

15 November 2022

<b>Committee</b>	Audit and Governance Committee
<b>Date</b>	Wednesday, 23 November 2022
<b>Time of Meeting</b>	2:00 pm
<b>Venue</b>	Tewkesbury Borough Council Offices, Severn Room

## **ALL MEMBERS OF THE COMMITTEE ARE REQUESTED TO ATTEND**

### **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 (during office hours staff should proceed to their usual assembly point; outside of office hours proceed to the visitors' car park). 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.

#### **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.



	<b>Item</b>	<b>Page(s)</b>
<b>4.</b>	<b>MINUTES</b>  To approve the Minutes of the meeting held on 20 July 2022.	1 - 12
<b>5.</b>	<b>AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME</b>  To consider the Audit and Governance Committee Work Programme.	13 - 20
<b>6.</b>	<b>COUNTER FRAUD AND ENFORCEMENT UNIT UPDATE</b>  To consider the six monthly update from the Counter Fraud and Enforcement Unit.	21 - 26
<b>7.</b>	<b>CORPORATE RISK REGISTER</b>  To consider the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.	27 - 51
<b>8.</b>	<b>MANAGEMENT ASSURANCE STATEMENTS 2021/22</b>  To consider the assurance given by each service area, and overall for 2021/22, it can be concluded that the management of the Council's internal control environment was satisfactory.	52 - 85
<b>9.</b>	<b>ANNUAL GOVERNANCE STATEMENT 2021/22</b>  To approve the Annual Governance Statement 2021/22.	86 - 104
<b>10.</b>	<b>ANNUAL SAFEGUARDING UPDATE</b>  To consider the annual report and the Section 11 assurance submission to give assurance as to the level of the Council's compliance with its safeguarding duty.	105 - 127
<b>11.</b>	<b>INTERNAL AUDIT PLAN MONITORING REPORT</b>  To consider the Internal Audit work undertaken and the assurance given on the adequacy of internal controls operating in the systems audited.	128 - 145
<b>12.</b>	<b>INTERNAL AUDIT SIX MONTH PLAN 2022/23</b>  To approve the Internal Audit Six Month Plan 2022/23 (Oct-March).	146 - 153
<b>13.</b>	<b>INTERNAL AUDIT CHARTER</b>  To approve the Internal Audit Charter.	154 - 167

**DATE OF NEXT MEETING**  
**MONDAY, 12 DECEMBER 2022**  
**COUNCILLORS CONSTITUTING COMMITTEE**

Councillors: C M Cody, P A Godwin, D W Gray, H C McLain (Vice-Chair), P D McLain, J P Mills, H S Munro, P E Smith and V D Smith (Chair)

**Substitution Arrangements**

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

**Recording of Meetings**

In accordance with the Openness of Local Government Bodies Regulations 2014, 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 and Governance Committee held at the Council Offices, Gloucester Road, Tewkesbury on Wednesday, 20 July 2022 commencing at 2:00 pm**

**Present:**

Chair	Councillor V D Smith
Vice Chair	Councillor H C McLain

**and Councillors:**

C M Cody, P A Godwin and P E Smith

**also present:**

Councillor C L J Carter

**A&G.3 ANNOUNCEMENTS**

3.1 The evacuation procedure, as noted on the Agenda, was advised to those present.

**A&G.4 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

4.1 Apologies for absence were received from Councillors D W Gray, H C McLain, P D McLain, J P Mills and H S Munro. There were no substitutes for the meeting.

**A&G.5 DECLARATIONS OF INTEREST**

5.1 The Committee's attention was drawn to the Tewkesbury Borough Code of Conduct which was adopted by the Council on 26 June 2012 and took effect from 1 July 2012.

5.2 There were no declarations made on this occasion.

**A&G.6 MINUTES**

6.1 The Minutes of the meetings held on 24 March and 17 May 2022, copies of which had been circulated, were approved as correct records and signed by the Chair.

**A&G.7 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

7.1 Attention was drawn to the Audit and Governance Committee Work Programme, circulated at Pages No. 14-21, which Members were asked to consider.

7.2 The Head of Corporate Services advised that, as the Internal Audit team was now operational, an Internal Audit Monitoring Report would be brought to the meeting on 28 September 2022.

7.3 It was

**RESOLVED** That the Audit and Governance Committee Work Programme be **NOTED**.

#### **A&G.8 EXTERNAL AUDITOR'S AUDIT PLAN**

8.1 Attention was drawn to the external auditor's audit plan for the year ending 31 March 2022, circulated at Pages No. 22-46. Members were asked to consider the information provided.

8.2 The representative from Grant Thornton advised that most things within the report would be familiar to Members. It had been intended for the year end audit to be undertaken in July; however, due to issues with resourcing and a change in staff structure at Grant Thornton, this would now move to September. He went on to advise that the significant risks identified were revenue fraud and expenditure fraud – both of which had been rebutted - management override of controls - this was a presumed risk every year – valuation of land and buildings assets and valuation of the pension fund net liability. Page No. 39 of the report set out that two risks of significant weaknesses in the Council's value for money arrangements had been identified; the first related to the Council's arrangements for securing financial sustainability in the medium term. Whilst the Council set a balanced budget in-year, there would be challenges going forward and, although it was recognised there was a lack of uncertainty with regard to financial settlements and funding, there was no updated Medium Term Financial Strategy covering the year 2026/27 as would normally be expected – this played into the risk of significant weakness. The second risk related to pervasive and significant weaknesses in internal controls and the representative from Grant Thornton explained that, in 2020/21, the Internal Audit function had been redeployed to support other Council functions which had led to a limitation of scope resulting from non-completion of internal audit work and a lack of assurance over the operation of the Council's internal controls. The work of Internal Audit during 2021/22 would be reviewed to establish how the position had changed and how the "catch-up" on the intended programme of work for 2020/21 was progressing. Page No. 40 of the report provided an overview of the external audit team and reflected that the year end audit would now take place during the autumn with the statutory deadline in November. The audit fee for 2021/22 was set out at Page No. 41 of the report with the proposed fee being £62,565 and a breakdown of that figure was included at Page No. 42.

8.3 With regard to the audit fee breakdown, a Member questioned why £5,000 was included for remote working. The representative from Grant Thornton advised that, over the last two years during the COVID pandemic, remote working had generally caused the audit to be slower and, in 2021, there were still audits outstanding from the prior year – CIPFA had reported around 9% of audits had been completed by the end of September 2021. It was anticipated that the team would still be working remotely going forward and there would be an element of things taking longer than they had in previous years, so additional expenditure had been included upfront to account for that. The Member felt it appeared that the Council would be paying additional costs because Grant Thornton chose to work remotely. In response, the representative from Grant Thornton explained that this would be a decision made in connection with the individual authority; if arrangements could be made for external auditors to be on site, a discussion could take place around whether that charge should apply. The Head of Finance and Asset Management advised that, once the timing of the audit was known, consideration would be given as to whether Grant Thornton could be accommodated on site – the key factor was ensuring Tewkesbury Borough Council staff were available. If it could be accommodated, that element of the fee could be eliminated for the Council.

- 8.4 It was  
**RESOLVED** That the External Auditor's Audit Plan be **NOTED**.

#### **A&G.9 INFORMING THE AUDIT AND GOVERNANCE RISK ASSESSMENT 2021/22**

- 9.1 Attention was drawn to the external auditor's report on Informing the Audit and Governance risk assessment for Tewkesbury Borough Council 2021/22. Members were asked to consider the information provided.
- 9.2 The representative from Grant Thornton advised that the report included a series of questions and the responses received from Tewkesbury Borough Council's management team which helped Grant Thornton, as external auditors, to understand more about the Council in terms of the financial risk assessment. The general enquires were set out at Pages No. 52-54 of the report and included questions around the key events that would have a significant impact on the financial statements for 2021/22, the appropriateness of the accounting policies adopted by the Council, use of financial instruments and transactions outside the normal course of business as well as questions around the use of solicitors, service providers and advisors consulted through the year. Members were informed that the Internal Standard on Auditing (ISO) 240 covered auditors' responsibilities relating to fraud within financial statements and Grant Thornton was required to consider the arrangements in place with regard to fraud risk so a series of questions had been asked as set out at Pages No. 56-62 of the report. It was noted there was always a presumption of fraud in terms of expenditure but this was usually rebutted for local government authorities and that was the case for Tewkesbury Borough Council this year supported by the responses from management. Pages No. 63-65 of the report related to law and regulations and Pages No. 66-67 covered related parties. In terms of matters related to going concern, set out at Pages No. 68-69, Members were advised that local authorities were assumed to be a going concern in the event of anticipated continuation of provision of services, unless there was clear evidence to the contrary. Pages No. 70-73 related to the general enquiries of management in respect of accounting estimates with the estimates set out at Appendix A to the report. The representative from Grant Thornton confirmed that nothing had been identified which was likely to cause an issue in terms of additional risks being identified.
- 9.3 A Member drew attention to Page No. 60 in relation to fraud risk and she asked whether staff were required to lock their computer screens when they left their desks. The Head of Corporate Services confirmed that was the case. In terms of Page 64, a Member noted that question four asked if there were any actual or potential litigation or claims that would affect the financial statements and the response stated that this would be disclosed in the financial statements – she felt this was inadequate and asked for clarification as to where the financial statements could be found and if anything had been identified in this regard. The Head of Finance and Asset Management advised that the draft statement was on the Council's website under Budget and Spending. He stressed that the response in the report had been provided by the Council to Grant Thornton on the basis that it would not help to disclose any actual or potential litigation or claims for the purposes of this report; however, he undertook to let Members know if there was anything to disclose. The Member felt it would also be useful to have a link to the relevant webpage. With regard to question one on Page 67, a Member noted that all senior managers and Councillors had been sent a related parties form to complete and she asked if any Councillors had failed to complete them. The Head of Finance and Asset Management advised that every attempt was made to achieve a 100% completion rate but he would check this following the meeting.

9.4 It was

**RESOLVED** That the external auditor's report on informing the Audit and Governance risk assessment for Tewkesbury Borough Council 2021/22 be **NOTED**.

#### **A&G.10 ANNUAL HEALTH AND SAFETY REPORT**

- 10.1 The report of the Environmental Safety Officer, circulated at Pages No. 78-92, summarised the Council's health and safety performance between 1 April 2021 and 31 March 2022 and the work proposed for the next year. Members were asked to consider the adequacy of the Council's health and safety arrangements.
- 10.2 The Head of Community Services advised that the report aimed to give reassurance that the Council was complying with its responsibilities under health and safety legislation. The Council's Health, Safety and Welfare Policy stated that elected Members had a responsibility for ensuring that the Chief Executive and Head of Community Services were adequately resourced and supported in achieving compliance with the requirements of the Health and Safety at Work Act 1974 so the report helped to assist Members to carry out this responsibility. Progress against the action plan, and the actions planned for the coming year, was set out at Pages No. 87-92 of the report.
- 10.3 A Member noted there had been no accidents or incidents which required reporting under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) and only one accident reported by Tewkesbury Borough Council staff during the period and he asked whether Ubico and Tewkesbury Leisure Centre were included. The Head of Community Services explained that, whilst the Council did have a responsibility to monitor health and safety compliance of contractors, that was not covered within this report. In terms of Ubico, he gave assurance that he met with senior management on a quarterly basis and an annual report was provided to the Overview and Scrutiny Committee which included health and safety information so he felt there were adequate arrangements in place for monitoring. A Member raised concern that the Overview and Scrutiny Committee received this information but the Audit and Governance Committee did not and the Head of Community Services indicated that he could ask internal audit colleagues to discuss this with Ubico's auditors to ensure they were all satisfied with the arrangements. In response to a query regarding the Keep Safe Stay Healthy Group, Members were informed that the Group met quarterly, it was chaired by the Head of Community Services and was attended by representatives from all departments along with the Lead Member for Organisational Development. A Member indicated that he could not recall receiving an induction which covered health and safety, fire, first aid etc. when he had been elected as a Borough Councillor and he asked whether all staff received them and how this was monitored. The Head of Community Services confirmed that all new members of staff were required to undergo an induction and health and safety information was included within that. The Corporate Director explained that new Members were subject to a full induction programme in relation to their function as Members and that included various training etc.; however, she was unsure whether health and safety aspects were covered within that. She pointed out that Members were advised of the evacuation procedure at the start of every Council and Committee meeting as part of the Agenda but she undertook to think about whether it was necessary to include health and safety within the formal Member induction programme.
- 10.4 A Member drew attention to Pages No. 87-88 of the action plan in relation to the workplace wellbeing programme and indicated that she was impressed with the amount of information provided on the Council's intranet. She asked if it was possible to gather feedback on the success of some of the initiatives in relation to stopping smoking, weight loss etc. Page No. 90 of the report stated that the Council

was striving for excellence in terms of the health and wellbeing of its workforce and she expressed the view that it would help to have some facts and figures to show the success of the initiatives; although, ultimately, if they helped just one person they were worthwhile in her view. The Head of Corporate Services confirmed that the Council had recently achieved the foundation level of the Gloucestershire Healthy Workplace Award – this was a fantastic achievement which had been reported at the Transform Working Group on 14 July 2022 and a Member Update would also be circulated shortly. The Chair asked that it be put on record that the Audit and Governance Committee was delighted with the Council's commitment to health and wellbeing.

10.5 It was

**RESOLVED** That the annual health and safety report be **NOTED**.

#### **A&G.11 CORPORATE RISK REGISTER**

11.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 93-118, asked Members to consider the risks contained within the corporate risk register and assurance that the risks were being effectively managed.

11.2 The Head of Corporate Services advised that the corporate risk register was a strategic document which was brought to each Audit and Governance Committee. The key updates since the last meeting were set out in the table at Page No. 95 of the report. As previously discussed, it was proposed to remove Ref. 6 Emergency Planning as, although this remained a risk, the Council could demonstrate effective arrangements to manage it. With regard to Ref. 9 Asset Management, Members were advised that funds had been redirected to asset management reserves to support need over the medium term – this was essential given the financial support required for the solar canopy project and the likely need for financial support towards the replacement of the heating system. As had been reported to the Overview and Scrutiny Committee, the production of an updated Asset Management Strategy had been postponed until 2022/23. In terms of Ref. 11 Brexit, it was proposed to remove this risk from the register as it remained largely outside of the Council's control. Any financial impact resulting from Brexit compounded by the COVID pandemic and the Ukrainian crisis would be picked up through the financial sustainability risk. In relation to Ref 14. COVID-19 Recovery, the COVID-19 recovery plan actions had been transitioned back into the refreshed Council Plan which was due to be considered by Council on 26 July. Whilst the majority of services were in recovery mode, this had been further impacted by the additional pressures of other activities such as the energy rebate scheme and support to the Ukrainian refugee scheme. As set out at Page No. 96, Paragraph 3.2 of the report, recruitment and retention of staff had been highlighted as an emerging risk and would be scored and evaluated for inclusion in the corporate risk register going forward.

11.3 The Chair indicated that today marked the 15 year anniversary of the 2007 floods and, since that time, Tewkesbury Borough Council had become extremely proficient with regard to emergency planning and there was an effective command system in place so, whilst it was important to remain vigilant, he was satisfied this risk could be removed from the corporate risk register and he thanked Officers for all of their hard work to get to this point. The Head of Community Services indicated that a huge amount of work went into emergency planning and it was a real team effort, not just within the Council, but with partners such as the Local Resilience Forum. He agreed it was right to remove the risk at this stage given the amount of experience of dealing with such events albeit with the recognition that there was always a risk that something unexpected would occur in future.

- 11.4 A Member drew attention to Page No. 98 of the report, Ref. 2 around the financial impact of the failure to deliver residential and business growth within the borough and, whilst she accepted that growth would attract significant additional funding streams including Council Tax, she asked whether this would cover the services needed by the people living and working in the new developments. The Head of Finance and Asset Management advised there was no simple answer but rough figures suggested that Council Tax alone was insufficient to meet future needs and New Homes Bonus would also be needed along with retained business rates – the uncertainty over those future funding streams placed a question mark over the Council's financial sustainability. With regard to the same risk, the Member noted that Page No. 99 of the report referenced the A46 realignment business case development and she raised concern that this was taking years with another £6m recently being put into looking for a solution so the public wanted to know when it would be happening. The Chair indicated that the A46 business case was strong in terms of infrastructure development for the future of the area so he did not see this as an amber risk. Consultation would be taking place in September on the design of the road followed by a more detailed plan based on the comments received by the County Council. The scheme would ultimately be delivered by National Highways. As with all schemes of this nature, it was important to be transparent in terms of environmental issues etc. and a lot of work was needed before it could be delivered; the £6m recently invested would help to move forward to the outline business case. In his view, this was a vital piece of work for the future of North Gloucestershire and it was important to get it right. The Member indicated that the consultation had been promised but never seemed to come forward and the Chair advised that he understood it would be commencing on 1 September 2022.
- 11.5 A Member raised concern in relation to removing Ref. 9 Brexit as the impacts were only just beginning to be felt and she was of the view that the justification for removing it on the basis that it was outside of the Council's control could be applied to a number of other risks within the register. In response, the Head of Community Services explained that he had included Brexit as a risk within the corporate risk register originally and, from his perspective, a lot of elements were outside the Council's control so the authority could only prepare to a certain extent and he was confident that impacts associated with Brexit would be picked up through other mechanisms. In terms of Ref. 12 Garden Town, a Member noted that Page No. 111 of the report stated that further "seed corn funding" had been received for the Garden Town and she asked for an explanation as to what that meant. The Head of Finance and Asset Management advised that, as Members were aware, the Garden Town was funded by a Government grant and it was an annual process to attract more funding – this year, over £250,000 had been received to keep moving forward. It was intended that the initial funding would be used to get the Garden Town up and running until it reached the stage when it was self-funding. With regard to Ref. 13 in relation to delivery of Ashchurch Bridge, the Member noted that Page No. 114 of the report set out that the project team was now pressing ahead with the project planning for the construction phase which was due to commence in early 2023 pending a final judgement from the court of appeal and she raised concern that, assuming the Council won the appeal, there would only be nine months for the build. The Corporate Director explained that negotiations had taken place to secure an extension for funding on the basis the appeal was outside of the Council's control and could not have been foreseen. Work was continuing whilst the outcome of the appeal was awaited – this risk had been balanced against the risk of not doing the work – and meant that once a decision had been reached, and assuming the Council won, it should be in a position to let the tender.
- 11.6 In terms of Ref. 15 in relation to climate change and carbon neutrality, a Member felt it should be noted that, whilst there was a significant financial impact, the carbon reduction programme would save the Council money in the long run – failing to make provision now would be a long-term risk which she felt had been

demonstrated by the UK experiencing its hottest day on record which had not been expected until 2050. The Head of Community Services advised that management team would be discussing whether this risk should be broadened to include extreme heat. Turning to Ref. 16 National Driver Shortage, the Member expressed the view that Ubico had done a fantastic job during the pandemic, particularly given the staff shortages experienced, and the Chair asked Officers to pass on the Committee's thanks to the team. In terms of Ref. 17 in relation to the waste transfer station at Wingmoor Farm, the Member noted that a second planning application had been submitted to Gloucestershire County Council and she asked when that would be determined. The Head of Community Services advised this was likely to be after July when the current planning permission expired after which it would be down to the County Council to take enforcement action – as this had not happened previously he felt it was unlikely that action would be taken but there were no guarantees.

