop on risk management will be held.	5.13
46 PPD	The PPD process should be enhanced to ensure that PPD's are updated on a regular basis and that staff involved in the PPD process are appropriately trained.	<ol style="list-style-type: none"> 1. Upcoming review dates to be arranged within the PPD's and monitored when these are due. Corporate Services Group Manager to remind Group Managers at GM meeting. 2. A copy of the PPD form to be sent directly to HR upon completion. 3. Regular PPD training to be available to ensure new staff members are correctly trained to carry out the PPD process. 4. After six months and again at the third quarter, information regarding what has been allocated or spent from the corporate training budget will be given to Group Managers, who will check whether or not any training allocated in the budget which has not been spent is still going ahead or whether the money can be re-assigned elsewhere. 5. Training plan to include corporate training requests identified within PPD's. 	<p>Group Managers/ Department Managers & Corporate Services Group Manager</p> <p>Department Manager/ Employee & HR Manager</p> <p>HR Manager</p> <p>HR Manager</p> <p>HR Manager</p>	<p>June 2015</p> <p>August 2015</p> <p>July 2015</p> <p>September 2015</p> <p>July 2015</p>	N		<p>PPD process is to be looked at as part of the development of the workforce strategy.</p> <p>Internal audit to follow up quarter 4 2015/16.</p>	5.14

APPENDIX 3 - AUDIT RECOMMENDATIONS

Audit	Recommendation	Action to be taken	Officer responsible	Implementation date	Priority	Date followed-up	Implemented?	File ref
Complaints	A review of the complaints process should be undertaken with consideration being given to logging, handling, reporting and learning in respect of both formal complaints and online complaints	Agreed	Comms. Manager	January 2016 New date: March 2016	E		An internal project group has been set up to review the complaints framework. Internal audit is represented on the group given the audit findings reported to Audit Committee in September 2015. Feasible implementation date is March 2016.	5.15
Corporate improvement-fighting fraud checklist for governance	Ensure all staff, members and agency workers are aware of the risks of fraud and how it can be reported.	A review of the council's fraud procedures and policies together with the reporting protocols should be undertaken.	Corporate services group manager	October 2016	N		Report to Audit Committee in December 2015 of the council's overall fraud arrangements.	

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	16 December 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 K J Berry
Number of Appendices:	1

<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.

2.0 PROGRESS AGAINST RECOMMENDATIONS ARISING FROM SAFEGUARDING AUDIT

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

2.2 Since the audit, new opportunities have been identified to help embed safeguarding children throughout the organisation, these included:

- Councillor Berry is the Lead member for Community which includes safeguarding. Councillor Berry receives regular updates at her Portfolio Briefings each month.
- Training on child sexual exploitation has now been delivered to a number of our licenced taxi drivers; the training was well received by the drivers. The training is the first of its kind to be delivered to licenced taxi drivers within Gloucestershire. We are looking at rolling this training out to taxi drivers across Gloucestershire.
- It is now mandatory for all new starters to complete e-training, this will be followed by more comprehensive induction training. To date, the induction training has been delivered to all new members of staff who joined from April. Further training sessions will take place in February 2016.
- Training was delivered to new Members in June 2015, followed by more in depth training delivered in September.
- The Section 11 Audit issued by Gloucestershire County Council has now been received and is due for completion by 8 January, 2015. The manner in which audit responses are collected has changed and is now in the form of an online survey. Recommendations for action may follow once the Section 11 online survey is complete.

3.0 OTHER OPTIONS CONSIDERED

3.1 None

4.0 CONSULTATION

4.1 None

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 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 & Housing Services Group Manager
01684 272259 val.garside@tewkesbury.gov.uk

Appendices: Appendix 1 - Audit Report

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>

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	16 December 2015
Subject:	'Fighting Fraud' Checklist
Report of:	Sara Freckleton, Borough Solicitor (Chair of Corporate Governance Group)
Corporate Lead:	Sara Freckleton, Borough Solicitor
Lead Member:	Councillor R J E Vines
Number of Appendices:	1

Executive Summary:

The Council is committed to ensuring it is fully accountable, honest and open in everything it does. Any impropriety such as alleged fraud, corruption, bribery or theft can undermine this by potentially diverting resources, damaging public confidence or adversely affecting staff morale. Any such instances could gain media attention and can be portrayed as evidence of poor internal control and management.

The Council maintains a culture which does not tolerate any of the four improprieties mentioned above and is a culture based upon openness, fairness, trust and value. This is reinforced through the Council's Anti-Fraud, Corruption and Bribery Policy.

An internal Corporate Governance Group, which comprises Senior Officers, has within its remit to review the Councils' overall fraud arrangements. The group tasked this work to be undertaken by Internal Audit which has an allocation of corporate improvement days within its Audit Plan. To assess the adequacy of the overall fraud arrangements, a 'fighting fraud checklist for governance' was used. This was an Audit Commission checklist which used to accompany its annual report on 'Protecting the Public Purse'. The checklist is designed to cover all Councils, it is therefore important the checklist is used in a proportionate manner. From the information obtained it is the opinion of the Corporate Governance Group that the Council's fraud arrangements are satisfactory.

Recommendation:

To CONSIDER the Council's overall fraud arrangements

Reasons for Recommendation:

Protecting the Council from any alleged potential fraud, corruption, bribery or theft is essential to safeguard the Council's overall reputation. The arrangements to prevent and detect such instances are an important part of the Council's governance framework. It is good practice to review this on a periodic basis.

<p>Resource Implications:</p> <p>None directly associated with this report.</p>
<p>Legal Implications:</p> <p>Secondment agreements will need to be effected for staff seconded to the Council, providing a Counter Fraud role, by way of a sharing arrangement with Cheltenham Borough Council.</p>
<p>Risk Management Implications:</p> <p>An alleged fraud can potentially have an adverse effect on the Council's reputation and staff morale.</p>
<p>Performance Management Follow-up:</p> <p>Actions arising from completion of the checklist will be monitored by the Corporate Governance Group and reported to the Audit Committee.</p>
<p>Environmental Implications:</p> <p>None directly associated with this report.</p>

1.0 INTRODUCTION/BACKGROUND

- 1.1** The Council has an anti-fraud, corruption and bribery policy which sets the tone for a culture which does not tolerate such actions and one which is based upon openness, fairness, trust and value.
- 1.2** It is good practice that the Council's arrangements for preventing and detecting fraud are reviewed. The Corporate Governance Group requisitioned Internal Audit to review these arrangements using the 'fighting fraud' checklist as a basis to ascertain the adequacy of those arrangements. Internal Audit has, within its annual plan, an allocation of corporate improvement days which management can utilise. The checklist was used to accompany the Audit Commission's annual report on 'Protecting the Public Purse'.

2.0 'FIGHTING FRAUD CHECKLIST'

- 2.1** The completed checklist can be found in Appendix 1. The checklist poses 30 questions across three headings with each question simply answered 'yes' or 'no'. It is important to recognise the checklist is designed to cover all Councils, so it should be used in a proportionate manner.

- 2.2** On the whole the Council's fraud arrangements are considered satisfactory and are relevant and proportionate for a Council of this size. For example:
- There are formally approved policies such as the Anti-Fraud, Corruption and Bribery Policy and Whistleblowing Policy.
 - Individual fraud policies within Revenues and Benefits including a recently approved Council Tax scheme prosecution policy.
 - Use of local, regional and national fraud networks including data matching investigations through the National Fraud Initiative (NFI).
 - The work of Internal Audit, which makes recommendations to improve the control environment – work is programmed through a risk based Internal Audit Plan
 - Support to the development of a Gloucestershire Fraud Hub

2.3 Completion of the checklist this has identified potential improvements to make arrangements even more robust. The main areas for improvement are:

- Raise awareness of fraud risks with staff, Members and contractors.
- Look at more effective ways for reporting fraud – for example, through the Council's website.
- Review arrangements for verification of agency workers.

These areas will be reviewed further by the Corporate Governance Group and responsibility assigned to take the actions forward.

3.0 GLOUCESTERSHIRE FRAUD HUB

3.1 This is led by Audit Cotswolds with the intention to counter fraud in Gloucestershire through intelligence led prevention, detection and investigation. It has been successful in obtaining Department for Communities and Local Government grant funding totalling £403,000 towards initial set-up costs. The bid was supported by all Gloucestershire districts and the County. The aspiration is to create a Gloucestershire Hub.

3.2 The bid made by Audit Cotswolds builds upon its successful work with the Gloucestershire Tenancy Fraud Forum. It is now seeking to accelerate the development of data warehousing, intelligence led counter-fraud activity and enhanced partnership working. The expected result is a reduction in local government related fraud in the region. To get there it is necessary to develop an intelligence 'data gateway' and appropriately resourced counter fraud teams locally to lead and focus resources. Data matching software and analysis will be used to detect fraud at the earliest opportunity.

3.3 The Council has supported the bid only and has not committed any financial resource to the project. To evidence that the aspiration of a hub is viable and sustainable, Audit Cotswolds is undertaking a counter-fraud exercise within each of the Districts. This is centred upon the housing list (Choice Based Lettings), housing benefits and electoral registration. This work will soon commence at Tewkesbury and updates will be provided at future Audit Committee meetings on how this work is progressing.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 None.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Anti-Fraud, Corruption and Bribery Policy
Whistleblowing Policy.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 None.