- 11.7 With regard to Ref. 7 Use of Swindon Road Depot, a Member noted that elements of the lease had been reviewed and changes made to formalise the arrangements with Cheltenham Borough Council and he asked whether there was a break clause and how long Tewkesbury Borough Council would have to find an alternative location. The Head of Community Services advised that he would need to check and report back to Members but he assumed it would be a minimum of one year. He explained that it was intended that Tewkesbury Borough Council would invest in the site as an equal partner but that was a long-term piece of work and funding would need to be identified as part of that.
- 11.8 Having considered the information provided, it was  
**RESOLVED** That the risks and mitigating controls within the corporate risk register be **NOTED**.

## **A&G.12 INTERNAL AUDIT PLAN MONITORING REPORT**

- 12.1 The report of the Chief Audit Executive (Head of Corporate Services) provided an overview of the internal audit work completed during the period. Members were asked to consider the work undertaken and the assurance given on the adequacy of the internal controls operating in the systems audited.
- 12.2 The Head of Corporate Services advised that the full details of the work undertaken in the period were attached at Appendix 1 to the report and showed that one limited opinion had been issued in relation to sundry debtor recovery. Only two recommendations had required follow-up during the quarter – one around project management had been implemented and the other in relation to fraud risk registers was outstanding and would be picked up in the following Agenda item. In terms of work in progress, as set out at Paragraph 2.2 of the report, audits were currently being undertaken in relation to car parks, test and trace grant declaration and Winchcombe Tourist Information Centre banking procedures and those would be brought to the next Audit and Governance Committee meeting in September.
- 12.3 In terms of the audit in relation to the contain outbreak management fund, there was a requirement in the grant conditions that the Chief Executive and the Chief Internal Auditor make a declaration that the grant conditions had been complied with. Tewkesbury Borough Council had been awarded funding of £109,658 and it was necessary to check that had been spent in accordance with those conditions. The audit had confirmed the conditions had been adhered to and the money had been used for the provision of Community Protection/COVID Protection Officers and a COVID Compliance Events Officer. The sundry debtors audit related to the process whereby the Council raised invoices for goods or services commissioned and was spilt across various risk factors. A recommendation had been made around the findings of the audit being incorporated into the review of the Council's corporate

retention schedule. The audit had found that invoices were being raised correctly and allocated to the appropriate cost centre. Of those tested, 80% had been raised promptly; for the remaining 20% the delay in raising the invoice ranged from three to 24 months. This was primarily due to resources being limited or having been reallocated as a result of COVID duties. Adjustments to debtor accounts were found to have been made with sufficient justification; however, in terms of adjustments where the debt was attributed to a contractually agreed price being reduced e.g. rent reduction during COVID, the appropriate level of authorisation had not been evidenced to Finance prior to the adjustment taking place and a recommendation had been made in relation to that. A limited opinion had been issued in relation to debt recovery due to a disconnect between when action was taken by Finance and when it was passed to services. Members were advised that £217,934 of the debt currently outstanding had been owed for longer than one year with the majority relating to trade waste and licensing so recommendations had been made in relation to this.

12.4 With regard to the homelessness prevention grant, Members were informed there was a requirement within the grant conditions to make a declaration to the Department for Levelling Up, Housing and Communities that the grant conditions had been complied with. The Council had received a grant allocation of approximately £250,000 to support homelessness prevention and the Internal Audit team had given assurance that it had been spent in accordance with the conditions of the grant. A recommendation had been made to ensure that case management records were appropriately retained. It was noted that a formal report would be taken to the Executive Committee in relation to the projected homelessness prevention funding for 2022/23 to demonstrate how the money was planned to be spent and how that aligned with the Council's priorities – it was essential there was a structured plan in place which could be audited against. The Head of Corporate Services advised that the Overview and Scrutiny Committee received an annual report on complaints and assurance had been provided to the Committee that internal audit would be used to ensure that lessons learnt had actually been implemented; internal audit was satisfied that was the case.

12.5 A Member indicated that she had seen the Community Protection/COVID Protection Officers out in the community and met with them several times and she felt they had done a fantastic job. In terms of the sundry debtors audit, she asked what percentage of debt was written-off. In response, the Head of Finance and Asset Management advised that he did not know the percentage but provided assurance it was very low – writing-off debt was a last resort and it was intended that services would do everything necessary before that decision was made. With regard to the homelessness prevention grant audit, a Member noted that excellent work had taken place during COVID to provide accommodation for anyone who wanted to be taken off the street and she asked what the level of homelessness was currently. The Head of Corporate Services undertook to ask the Head of Community Services to provide this information following the meeting but it was noted that it was reported in the performance tracker which was considered by the Overview and Scrutiny Committee on a quarterly basis. Another Member drew attention to Page No. 127 of the report, conditions 3 and 4 in relation to the authority producing and agreeing a bed and breakfast elimination plan should there be more than five families in bed and breakfast accommodation for longer than six weeks, and she asked when this would be done. In response, the Head of Corporate Services confirmed this was one of the grant conditions and was not relevant to Tewkesbury Borough Council as it did not have any families residing in bed and breakfast accommodation for longer than six weeks during the 2021/22 period.

12.6 It was

**RESOLVED** That the internal audit monitoring report be **NOTED**.

**A&G.13 COUNTER FRAUD AND ENFORCEMENT UNIT REPORT**

- 13.1 The report of the Counter Fraud and Enforcement Unit Head of Service, circulated at Pages No. 133-142, provided an annual update on the work of the Counter Fraud and Enforcement Unit. Members were asked to consider the report.
- 13.2 The Counter Fraud and Enforcement Unit Head of Service advised that, since the last report to the Committee, the team had assisted with a successful prosecution relating to unauthorised works on a listed building. In relation to the workstreams detailed at Appendix 1 to the report, a review of the Gifts and Hospitality Procedure had been completed and a revised online form, which focussed on intent, would be introduced and staff awareness raised. The Counter Fraud and Enforcement Unit had also issued a vetting and recruitment risk report to HR for consideration to ensure they were undertaking the right checks on new staff etc. and the HR and OD Manager had confirmed there were robust practices in place. The team had also been assisting with verification of the energy rebate payments – people who did not pay their Council Tax by direct debit had to apply for the money so it was important to carry out checks to ensure that the people applying were actually living in the properties etc. Paragraph 3 of the report contained information regarding the annual update on the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 (IPA) which related to surveillance and communications data. Paragraph 3.3 of the report stated that the RIPA Surveillance and Covert Human Intelligence Source Policy had recently been updated to reflect minor changes in relation to undercover agents being able to commit crime whilst working undercover which did not apply to the authority. The Counter Fraud and Enforcement Unit would be delivering refresher training to relevant enforcement staff on the new policies.
- 13.3 A Member drew attention to Page No. 135, Paragraph 2.1 of the report which stated that the Counter Fraud and Enforcement Unit had received 10 referrals and she asked whether those came from staff or members of the public. In response, the Counter Fraud and Enforcement Unit Head of Service clarified that this related only to business grants and not the general work of the Counter Fraud and Enforcement Unit so the intel would have come from the staff processing the applications. It was noted there was a separate referral regime for the Council Tax support scheme. The Member congratulated the Counter Fraud and Enforcement Unit on the successful prosecution but expressed the view that the £613 costs awarded was a bit light. The Counter Fraud and Enforcement Unit Head of Service confirmed that the Council had put in for full costs but, unfortunately, could not influence the decision of the Court in terms of what was awarded. The Member went on to draw attention to the 2022/23 work programme, set out at Page No. 142 of the report, and asked why the review of the housing waiting list would only apply to silver band properties. In response, the Counter Fraud and Enforcement Unit Head of Service explained that the review of emergency and gold bands was carried out first and the outcomes of this had already been reported to the Committee. In response to a query as to how people without bank accounts would receive energy rebate payments, Members were advised that it was hoped there would not be many people in that situation but, for those who were, the money could be credited to their Council Tax accounts; the difficulty would arise for those who did not pay Council Tax but the majority of people would have some sort of account, for instance, a post office account. The Counter Fraud and Enforcement Unit Head of Service provided assurance that Officers were doing all they could to ensure anyone who was eligible and applied for the funding did receive it.
- 13.4 It was
- RESOLVED** That the Counter Fraud and Enforcement Unit annual report be **NOTED.**

**A&G.14 COUNTER FRAUD AND ENFORCEMENT UNIT FRAUD RISK STRATEGY**

- 14.1 The report of the Counter Fraud and Enforcement Unit Head of Service, circulated at Pages No. 143-173, attached, at Appendix 1, the new Fraud Risk Strategy which had been developed for implementation across the Counter Fraud Partnership. Members were asked to consider the strategy and its associated workstreams.
- 14.2 The Counter Fraud and Enforcement Unit Head of Service advised that fraud was the most common crime in the UK and cost many billions of pounds to private companies, individuals and the public sector. The Counter Fraud and Enforcement Unit had developed a Fraud Risk Strategy, attached at Appendix 1, which set out the definitions and motivations for fraud and the principles of risk management as well as outlining the high risk areas that local government was susceptible to; historically the focus had been on benefit fraud. Annexed to the strategy, and attached to the report as Appendices 2 and 3, were the Fighting Fraud and Corruption Locally and the Government Functional Standard GovS 013 checklists which set out best practice recommendations – these would be completed by the Counter Fraud and Enforcement Unit in consultation with the Corporate Governance Group to inform areas for improvement or for inclusion on the work plan. In addition, the Counter Fraud and Enforcement Unit would implement a series of service area reviews to identify specific fraud risks within each Council service area and a service specific risk register would then be developed which could be monitored. This was quite a big piece of work and it was intended to focus on high risk service areas first i.e. procurement, revenues and benefits and housing.
- 14.3 A Member drew attention to the Government Functional Standard GovS 013 Checklist, attached at Appendix 3 to the report, which posed a series of questions and she asked if she was right to presume that the answer to these was 'yes'. The Counter Fraud and Enforcement Unit Head of Service confirmed that was correct and she explained that the answers would be specific to each authority – she was reluctant to publish them as this would give information on the methods being used to tackle fraud. She confirmed that a checklist had been completed to give assurance to the Council and if any further action was needed it could be included on the work plan. The Member drew attention to Page No. 167 of the report which referenced training and asked how many Councillors had attended cyber security training. The Head of Corporate Services indicated that a training session had been run via Teams and he believed around 12 Members had attended. The Member indicated that when she had looked it appeared that only two Members had completed the training. The Head of Corporate Services advised that a presentation had also been given to Transform Working Group which would have captured more Members. It was intended to role out an e-module on GDPR and cyber security following the Borough Council elections in May 2023 with the aim being 100% take-up. The Counter Fraud and Enforcement Unit Head of Service indicated that the Counter Fraud and Enforcement Unit had updated its presentation on fraud awareness for the authorities which had recently had local elections and she undertook to circulate this to Members for information.
- 14.4 It was
- RESOLVED** That the Counter Fraud and Enforcement Unit Fraud Risk Strategy be **NOTED**.

**A&G.15 COUNTER FRAUD AND ANTI-CORRUPTION POLICY**

- 15.1 The report of the Counter Fraud and Enforcement Unit Head of Service, circulated at Pages No. 174-192, attached, at Appendix 1, the Counter Fraud and Corruption Policy. Members were asked recommend to the Executive Committee that the policy be approved and to delegate authority to the Head of Finance and Asset

Management, in consultation with the Counter Fraud and Enforcement Unit, One Legal and the Lead Member for Corporate Governance, to approve future minor amendments to the policy.

15.2 The Counter Fraud and Enforcement Unit Head of Service advised that the policy at Appendix 1 to the report had been amended to ensure it reflected current legislation and aligned with the Council's procedures. The proposed changes were highlighted in red.

15.3 Accordingly, it was

**RESOLVED**

That it be **RECOMMENDED TO THE EXECUTIVE COMMITTEE:**

1. That the Counter Fraud and Anti-Corruption Policy, as attached at Appendix 1 to the report, be **APPROVED**.
2. That authority be delegated to the Head of Finance and Asset Management, in consultation with the Counter Fraud and Enforcement Unit, One Legal and the Lead Member for Corporate Governance, to approve future minor amendments to the policy.

**A&G.16 INTERNAL AUDIT ANNUAL REPORT 2021/22**

16.1 Attention was drawn to the report of the Chief Audit Executive (Head of Corporate Services), circulated at Pages No. 193-213, in relation to internal audit 2021/22. Members were asked to consider the limitation of scope regarding independent assurance from internal audit on the adequacy of the Council's governance, risk management and control environment for 2021/22 and to note that the internal audit team was now operational and a meaningful audit opinion would be reached for 2022/23.

16.2 The Head of Corporate Services advised that a limitation of scope opinion for 2020/21 had been presented at Audit and Governance Committee on 21 July 2021 due to deployment of the Internal Audit team to the business cell to support the administration and payment of business grants - the same opinion was being issued for 2021/22. As set out in the report, the Internal Audit team was now operational and a meaningful audit opinion would be reached for 2022/23. Members were well-versed regarding the decision to use internal audit to support the business cell and this was set out at Page No. 196, Paragraph 3.2 of the report. It was noted that, as a mitigating control, each Head of Service had produced a management assurance statement on the adequacy of the control environment within their service area and these would be brought to the Committee in September. The Head of Corporate Services advised that the Internal Audit team was operational and undertaking audits and Page No. 197 Paragraph 4.2 of the report provided information on the team's recovery. It was noted that all outstanding internal audit recommendations had been reviewed and revised implementation dates had been agreed with relevant managers; an internal audit six month plan covering the period October 2022 to March 2023 would be brought to the September meeting of the Committee; quarterly meetings had commenced with the Chair of the Audit and Governance Committee and the Lead Member for Corporate Governance; a Quality Assurance and Improvement Programme had been approved for 2022/23; and there was a commitment from the Corporate Leadership Team to further invest in the team for the second half of the year with interviews about to take place for an audit apprentice.

- 16.3 The Chair thanked the Internal Audit team for the brilliant work that had been done in terms of re-training in order to help the community during the pandemic. It was **RESOLVED** That the Internal Audit Annual Report 2021/22 be **NOTED**.

**A&G.17 AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2021/22**

- 17.1 The report of the Chief Audit Executive (Head of Corporate Services), circulated at Pages No. 200-213, attached, at Appendix 1, the Audit and Governance Committee Annual Report 2021/22. Members were asked to approve the report.

- 17.2 Accordingly, it was

**RESOLVED** That the Audit and Governance Committee Annual Report 2021/22 be **APPROVED**.

The meeting closed at 3:45 pm

## AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

### Additions to 23 November 2022

- Annual Governance Statement 2021/22 – Moved from 28 September due to External Auditor resource issues.
- Management Assurance Statements 2021/22.
- Internal Audit Charter.

### Deletions from 23 November 2022

- External Auditor's Audit Findings – Moved to December due to External Auditor resource issues.
- Letter of Representation - Moved to December due to External Auditor resource issues.
- Statement of Accounts 2021/22 - Moved to December due to External Auditor resource issues.
- External Auditor's Annual report – Moved to 23 March 2023 due to External Auditor resource issues.
- Annual Report on the Council's Arrangements for General Data Protection Regulation (GDPR) – Moved to 22 March 2023.

Committee Date: 12 December 2022 (Special Committee Meeting)			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
External Auditor's Audit Findings	To consider the external auditor's findings 2021/22.	External Auditors.	Yes – moved from 28 September and 23 November due to External Auditor resource issues.
Letter of Representation	To consider the S151 Officer's Letter of Representation on the closure of the accounts for the year ended 31 March 2021.	External Auditors.	Yes - moved from 28 September and 23 November due to External Auditor resource issues.
Statement of Accounts 2021/22	To approve the Statement of Accounts 2021/22.	Head of Finance and Asser Management / Finance Manager	Yes - moved from 28 September and 23 November due to External Auditor resource issues.
Internal Audit Plan Monitoring Report	To consider the Internal Audit work undertaken and the assurance given on the adequacy of internal controls operating in the systems audited.	Head of Corporate Services.	No.

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Agenda Item 5

NB – Changes from previous work programme highlighted in bold

Committee Date: 22 March 2023			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
<b>External Auditor's Annual Report</b>	<b>To consider the external auditor's annual report.</b>	<b>External Auditors</b>	<b>Yes – moved from 23 November due to External Auditor resource issues.</b>
External Auditor's Progress Report	To consider the external auditors' report on progress against planned outputs.	External Auditors.	No.
Audit Fee 2022/23	To consider the audit scale fee for 2022/23.	Head of Finance and Asset Management.	Yes – moved from 20 July as the fees will not be set until the end of November 2022.
Statement of Accounting Policies	To approve the accounting policies to be used during the preparation of the 2022/23 financial statements.	Finance Manager.	No.
Internal Audit Plan Monitoring Report	To consider the Internal Audit work undertaken and the assurance given on the adequacy of internal controls operating in the systems audited.	Head of Corporate Services.	No.
Internal Audit Six Month Plan 2022/23	To approve the Internal Audit Six Month Plan 2022/23 (Apr-Sept).	Head of Corporate Services.	No.
Monitoring of Significant Governance Issues	To consider the monitoring report on the Significant Governance Issues identified in the Annual Governance Statement and to review progress against the actions.	Corporate Director	No.

NB – Changes from previous work programme highlighted in bold

Committee Date: 22 March 2023

Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Corporate Risk Register	To consider the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.	Head of Corporate Services.	No.
Internal Audit Quality Assurance and Improvement Programme	To consider the outcome of the external assessment and the recommendations arising and to approve the agreed action plan for delivery of those recommendations.	Head of Corporate Services	No.
CIPFA Financial Management Code – Assessment of Compliance	To consider progress made against the actions within the Assessment of Compliance (annual report).	Head of Finance and Asset Management	No.
<b>Annual Report on the Council's Arrangements for General Data Protection Regulation (GDPR)</b>	<b>To receive the annual report on the adequacy of the Council's GDPR arrangements.</b>	<b>Corporate Director</b>	<b>Yes – Moved from 23 November 2022.</b>

<b>Committee Date: July 2023</b>			
<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Has agenda item previously been deferred? Details and date of deferment required</b>
External Auditor's Audit Plan 2022/23	To consider the external auditor's Audit Plan 2022/23.	External Auditors.	No.
External Auditor's – Informing the Risk Assessment	To consider.	External Auditors.	No.
Annual Report on Health and Safety Activities	To consider the adequacy of the Council's health and safety arrangements.	Head of Community Services.	No.
Counter Fraud and Enforcement Unit Report	To consider the annual update on the work of the Counter Fraud and Enforcement Unit team.	Head of Finance and Asset Management / Counter Fraud and Enforcement Unit Manager.	No.
Internal Audit Plan Monitoring Report	To consider the Internal Audit work undertaken and the assurance given on the adequacy of internal controls operating in the systems audited.	Head of Corporate Services.	No.
Internal Audit Annual Report 2022/23	To consider the Internal Audit Annual Report 2022/23 and the assurance from the work undertaken during the year on the level of internal control within the systems audited during the year.	Head of Corporate Services.	No.
Corporate Risk Register	To consider the risk register and the risks contained within it.	Head of Corporate Services.	No.
Audit and Governance Committee Annual Report 2022/23	To approve the Audit and Governance Committee Annual Report 2022/23.	Head of Corporate Services.	No.

**Committee Date: July 2023**

<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Has agenda item previously been deferred? Details and date of deferment required</b>
Monitoring of Significant Governance Issues	To consider the monitoring report on the Significant Governance Issues identified in the Annual Governance Statement and to review progress against the actions.	Corporate Director	No.

<b>Committee Date: September 2023</b>			
<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Has agenda item previously been deferred? Details and date of deferment required</b>
External Auditor's Findings	To consider the external auditor's findings 2022/23.	External Auditors.	No.
Internal Audit Six Month Plan 2023/24	To approve the Internal Audit Six Month Plan 2024/24 (Oct-Mar).	Head of Corporate Services.	No.
Corporate Risk Register	To consider the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.	Head of Corporate Services.	No.
Letter of Representation	To consider the S151 Officer's Letter of Representation on the closure of the accounts for the year ended 31 March 2022.	Head of Finance and Asset Management.	No.
Statement of Accounts 2022/23	To approve the Statement of Accounts 2022/23.	Head of Finance and Asset Management.	No.
Annual Governance Statement 2022/23	To approve the Annual Governance Statement 2022/23.	Corporate Director	No.

<b>Committee Date: November 2023</b>			
<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Has agenda item previously been deferred? Details and date of deferment required</b>
External Auditor's Annual Report	To consider the external auditor's annual report.	External Auditors	No.
External Auditor's Progress Report	To consider the external auditors' report on progress against planned outputs.	External Auditors.	No.
Internal Audit Plan Monitoring Report	To consider the Internal Audit work undertaken and the assurance given on the adequacy of internal controls operating in the systems audited.	Head of Corporate Services.	No.
Monitoring of Significant Governance Issues	To consider the monitoring report on the Significant Governance Issues identified in the Annual Governance Statement and to review progress against the actions.	Corporate Director	No.
Counter Fraud and Enforcement Unit Update	To consider the six monthly update from the Counter Fraud and Enforcement Unit.	Head of Finance and Asset Management / Counter Fraud and Enforcement Unit Manager.	No.
Corporate Risk Register	To consider the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.	Head of Corporate Services.	No.

<b>Committee Date: November 2023</b>			
<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Has agenda item previously been deferred? Details and date of deferment required</b>
Annual Update on Council's Safeguarding Arrangements	To consider the annual report to give assurance as to the level of the Council's compliance with its safeguarding duty.  (To include Gloucestershire Safeguarding Children Board Section 11 Self-Assessment)	Head of Community Services.	No.
Annual Report on the Council's Arrangements for General Data Protection Regulation (GDPR)	To receive the annual report on the adequacy of the Council's GDPR arrangements.	Corporate Director	No.

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<b>OTHER ITEMS</b>			
<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Comments</b>
Internal Audit Charter	To approve the Internal Audit Charter.	Head of Corporate Services	To be presented to the Committee at least every three years – last taken on 23 November 2022.

**NB – Changes from previous work programme highlighted in bold**

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	23 November 2022
<b>Subject:</b>	Counter Fraud and Enforcement Unit Update
<b>Report of:</b>	Head of Service, Counter Fraud and Enforcement Unit
<b>Head of Service/Director:</b>	Head of Finance and Asset Management
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	1

**Executive Summary:**

To provide the Audit and Governance Committee with assurance over the counter fraud activities of the Council.

Work plans are presented to the Audit and Governance Committee detailing progress and results for consideration and comment as the body charged with governance in this area.

The Counter Fraud and Enforcement Unit will continue to provide Audit and Governance Committee with direct updates biannually, for Tewkesbury Borough Council this will be at the July and November meetings.

**Recommendation:**

**To CONSIDER the update on the work of the Counter Fraud and Enforcement Unit.**

**Financial Implications:**

The report details financial savings generated by the Counter Fraud and Enforcement Unit.

**Legal Implications:**

In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

**Environmental and Sustainability Implications:**

None.

**Resource Implications (including impact on equalities):**

The promotion of effective counter fraud controls and a zero-tolerance approach to internal misconduct promotes a positive work environment.

**Safeguarding Implications:**

Where any safeguarding concerns are identified during the course of the Counter Fraud and Enforcement Unit duties, appropriate referrals will be made.

**Impact on the Customer:**

Prosecutions will only be considered where the evidential and public interest tests are met with due consideration to the welfare of individuals.

The Local Authority will only take enforcement action where appropriate to do so with due consideration to older offenders, offenders with disabilities and where the offender lacks mental capacity.

**1.0 INTRODUCTION**

- 1.1 The Audit and Governance Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.2 In administering its responsibilities, this Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor.
- 1.3 The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate and community plans.
- 1.4 Work plans have been agreed with the Head of Finance and Asset Management and the Head of Corporate Services. The Audit and Governance Committee, as the body charged with governance in this area, is presented with a copy of the work plan for information.
- 1.5 Attached at Appendix 1 is the work plan for 2022/2023.

**2.0 WORK PROGRAMME RESULTS**

- 2.1 The Counter Fraud and Enforcement Unit has been supporting work streams created as a consequence of the COVID-19 pandemic by providing advice relating to fraud risk and abuse, most significantly in relation to the Business Grant Schemes. Internal Audit and the Counter Fraud and Enforcement Unit have reviewed 62 cases pre and post payment. In relation to pre-payment, £14,688 of loss prevention, in that the grant monies were not paid, was identified. Regarding post payment recovery, invoices totalling £691,396 have been raised and of this figure, £99,933 has been recovered and £282,796 credited after review. £298,667 remains outstanding. Examples of these cases relate to payments made to businesses that were not trading at the appropriate date, where premises were in fact empty or where duplicate payments have been made.

- 2.2** All local authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation. The team is processing the following:
- 21 matches have been received which have collated and compared business grant data nationwide in relation to the original schemes paid during the first lockdown. These are still under review.
  - The team has reviewed 672 matches relating to single person discount anomalies. 310 accounts were identified as requiring further enquiries with the liable parties. 147 accounts were referred to the Revenues department requiring action which has resulted in £81,318 increased revenue. A further 480 matches have been received in relation to the 2021/2022 data upload and these are now being reviewed.
  - 264 matches relating to the Council Tax Reduction Scheme and Housing Benefit. 122 matches have been reviewed to date and 4 cases require action.
  - 72 matches have been reviewed relating to the Housing Waiting List. 15 discrepancies were referred to the Housing team. This is in addition to the general review of the Housing Waiting List undertaken by the Counter Fraud and Enforcement Unit. 11 housing applications were removed from the Housing Waiting List representing £35,640 in loss avoidance.
- 2.3** In addition to the work carried out under the annual work plan attached at Appendix 1, as a dedicated investigatory support service, the Counter Fraud and Enforcement Unit undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into staff/Member fraud and corruption, or tenancy and housing fraud investigation work.
- 2.4** Since 1 April 2022, the team have received four referrals from across the Council and closed six. This excludes referrals relating to the Council Tax Reduction Scheme.
- 2.5** The team assisted Planning with a successful prosecution relating to unauthorised work to a listed building. The individual pleaded guilty and received a £1,107 Fine. Costs of £613 were also awarded.
- 2.6** The team assisted Housing with a successful prosecution relating to a fraudulent housing application. The individual pleaded guilty and received a £708 Fine. Costs of £515.50 were also awarded.
- 2.7** The Counter Fraud and Enforcement Unit has been tasked with undertaking the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and is the single point of contact for Department for Work and Pensions (DWP) Housing Benefit investigations. Since 1 April 2022, the team received 15 referrals and closed 12 cases. Four Civil Penalties have been applied totalling £240 and increased Council Tax revenue of £4,366 has been raised. The team has processed 14 enquiries for the Department for Work and Pensions.
- 3.0** **CONSULTATION**
- 3.1** Work plans have been agreed with the Head of Finance and Asset Management and the Head of Corporate Services.

**3.2** Internal Audit and the Counter Fraud and Enforcement Unit have a formalised protocol and meet to review the current work plan and assess any areas of risk. Policy documentation will be presented when required to the Management Team.

#### **4.0 ASSOCIATED RISKS**

**4.1** The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. The Counter Fraud and Enforcement Unit provides assurance in this area.

**4.2** Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

#### **5.0 MONITORING**

**5.1** The work programme is monitored on an ongoing basis by officers of the Counter Fraud and Enforcement Unit and on a quarterly basis by relevant Heads of Service.

#### **6.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

**6.1** Counter Fraud and Anti-Corruption Policy

Whistle Blowing Policy

Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

Corporate Enforcement Policy

Regulation of Investigatory Powers Act 2000 (Surveillance and CHIS) Policy

Investigatory Powers Act 2016 (Acquisition of Communication Data) Policy

Use of the Internet and Social Media in Investigations and Enforcement Policy

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**Background Papers:** None

**Contact Officer:** Counter Fraud and Enforcement Unit Head of Service  
[Emma.Cathcart@cotswold.gov.uk](mailto:Emma.Cathcart@cotswold.gov.uk)

**Appendices:** Appendix 1 – Work Plan 2022/23

Area of Work	Task
Bribery and Corruption	Assessment Template Review
Bribery and Corruption	Gifts and Hospitality Policy and Procedure Rollout / Awareness
Bribery and Corruption	Policy and Procedure: Staff Declarations of Interest / Conflicts of Interest
Governance	Delivery of two reports for Audit and Governance Committee
Governance	Fighting Fraud & Corruption Locally - Checklist Compliance
Governance	Government Functional Standard 013: Counter Fraud - Compliance
Governance	Development of Service Specific Fraud Risk Register (High Risk Service Areas - TBC)
Governance	Development / Review of Fraud Risk Strategy / Response Plan
Policy	Counter Fraud and Anti-Corruption Policy
Policy	Corporate Enforcement Policy
Policy	CTAX, CTRS & HB Penalty and Prosecution Policy
Policy	Proceeds of Crime & Anti-Money Laundering Policy
Policy	Whistle-Blowing Policy
Policy	RIPA (Surveillance & CHIS)
Policy	IPA (Acquisition of Communications Data)
Policy	Use of the Internet and Social Media in Investigations and Enforcement
Procedure	Development and roll out of Proceeds of Crime and Anti-Money Laundering Procedure
Procedure	Development and roll out of Use of the Internet and Social Media in Investigations and Enforcement Procedure
Serious and Organised Crime	Checklist Review
Serious and Organised Crime	Proactive Fraud Drive - transient / cash businesses

Department / Contact	Task
Statutory / Regulatory	Collation and Publication of Fraud Transparency Data
Statutory / Regulatory	RIPA / IPA - Annual Report to Members / Advisory / Inspection SPoC
Strategy : Detection	Housing Waiting List review (Silver Band only)
Strategy : Detection	National Fraud Initiative Match Reviews - Revenues / Benefits / Housing
Strategy : Detection	Business Rates Review Self Catering Accommodation - Assurance and Enforcement Activities
Strategy : Detection	HBMS referrals – triage and recommendations
Strategy : Detection	Council Tax Reduction Scheme Proactive Fraud Drive (High Risk Claims)
Strategy : Detection	Procurement - Supplier Payment Review
Strategy : Detection	Council Tax £150 Rebate - Assurance and Enforcement Activities
Strategy : Detection	Business Grants - Assurance and Enforcement Activities
Strategy : Prevention	Development of Fraud Awareness Literature (staff)
Strategy : Prevention	Development of Right to Buy Debt Recovery Process
Strategy : Prevention	Training Members / Staff - Fraud Awareness / RIPA & IPA / CPIA, PACE, Disclosure Training
Strategy : Prevention	Fraud Awareness – Procurement Activities

RIPA = Regulation of Investigatory Powers Act 2000

IPA = Investigatory Powers Act 2016

CPIA = Criminal Procedure and Investigations Act 1996

PACE = Police and Criminal Evidence Act 1984

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	23 November 2022
<b>Subject:</b>	Corporate Risk Register
<b>Report of:</b>	Head of Corporate Services
<b>Head of Service/Director:</b>	Head of Corporate Services
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	One

**Executive Summary:**

The Council has a risk management framework and this is set out in the Council's approved Risk Management Strategy. Risk management is an intrinsic element of good, effective management and should not be seen as a 'bolt on'. The strategy sets out the risk management approach around the identification, analysis, prioritisation and management of risk. A key element of the strategy is capturing key corporate risks through a Corporate Risk Register. This register is presented at each Audit and Governance Committee. The latest register can be found at Appendix 1.

**Recommendation:**

**To CONSIDER the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.**

**Financial Implications:**

None arising directly from this report.

**Legal Implications:**

None arising directly from this report.

**Environmental and Sustainability Implications:**

None arising directly from this report.

**Resource Implications (including impact on equalities):**

None arising directly from this report.

**Safeguarding Implications:**

None arising directly from this report.

**Impact on the Customer:**

None arising directly from this report other than to give assurance to stakeholders that risks are being effectively managed.

## **1.0 INTRODUCTION**

**1.1** The Council's Risk Management Strategy formalises the Council's risk management arrangements and sets out the risk management approach around the identification, analysis, prioritisation and management of risk. A key element of the strategy is the maintenance of a Corporate Risk Register that captures the Council's key corporate risks. The register is a high level document to record in a proportionate manner the key risks facing the Council, their risk score and high level management controls that are in place to manage individual risks. The scoring matrix within the strategy provides guidance on scoring those risks. The latest register can be found at Appendix 1.

## **2.0 CORPORATE RISK REGISTER**

**2.1** The register is a useful tool to demonstrate in a concise manner that corporate risks are being considered and managed. The headings within the register and the scoring of risk are all detailed within the risk management strategy. Succinctly, the scoring is based around three stages:

- Gross risk score (the inherent risk without any mitigating controls in place).
- Current risk score (the assessed risk after the application of controls).
- Target risk score (proposed risk score by applying future controls, if the current risk score is deemed to be too high).

It should be noted that the main focus should be on the risk description and the mitigating controls rather than to challenge the risk scores as these are only indicative. It is the assurance on the management of the controls which is important.

**2.2** The format of the register is one which is commonly used throughout local government. There is no statutory requirement to have a register in place but is seen as good practice. It also helps the Audit and Governance Committee fulfil its risk management responsibilities. Internal audit supports the Audit and Governance Committee in gaining assurance that the risks are being effectively managed. Days are allocated within the Internal Audit Work Plan to review the register and give assurance to the committee around such things as:

- Is the register complete? Are there any risks missing?
- The controls detailed in the register – are they actually in place and working effectively?
- Future actions – is there assurance they will be implemented within appropriate timescales?

**2.3** The risk register template includes a 'comments' box below each risk. This provides opportunity for each risk owner to provide an update on the status of that risk. For example, if the risk score has been downgraded as a result of effective control action being implemented or, alternatively, if the risk score has increased. An increase could happen through a number of scenarios, for example if an internal audit concluded that a mitigating control is not effective.

**3.0 KEY UPDATES ON THE REGISTER**

3.1 Summarised below are key updates arising since the register was last presented at Committee on 20 July 2022:

Risk identified	Key update arising
Ref 3. – Cyber Security	There has been successful recruitment to the new network and security infrastructure role (with cyber responsibility). A mandatory network change of password for all staff has recently been instructed by management team. Staff awareness for phishing attacks is also taking place. Local Government Association funding has been received for one member of the team to undertake a cyber qualification.
Ref 5. – Business Continuity	A review of individual service plans has commenced and is supported by the Civil Protection Team. A review of the Corporate Business Continuity Plan will follow. It is anticipated this work will be complete by the end of the calendar year.
Ref 6. – Safeguarding	It is proposed to remove this risk from the register as arrangements are well managed. The annual report on arrangements is an agenda item for today’s Committee.
Ref 12. – COVID-19 Recovery	It is proposed to remove this risk from the register as the majority of services have returned to ‘business as usual’.
Ref 13. – Climate Change	Initial estimates suggested investment of between £10m and £12m to achieve carbon neutrality for the Council by 2030. This estimate is likely to have increased significantly given high levels of inflation and does not include any support required for the wider agenda outside of the Council’s own services. A further bid for external funding towards the heat system replacement project will be made in the early autumn and work is beginning with colleagues to look at options for the replacement of the vehicle fleet from 2024.
Ref 16 -18 – Cost of Living Support, Migration and JSP	The addition of three new risks to the register.