8.0 RESOURCE IMPLICATIONS (Human/Property)

8.1 None.

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

9.1 None.

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

10.1 Any fraud can impact on VFM arrangements.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 None.

Background Papers: None

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Appendices: Appendix 1 – ‘Fighting Fraud’ Checklist

Fighting Fraud Checklist for Governance

Protecting the public purse

i) General	Yes	No
1. Do we have a zero tolerance policy towards fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Yes this is set out in the Tewkesbury Borough Council Anti-fraud, Corruption and Bribery Policy, within section 12.1 (WP 1.A).</p> <p>Further to this Tewkesbury Borough Council also have the following policies:</p> <ul style="list-style-type: none"> • Whistleblowing Policy (WP1.B) • A council tax reduction scheme prosecution policy (WP1.C) • Staff code of conduct 		
2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Yes as above. The Tewkesbury Borough Council Anti-Fraud, Corruption and Bribery Policy (AFCBP) was approved at executive committee on 8 May 2013. However, there is not any reference to the Fighting Fraud Locally (FFL) document (WP2.A) which was published on 2 April 2011. The Borough Solicitor/ Monitoring Officer, verbally confirmed that she doesn't believe the AFCBP was aligned with the FFL. It is therefore suggested when the policy is due for a review, in March 2016, it is aligned with the FFL document.</p>		
3. Do we have dedicated counter-fraud staff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>The council has a dedicated counter- fraud staff officer for Revenues & Benefits related fraud (Senior Fraud Investigator). Other fraud can potentially be identified through the work of Internal Audit, the general control environment, performance management, the National Fraud Initiative (NFI) and staff awareness to the council's whistleblowing policy. It is not unusual for a small council not to have a counter fraud officer. To build this resilience, pilot work has started with Audit Cotswolds who have the aspiration to develop a Gloucestershire Fraud Hub (GFH). Work has been scheduled to carry out a data matching exercise covering Benefits and Housing (Choice Based Lettings).</p>		
4. Do counter-fraud staff review all the work of our organisation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>In respect of our current counter fraud staff; internal audit carry out work through an annual risk based audit plan. This plan gives wide coverage of the council's internal control environment. In respect of depot services which has been transferred to Ubico – the key systems are audited by Audit Cotswold to review the adequacy of the control environment though a number of days have been included within the TBC internal audit plan to audit Tewkesbury specific work. TBC are also working with Audit Cotswolds here a review will be carried out on the Anti-Fraud Policy.</p>		
5. Does a councillor have portfolio responsibility for fighting fraud across the council?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>The Lead Members Portfolios list (WP5.A) does not specifically site fraud under any of the portfolio members. However the leader of the council is responsible for audit and risk management where any issues relating to fraud would be identified. Quarterly meetings have also been programmed with the Chair of Audit Committee.</p>		
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The Audit Committee provides a platform for fraud reporting and this is evidenced in the audit committee minutes from committee 10 December 2014 (WP 6.A) where briefing notes on protecting the public purse and national fraud initiative data matching were presented. This is an annual report.		
7. Have we received the latest Audit Commission fraud briefing presentation from our external auditor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Audit committee minutes 10 December 2014 (WP6.A) demonstrated that the Fraud briefing, protecting the public purse was presented to members. With the Audit Commission no longer existing, emailed confirmation from TBC external auditors, Grant Thornton UK LLP (WP7.A), was obtained to find out how this information will be reported in the future. Grant Thornton confirmed that there is currently an uncertainty whether the new body, PSAA (Public Sector Audit Appointments) (WP7.B), will continue with the fraud briefing reports. Once they have clarification they will let TBC know.		
8. Have we assessed our management of counter-fraud work against good practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The fraud arrangements in place are proportionate for a small district council but it would be beneficial to look at what constitutes good practice. The engagement with Audit Cotswolds and the potential GFH will help develop areas of good practice.		
9. Do we raise awareness of fraud risks with:		
• new staff (including agency staff)?	<input type="checkbox"/>	<input type="checkbox"/>
New members of staff are given a staff handbook (WP9.A) within this handbook it refers to the TBC's 'Whistleblowing Policy'. The handbook does not refer to the 'Anti-fraud, corruption and Bribery policy'. It was also found that the AFCBP is not on the intranet so staff can view this document any time.		
• existing staff?	<input type="checkbox"/>	<input type="checkbox"/>
Details of the 'Whistleblowing Policy' are available to view on the council's intranet. However the 'Anti-fraud and Corruption Policy' is not.		
• elected members?	<input type="checkbox"/>	<input type="checkbox"/>
Group Manager for Democratic Services, confirmed elected members do not receive any information relating to fraud within their induction pack.		
• our contractors?	<input type="checkbox"/>	<input type="checkbox"/>
The One Legal Senior Legal Assistant, confirmed during the tender stage the Tender packs include a non-inclusion clauses. Within the contracts they ensure that there are anti-bribery clauses within it, it was noted that currently there is no mention of anti-fraud. The officer confirmed confirmed this will be added to future contract documentation. (See WP 9.B)		
10. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<p>The council uses a number of different sources to receive information relating to current fraud risks and issues e.g. National Anti-Fraud Network, National Fraud Initiative, Midland Audit Group, CIPFA discussion forum. This information is received via email, see WP10.A. These emails are circulated to the relevant departments. Revenues and Benefits also work alongside the Department of Work and Pensions (DWP) for Housing Benefit and also the Single Fraud Investigation Service (SFIS) for investigations regarding Council Tax Reduction Scheme.</p>		
<p>11. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>As above, plus the council have in principle supported the implementation of a Gloucestershire Fraud Hub (GFH). This project is led by Audit Cotswolds and has initial support from all Gloucestershire districts. Audit Cotswolds have successfully secured £403,000 of grant money for set up costs. The expected results is a reduction in fraud by:</p> <ul style="list-style-type: none"> • develop intelligence 'data gateway' and appropriately resourced counter fraud teams locally • use of data matching software and analysis • matched data to be shared between hubs to help track and detect possible boundary jumping fraudsters <p>Audit Cotswolds are undertaking pilot fraud data matching exercises in all the districts to determine the sustainability of a hub. All relevant protocols and policies are in place to allow the transfer of data.</p> <p>The Revenues & Benefits senior fraud investigator, DWP and other fraud officers within the region have regular meets to discuss and fraud related issues they are aware of.</p>		
<p>12. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Through internal audit work, recommendations are made to improve internal control. They are prioritised, the action to be taken and implementation date agreed. Recommendations are followed up to confirm implementation. The status of all recommendations are reported to each Audit Committee.</p>		
<p>13. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>TBC use the National Fraud Initiative (NFI) to carry out data matching exercises throughout the council. Outcome of this exercise are reported to Audit committee.</p>		
<p>14. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>There are guidelines on Money Laundering and dealing with Counterfeit Banknotes (see WP14.A). These guidelines are available on the staff intranet to view, however it was noted that these were created in 2007 and therefore should be reviewed to ensure they are up to date and relevant.</p>		
<p>15. Do we have effective arrangements for:</p>		
<ul style="list-style-type: none"> • reporting fraud? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<p>TBC have relevant policies in place and a whistleblowing policy in which explains the relevant process on how to and who to report fraud issues to. TBC also carry out the NFI data matching work throughout the council which helps identify potential fraud issues.</p> <p>There is potential to enhance the reporting of fraud eg Within the 'report it' section on TBC website could there be an area where members of public can report: benefit fraud, council tax fraud or business rate fraud as a report it function? Also have a similar function for the staff intranet? Along with using social media to promote fraud prevention - these are potential areas of good practice.</p>		
<ul style="list-style-type: none"> • recording fraud? 	<input checked="" type="checkbox"/>	
<p>Revenues & Benefits use the Northgate system for recording frauds through its fraud referral module. Data includes type of fraud, who referred, date, outcome of referral and steps to be taken. It should be noted that from April 2015 the Single Fraud Investigation Service (SFIS) benefits fraud service investigation team have taken on benefit fraud. However the council are still responsible for investigating council tax reduction and these are continued to be recorded through the Northgate system. A spreadsheet is also maintained by the benefits fraud officer on the outcomes of any investigations e.g. penalties, sanctions and prosecutions through the courts.</p> <p>Internal Audit hold individual case files for corporate fraud. (WP15.C).</p> <p>It is also noted that all potential fraud cases identified through NFI are held on a secure database.</p>		
16. Do we have effective whistle-blowing arrangements? In particular are staff:		
<ul style="list-style-type: none"> • aware of our whistle-blowing arrangements? 	<input checked="" type="checkbox"/>	
<p>The whistle-blowing policy & procedure (WP 16.A) is available on the intranet, under HR policies & documents (WP16.B), for staff to refer too view. A sample of 10 members of staff were asked are they aware of TBC's whistle-blowing policy and the results were as follows:</p> <ul style="list-style-type: none"> • 8 members of staff were aware that TBC have a Whistle- Blowing policy. • 2 members of staff were not aware. It was noted that both of these staff are new employees. One member of staff stated that they would look on the staff intranet under Human Resources (HR) policies, unfortunately it is not held under HR but corporate policies & procedures and the other member of staff didn't know about the policy, a copy of the policy was emailed to both members of staff for information. <p>Reference to Whistleblowing is made within the staff handbook but could be more explicit.</p>		
<ul style="list-style-type: none"> • confident in the confidentiality of those arrangements? 	<input checked="" type="checkbox"/>	