**4.0 CONSULTATION**

4.1 Corporate Management Team

**5.0 ASSOCIATED RISKS**

5.1 If the Council does not have in place a Corporate Risk Register then it cannot demonstrate that corporate risks are formally considered, scored and managed.

**6.0 MONITORING**

**6.1** The risk register is presented at Corporate Management Team on a regular basis and further reviewed by the Corporate Governance Group.

**7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

**7.1** A number of the risks relate directly to priorities within the Council Plan and others, such as governance related risks underly the delivery of those priorities.

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**Background Papers:** Previous update was presented at Audit and Governance Committee on 20 July 2022.

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**Appendices:** Appendix 1 – Corporate Risk Register

## Appendix 1 - Tewkesbury Borough Council: Corporate Risk Register (updated November 2022)

Code	Risk score	Risk Management view
Red	16 – 25	Must be managed down to reduce risk scores in the next year
Amber	5 – 15	Seek to improve the risk score in the medium term
Green	1-4	Tolerate and monitor

Risk ref	Corporate risk identified	Impact assessment / comment	Impact Score (1-5)	Likelihood Score (1-5)	Gross risk score	Mitigating Controls	Risk Owner	Current risk score	Identified risk mgt action points	Target risk score
1	The uncertainty and volatility of council funding streams, including Business Rates Retention, New Homes Bonus and needs based funding, means that long term business planning is difficult and subject to significant change	<p>Withdrawal of New Homes Bonus that may or may not be replaced by an alternative scheme leading to potential funding gap.</p> <p>Uncertainty around business rates retention due to planned reset of the system being delayed – does not support sustainable financial planning.</p> <p>In Autumn 2020, a one year only Spending Review was again announced giving no certainty beyond March 22. As with business rates, the Fair Funding Review was also delayed by a further year leaving councils uncertain as</p>	5	5	25	<p>Council does not use 100% of NHB to support base budget.</p> <p>Accumulated provisions within existing retained rates scheme.</p> <p>Development of other funding streams such as Council Tax and Commercial properties.</p> <p>Revised MTFS highlighting size of impact and potential measures to bridge the deficit.</p> <p>Significant MTFS reserve.</p>	Head of Finance & Asset Management	25	<p>Further development of alternative income streams to reduce dependence on these funding streams.</p> <p>Detailed planning around major cost saving areas identified in the MTFS.</p> <p>Government clarification on future of local government finance including:</p> <ul style="list-style-type: none"> <li>• Spending Review</li> <li>• Fair Funding Review</li> <li>• 75% business rates retention</li> <li>• Future of NHB and whether an alternative scheme will be brought forward</li> </ul>	9

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		to how funding will be distributed to individual authorities.								
<p>Comments:</p> <p>The uncertainty around funding reform and future local government settlements has continued throughout 2022 with no progress being made. The former Secretary of State, Michael Gove, had suggested a potential two-year funding deal in the summer but this is yet to materialise given the changes to government. In addition to this continuing uncertainty, double digit inflation is impacting the cost of providing council services in the current and forthcoming years. This increased cost is not being met by additional government funding which means the Council will need to fund the additional costs internally.</p>										
2	Failure to see the delivery of residential and business growth within the Borough will have a significant impact within MTFS planning	<p>Growth within the Borough will attract significant additional funding streams by means of Council Tax, NHB and retained business rates.</p> <p>Given the reductions in core government grant and the increasing cost of delivering services, the income from growth is imperative to ensure a balanced MTFS and the ongoing delivery of</p>	5	4	20	<p>Growth strategy set out in Joint Core Strategy.</p> <p>Efficient management of DM process</p> <p>Programmes for the delivery of significant infrastructure</p> <p>Strong relationships with key agencies such as Homes England and GFirst LEP</p>	Corporate Management Team	15	<p><b>Approval of Borough Plan.- Adopted on 8 June at Full Council.</b></p> <p>Review of the Joint Strategic Plan (JSP)</p> <p>Implementation of DM improvement action plan</p> <p>Business case developments for J10. Development consent order for Junction 10 of the M5 works was consulted on in December 2021 and</p>	10

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33		services within the Borough.				<p>Economic Development Strategy</p> <p>Establishment of Growth Hub</p>			<p>finished on 15 February 2022.</p> <p>Full delivery of the Ashchurch Bridge project and associated link road.</p> <p>Development and delivery of Gloucestershire rail strategy.</p> <p>A46 realignment business case development.</p> <p>Tewkesbury Garden Town is part of the government's Garden Community programme and we are actively engaged with HE on this project.</p> <p>Identification of opportunities to use</p>	

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									business rate reliefs to support and attract business	
<p>Comments: The strategic allocations are beginning to deliver reserved matters applications, which will see growth in the borough. The Local Plan was adopted at Council on 8 June 2022. A revised timetable for the review of the JSP was presented to Members at Executive Committee on 30 March 2022. A preferred options draft will be published for public consultation in Spring 2023.</p>										
<p>The benefit of this will be undermined by the withdrawal of NHB and the lack of clarity around its replacement. The future of business rates retention also remains unknown.</p>										
3	If the ICT network is not adequately protected then there is a risk it is susceptible to a cyber-security attack leading to loss of systems and significant downtime.	Phishing attacks/Spear phishing – untargeted mass emails sent to many recipients to acquire sensitive information/targeted emails designed to look like it has been sent from a trusted person.  Denial of service (DoS) – hacker floods a website with more traffic than it can handle. Legitimate users are denied	5	5	25	Patch management.  Penetration testing.  Internal phishing awareness exercises.  PSN compliance.  Firewall management.  Cyber insurance.  Cyber specific post created within ICT Team.	Head of Corporate Services	12	Finalise and test cyber response plan  Network segmentation  Cyber essentials accreditation  <del>Recruit to cyber post – successful recruitment.</del>	9



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		could lead to a significant fine								
<p><b>Comments: A new network and security infrastructure role (with cyber responsibility) has been successfully recruited to and this officer has commenced employment. Technical work includes the segmentation of the network to make it more resilient, deployment of a new disaster recovery and backup system, network monitoring software etc. A mandatory network change of password for all staff has recently been instructed by management team. Staff awareness for phishing attacks is also taking place. Local Government Association funding has been received for one member of the team to undertake a cyber qualification.</b></p>										
36 4	If business continuity planning is not in place then there is a risk the council would struggle to deliver its services in the event of an incident	<p>A BC incident could be any of the following;</p> <ul style="list-style-type: none"> <li>• ICT downtime</li> <li>• Major staff absence</li> <li>• Property access</li> <li>• Supply chain failure</li> </ul> <p>Leading to reputational damage, financial loss, impact on service delivery etc</p>	4	4	16	<p>Individual service continuity plans.</p> <p>Draft corporate plan.</p> <p>ICT disaster recovery.</p>	Head of Corporate Services	12	<p>Finalise and test draft plan.</p> <p>Review of individual service plans.</p>	9
<p><b>Comments: A review of individual service plans has commenced and is supported by the Civil Protection Team. A review of the corporate business continuity plan will follow. It is anticipated this work will be complete by the end of the calendar year. Desktop exercises will then follow in the New Year to test the plans.</b></p>										
5	If the council is not compliant with General	Reputational – adverse publicity and	4	4	16	Data Protection Policy.	Head of Corporate Services	12	Rollout of e-learning module	9

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	Data Protection Requirement then there is a risk of financial penalties and adverse publicity.	<p>internal impact on service and individuals</p> <p>Financial – potential fines from ICO or compensation claim from individuals</p> <p>Resource – time consuming to report, investigate and mitigate data breaches</p> <p>Staff morale – in case of data breaches, potential disciplinary action</p>				<p>Governance structure in place eg Information Board, Data Protection Officer appointed, designated Senior Information Risk Owner, SpoC.</p> <p>Breach reporting framework.</p> <p>Staff awareness training.</p> <p>GDPR action plan.</p>			<p>Implementation of related audit recommendations.</p> <p>Implementation of GDPR action plan</p> <p>Review of data protection policy</p>	
<p><b>Comments: An annual report on the adequacy of the council's GDPR arrangements will be presented at Audit and Governance Committee in March 2023. A new Information Governance Officer role has recently been appointed to. The e-learning training comprising both GDPR and cyber security modules has been rolled out with over 160 staff completing to date. The Data Protection Policy is also due for review and is included within the forward plan of the Executive Committee. A new Data Request system (similar to FOIs and complaints) has recently been implemented to effectively manage the increasing case numbers.</b></p>										
6	Use of Swindon Road depot.	Our waste services are currently based at the Swindon Road Depot in Cheltenham. The depot is currently	5	2	10	Lease agreement in place.	Head of Community Services	8	Elements of the lease arrangement of the depot have been reviewed and changes made to formalise the	5

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		leased to Ubico by Cheltenham Borough Council. If CBC were minded to terminate this arrangement then we may need to identify a suitable depot for Ubico to operate of waste services from.							arrangements with Cheltenham BC.  Consider where a temporary depot could operate from in an emergency.	
<p><b>Comments:</b> A new lease fee for the depot has been agreed. Cheltenham Borough Council are in the process of developing a maintenance plan for the depot which will be agreed ahead of the next round of budget setting. This will ensure that the depot remains fit for purpose wherever possible.</p>										
7	Safeguarding arrangements	That the arrangements and implementation of policies and procedures by the Council (and its partners) are not adequate to protect vulnerable adults and children who may be at risk of significant harm. The damage to the Council would be mainly reputational.	5	2	10	Staff awareness of safeguarding.  Safeguarding policy in place. Feedback from S.11 annual audit.  Partnership working through the District Safeguarding Network.	Head of Community Services	6	Raising awareness of safeguarding policies and procedures with staff through staff briefings, one to ones, PPDs and training.  Adopt the quality assurance framework for safeguarding.  Robust checking system in place.	4

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						<p>Taxi driver-DBC checks carried out. Street Trader-DBS checks implemented.</p> <p>Safeguarding policy has been reviewed and adopted.</p>				
39	<p><b>Comments:</b> Officers are continuing the meet with county and district colleagues to review safeguarding arrangements via the District Safeguarding Subgroup which considers both children's and at risk adults safeguarding issues. We are awaiting feedback from our adults S.11 self-assessment. <b>Consider removing as this work is business as usual.</b></p>									
8	Failure to maintain council assets and ensure ongoing tenancies could result in significant cost and lost income	The council has a significant property portfolio encompassing operational and investment assets. For example, the total commercial portfolio is £60m producing an annual gross income of £3.4m.	5	4	20	<p>Recent refurbishment of service-related property.</p> <p><b>Commercial investment reserve including annual contribution</b></p> <p>Trained and experienced staff.</p> <p>Appointment of external investment support.</p>	Head of Finance and Asset Management	6 10	<p>Establishment of long term asset maintenance programme, including allocation of required funding.</p> <p><b>Establishment of annual contribution to Asset Maintenance Programme.</b></p>	3 5

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						Recruitment of additional Property Officer.				
<p>Comments: The current service and commercial portfolio are in a good state of repair with minor works ongoing. It is hoped to secure external funding to support the replacement of the heat system at the Council Offices in the near future but this will need to be matched by significant Council funding. Whilst an annual contribution to support the commercial portfolio is made from base budget, it is currently unaffordable to do so for the service portfolio given current funding constraints and cost pressures on the budget as a whole. The asset management reserve will need to rely on year end surpluses and one off allocations to support the needs.</p>										
40 9	If the Growth Hub fails to deliver the outputs as specified within the LEP agreement then there is potential that the capital grant would have to be repaid.	<ul style="list-style-type: none"> <li>Financial risk (£500k)</li> <li>Reputational</li> <li>Wider impact on economic delivery in the borough</li> </ul>	3	3	9	Performance monitoring through CRM system Partnership working and effective governance with LEP  Dedicated staff to manage hub and outputs e.g. manager and navigator  Promotion through business networks	Head of Development	4		4
<p>Comments: Future funding to develop the Growth Hub Network is being explored through the UK Shared Prosperity Fund (UKSPF). <b>An Investment Plan for the UKSPF was submitted to Government in early August.</b></p>										

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10	Garden town status	<p>Failure to deliver Garden Town project will have an impact on the Council in</p> <ul style="list-style-type: none"> <li>• Reputation - Confidence from Government of TBC ability to deliver programme (<i>planning stages</i>)</li> <li>• Financial (loss of NHB from assumed delivery of homes)</li> <li>• Non Delivery of homes and jobs required for community (<i>delivery stages</i>)</li> </ul>	5	5	25	<p>Regular meetings with the Project Assurance Group which is attended by a Homes England (HE) representative.</p> <p>The project is being managed through the standard HE Project Delivery Plan (PDP).</p> <p>Completed update of the evolution of the masterplan to inform the JSP Review.</p> <p>Extra funding received from MHCLG now DLUHC and Homes England (HE).</p> <p>Regular review meetings with representatives from HE and DLUHC.</p>	Garden Town Programme Director/ Head of Development Services	12	<p>Capacity funding award from Government this year also included £1.5m towards the County run J9/A46 project to assist with the ongoing business case development, plus £500k for assessment of options for establishing a delivery vehicle which is underway with consultancy ARUP.</p> <p>Work continues on this commission with a tight timeline requiring the submission of a business case back to Government by Autumn 2022.</p> <p><b>Work continues on the programme. The team will apply for funding when the next funding round is announced.</b></p>	9

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						Dedicated communication's support.				
42	<p>Comments: Delivery of the programme will potentially be over a 25-30 year period. During that time, there will be many challenges and risk elements to be mitigated. At this early formation stage, the team are focusing on getting the key foundations in place in terms of clarifying the forward strategy and ensuring the council has the capacity and capability to start delivery. The highest risk in this regard, is further delay to the JSP Review. The review is vital in providing an important policy context for the Garden Town and the means to safeguard the programme's future. In particular, the role it will be able to play in helping bring forward sustainable and well managed growth. A revised timetable for the review of the JSP has now been discussed with Members. Meanwhile, the team have been working on updating the concept masterplan, the assembly of land and the delivery of enabling basic infrastructure such as the proposed Ashchurch Bridge. The Programme continues to be regularly reviewed by Government and remains well regarded, with further capacity funding requests being supported.</p>									
11	Non-delivery of the Ashchurch bridge project.	The project has a time limit of March 2022 for funding draw-down. <i>(Note: this is currently amended to September 2023 however discussions continue with Homes England to further amend to March 2024)</i>	5	3	15	<p>Grant funding agreement with Homes England (2019)</p> <p>Planning permission granted 16 March 2021.</p>	Programme Director	15	A Judicial Review submitted by a group of local parishes was heard at the high court in November. In January 2022, the Judicial Review ruled robustly in the Council's favour and all challenges were dismissed. However, the parishes have now lodged a further appeal and this will be heard in court in December 2022.	8

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						<p>Agree licence/access with landowners</p> <p>Network Rail is an active part of the project board.</p>			<p>The project will not be able to move to construction until after this point.</p> <p>In preparation for construction however, land acquisition and access rights are in the process of being finalised with the landowners.</p> <p>Supporting transport modelling work will need to be revisited to inform the associated land assembly and wider development delivery strategy.</p> <p>Detail for all the consents and clearances work with NWR for the bridge construction phase are also under legal review by the programme</p>	

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									team's external legal advisers.	
<p><b>Comments:</b> The HIF grant award of £8,132,465 is under contract. However, due to programme slippage caused by Covid, the project completion date of March 2022 has been formally amended, with the HIF team at Homes England, to September 2023. The Deed of Variation formalising this amendment is now in place. The first tranche of HIF grant funding was successfully drawn down in March 2021, following a positive planning determination. The project team are now continuing to press ahead with the project planning for the construction phase due to commence in early 2023, pending a final judgement from the Court of Appeal.</p>										
44	42	<p>The resource required to respond to and recover from the Covid-19 pandemic is likely to have a significant impact upon the council's priorities.</p> <ul style="list-style-type: none"> <li>Non delivery of council plan ambitions</li> <li>Progress stalled in delivery of high profile projects</li> <li>Adverse impact on staff health and wellbeing</li> <li>Financial impact upon budget</li> </ul>	5	4	20	<p>'prioritisation of priorities'</p> <p>£500k recovery reserve</p> <p>HR support and wellbeing policies</p> <p>Covid-19 recovery plan – <b>now absorbed into the council plan.</b></p> <p>Recovery aligned to government roadmap</p>	Corporate Management Team	16	<p>Utilisation of recovery reserve to support capacity.</p> <p>Continued monitoring of workloads.</p> <p>Annual council plan refresh will look to absorb any outstanding recovery actions thereby resorting back to one key strategic document</p>	8 4
<p><b>Comments:</b> The council's services have recovered well from the pandemic with the vast majority returning to 'business as usual' mode. The successful delivery of the council's corporate Covid-19 recovery plan has seen it transition back into one strategic document, the council plan. The 'return to work' has been implemented successfully with hybrid working the 'norm'- whilst ensuring face to face service delivery is available for customers. It is recommended this risk is now removed from the register.</p>										

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13	The climate change motion approved by Council included a commitment to achieve countywide carbon neutrality aims as well as carbon neutrality for the Council's own services.	<ul style="list-style-type: none"> <li>- Significant change to service delivery.</li> <li>- Ability to influence wider community.</li> <li>- Significant financial input</li> </ul>	4	5	20	<p>Appointment of countywide coordinator</p> <p>Approval of action plan for Council carbon neutrality</p> <p>Delivery of a new solar car parking canopy.</p> <p>Appointment of dedicated Carbon Reduction Officer.</p> <p>Allocation of £100,000 reserve to support small scale activities</p> <p><b>Rollout of carbon literacy training</b></p>	Head of Finance & Asset Management	16	<p>Identification of specific actions to support wider carbon neutrality of whole council and the Borough.</p> <p>Allocation of funding to support specific activities, both on an on-going and one-off basis</p> <p>Source external grant funding opportunities</p> <p>Collaborative working with partners to maximise efficiency and reduce cost</p> <p>Assessment and delivery of capacity and resource necessary to meet the Council's motion.</p>	4
<p><b>Comments: Initial estimates, when drawing up our carbon reduction strategy, suggested investment of between £10m and £12m would be necessary to meet carbon neutrality for the council for 2030. This estimate is likely to have increased significantly given high levels of inflation and does not</b></p>										