<p>A sample of 10 members of staff were asked 'Would you feel confident that any issues raised would be dealt with confidentially?' (WP16.A) the results were as follows:</p> <ul style="list-style-type: none"> • 7 members of staff said yes they would feel confident that any issues raised would be dealt with confidentially. • 2 members of staff neither replied yes or no. One stated that they would be unsure if it would be dealt with confidentially and the other stated 'without knowing the process hard to say' • 1 member of staff said no, they are not confident that their issues would be kept confidential. 		
<ul style="list-style-type: none"> • confident that any concerns raised will be addressed? 	✓	✗
<p>A sample of 10 members of staff were asked 'Would you feel confident that any concerns raised would be addressed?' (WP16.A) the results were as follows:</p> <ul style="list-style-type: none"> • 7 members of staff said yes they would feel confident that any concerns raised would be addressed. • 2 members of staff neither replied yes or no. One stated that they would be unsure if it would be dealt with confidentially and the other stated 'without knowing the process hard to say'. • 1 member of staff said no, they wouldn't feel confident their concerns would be addressed. 		
<p>17. Do we have effective fidelity insurance arrangements?</p>	✓	✗
<p>Yes. Fidelity guarantee insurance is provided by Zurich Municipal (See WP17.A), where 30 designated officers are referred too, along with a section where all other employees and third party computer fraud is covered.</p> <p>It was noted that it wasn't very clear within the document what the sums guaranteed for the designated officers was but stated 'all other employees' were guaranteed £5 million. The Accounting Technician contacted Zurich who stated this was an anomaly on their half and each designated officer has a sum guaranteed of £5m and all other officers £3m. Zurich confirmed they are going to re-issue the fidelity guarantee details as this has also resulted in amendments to the sums.</p> <p>It was also noted due to the councils re-structure, a referred designated officer, Group Manager for Business Transformation will be removed and a new updated list (including an additional 3 customer service advisors) will added to the policy when it is renewed in January 2016 (See WP17.B).</p>		
<p>ii) Fighting fraud with reduced resources</p>		
<p>18. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud, once SFIS has been fully implemented?</p>	✓	✗
<p>Revenue & Benefits team have trigger amounts on their system (Northgate), which will alert the Fraud Investigator. These triggers are: more than £100 for Housing Benefit and more than £500 Council Tax Reduction. For housing benefit investigations, the Fraud Investigator will amalgamate all the relevant information and complete a Single Fraud Investigation Referral form (WP18.A) this will then be sent to the DWP for investigation.</p> <p>As for Council Tax Reduction, the Fraud Investigator will carry out the necessary investigation where interviews will be carried out with the person in question where they can be cautioned or even taken to court for prosecution, using TBC's prosecution policy.</p>		
<p>19. Did we apply for a share of the £16 million challenge funding from DCLG to support councils in tackling non-benefit frauds after the SFIS is in place?</p>	✓	✗

A bid to communities for grant funding by Audit Cotswolds was signed off by all S151 officers in the County. A successful bid of £450,000 was made.		
20. If successful, are we using the money effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The council is not the accountable body so does not have to individually demonstrate it is being used effectively. However, regular discussions have been held with Audit Cotswolds and there is assurance the project is progressing.		
iii) Current risks and issues		
Housing tenancy		
21. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	N/A	
Tewkesbury Borough Council currently holds 5 properties which are to house vulnerable homeless adult's whilst permanent housing is found. The council do not hold any other type of housing this was signed over to Severn Vale Housing and therefore this section is not applicable. TBC has started work with the pilot Gloucestershire Fraud Hub (GFH). Work is scheduled to be carried out on a data matching exercise covering Benefits, Housing (Choice Based Lettings) and electoral registration.		
22. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	N/A	
As above.		
Procurement		
23. Are we satisfied our procurement controls are working as intended?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The procurement rules and associated toolkit guidance is currently under review due to changes in the legislation. One Legal confirmed that adequate controls have been placed within the re-drafted documentation to minimise the possibility of fraud.		
24. Have we reviewed our contract letting procedures in line with best practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
See above.		
Recruitment		
25. Are we satisfied our recruitment procedures that:		
• prevent us employing people working under false identities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
When an applicant is successful to be shortlisted for an interview, Tewkesbury Borough Council Human Resources department send out a letter (WP25.A) requesting the applicant to provide further information which includes: <ul style="list-style-type: none"> • Passport and copy of photo page and inside of front cover showing passport number. • Proof of National Insurance number and copy of proof • Completed Asylum and Immigration Act 1996 form 		
• confirm employment references effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Where employment references are required Human Resources (HR) will carry out the necessary employment references this is carried out via email or by post. Any responses received are kept on file when an applicant is successful. The Assistant HR Advisor verbally confirmed all the HR staff have undergone; safer recruitment training which helps identify any issues that may rise when looking at recruitment which includes employment references. The HR Manager has attended a training course on Preventing and Detecting Employment Fraud.		
<ul style="list-style-type: none"> ensure applicants are eligible to work in the UK? 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
HR require the applicant to complete the Asylum and Immigration Act 1996 form (WP 25.A) this is sent to them when they have been shortlisted for an interview. Along with this form, it states they should bring specific documents to support the right to work in the UK, Assistant HR advisor confirmed they will not employ the applicant until this information has been received.		
<ul style="list-style-type: none"> require agencies supplying us with staff to undertake the checks that we require? 		<input checked="" type="checkbox"/>
Assistant HR advisor verbally confirmed that agencies should carry out the relevant checks e.g. referencing and id checks though no formal evidence is obtained to verify this – these should be stated in the terms and conditions of engagement. Assurance that such checks are taking place was highlighted in the Preventing and Detecting Employment Fraud training day.		
Personal budgets		
26. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?		N/A
N/A		
27. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?		N/A
N/A		
Council tax discount		
28. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
These are reviewed on an annual basis to ensure circumstances of the eligible person has not changed. The NFI exercise also data matches against the electoral register to identify addresses where the householders who are claiming a council tax single person discount on the basis that they live alone yet the electoral register suggests that there is more than one person in the household aged 18 or over.		
Housing benefit		
29. When we tackle housing benefit fraud do we make full use of:		
<ul style="list-style-type: none"> The National Fraud Initiative? 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Yes, Revenues & Benefits Senior Fraud Investigator investigates matches from the data matching exercise.		
<ul style="list-style-type: none"> The Department for Work and Pensions Housing Benefit matching service? 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