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include any support required for the wider agenda outside of the council's own services. A further bid for external funding towards the heat system replacement project will be made in the early Autumn and work is beginning with colleagues to look at options for the replacement of the vehicle fleet from 2024.										
46 14	National driver shortage	There is a national shortage of HGV drivers. The impact is that across the Ubico contracts they are struggling to recruit and retain RCV drivers. The supply of agency drivers is a concern. The overall impact of this is that contract costs may increase and waste rounds may suffer from shortages resulting in service suspensions.	4	4	16	Increase the market supplement for drivers and train more loaders to become drivers.	Head of Community Services	16	Apply the business continuity plan if services are suspended.  Continue dialogue with Ubico and suggest ideas to improve e.g. offering a golden hand shake / incentive for referrals of drivers from staff etc.	8
<p><b>Comments:</b> Ubico and the council have been managing this risk as best as we can. Additional budgets have been allocated for driver's salary enhancements and this has an impact on the overall budget. The issue remains a risk for the council. In addition, we are seeing an increasing number labour disputes across the country including in some places waste operatives undertaking industrial action. Ubico have been contacted to seek assurance that this is not the case within their workforce. <b>Update from Ubico – There is no likelihood of strike action across the Ubico partnership.</b></p>										

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15	Waste transfer station at Wingmoor Farm subject to a variation of their planning,	The waste transfer at Wingmoor Farm is the subject of a planning variation to enable them to continue operating as our waste transfer station for our residual waste. There is no viable alternative within a sensible geographic area and the only alternative would be to direct deliver our waste to Javelin Park, this could result in the council needing to put new rounds on and purchase new vehicles and employ more staff. This will have significant financial implications for the council.	4	4	16	Seek to influence Gloucestershire County Council (GCC) planning committee decision.	Head of Community Services	16	Make representation to GCC planning committee and also to TBC planning committee setting out the implications for the council.	16
<b>Comments: A second planning application has been submitted to Gloucestershire County Council to continue this activity until 2025. A written submission of support has been submitted to GCC planning.</b>										

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Green	1-4	Tolerate and monitor

Risk ref	Corporate risk identified	Impact assessment / comment	Impact Score (1-5)	Likelihood Score (1-5)	Gross risk score	Mitigating Controls	Risk Owner	Current risk score	Identified risk mgt action points	Target risk score
16	Additional demand placed upon the council through cost of living support.	<ul style="list-style-type: none"> <li>• Potential increase in homelessness cases</li> <li>• Increase in benefit related cases eg council tax reduction applications/DHP etc</li> <li>• Reduced council tax and business rate collection rates</li> <li>• Increased business enquiries to growth hub</li> <li>• Inflationary increases on council supplies and services</li> <li>• additional resource to deliver govt schemes eg energy rebate/food</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>• Re-instantiate the Financial Inclusion Partnership</li> <li>• Dedicated Discretionary Housing Payments Officer</li> <li>• Use of £100k TBC business grant scheme to support small business</li> <li>• Re-target balance of £98k council tax hardship grant</li> <li>• additional external funding eg £55k to support warm places</li> <li>Introduction of multi service cell to harness a cohesive response</li> </ul>	Head of Community Services / Corporate Management Team	20	Monitor the impact and consider what further actions can be taken working closely with other partners	10

## Appendix 1 - Tewkesbury Borough Council: Corporate Risk Register (updated November 2022)

Code	Risk score	Risk Management view
Red	16 – 25	Must be managed down to reduce risk scores in the next year
Amber	5 – 15	Seek to improve the risk score in the medium term
Green	1-4	Tolerate and monitor

Risk ref	Corporate risk identified	Impact assessment / comment	Impact Score (1-5)	Likelihood Score (1-5)	Gross risk score	Mitigating Controls	Risk Owner	Current risk score	Identified risk mgt action points	Target risk score
		vouchers/warm places								
<p>Comment: The cost of living crisis caused by rising rates of inflation, National Insurance, and fuel/energy costs, may cause more families and households to fall into poverty and unemployment, which may lead to increased level of service demand on the Council and place additional pressure on front-line services. This is a new risk and will only be reduced by working with partners and the community.</p>										
49 17	A sustained increase in migration and movement of people could place increased demand on services	<ul style="list-style-type: none"> <li>• service deterioration</li> <li>• Increased demand in the Voluntary and Community Sector</li> <li>• Negative impact on the wider cohesion of the community.</li> </ul> <p>Increased financial pressure on budgets</p>	4	4	16	<ul style="list-style-type: none"> <li>• member of the countywide strategic migration partnership</li> <li>• Lobby MPs / Government to increase funding and support for all migration schemes.</li> </ul>	Head of Community Services / Corporate Management Team	16	Monitor the impact and consider what further actions can be taken working closely with other partners	10
<p>Comments: This is a new risk added to the register, as there is a possibility that there will be a sustained increase in migration and movement of people. This could result in increased demand on the Council's critical front-line services which may result in service deterioration, financial pressures. Working with partners and the community will help to reduce this risk.</p>										

## Appendix 1 - Tewkesbury Borough Council: Corporate Risk Register (updated November 2022)

Code	Risk score	Risk Management view
Red	16 – 25	Must be managed down to reduce risk scores in the next year
Amber	5 – 15	Seek to improve the risk score in the medium term
Green	1-4	Tolerate and monitor

Risk ref	Corporate risk identified	Impact assessment / comment	Impact Score (1-5)	Likelihood Score (1-5)	Gross risk score	Mitigating Controls	Risk Owner	Current risk score	Identified risk mgt action points	Target risk score
18	Delays in progressing the Joint Strategic Plan (JSP)	<ul style="list-style-type: none"> <li>lack of up to date strategic policies - potentially lead to inappropriate development</li> <li>Reputational damage.</li> <li>Requirement for additional resources.</li> <li>Insufficient strategic site allocations to deliver housing and land for employment.</li> <li>Impact on securing external funding for key infrastructural projects</li> </ul>	5	3	15	<ul style="list-style-type: none"> <li>Appointed a new Senior Responsible Owner (SRO).</li> <li>Evidence base tracker was created in July 2022.</li> <li>Budget has been identified for the technical work required.</li> <li>Detailed risk register has been created.</li> <li>Detailed work programme has been developed.</li> </ul>	Head of Development Services	12	<p>Continue to review the budget and resources.</p> <p>Deloitte planning team continue to monitor national legislation changes.</p> <p>JSP timetable to be constantly under review.</p> <p>Steering Group continue to meet on a weekly basis.</p>	10

**Appendix 1 - Tewkesbury Borough Council: Corporate Risk Register (updated November 2022)**

Code	Risk score	Risk Management view
Red	16 – 25	Must be managed down to reduce risk scores in the next year
Amber	5 – 15	Seek to improve the risk score in the medium term
Green	1-4	Tolerate and monitor

Risk ref	Corporate risk identified	Impact assessment / comment	Impact Score (1-5)	Likelihood Score (1-5)	Gross risk score	Mitigating Controls	Risk Owner	Current risk score	Identified risk mgt action points	Target risk score

Comments: In order for the Joint Strategic Plan (JSP) to get adopted it has to follow the necessary legislative requirements. These are extensive. Furthermore, the policies and allocations proposed within the JSP have to be supported by robust evidence base, as a result numerous technical studies have to be commissioned and assessed. Work has commenced on a number of the technical studies.

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	23 November 2022
<b>Subject:</b>	Management Assurance Statements 2021/22
<b>Report of:</b>	Head of Corporate Services
<b>Head of Service/Director:</b>	Head of Corporate Services
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	7

**Executive Summary:**

As part of the Council's response to the impact of COVID-19, the Internal Audit team remained deployed to the Business Cell for 2021/22. This was to support the continued administration of business grants. As reported to the Audit and Governance Committee over the course of the pandemic, due to internal audit work being suspended, no independent assurance could be given to the Committee on the adequacy of the Council's internal control environment. Taking a similar approach to 2020/21, each Head of Service has produced a management assurance statement to demonstrate that the Council's internal control environment remained relatively sound for 2021/22. Whilst this is not independent assurance as provided by the Internal Audit team, it is an additional layer of assurance and one which informs the Annual Governance Statement. The individual assurance statements can be found at Appendices 1-7.

**Recommendation:**

**To CONSIDER the assurance given by each service area, and overall for 2021/22, it can be concluded that the management of the Council's internal control environment was satisfactory.**

**Financial Implications:**

None directly arising from this report.

**Legal Implications:**

None directly arising from this report.

**Environmental and Sustainability Implications:**

None directly arising from this report.

**Resource Implications (including impact on equalities):**

None directly arising from this report.

**Safeguarding Implications:**

None directly arising from this report.

**Impact on the Customer:**

None directly arising from this report.

**1.0 INTRODUCTION**

**1.1** As part of the Council's response to the impact of COVID-19, the Internal Audit team remained deployed to the Business Cell for 2021/22. This was to support the continued administration of business grants. As reported to the Audit and Governance Committee over the course of the pandemic, due to internal audit work being suspended, no independent assurance could be given to the Committee on the adequacy of the Council's internal control environment. Taking a similar approach to 2020/21, each Head of Service has produced a management assurance statement to demonstrate that the Council's internal control environment remained relatively sound for 2021/22. Whilst this is not independent assurance as provided by the Internal Audit team, it is an additional layer of assurance and one which informs the Annual Governance Statement. The individual assurance statements can be found at Appendices 1-7.

**2.0 SERVICE ASSURANCE STATEMENTS**

**2.1** The statement template is designed to capture the key elements of the Council's governance and internal control framework. The statements do not offer full assurance that everything was effective for 100% of the time but, more generally, management arrangements have been satisfactory over the year. It is also recognised that the statements have not been independently assessed.

**3.0 OVERALL CONCLUSION**

**3.1** Whilst some of the questions may have been responded to with a 'partial' response this should not be unexpected. The Council has a complex array of systems, processes and procedures and, as acknowledged within the Annual Governance Statement (AGS), it would be unrealistic that these operate 100% effectively, 100% of the time. From the responses received, the overall conclusion is that despite resources being deployed to the Council's COVID-19 response, a satisfactory system of internal control has been maintained.

**4.0 CONSULTATION**

**4.1** Corporate Governance Group.

**5.0 ASSOCIATED RISKS**

**5.1** None directly arising from this report.

**6.0 MONITORING**

**6.1** None other than now the Internal Audit team is operational consideration will need to be given as to whether such statements are required for 2022/23.

## **7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

- 7.1** Council Plan 2020-2024 – good internal control and governance supports delivery of actions within the Council Plan.

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**Background Papers:** None

**Contact Officer:** Head of Corporate Services  
01684 272002 [graeme.simpson@teWKesbury.gov.uk](mailto:graeme.simpson@teWKesbury.gov.uk)

**Appendices:** Appendix 1 – Community Services Assurance Statement  
Appendix 2 – Corporate Services Assurance Statement  
Appendix 3 – Democratic Services Assurance Statement  
Appendix 4 – Development Services Assurance Statement  
Appendix 5 – Finance and Asset Management Assurance Statement  
Appendix 6 – Garden Communities Assurance Statement  
Appendix 7 – One Legal Assurance Statement

## Service Assurance Statement 2021/22 – Community Services

### Overall Assessment

During the course of the Covid-19 pandemic, this has placed a significant challenge on council services not only to respond to the impact of the pandemic but to maintain core service delivery. Whilst responding to this challenge, it is important an adequate system of internal control is exercised including arrangements for the management of risk and ensuring key governance frameworks continue to operate effectively.

It is recognised that the system of internal control can only manage, not eliminate, risk and that it cannot guarantee that any system or process is free from defect and does not prevent or detect irregularities. This service assurance statement is therefore prepared to the best of my knowledge.

Based upon the undertakings of my services during the year my assessment on the adequacy of the internal control environment has been informed by:

- The performance management arrangements for my services;
- The risk management processes in place within my services;
- Other corporate management, monitoring and review processes; and
- Review work undertaken by any third party, for example, external audit, review agencies or other assurance providers.

### I confirm that within my areas of responsibility I am not aware of any of the following:

- Any irregularities in accounting practices or systems of internal control.
- The override or non-compliance of any key internal controls in place.
- Any communications from regulatory agencies concerning non-compliance with, or deficiencies in, reporting practices.
- Any non-compliance issues regarding the application of rules and regulations such as the Council's financial procedure rules or contract procedure rules.
- Any plans or intentions that may affect the valuation or classification of Council property or equipment and liabilities e.g. change in use or significant damage to an asset.
- Any large debts, fines, claims or other potential financial obligations.
- Any pending or threatened litigation relating to any of my service activities.

Head of Service	
Signature	
Name	
Job Title	Head of Community Services
Date	12/09/2022

2020/21 Service Assurance Statement		Responses			
		Yes	No	Partial	Provide comment, particularly on any responses of 'partial' or 'no'. Please feel free to add a comment on 'yes' responses to support the response.
<b>1.Risk Management</b>					
1.1	Whilst there is not a requirement to maintain an operational risk register I am satisfied there are arrangements in place to identify and mitigate risks where appropriate, for example in relation to any key projects.	X			Risks are identified through programme board and through regular project planning meetings and the relevant mitigations are put in place. Where risks are high and can't easily be managed these are flagged up to management team at the earliest opportunity. The Councils risk register is reported to CMT and the A&G Committee regularly.
1.2 56	Any significant risks identified have been escalated to corporate management team and if necessary included within the corporate risk register.	X			Key corporate risks such as those that can have a significant financial impacts are raised and discussed at corporate management team and where the risk cannot wait until the next CMT then they are flagged early and discussed with the relevant CMT colleagues at the earliest possible opportunity. The Councils risk register is reported to CMT and the A&G Committee regularly.
<b>2. Internal Control</b>					
2.1	I am satisfied my service areas are kept up to date with updates and changes to relevant Council policies and procedures.	X			Whilst things don't seem to have calmed post C19 and legislative changes and guidance still come thick and fast with issues such as migration support the service and the management keep abreast of this. Various external partnership also assist with this.
2.2	I am satisfied my services routinely monitor compliance with prescribed processes (Council policy, agreed procedures, statutory returns etc.)	X			Council policies and procedures are regularly consulted and complied with. All statutory returns have been submitted within the relevant timescales.
2.3	I am satisfied my services fully understand and comply with all legislation that is relevant to our operations.	X			As with council policies all legislation is regularly reviewed and practices adapted to ensure compliance. There have been improvement in areas highlighted as concerning last year e.g. private sector housing and licensing.

2.4	Communication and reporting channels exist to allow timely reporting of operational issues to the relevant body e.g. corporate management team. Including appropriate escalation of incidents.	X			Key corporate messages are disseminated via regular management team briefings, staff briefings and one to ones with operational managers.
2.5	I am satisfied there has been no circumvention of any key internal controls during the year or the complete removal of any key controls.	X			To the best of my knowledge all controls have been adhered to e.g. procurement of services etc.
<b>3. Key Governance Framework</b>					
3.1	I am satisfied my services fully understand and comply with their health and safety responsibilities.	X			All of the staff within my service area are fully conversant and comply with their health & safety requirements. As a regulator of this legislation we have to be seen to be leading the way with this.
3.2	I am satisfied my team comply with information management and security requirements, in particular, awareness and compliance to General Data Protection Regulation (GDPR).	X			I am not aware of any GDPR breaches this year. If these do occur there are processes in place to ensure that these are reported to the responsible officer and lessons learned have been shared across the team and the council as a whole.
57 3.3	I am satisfied my services team are aware of and fulfil our responsibilities in respect of safeguarding children, young people and vulnerable adults.	X			As the lead officer for safeguarding in the council this is a priority for me and my team. I am satisfied that all staff understand their responsibilities in this area and all staff are encouraged to ask if they are unsure.
3.4	Any cases of fraud or whistleblowing allegations have been reported in accordance with relevant policies and remedial action taken where necessary.	X			To the best of my knowledge this is the case. Nothing has been reported to me personally.
3.5	I am satisfied that any key projects are delivered in accordance with the council's project management framework.	X			This has improved and all current projects are going through or due to go through programme board. Some projects are also monitored through various member working groups and or O&S committee.
3.6	I am satisfied that all my service areas have awareness to and where necessary make declarations in respect of policies such as Code of Conduct, Gifts and Hospitality, other employment etc.	X			Generally staff are encouraged to turn down gifts and hospitality where possible, where this cannot be done e.g, a member of the public sending flowers to a member of staff these have been declared in line with the policy.
<b>4. Financial System and Controls</b>					

4.1	I am satisfied there is adequate budgetary and financial controls in place across my service areas particularly around the monitoring of budgets and taking appropriate action when required.	X			Budget monitoring is regularly carried out with my service areas and the appropriate corrective action taken where necessary. Any non-routine concerns red flagged with the S.151 officer in a timely manner.
4.2	In relation to the above all expenditure is legitimate and checked before authorisation – this includes expenditure types such as corporate procurement cards, travel and overtime/additional hours claims etc.	X			Approval processes are in place and adhered to.
4.3	I am not aware of any instances where the council's financial procedure rules or contract procedure rules have not been complied to.	X			I am not aware of any financial or procurement rules not being adhered to.
4.4	All recruitment has been undertaken in accordance with the council's recruitment procedures.	X			There has been improvement in this area this year.
4.5	Any grant schemes set up or grants received have been approved in accordance with the council's financial procedure rules.	X			All grants are compliant with financial procedural rules.
<b>5. Control over Assets</b>					
	I am satisfied my services are aware and compliant with procedures that ensure the protection of assets from loss, damage and misuse.	X			To the best of my knowledge my team are complaint with this requirement.
5.2	I am satisfied my services review and report instances of loss, damage and misuse of assets and take appropriate management action where necessary.	X			To the best of my knowledge my team are complaint with this requirement.
5.3	I am satisfied that any disposal of assets have been approved in accordance with the council's financial procedure rules.	X			I am unaware of my service area disposing of any assets.
<b>6. Partnerships</b>					
6.1	I am satisfied that any key partnerships which my services are part of have the necessary governance arrangements in place to ensure the effectiveness of that partnership.			X	Improvements are required for the community safety partnership and there is an outline plan for this.
<b>7. Any other issues to note (please give details)</b>					

7.1	Licensing – The licensing service has an improvement plan in pace which is now monitored by programme board and the licensing committee. This is seeing significant improvements in this area of work.	X			Appendix 1
7.2	Private Sector Housing – Additional resource has been allocated to this area of work and this has resulted in significant improvement.	X			

## Service Assurance Statement 2021/22 – Corporate Services

### Overall Assessment

During the course of the Covid-19 pandemic, this has placed a significant challenge on council services not only to respond to the impact of the pandemic but to maintain core service delivery. Whilst responding to this challenge, it is important an adequate system of internal control is exercised including arrangements for the management of risk and ensuring key governance frameworks continue to operate effectively.

It is recognised that the system of internal control can only manage, not eliminate, risk and that it cannot guarantee that any system or process is free from defect and does not prevent or detect irregularities. This service assurance statement is therefore prepared to the best of my knowledge.

Based upon the undertakings of my services during the year my assessment on the adequacy of the internal control environment has been informed by:

- The performance management arrangements for my services;
- The risk management processes in place within my services;
- Other corporate management, monitoring and review processes; and
- Review work undertaken by any third party, for example, external audit, review agencies or other assurance providers.

### I confirm that within my areas of responsibility I am not aware of any of the following:

- Any irregularities in accounting practices or systems of internal control.
- The override or non-compliance of any key internal controls in place.
- Any communications from regulatory agencies concerning non-compliance with, or deficiencies in, reporting practices.
- Any non-compliance issues regarding the application of rules and regulations such as the Council's financial procedure rules or contract procedure rules.
- Any plans or intentions that may affect the valuation or classification of Council property or equipment and liabilities e.g. change in use or significant damage to an asset.
- Any large debts, fines, claims or other potential financial obligations.
- Any pending or threatened litigation relating to any of my service activities.

Head of Service	
Signature	
Name	
Job Title	Head of Corporate Services
Date	9 September 2022

2020/21 Service Assurance Statement		Responses			Provide comment, particularly on any responses of 'partial' or 'no'. Please feel free to add a comment on 'yes' responses to support the response.
		Yes	No	Partial	
<b>1. Risk Management</b>					
1.1	Whilst there is not a requirement to maintain an operational risk register I am satisfied there are arrangements in place to identify and mitigate risks where appropriate, for example in relation to any key projects.	x			All corporate led projects, particularly around our transformation programme, consider and evaluate risk. Regular meetings also take place with my operational managers to discuss work activities and flag any horizon issues.
1.2	Any significant risks identified have been escalated to corporate management team and if necessary included within the corporate risk register.	x			Key corporate risks such as cyber security, GDPR compliance are included in the corporate risk register. This register is reviewed regularly by management team and new risks added where appropriate or mitigated risks taken off.
<b>2. Internal Control</b>					
2.1	I am satisfied my service areas are kept up to date with updates and changes to relevant Council policies and procedures.	x			All services are also part of respective professional networks to keep abreast of external factors.  It is generally the support services that enforce and administer policies and procedures in any case eg ICT, HR, Internal Audit
2.2	I am satisfied my services routinely monitor compliance with prescribed processes (Council policy, agreed procedures, statutory returns etc.)		x		This is part of business as usual practice. Despite the response to Covid and other govt initiatives eg energy rebates as far as I am aware all statutory returns have been completed on a timely basis, policies and procedures complied with etc. Internal audit have been unable to provide independent assurance during the year as a result of the team's redeployment – this has been openly reported to Audit and Governance Committee.
2.3	I am satisfied my services fully understand and comply with all legislation that is relevant to our operations.	x			There is varied legislation across the service areas e.g. GDPR, complex council tax and business rates legislation, HR employment law, ICT security etc. I have not been made aware of any non-compliance issues. The bulk of the legislation is embedded and not new.

2.4	Communication and reporting channels exist to allow timely reporting of operational issues to the relevant body e.g. corporate management team. Including appropriate escalation of incidents.	x			I disseminate on a regular basis all pertinent information to operational managers and provide key corporate messages at all team meetings.
2.5	I am satisfied there has been no circumvention of any key internal controls during the year or the complete removal of any key controls.	x			I have not been made aware of any circumvention of key internal controls.
<b>3. Key Governance Framework</b>					
3.1	I am satisfied my services fully understand and comply with their health and safety responsibilities.	x			All my services continue to be represented on the internal 'keep healthy, stay safe' working group. Health and safety forms part of the annual PPD process and the council requires all staff to undertake a workstation assessment – this was a requirement to comply with hybrid working. Health and safety is also a standing agenda item at team meetings.
3.2	I am satisfied my team comply with information management and security requirements, in particular, awareness and compliance to General Data Protection Regulation (GDPR).	x			GDPR compliance and awareness is led by the corporate team. A new consolidated corporate action plan has been developed. A new Information Governance Officer role is currently subject to recruitment. There have been data breaches reported across various service areas with the majority low risk.
3.3	I am satisfied my services team are aware of and fulfil our responsibilities in respect of safeguarding children, young people and vulnerable adults.	x			The HR & OD Manager is the council's Deputy Safeguarding Officer. In terms of general safeguarding, this mainly relates to my forward facing services i.e. Revenues & Benefits and Customer Services. Both have good awareness of safeguarding arrangements and have made referrals when they feel necessary.
3.4	Any cases of fraud or whistleblowing allegations have been reported in accordance with relevant policies and remedial action taken where necessary.	x			No cases reported.
3.5	I am satisfied that any key projects are delivered in accordance with the council's project management framework.	x			All key corporate related projects follow the council's project management framework methodology and are monitored by the internal project programme board.
3.6	I am satisfied that all my service areas have awareness to and where necessary make declarations in respect of policies such as Code of Conduct, Gifts and Hospitality, other employment etc.	x			Declarations have been made during the course of the year.
<b>4. Financial System and Controls</b>					
4.1	I am satisfied there is adequate budgetary and financial controls in place across my service areas particularly around the monitoring of budgets and taking appropriate action when	x			Despite Covid, quarterly budget meetings have taken place for all service areas with the relevant finance lead officer. Monthly budget reports continue to be generated from the system to support this. Any

	required.				variances have been justified during the year and reported to Executive Committee within the main financial outturn report. <span style="float: right;">Appendix 2</span>
4.2	In relation to the above all expenditure is legitimate and checked before authorisation – this includes expenditure types such as corporate procurement cards, travel and overtime/additional hours claims etc.	x			Approval processes have remained in place during the year.
4.3	I am not aware of any instances where the council's financial procedure rules or contract procedure rules have not been complied to.	x			None declared.
4.4	All recruitment has been undertaken in accordance with the council's recruitment procedures.	x			Additional resource posts have been required to support the response to the pandemic, particularly to backfill those staff from Revenues and Benefits re-deployed to the business cell, energy rebate. These have been financed through a combination of reserves, covid recovery fund or new burdens funding. All have been subject to approval from corporate management team.
4.5	Any grant schemes set up or grants received have been approved in accordance with the council's financial procedure rules.	x			Small grant received in relation to cyber training. Business Transformation Team fronted a successful £150k grant to develop a planning application tracker. .
<b>5. Control over Assets</b>					
5.1	I am satisfied my services are aware and compliant with procedures that ensure the protection of assets from loss, damage and misuse.	x			Main service area this impacts upon is ICT. All laptops are asset tagged and supported with an asset inventory.
5.2	I am satisfied my services review and report instances of loss, damage and misuse of assets and take appropriate management action where necessary.	x			See above – there have been a couple of instances where getting laptops back from contractors has proven problematic, damaged laptops etc.
5.3	I am satisfied that any disposal of assets have been approved in accordance with the council's financial procedure rules.	x			No significant disposal of ICT kit during the year. When appropriate, always disposed of in accordance with procedure.
<b>6. Partnerships</b>					
6.1	I am satisfied that any key partnerships which my services are part of have the necessary governance arrangements in place to ensure the effectiveness of that partnership.	x			Key partnerships such as DWP and the Gloucestershire Counter Fraud Unit are well established.
<b>7. Any other issues to note (please give details)</b>					

7.1	As reported during the year to Audit and Governance Committee, the internal audit team has been re-deployed to support the business cell across the course of the pandemic. The recovery of the internal audit team has been identified as a significant governance issue within the AGS.		x		Appendix 2
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**Service Assurance Statement 2021/22 – Democratic Services****Overall Assessment**

During the course of the Covid-19 pandemic, this has placed a significant challenge on council services not only to respond to the impact of the pandemic but to maintain core service delivery. Whilst responding to this challenge, it is important an adequate system of internal control is exercised including arrangements for the management of risk and ensuring key governance frameworks continue to operate effectively.

It is recognised that the system of internal control can only manage, not eliminate, risk and that it cannot guarantee that any system or process is free from defect and does not prevent or detect irregularities. This service assurance statement is therefore prepared to the best of my knowledge.

Based upon the undertakings of my services during the year my assessment on the adequacy of the internal control environment has been informed by:

- The performance management arrangements for my services;
- The risk management processes in place within my services;
- Other corporate management, monitoring and review processes; and
- Review work undertaken by any third party, for example, external audit, review agencies or other assurance providers.

**I confirm that within my areas of responsibility I am not aware of any of the following:**

- Any irregularities in accounting practices or systems of internal control.
- The override or non-compliance of any key internal controls in place.
- Any communications from regulatory agencies concerning non-compliance with, or deficiencies in, reporting practices.
- Any non-compliance issues regarding the application of rules and regulations such as the Council's financial procedure rules or contract procedure rules.
- Any plans or intentions that may affect the valuation or classification of Council property or equipment and liabilities e.g. change in use or significant damage to an asset.
- Any large debts, fines, claims or other potential financial obligations.
- Any pending or threatened litigation relating to any of my service activities.

	Head of Service
Job Title	Head of Democratic Services
Date	09.09.2022

2020/21 Service Assurance Statement		Responses			Provide comment, particularly on any responses of 'partial' or 'no'. Please feel free to add a comment on 'yes' responses to support the response.
		Yes	No	Partial	
<b>1.Risk Management</b>					
1.1	Whilst there is not a requirement to maintain an operational risk register I am satisfied there are arrangements in place to identify and mitigate risks where appropriate, for example in relation to any key projects.	X			No major elections took place in 2020/21 but any significant projects undertaken were subject to a detailed risk assessment.
1.2	Any significant risks identified have been escalated to corporate management team and if necessary included within the corporate risk register.	X			There has been no need for the escalation of significant risks to Corporate Management Team or to be included in the Corporate Risk Register.
<b>2. Internal Control</b>					
2.1	I am satisfied my service areas are kept up to date with updates and changes to relevant Council policies and procedures.	X			Regular team meetings are held to disseminate information.
2.2	I am satisfied my services routinely monitor compliance with prescribed processes (Council policy, agreed procedures, statutory returns etc.)	X			Council policies and procedures are regularly consulted and complied with.
2.3	I am satisfied my services fully understand and comply with all legislation that is relevant to our operations.	X			Membership of County Groups and national organisations such as ADSO (Association of Democratic Services Officers) and AEA (Association of Electoral Administrators) ensure that the team is kept fully up to date and comply with all legislation relevant to its work.
2.4	Communication and reporting channels exist to allow timely reporting of operational issues to the relevant body e.g. corporate management team. Including appropriate escalation of incidents.	X			Regular team meetings update on all operational issues. Corporate Leadership Team are apprised of any incidents that require escalation.
2.5	I am satisfied there has been no circumvention of any key internal controls during the year or the complete removal of any key controls.	X			

<b>3. Key Governance Framework</b>					
3.1	I am satisfied my services fully understand and comply with their health and safety responsibilities.	X			Risk assessments up to date and kept under regular review.
3.2	I am satisfied my team comply with information management and security requirements, in particular, awareness and compliance to General Data Protection Regulation (GDPR).	X			In view of the information held on the electoral register Data Protection awareness is high on the agenda.
3.3	I am satisfied my services team are aware of and fulfil our responsibilities in respect of safeguarding children, young people and vulnerable adults.	X			
3.4	Any cases of fraud or whistleblowing allegations have been reported in accordance with relevant policies and remedial action taken where necessary.	X			
3.5	I am satisfied that any key projects are delivered in accordance with the council's project management framework.	X			Any projects that meet the definition are reported to the Council's Programme Board.
3.6	I am satisfied that all my service areas have awareness to and where necessary make declarations in respect of policies such as Code of Conduct, Gifts and Hospitality, other employment etc.	X			Gifts and hospitality are not accepted.
<b>4. Financial System and Controls</b>					
4.1	I am satisfied there is adequate budgetary and financial controls in place across my service areas particularly around the monitoring of budgets and taking appropriate action when required.	X			Budget information monitored on a monthly basis. Any significant items of expenditure discussed with finance representative.
4.2	In relation to the above all expenditure is legitimate and checked before authorisation - this includes expenditure types such as corporate procurement cards, travel and overtime/additional hours claims etc.	X			Approval processes are in place and adhered to.
4.3	I am not aware of any instances where the council's financial procedure rules or contract procedure rules have not been complied to.	X			
4.4	All recruitment has been undertaken in accordance with the council's recruitment procedures.	X			No recruitment has taken place in this period.
4.5	Any grant schemes set up or grants received have been approved in accordance with the council's financial procedure rules.	X			No grants have been received.

5. Control over Assets					
5.1	I am satisfied my services are aware and compliant with procedures that ensure the protection of assets from loss, damage and misuse.	X			
5.2	I am satisfied my services review and report instances of loss, damage and misuse of assets and take appropriate management action where necessary.	X			
5.3	I am satisfied that any disposal of assets have been approved in accordance with the council's financial procedure rules.	X			
6. Partnerships					
6.1	I am satisfied that any key partnerships which my services are part of have the necessary governance arrangements in place to ensure the effectiveness of that partnership.	X			
7. Any other issues to note (please give details)					
89					None

## Service Assurance Statement 2021/22 – Development Services

### Overall Assessment

During the course of the Covid-19 pandemic, this has placed a significant challenge on council services not only to respond to the impact of the pandemic but to maintain core service delivery. Whilst responding to this challenge, it is important an adequate system of internal control is exercised including arrangements for the management of risk and ensuring key governance frameworks continue to operate effectively.

It is recognised that the system of internal control can only manage, not eliminate, risk and that it cannot guarantee that any system or process is free from defect and does not prevent or detect irregularities. This service assurance statement is therefore prepared to the best of my knowledge.

Based upon the undertakings of my services during the year my assessment on the adequacy of the internal control environment has been informed by:

- The performance management arrangements for my services;
- The risk management processes in place within my services;
- Other corporate management, monitoring and review processes; and
- Review work undertaken by any third party, for example, external audit, review agencies or other assurance providers.

### I confirm that within my areas of responsibility I am not aware of any of the following:

- Any irregularities in accounting practices or systems of internal control.
- The override or non-compliance of any key internal controls in place.
- Any communications from regulatory agencies concerning non-compliance with, or deficiencies in, reporting practices.
- Any non-compliance issues regarding the application of rules and regulations such as the Council's financial procedure rules or contract procedure rules.
- Any plans or intentions that may affect the valuation or classification of Council property or equipment and liabilities e.g. change in use or significant damage to an asset.
- Any large debts, fines, claims or other potential financial obligations.
- Any pending or threatened litigation relating to any of my service activities.

Head of Service	
Signature	
Name	
Job Title	Head of Development Services
Date	12 <sup>th</sup> September 2022

2021/22 Service Assurance Statement		Responses			
		Yes	No	Partial	Provide comment, particularly on any responses of 'partial' or 'no'. Please feel free to add a comment on 'yes' responses to support the response.
<b>1.Risk Management</b>					
1.1	Whilst there is not a requirement to maintain an operational risk register I am satisfied there are arrangements in place to identify and mitigate risks where appropriate, for example in relation to any key projects.	X			A number of key projects within Development Services are reported to the Council's Programme Board. Risks are identified for each project and reported accordingly. Where risks are high and can't easily be managed these are flagged up to management team at the earliest opportunity. The Councils risk register is reported to CMT and the A&G Committee regularly.
1.2 70	Any significant risks identified have been escalated to corporate management team and if necessary included within the corporate risk register.	X			The review of the Joint Strategic Plan has recently been added to the corporate risk register. Other key corporate risks are escalated to CMT accordingly. The Councils risk register is reported to CMT and the A&G Committee regularly.
<b>2. Internal Control</b>					
2.1	I am satisfied my service areas are kept up to date with updates and changes to relevant Council policies and procedures.	X			Regular meetings held with operational managers to disseminate relevant information.
2.2	I am satisfied my services routinely monitor compliance with prescribed processes (Council policy, agreed procedures, statutory returns etc.)	X			Due to a number of external funding arrangements in place led by Development Services there is a requirement to meet funders monitoring requirements, these are adhered to. All statutory returns have been submitted within the relevant timescales
2.3	I am satisfied my services fully understand and comply with all legislation that is relevant to our operations.	X			Monthly meetings held with operational managers, key service updates included which will pick up any new legislation affecting respective service areas.
2.4	Communication and reporting channels exist to allow timely reporting of operational issues to the relevant body e.g. corporate management team. Including appropriate escalation of incidents.	X			Fortnightly Development Services TEAMS meetings held where updates from Management team are disseminated and also provide the opportunity to raise any issues or concerns. One to ones are held with operational

					managers.
2.5	I am satisfied there has been no circumvention of any key internal controls during the year or the complete removal of any key controls.	X			To the best of my knowledge all controls have been adhered to e.g. procurement of services etc.
<b>3. Key Governance Framework</b>					
3.1	I am satisfied my services fully understand and comply with their health and safety responsibilities.	X			As a result of having to work from home it has been necessary for individuals to complete a working from home risk assessment. Some issues have been raised as part of the Council's staff survey relating to work stations at home, however it is understood that all of these issues have now been resolved.
3.2	I am satisfied my team comply with information management and security requirements, in particular, awareness and compliance to General Data Protection Regulation (GDPR).	X			All new members of staff are advised of the requirements relating to the GDPR.
3.3 71	I am satisfied my services team are aware of and fulfil our responsibilities in respect of safeguarding children, young people and vulnerable adults.	X			I am satisfied that all staff understand their responsibilities in this area and all staff are encouraged to ask if they are unsure.
3.4	Any cases of fraud or whistleblowing allegations have been reported in accordance with relevant policies and remedial action taken where necessary.	X			I am not aware of any whistleblowing allegations.
3.5	I am satisfied that any key projects are delivered in accordance with the council's project management framework.	X			As far as I am aware all projects are being delivered in accordance with the Council's project management framework.
3.6	I am satisfied that all my service areas have awareness to and where necessary make declarations in respect of policies such as Code of Conduct, Gifts and Hospitality, other employment etc.	X			A couple of secondary employment requests have been made and approved.
<b>4. Financial System and Controls</b>					
4.1	I am satisfied there is adequate budgetary and financial controls in place across my service areas particularly around the monitoring of budgets and taking appropriate action when required.	X			Budget monitoring is regularly carried out with my service areas and the appropriate corrective action taken where necessary. Any non-routine concerns red flagged with the S.151 officer in a timely manner.
4.2	In relation to the above all expenditure is legitimate and checked before authorisation – this includes expenditure types such as corporate procurement cards, travel and overtime/additional hours	X			Approval processes are in place and adhered to.

	claims etc.				
4.3	I am not aware of any instances where the council's financial procedure rules or contract procedure rules have not been complied to.	X			Nothing has been raised with the Head of Development Services relating to this. Significant contracts are discussed with One Legal.
4.4	All recruitment has been undertaken in accordance with the council's recruitment procedures.	X			The HR team are fully engaged in any recruitment of permanent members of staff.
4.5	Any grant schemes set up or grants received have been approved in accordance with the council's financial procedure rules.	X			As far as I am aware all grants are compliant with financial procedural rules.
<b>5. Control over Assets</b>					
5.1	I am satisfied my services are aware and compliant with procedures that ensure the protection of assets from loss, damage and misuse.	X			To the best of my knowledge my team are compliant with this requirement.
5.2	I am satisfied my services review and report instances of loss, damage and misuse of assets and take appropriate management action where necessary.	X			To the best of my knowledge my team are complaint with this requirement.
5.3	I am satisfied that any disposal of assets have been approved in accordance with the council's financial procedure rules.	X			I am unaware of my service area disposing of any assets.
<b>6. Partnerships</b>					
6.1	I am satisfied that any key partnerships which my services are part of have the necessary governance arrangements in place to ensure the effectiveness of that partnership.			X	The Joint Strategic Plan involves partnership with both Cheltenham BC and Gloucester City. A governance structure is agreed and is operational for the review of the JSP. An informal governance arrangement is in place for the Community Infrastructure Levy.
<b>7. Any other issues to note (please give details)</b>					
	I was advised in August 2022 by the interim development management manager that the Council had been issuing planning consents for 5 years. The legislation that governs this specifies that planning permissions should be granted for 3 years unless there is a specific reason for a longer time period. I can confirm that this has now been corrected and for the most part planning applications are now being issued for 3 years.		X		It was important to correct this matter urgently since like any other document, a planning permission must be interpreted in context. The context includes the legal framework within which planning permission are granted.