The Housing Benefit Matching Service send out documents and these are uploaded onto TBC's North Gate system and where there are referrals these are investigated.		
<ul style="list-style-type: none"> Internal data matching? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Officers will look against Council Tax claims along with using the NFI. By using the NFI a check is carried out against the electoral register. Work has been scheduled with the GFH to carry out a data matching exercise covering Benefits and Housing.		
<ul style="list-style-type: none"> private sector data matching? 	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Revenues & Benefits have worked with the anti-fraud group at Cotswold to carry out a private sector data matching against housing benefit. However this is not carried out on a regular basis as it didn't provide value for money. It was found the cost of officer time taken to detect frauds against the amount of frauds detected was much greater and wasn't cost effective for the council.		
iv) Other fraud risks		
30. Do we have appropriate and proportionate defences against the following fraud risks:		
<ul style="list-style-type: none"> business rates? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Procedures are in place to mitigate the risks of companies claiming rate relief when they are not entitled to it. These are: <ul style="list-style-type: none"> Member of staff will go out and check any empty and 'gone away' businesses. Businesses that are charities, a member of staff will check that it is a registered charity with the charities commission. An annual check to confirm the on-going entitlement for small business relief is carried out by sending forms to be completed by the individual businesses. Where there is non-payment of rates a tenancy check is carried out, to verify the liable party for business rates. 		
<ul style="list-style-type: none"> Right to Buy? 		N/A
Not applicable to Tewkesbury Borough Council.		
<ul style="list-style-type: none"> council tax reduction? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A council tax reduction scheme prosecution policy was considered by Audit Committee on 30 September and subsequently approved by Executive Committee.		
<ul style="list-style-type: none"> schools? 		N/A
Not applicable.		
<ul style="list-style-type: none"> grants? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
There are a variety of grants schemes operating within TBC, audit work around large schemes such as Disabled Facilities Grants, Repair & Renew Flood grants, Business Flood Grants have identified that controls exists to minimise fraud.		

Audit Commission

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TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	16 December 2015
Subject:	Monitoring of Significant Governance Issues
Report of:	Sara Freckleton, Borough Solicitor
Corporate Lead:	Sara Freckleton, Borough Solicitor
Lead Member:	Councillor R J E Vines
Number of Appendices:	1

<p>Executive Summary:</p> <p>The report attaches, at Appendix 1, a table incorporating the Significant Governance Issues and the action to be taken to address them which were identified in the Council's Annual Governance Statement approved by the Audit Committee on 24 June 2015. The table indicates the progress on those specified actions by 30 November 2015, to enable the Audit Committee to monitor progress on these actions as required by the Annual Governance Statement.</p>
<p>Recommendation:</p> <p>The Committee is asked to CONSIDER the information set out in Appendix 1 and to review progress against the actions.</p>
<p>Reasons for Recommendation:</p> <p>To comply with the requirements of the Review of Effectiveness of the Council's Annual Governance Statement.</p>

<p>Resource Implications:</p> <p>None arising from this report.</p>
<p>Legal Implications:</p> <p>None arising from this report.</p>
<p>Risk Management Implications:</p> <p>Risk Management is an integral part of the Corporate Governance Framework and actions taken to mitigate the Significant Governance Issues will also help mitigate related business risks.</p>
<p>Performance Management Follow-up:</p> <p>Further review by Audit Committee will take place in March 2016.</p>

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 On the 24 June 2015, the Audit Committee approved the Council's Annual Governance Statement for 2014/15 which forms part of the Annual Statement of Accounts. The purpose of the Statement is to provide assurance that the Council's Governance Framework is adequate and effective.

1.2 As part of the Annual Governance Statement, the Council is required to identify the Significant Governance Issues faced by the Council and to set out the proposed actions to be taken to address those issues and the timescale within which those actions will be taken. The role of the Audit Committee is to formally monitor progress on actions arising from the Significant Governance Issues identified in the statement.

2.0 SIGNIFICANT GOVERNANCE ISSUES

2.1 The table set out at Appendix 1 comprises the Significant Governance Issues identified and the proposed action and timescale, with the addition of a further column which indicates the progress by 30 November 2015. The Committee will note that progress is being made against all identified issues and that the actions proposed are currently on target to achieve the intended timescale.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 The Corporate Governance Group has been consulted on progress on the proposed actions.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 Code of Corporate Governance.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 None.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None arising from this report.

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** Audit Committee 24 June 2015 – Approval of Annual Governance Statement 2014/15
Council 24 June 2008 – Approval of Code of Corporate Governance

Background Papers: Annual Governance Statement 2014/15

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Appendices: Appendix 1 - Monitoring of Significant Governance Issues 2014/15

SIGNIFICANT GOVERNANCE ISSUES 2014/15

No.	Governance issue	Proposed Action	Timescale	Responsible Officer/Group	Current Position as at 30 November 2015
1.	Embedding of budget understanding / development / ownership	<ul style="list-style-type: none"> • Provision of financial training (external for budget holders) • Develop and implement a detailed and robust financial reporting process for Members and Officers • Provide dedicated accountancy support for all services 	September-December 2015	Group Manager Finance & Asset Management	<p>Finance training for non-finance managers, facilitated by CIPFA, was held in September and was well attended and well received by managers. A further facilitated event is being planned for March 2016 in preparation for the closure of accounts.</p> <p>The financial reporting framework has been improved so that detailed monthly management reporting on a number of levels occurs and the reporting of the financial position, again in a more detailed manner, happens monthly for CLT and quarterly for members.</p> <p>All service areas now have dedicated accountancy support assigned to them with regular meetings taking place.</p>

No.	Governance issue	Proposed Action	Timescale	Responsible Officer/Group	Current Position as at 30 November 2015
2.	Business Continuity	<ul style="list-style-type: none"> Testing of Business Continuity arrangements 	December 2015	Business Continuity Group	The intention is to use the Civil Protection Team at Waterwells to facilitate scenario testing. A meeting is being held on 3 December to scope the testing exercise. The actual test will take place early in the New Year.
3.	Constitution update	<ul style="list-style-type: none"> Review of Constitution including the Responsibility of Functions (Scheme of Delegations) Update Constitution as necessary 	September-December 2015 March 2016	Group Manager Democratic Services	Target date is May 2016 and a programme is being drawn up to achieve this timescale. The programme will include a Member Seminar on any proposed changes if required.
4.	Workforce Development Strategy	<ul style="list-style-type: none"> Develop and implement a corporate Workforce Development Strategy 	September 2015 – March 2016	Group Manager Corporate Services	This is currently being worked upon. The Council's HR team is working in partnership with senior officers from the Glos Care Services HR team who are helping towards delivering the strategy. This is at no cost to the Council and is an excellent learning opportunity for both parties.

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	16 December 2015
Subject:	Corporate Risk Register
Report of:	Graeme Simpson, Corporate Services Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor R J E Vines
Number of Appendices:	1

<p>Executive Summary:</p> <p>The Corporate Risk Register was re-introduced in 2014 and was originally reported through the performance management framework which is reviewed by Overview and Scrutiny Committee. The Audit Committee has within its Terms of Reference the responsibility to monitor the effective development and operation of risk management, hence why the register is now presented to the Audit Committee.</p>
<p>Recommendation:</p> <p>To CONSIDER the Risk Register and the risks contained within it.</p>
<p>Reasons for Recommendation:</p> <p>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.</p>

<p>Resource Implications:</p> <p>None.</p>
<p>Legal Implications:</p> <p>None.</p>
<p>Risk Management Implications:</p> <p>If a sound risk management framework is in place then this will help deliver the Council's priorities and key projects.</p>
<p>Performance Management Follow-up:</p> <p>The register will be a 'live' document and updates will be provided to the Audit Committee at each of its meetings.</p>

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The Corporate Risk Register was originally reported through the performance management framework which is reviewed by Overview and Scrutiny Committee. The Audit Committee has within its Terms of Reference the responsibility to monitor the effective development and operation of risk management, hence why the register is now presented to the Audit Committee.

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. 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 Leadership Team. The register can be found at 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 service areas. 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.

2.4 The risk management framework, including the Risk Management Strategy and Risk Register, is programmed for review during the course of 2015/16. This will be supported with training for relevant Officers and Members. With regards to reviewing the Risk Management Strategy, this has been briefly discussed at Transform Working Group. There are indicators from the Transform Working Group of a shift in the risk appetite of the Council, for example, through the exploration of commercial opportunities. The new strategy should reflect this.