## Service Assurance Statement 2021/22 – Finance and Asset Management

### Overall Assessment

During the course of the Covid-19 pandemic, this has placed a significant challenge on council services not only to respond to the impact of the pandemic but to maintain core service delivery. Whilst responding to this challenge, it is important an adequate system of internal control is exercised including arrangements for the management of risk and ensuring key governance frameworks continue to operate effectively.

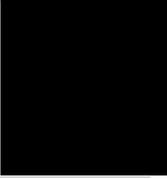
It is recognised that the system of internal control can only manage, not eliminate, risk and that it cannot guarantee that any system or process is free from defect and does not prevent or detect irregularities. This service assurance statement is therefore prepared to the best of my knowledge.

Based upon the undertakings of my services during the year my assessment on the adequacy of the internal control environment has been informed by:

- The performance management arrangements for my services;
- The risk management processes in place within my services;
- Other corporate management, monitoring and review processes; and
- Review work undertaken by any third party, for example, external audit, review agencies or other assurance providers.

### I confirm that within my areas of responsibility I am not aware of any of the following:

- Any irregularities in accounting practices or systems of internal control.
- The override or non-compliance of any key internal controls in place.
- Any communications from regulatory agencies concerning non-compliance with, or deficiencies in, reporting practices.
- Any non-compliance issues regarding the application of rules and regulations such as the Council's financial procedure rules or contract procedure rules.
- Any plans or intentions that may affect the valuation or classification of Council property or equipment and liabilities e.g. change in use or significant damage to an asset.
- Any large debts, fines, claims or other potential financial obligations.
- Any pending or threatened litigation relating to any of my service activities.

	Head of Service
Signature	
Name	
Job Title	Head of Finance & Asset Management
Date	29 <sup>th</sup> July 2022

2021/22 Service Assurance Statement		Responses			
		Yes	No	Partial	Provide comment, particularly on any responses of 'partial' or 'no'. Please feel free to add a comment on 'yes' responses to support the response.
<b>1.Risk Management</b>					
1.1	Whilst there is not a requirement to maintain an operational risk register I am satisfied there are arrangements in place to identify and mitigate risks where appropriate, for example in relation to any key projects.	x			All significant projects subject to detailed risk management processes – see solar canopy project for latest example.  Financial Procedure Rules, process guidance and financial systems set up mitigate financial risk.
1.2	Any significant risks identified have been escalated to corporate management team and if necessary included within the corporate risk register.	x			Inflationary risks identified, reported and reserves established to provide contingency against escalating costs.  Continuing lack of progress by central government on funding reform, thereby undermining the Council's ability to plan on a medium term basis, has been highlighted in risk reporting.
<b>2. Internal Control</b>					
2.1	I am satisfied my service areas are kept up to date with updates and changes to relevant Council policies and procedures.	x			Formal fortnightly team meetings and regular ad hoc meetings held to disseminate information
2.2	I am satisfied my services routinely monitor compliance with prescribed processes (Council policy, agreed procedures, statutory returns etc.)	x			Continued increased returns in 21/22, particularly covid financial reporting and business grants returns.
2.3	I am satisfied my services fully understand and comply with all legislation that is relevant to our operations.	x			Both financial and building management legislation
2.4	Communication and reporting channels exist to allow timely reporting of operational issues to the relevant body e.g. corporate management team. Including appropriate escalation of incidents.	x			Improved reporting following management restructure
2.5	I am satisfied there has been no circumvention of any key internal controls during the year or the complete removal of any key controls.	x			
<b>3. Key Governance Framework</b>					

3.1	I am satisfied my services fully understand and comply with their health and safety responsibilities.	x			43 health & safety risk assessments completed by Asset Management. Both operational managers attend Keep Safe; Stay Healthy
3.2	I am satisfied my team comply with information management and security requirements, in particular, awareness and compliance to General Data Protection Regulation (GDPR).	x			
3.3	I am satisfied my services team are aware of and fulfil our responsibilities in respect of safeguarding children, young people and vulnerable adults.	x			
3.4	Any cases of fraud or whistleblowing allegations have been reported in accordance with relevant policies and remedial action taken where necessary.	x			Work of business cell to pinpoint potentially fraudulent cases and passed to Counter Fraud & Enforcement Unit
3.5	I am satisfied that any key projects are delivered in accordance with the council's project management framework.	x			All projects that meet definition are reported to the councils project management board
3.6	I am satisfied that all my service areas have awareness to and where necessary make declarations in respect of policies such as Code of Conduct, Gifts and Hospitality, other employment etc.	x			

#### **4. Financial System and Controls**

4.1	I am satisfied there is adequate budgetary and financial controls in place across my service areas particularly around the monitoring of budgets and taking appropriate action when required.	x			This includes the overall council budget monitoring and reporting
4.2	In relation to the above all expenditure is legitimate and checked before authorisation – this includes expenditure types such as corporate procurement cards, travel and overtime/additional hours claims etc.	x			
4.3	I am not aware of any instances where the council's financial procedure rules or contract procedure rules have not been complied to.	x			
4.4	All recruitment has been undertaken in accordance with the council's recruitment procedures.	x			
4.5	Any grant schemes set up or grants received have been approved in accordance with the council's financial procedure rules.	x			Urgency powers utilized to approve business grant schemes and test and trace discretionary scheme

#### **5. Control over Assets**

5.1	I am satisfied my services are aware and compliant with procedures that ensure the protection of assets from loss, damage and misuse.	x			
5.2	I am satisfied my services review and report instances of loss, damage and misuse of assets and take appropriate management action where necessary.	x			
5.3	I am satisfied that any disposal of assets have been approved in accordance with the council's financial procedure rules.	x			
<b>6. Partnerships</b>					
6.1	I am satisfied that any key partnerships which my services are part of have the necessary governance arrangements in place to ensure the effectiveness of that partnership.	x			
<b>7. Any other issues to note (please give details)</b>					
7.1					
77					

**Service Assurance Statement 2021/22 – Garden Communities Team****Overall Assessment**

During the course of the Covid-19 pandemic, this has placed a significant challenge on council services not only to respond to the impact of the pandemic but to maintain core service delivery. Whilst responding to this challenge, it is important an adequate system of internal control is exercised including arrangements for the management of risk and ensuring key governance frameworks continue to operate effectively.

It is recognised that the system of internal control can only manage, not eliminate, risk and that it cannot guarantee that any system or process is free from defect and does not prevent or detect irregularities. This service assurance statement is therefore prepared to the best of my knowledge.

Based upon the undertakings of my services during the year my assessment on the adequacy of the internal control environment has been informed by:

- The performance management arrangements for my services;
- The risk management processes in place within my services;
- Other corporate management, monitoring and review processes; and
- Review work undertaken by any third party, for example, external audit, review agencies or other assurance providers.

**I confirm that within my areas of responsibility I am not aware of any of the following:**

- Any irregularities in accounting practices or systems of internal control.
- The override or non-compliance of any key internal controls in place.
- Any communications from regulatory agencies concerning non-compliance with, or deficiencies in, reporting practices.
- Any non-compliance issues regarding the application of rules and regulations such as the Council's financial procedure rules or contract procedure rules.
- Any plans or intentions that may affect the valuation or classification of Council property or equipment and liabilities e.g. change in use or significant damage to an asset.
- Any large debts, fines, claims or other potential financial obligations.
- Any pending or threatened litigation relating to any of my service activities.

Head of Service	
Signature	
Name	
Job Title	Garden Communities Director
Date	August 22

2020/21 Service Assurance Statement		Responses			
		Yes	No	Partial	Provide comment, particularly on any responses of 'partial' or 'no'. Please feel free to add a comment on 'yes' responses to support the response.
<b>1.Risk Management</b>					
1.1	Whilst there is not a requirement to maintain an operational risk register I am satisfied there are arrangements in place to identify and mitigate risks where appropriate, for example in relation to any key projects.	x			Yes, we routinely update the Council risk registers and Council plan update. We also report back regularly to our funders Homes England and DLUHC.
1.2	Any significant risks identified have been escalated to corporate management team and if necessary included within the corporate risk register.	x			The teams risks are regularly updated on our team program plan and the corporate risk register.
<b>2. Internal Control</b>					
2.1	I am satisfied my service areas are kept up to date with updates and changes to relevant Council policies and procedures.	x			Agreed
2.2	I am satisfied my services routinely monitor compliance with prescribed processes (Council policy, agreed procedures, statutory returns etc.)	x			Agreed
2.3	I am satisfied my services fully understand and comply with all legislation that is relevant to our operations.	x			Agreed
2.4	Communication and reporting channels exist to allow timely reporting of operational issues to the relevant body e.g. corporate management team. Including appropriate escalation of incidents.	x			We have scheduled meeting with management team and aware of how to report any issues.
2.5	I am satisfied there has been no circumvention of any key internal controls during the year or the complete removal of any key controls.	x			
<b>3. Key Governance Framework</b>					
3.1	I am satisfied my services fully understand and comply with their health and safety responsibilities.	x			

3.2	I am satisfied my team comply with information management and security requirements, in particular, awareness and compliance to General Data Protection Regulation (GDPR).	x			The team have been on relevant training and if any concerns or questions arise, they would approach the relevant officer to ask for advice.
3.3	I am satisfied my services team are aware of and fulfil our responsibilities in respect of safeguarding children, young people and vulnerable adults.	x			The team have been on relevant training and if any concerns or questions arise they would approach the relevant officer to ask for advice.
3.4	Any cases of fraud or whistleblowing allegations have been reported in accordance with relevant policies and remedial action taken where necessary.	x			
3.5	I am satisfied that any key projects are delivered in accordance with the council's project management framework.	x			Of note is that the majority of the work for the garden communities is based upon external funding and therefore in respect to project management framework there is the need to meet any external frameworks if required.
3.6	I am satisfied that all my service areas have awareness to and where necessary make declarations in respect of policies such as Code of Conduct, Gifts and Hospitality, other employment etc.	x			Agreed
<b>4. Financial System and Controls</b>					
4.1	I am satisfied there is adequate budgetary and financial controls in place across my service areas particularly around the monitoring of budgets and taking appropriate action when required.	x			We monitor budget regularly with our funders and TBC finance team.
4.2	In relation to the above all expenditure is legitimate and checked before authorisation – this includes expenditure types such as corporate procurement cards, travel and overtime/additional hours claims etc.	x			A set approval process has been agreed and used.
4.3	I am not aware of any instances where the council's financial procedure rules or contract procedure rules have not been complied to.	x			None declared.
4.4	All recruitment has been undertaken in accordance with the council's recruitment procedures.	x			When the team is recruiting we work with TBC HR team to ensure recruitment procedures are followed.
4.5	Any grant schemes set up or grants received have been approved in accordance with the council's financial procedure rules.	x			Grants or funds received are received in accordance to the financial procedure rules which are available.
<b>5. Control over Assets</b>					
5.1	I am satisfied my services are aware and compliant with procedures that ensure the protection of assets from loss, damage	x			Agreed.

	and misuse.				
5.2	I am satisfied my services review and report instances of loss, damage and misuse of assets and take appropriate management action where necessary.	x			Agreed.
5.3	I am satisfied that any disposal of assets have been approved in accordance with the council's financial procedure rules.	x			Agreed.
<b>6. Partnerships</b>					
6.1	I am satisfied that any key partnerships which my services are part of have the necessary governance arrangements in place to ensure the effectiveness of that partnership.	x			The team regularly review governance arrangement for each group partnership in line with the relevant protocol.
<b>7. Any other issues to note (please give details)</b>					
7.1					
81					
7.2					

**Service Assurance Statement 2021/22 – One Legal****Overall Assessment**

During the course of the Covid-19 pandemic, this has placed a significant challenge on council services not only to respond to the impact of the pandemic but to maintain core service delivery. Whilst responding to this challenge, it is important an adequate system of internal control is exercised including arrangements for the management of risk and ensuring key governance frameworks continue to operate effectively.

It is recognised that the system of internal control can only manage, not eliminate, risk and that it cannot guarantee that any system or process is free from defect and does not prevent or detect irregularities. This service assurance statement is therefore prepared to the best of my knowledge.

Based upon the undertakings of my services during the year my assessment on the adequacy of the internal control environment has been informed by:

- The performance management arrangements for my services;
- The risk management processes in place within my services;
- Other corporate management, monitoring and review processes; and
- Review work undertaken by any third party, for example, external audit, review agencies or other assurance providers.

**I confirm that within my areas of responsibility I am not aware of any of the following:**

- Any irregularities in accounting practices or systems of internal control.
- The override or non-compliance of any key internal controls in place.
- Any communications from regulatory agencies concerning non-compliance with, or deficiencies in, reporting practices.
- Any non-compliance issues regarding the application of rules and regulations such as the Council's financial procedure rules or contract procedure rules.
- Any plans or intentions that may affect the valuation or classification of Council property or equipment and liabilities e.g. change in use or significant damage to an asset.
- Any large debts, fines, claims or other potential financial obligations.
- Any pending or threatened litigation relating to any of my service activities.

	Head of Service
Signature	
Name	
Job Title	Director
Date	15.08.2022

2020/21 Service Assurance Statement		Responses			
		Yes	No	Partial	Provide comment, particularly on any responses of 'partial' or 'no'. Please feel free to add a comment on 'yes' responses to support the response.
<b>1. Risk Management</b>					
1.1	Whilst there is not a requirement to maintain an operational risk register I am satisfied there are arrangements in place to identify and mitigate risks where appropriate, for example in relation to any key projects.	X			
1.2	Any significant risks identified have been escalated to corporate management team and if necessary included within the corporate risk register.	X			
<b>2. Internal Control</b>					
	I am satisfied my service areas are kept up to date with updates and changes to relevant Council policies and procedures.	X			
2.2	I am satisfied my services routinely monitor compliance with prescribed processes (Council policy, agreed procedures, statutory returns etc.)	X			
2.3	I am satisfied my services fully understand and comply with all legislation that is relevant to our operations.	X			
2.4	Communication and reporting channels exist to allow timely reporting of operational issues to the relevant body e.g. corporate management team. Including appropriate escalation of incidents.	X			This is done in conjunction with the Monitoring officers
2.5	I am satisfied there has been no circumvention of any key internal controls during the year or the complete removal of any key controls.	X			This is done in conjunction with the Monitoring officers
<b>3. Key Governance Framework</b>					
3.1	I am satisfied my services fully understand and comply with their health and safety responsibilities.	X			

3.2	I am satisfied my team comply with information management and security requirements, in particular, awareness and compliance to General Data Protection Regulation (GDPR).	X			Training undertaken August 2022
3.3	I am satisfied my services team are aware of and fulfil our responsibilities in respect of safeguarding children, young people and vulnerable adults.	X			
3.4	Any cases of fraud or whistleblowing allegations have been reported in accordance with relevant policies and remedial action taken where necessary.	X			
3.5	I am satisfied that any key projects are delivered in accordance with the council's project management framework.	X			
3.6	I am satisfied that all my service areas have awareness to and where necessary make declarations in respect of policies such as Code of Conduct, Gifts and Hospitality, other employment etc.	X			
<b>4. Financial System and Controls</b>					
4.1	I am satisfied there is adequate budgetary and financial controls in place across my service areas particularly around the monitoring of budgets and taking appropriate action when required.	X			
4.2	In relation to the above all expenditure is legitimate and checked before authorisation – this includes expenditure types such as corporate procurement cards, travel and overtime/additional hours claims etc.	X			
4.3	I am not aware of any instances where the council's financial procedure rules or contract procedure rules have not been complied to.	X			
4.4	All recruitment has been undertaken in accordance with the council's recruitment procedures.	X			
4.5	Any grant schemes set up or grants received have been approved in accordance with the council's financial procedure rules.	X			
<b>5. Control over Assets</b>					
5.1	I am satisfied my services are aware and compliant with procedures that ensure the protection of assets from loss, damage and misuse.	X			

5.2	I am satisfied my services review and report instances of loss, damage and misuse of assets and take appropriate management action where necessary.	X			
5.3	I am satisfied that any disposal of assets have been approved in accordance with the council's financial procedure rules.	X			
<b>6. Partnerships</b>					
6.1	I am satisfied that any key partnerships which my services are part of have the necessary governance arrangements in place to ensure the effectiveness of that partnership.	X			
<b>7. Any other issues to note</b> <i>(please give details)</i>					

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	23 November 2022
<b>Subject:</b>	Annual Governance Statement 2021/22
<b>Report of:</b>	Head of Corporate Services
<b>Head of Service/Director:</b>	Corporate Director
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	One

**Executive Summary:**

Every Council must ensure that its business is conducted within the law and proper standards, public money is safeguarded and used economically, efficiently and effectively. Governance of the Council is reviewed regularly by the Corporate Governance Group and is formally assessed through an Annual Governance Statement by that Group. The Annual Governance Statement is produced in accordance with CIPFA/SOLACE guidance ('Delivering Good Governance in Local Government: Framework 2016')

**Recommendation:**

**To APPROVE the Annual Governance Statement 2021/22.**

**Financial Implications:**

None arising directly from the report.