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

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Appendices: Appendix 1 – Corporate Risk Register

Appendix 1 - CORPORATE RISK REGISTER - DECEMBER 2015

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, there is a shortfall in planned income or significant increases in operating costs, 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; procurement action plan; strategic service review programme.</p>	<p>Delivery of savings programme and Transform programme (March 2016) – Transform Working Group also looking at more commercial opportunities Development and environmental health service review in progress.</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 – Corporate Services</p>	<p>Business Transformation Strategy, Transform Working Group, Savings programme, project management framework, Customer Access Model. Programme Board</p>	<p>Scope individual projects - review project management arrangements (July 2015) – project management framework review now complete. All projects will be scrutinised by an internal programme board – first board meeting is January 2016. Develop channel shift strategy (March 2016) – maximising ‘digital’ opportunities</p>

Appendix 1 - CORPORATE RISK REGISTER - DECEMBER 2015

Risk description	Responsible Officer (s)	Current controls	Further control action and proposed implementation dates
<p>Leadership capability: If Managers and Members do not work together effectively to proactively drive and take 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 and Officer Protocol. Portfolio briefings. Political structure.</p>	<p>Leadership development training. (March 2016)</p>
<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 (SEP), partnership working with Local Enterprise Partnership (LEP), Tewkesbury Town Centre Masterplan, Economic Development and Tourism Strategy, new Car Parking Strategy.</p>	<p>Delivery of SEP (March 2016), deliver phase 3 of the Tewkesbury Town Centre Masterplan (March 2016) Develop new Economic Development and Tourism Strategy (March 2016)</p>

Appendix 1 - CORPORATE RISK REGISTER - DECEMBER 2015

Risk description	Responsible Officer (s)	Current controls	Further control action and proposed implementation dates
<p>Joint Core Strategy (JCS): if the JCS fails at the 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>Ensure all supporting evidence is robustly presented. (July 2015). Additional examination phase (March 2016)</p>
<p>Government policy: If there is a 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 – Corporate Services</p>	<p>Strategic policy network e.g. Local Government Association, CIPFA, Centre for Public Scrutiny, professional networking.</p>	<p>Ongoing review and monitoring of national landscape (ongoing action) – impact of comprehensive spending review</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 annual asset action plan. Development of Asset Management Strategy. (December 2015) – approved at Executive Committee 25 November 2015. Proposed design brief for Spring Gardens and Oldbury Road site being developed.</p>

Appendix 1 - CORPORATE RISK REGISTER - DECEMBER 2015

Risk description	Responsible Officer (s)	Current controls	Further control action and proposed implementation dates
<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 – Corporate Services Group Manager – Democratic Services</p>	<p>Behaviours framework, corporate training budget, service plans, and 1:1 sessions.</p>	<p>Develop training and development programme. (December 2015) Develop new workforce strategy (December 2015) March 2016</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 – Corporate Services</p>	<p>Communications Strategy, complaints framework, satisfaction survey. Customer services review.</p>	<p>Develop new Customer Services Strategy (March 2016) – to include corporate customer care standards. Overview and Scrutiny Committee workshop to be held in January 2016 to consider proposed strategy.</p>
<p>Delivery of Operational Services: If operational services are not effective then this may lead to customer dissatisfaction and represent a reputational risk to the Council.</p>	<p>Deputy Chief Executive Group Manager – Environment & Housing</p>	<p>Governance arrangements in place. Overview and Scrutiny Committee six monthly review.</p>	<p>Development of Client Monitoring Framework. (March 2016)</p>

Appendix 1 - CORPORATE RISK REGISTER - DECEMBER 2015

Risk description	Responsible Officer (s)	Current controls	Further control action and proposed implementation dates
<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 – Corporate Services</p>	<p>Corporate business continuity plan, service business plans, ICT disaster recovery arrangements.</p>	<p>Identify priority services and test plan (September 2015) – March 2016</p> <p>Business continuity arrangements to be revisited including:</p> <ul style="list-style-type: none"> • Corporate plan • Individual service plans • Testing exercise • Alternative operational base
<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 Group Manager – Corporate Services</p>	<p>PSN compliant, ICT Policy, Data Protection Policy, Fraud and Corruption Policy, nominated Senior Information Risk Owner.</p>	<p>Development of Information Governance Policy (July 2015), Training programme (December 2015).</p> <p>To be developed in line with proposed One Legal expansion (March 2016)</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/Citizens' Advice Bureau/Department of Work and Pensions particularly around financial inclusion (March 2016)</p>

Appendix 1 - CORPORATE RISK REGISTER - DECEMBER 2015

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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>Emergency planning training (March 2016)</p>
<p>New leisure centre: 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>Project management framework, approved budget, Leisure Facility Member Reference Group</p>	
<p>Tewkesbury Borough Plan: If the Tewkesbury Borough Plan 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</p>	<p>Project Management</p>	<p>Progression of plan to pre-submission stage (December 2015) Will follow JCS timetable</p>
<p>Business rates: If business rate payers continue to successfully challenge their business rates assessments then the Council is likely to suffer further scheme losses and not benefit from growth in businesses within the Borough.</p>	<p>Group Manager – Revenues & Benefits Group Manager – Finance & Asset Management</p>	<p>Provisions within scheme and reserves set aside. Losses limited to 7.5% by safety net payment. Economic Development strategies to support growth and counter appeal losses.</p>	<p>Government review of national scheme – March 2016. National revaluation of business rates for April 2017.</p>