**Legal Implications:**

None arising directly from the report.

**Environmental and Sustainability Implications:**

None arising directly from the report.

**Resource Implications (including impact on equalities):**

None arising directly from the report.

**Safeguarding Implications:**

None arising directly from the report.

**Impact on the Customer:**

None arising directly from the report.

## **1.0 INTRODUCTION**

**1.1** Tewkesbury Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

**1.2** Regulation 6(1) (a) of the Accounts and Audit Regulations 2015 (now amended by The Accounts and Audit (Coronavirus) (amendment) Regulations 2020) require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). Regulation 6 (1) (b) of the Accounts and Audit Regulations 2015 require that for a local authority the statement is an Annual Governance Statement. The Annual Governance Statement should normally be approved at the same time as, and certainly no later than, the Statement of Accounts. The Annual Governance Statement has been developed in accordance with 'Delivering Good Governance in Local Government: Framework (2016). The proposed Annual Governance Statement for 2021/22 can be found at Appendix 1.

**1.3** The Good Governance Framework is based on seven principles of corporate governance which are set out below and which are underpinned by supporting principles and requirements.

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing the risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

## **2.0 REVIEWING THE GOVERNANCE ARRANGEMENTS**

**2.1** The review is undertaken by the Corporate Governance Group and is based on the sources of assurance that are demonstrated in the documented governance framework diagram, illustrated within the Annual Governance Statement. The diagram succinctly demonstrates the wide coverage of the Council's governance framework.

**2.2** The statement will be subject to review by the Council's external auditors to give assurance that it has been produced in compliance with guidance and is a fair reflection of the Council's governance arrangements. In relation to COVID-19, similar to 2020/21, this impacted upon the Council's governance framework over the course of the last financial year. The Annual Governance Statement does therefore have a thread relating to COVID-19 but, despite all the challenges in responding to and recovering from the pandemic, it is the opinion of the Corporate Governance Group that the Council's governance framework remained effective.

**3.0 TEWKESBURY BOROUGH COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2021/22**

**3.1** The proposed Annual Governance Statement for 2021/22 is attached at Appendix 1 and identifies eight areas of governance that require improvement. Some of the issues identified are already in progress of being implemented. The areas for improvement are reflected in the table at Page No. 12 of the Annual Governance Statement with a proposed timescale and lead officer.

**3.2** As Committee Members are aware, a key source of assurance for the Annual Governance Statement is the work of Internal Audit. As reported to the Audit and Governance Committee during the last two years, the team was re-deployed to support the administration of business grants. As per the Chief Audit Executive's annual report to Audit and Governance Committee on 20 July 2022 a 'limitation of scope' opinion was given to reflect that no audit work had been undertaken during the year. What was positive at the time of reporting was that Internal Audit was operational. Given the importance of Internal Audit's role, the recovery of the team remains a significant governance issue.

**3.3** In lieu of an independent internal audit opinion, a management assurance report is an agenda item for today's meeting. This should give assurance on how the internal control environment has been managed during the year whilst responding to and recovering from the pandemic and therefore directly supports the Annual Governance Statement. This was a similar approach as in 2020/21.

**4.0 CONSULTATION**

**4.1** Corporate Governance Group

**5.0 ASSOCIATED RISKS**

**5.1** If the Council does not produce an Annual Governance Statement then it is not compliant with legislation.

**6.0 MONITORING**

**6.1** Significant governance issues will be subject to review throughout the year by the Corporate Governance Group and reported to each Audit and Governance Committee.

**7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

**7.1** None directly linked.

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**Background Papers:** Delivering Good Governance in Local Government CIPFA / SOLACE 2016

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**Appendices:** Appendix 1 - 2021/22 Annual Governance Statement (draft)

# Annual governance statement

**Draft 2021-2022**



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## Scope of responsibility

Tewkesbury Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the council is responsible for putting in place proper arrangements of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Regulation 6(1) (a) of the Accounts and Audit Regulations 2015 (now amended by The Accounts and Audit (Coronavirus) (amendment) Regulations 2020) require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). Regulation 6 (1) (b) of the Accounts and Audit Regulations 2015 require that for a local authority, the statement is an Annual Governance Statement.

In England, the Accounts and Audit Regulations 2015 stipulate that the AGS must be 'prepared in accordance with proper practices in relation to accounts'. Therefore, a local authority in England shall provide this statement in accordance with the 'Delivering Good Governance in Local Government: Framework (2016)'.

## COVID-19

As reported in the previous year's AGS, during 2021/22 the Council was very much responding to and initiating recovery from the COVID-19 pandemic. Within the last year, the recovery was very much underway and directed by the council's corporate Covid-19 recovery plan. This is a strategic plan, aligned to the council's established priorities. By necessity, the impact of the pandemic has brought significant challenges and disruption to the way services are normally delivered. Similar to the previous year, some services, albeit low in number were suspended, others have been under immense strain due to increased demand, staff re-deployed to priority areas and new systems and policies established with pace and urgency to respond to the needs of our citizens, communities and businesses. All of this against a backdrop of maintaining core service delivery, which has been successfully achieved.

As a direct result of this, changes to existing strategic and operational governance arrangements, along with some new governance arrangements have been deployed as part of our response. This has included special and robust measures to support decision making and continued democratic accountability. A number of aspects of the impact of our response to COVID-19 are therefore reflected in this AGS. In terms of the council's response this has been extensively reported through mechanisms such as the council plan and corporate recovery plan. This is reported to the council's Overview and Scrutiny Committee on a quarterly basis. Also, the 'State of the Borough' report that was presented by the Leader to Council on 12 April 2022. Key achievements during the year and building on the phenomenal efforts from 2020/21 include:

- Administering over 18 business grant schemes, resulting in 5,477 individual business grants being awarded in excess of £31.6m.
- Awarded a total £423,600 to residents through the Covid-19 test and trace support scheme.
- Supported various voluntary and community sector groups with Covid-19 small community grants. Since the scheme started in April 2020, more than £128,499 has been awarded.
- Working with Gloucestershire County Council to deliver the Holidays Activities Fund and provide food vouchers during the summer and winter school holidays. Nearly 2,100 food vouchers were issued to residents.
- Delivered the 'Welcome Back Fund', an extension of the re-opening of the High Street Safety fund, which resulted in a total of nearly £170,000 of funding being directed to revitalising our high streets after the pandemic. Our 'Let's Spring Back and Rediscover Local' campaigns helped to promote that our local high streets were back open and encouraged residents to shop locally.
- The Growth Hub Network promoted and delivered the Government's Small and Medium-sized Enterprises (SME) Recovery grant and Kickstart Tourism Grant. 40 grants have been awarded to borough businesses. The hub also delivered over 50 workshops to local businesses.
- Over £400,000 paid to residents through the Local Council Tax Hardship Fund.

At the time of writing the AGS, it is positive to report that Council's recovery is well underway with many services returning to 'business as usual' service mode. Actions within the recovery plan have seen great success. So much so, that actions have been transitioned back into the main council plan as part of its annual refresh. This will not dilute the council's approach to recovery. There continues to be a Covid-19 thread within the refreshed Council Plan. There are also actions within the Council Plan, for example through the formulation of strategies such as the Economic Development and Tourism Strategy and Medium Term Financial Strategy which will recognise and reflect the impact that the pandemic had on the council, our residents, communities and our businesses

### Post Covid-19

It would be remiss not to mention other significant factors that have recently emerged and place demands upon the council's resource. For example, since the early part of 2022 to date, delivery of the government's '**Council Tax Energy Rebate Scheme**' Similar to the Covid-19 response a separate cell was set up involving officers from Revenues and Benefits, Finance, Customer Services and Communications. Over 30,000 payments have been made to our residents through the core scheme with up to a further 1,000 residents being paid through the discretionary scheme.

In addition, resources have also been deployed to support the '**Homes For Ukraine Scheme**'. A similar cell approach has been formed involving colleagues from Revenues and Benefits, Environmental Health and Housing, Finance, Customer Services and Communications. To date,

the cell has facilitated the onboarding of nearly 50 hosts and processed nearly 200 payments totalling £69,000. This support continues.

An immediate issue facing the council is the ‘**Cost of Living Support**’ which impacts services, individual residents, communities, business and our own staff and Members. The rising costs of energy, food, mortgages and other essentials have put many households at greater risk of both immediate hardship and reduced opportunity and wellbeing. The financial impact of the rise in inflation upon the council’s finances will be significant both in the current year and future years.

Inflationary pressures will impact all aspects of the council’s business from expenditure on providing services to reductions in income and on to the viability of future capital and revenue schemes which support our ambitions and priorities. In short, it will cost more to provide the same level of services and, without additional government support, which is considered highly unlikely, it will mean the council will need to recognise an increased gap between the resources available and the cost of services and will need to take the steps necessary to close that gap.

A report was taken to the council’s Executive Committee on 5 October 2022 emphasising this impact and the council’s response, particularly in relation to our residents and communities. A cell is in the process of being set up to co-ordinate this response, with representation from the majority of service areas. The impact upon the council has been added to the council’s corporate risk register where the impact will be continually monitored.

### **CIPFA Better Governance Forum briefing note - 7 April 2020 and CIPFA Bulletin 10 - Closure of the 2021/22 financial statements, April 2022.**

The AGS has been completed in accordance with relevant guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The April 2020 guidance specifically relates to the composition of an AGS in relation to the pressures that councils were facing as a result of the pandemic. In completing this year’s AGS, it is recognised that during 2021/22 the council was in a stronger position than when it was first exposed to the impact of the pandemic in early 2020. Therefore, aspects of this briefing note may no longer be relevant but it is still a useful source of information when compiling the AGS. For example, the following remain relevant for the council during 2021/22:

- Conducting an annual review of effectiveness may not be possible so use existing reports, assessments and knowledge where possible.
- The Chief Audit Executive’s (CAE) annual audit opinion may be delayed but should be completed and considered before the final publication of the AGS.
- Be clear about any limitations of assurance.
- It needs to be ensured that the AGS is current at the time of publication. The impact on governance as a result of COVID-19 therefore needs to be considered up to the date of final publication.
- Lessons learnt may be a significant governance issue.

With regards to the April 2022 guidance (bulletin 10), the key point to note is that authorities should continue to consider the impact of the COVID-19 pandemic on their governance arrangements. They should refer to any significant impacts and adaptations in the year:

- Adaptation to reflect new ways of working or emergency arrangements
- changes to 'business as usual' activities
- longer-term changes to priorities, programmes, strategies, and plans.

(note: there is also a link to CIPFA Bulletin 6 – 'Application of the Good Governance Framework 2020/21' This gives specific reference to the implementation of the CIPFA Financial Management Code.)

Similar to 2020/21, an annual assurance statement has been produced by each Head of Service. Exceptions of any significance will be considered for inclusion as a significant governance issue. All assurance statements are presented at Audit and Governance Committee.

## The purpose of the governance framework

The governance framework defines the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. The framework defines the principles that underpin good governance, providing a structure to help individual authorities with their approach to governance.

Governance structures and partnerships should be tested against the principles contained in the framework by:

- Reviewing existing governance arrangements.
- Developing and maintaining an up to date local code of governance, including arrangements for ensuring ongoing effectiveness.
- Reporting annually on compliance with the local code and how the effectiveness of governance arrangements have been monitored.

Delivering Good Governance in Local Government 2016 identifies the following core principles (which are supported with a raft of sub principles): -

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Examples of key elements of the structures and processes that comprise a council's governance arrangements include:-

- Codes of conduct that define standards of behaviour for members and staff and policies such as whistleblowing and anti-fraud and corruption and these codes are communicated effectively.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Documenting a commitment to openness and action in the public interest.
- Developing and communicating a vision which specifies intended outcomes for citizens and serviced users and is used as a basis for planning.
- Translating the vision into courses of action for the authority, its partnerships and collaborations.
- Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.
- Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.
- Management arrangements that conform with the governance arrangement of CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) and the CIPFA Statement on the Role of the Head of Internal Audit (2019).
- Ensuring effective arrangements are in place for the discharge of the monitoring officer function and head of paid service function.
- Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.
- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained.
- Ensuring an effective scrutiny function is in place.
- Undertaking the core functions of an audit committee.
- Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.



## The council's governance framework

The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. A high level review is undertaken by the Corporate Governance Group (CGG) and is based on the sources of assurance that are demonstrated within diagram 1 – the council's governance framework. The review of effectiveness is mainly informed by the work of senior management who have responsibility for the development and maintenance of the governance environment, internal and external audit reports plus third party assurance where relevant.

Similar to the previous financial year, resources were deployed to the Council's Covid-19 response. Additionally, through a combination of learning to date, the council's strong footing across a number of areas and national improvements to mitigate the impact of the pandemic, saw resources successfully drive the council's overall recovery. Despite the impact of the pandemic, the council's governance framework has remained resolute. We have had to adapt and work flexibly to ensure good governance has been maintained. During the year, these governance arrangements have been built upon through a combination of 'business as usual' improvements as well as those specific to support the council's response and recovery to COVID-19. Although not an exhaustive list, the CGG identified the following key activities;

- Successful recruitment of a new Chief Executive.
- The successful delivery of the Council's COVID-19 Corporate Recovery Plan.
- To support ongoing response and recovery the continuation of the internal management structure – 'COVID-19 management team+' group.

- Supporting the control and command, was a cell structure including a communication's cell, business cell, community cell and individual service cells. In addition, for different periods of 2021/22, the Council was represented on County led cells such as communications, health and wellbeing, community hub, homelessness and recovery. Recognising the national and local recovery from the pandemic, all internal and county cells have now been stood down.
- In compliance with the Council's Constitution all decisions undertaken by the Chief Executive under the urgency powers set out in Part 3 of the Constitution as a result of the COVID-19 pandemic have been reported to Council.
- In light of COVID-19, the review and refresh of current and key strategies such as the communication's strategy, customer care strategy, digital strategy and Housing Strategy.
- The implementation of new HR policies such as 'Agile Working' - in tandem with technology has supported the organisational development response to COVID-19. Moving forward, this supports the opportunities provided through hybrid working.
- A lessons-learnt report from the Covid-19 response – presented at Overview and Scrutiny Committee on 7 September 2021.
- Continued to monitor the safety of our working environment and now restrictions have been lifted, moving forward look to utilise our office space more effectively.

- Review and approval of governance related policies and strategies. For example, procurement strategy, use of social media and the internet in investigations and enforcement policy, supporting attendance policy, proceeds of crime and anti-money laundering policy, environmental health and enforcement policy etc.
- Implementation of service-related reviews such as Development Management and Licensing (with governance related work streams).
- Project management governance has seen the delivery of significant transformational projects such as the bulky waste service review, HR recruitment automation, council tax e-billing and phase one of the digital platform rollout including new FOI and complaints framework, 'report a problem' etc.
- Despite a backdrop of uncertainty over local government funding and a challenging economic landscape, the continued delivery of sound financial management and financial reporting. The latter includes regular and detailed reporting of the financial impact of COVID-19 to the Department of Levelling Up, Housing and Communities (DLUHC).

The CGG then considered progress on the delivery of the significant governance issues reported within the 2020/21 AGS. These are summarised below:-

### Community Infrastructure Levy (CIL)

Whilst CIL is 'live', and a number of recommendations from a previous internal audit report have been implemented, for example the approval of an Infrastructure Funding Statement, the

proposed governance arrangements between the three partner councils have yet to be approved.

**This action remains outstanding and will be carried forward as a significant governance issue.** A very similar recommendation on formalising governance arrangements was also made within the external auditor's 2020/21 annual report.

### Local Code of Corporate Governance

To achieve good governance, the council should be able to demonstrate that its governance structures comply with the core and sub-principles contained within the 'Delivering good governance framework 2016'. To achieve this, the council's local code of governance should reflect these principles. The local code therefore needs to be updated to reflect these principles. Due to priority being given to the Covid-19 response, this has yet to be undertaken. **This action remains outstanding and will be carried forward as a significant governance issue.**

### Discretionary Housing Payments (DHP)

This was identified as a significant governance issue due to an unsatisfactory internal audit opinion issued in relation to the administration of payments. The audit identified a combination of issues to conclude that opinion including; significant non-compliance with the approved policy - for example, not obtaining bank statements to support applications, errors in calculation, significant differentials relating to non-essential items and limited evidence that applicants over-occupying housing were proactively looking for alternative housing. Progress reports to Audit and Governance

Committee on 23 September 2020 and 15 December 2021 demonstrated good progress in resolving the issue. A new DHP policy was also approved by Executive Committee on 30 March 2022. On this basis, it is considered this is no longer a significant governance issue.

### **Effective recovery of the internal audit function**

A key source of assurance for the AGS, is the work of internal audit. As in 2020/21, due to the team being re-deployed to support the Covid-19 Business Cell for the full financial year then the Chief Audit Executive (CAE) is unable to provide this assurance for 2021/22. This is confirmed within the CAE's annual report to Audit and Governance Committee on 20 July 2022. Within this report the committee is asked to consider the limitation of scope regarding independent assurance from internal audit on the adequacy of the Council's governance, risk management and control environment.

What is different to the previous year's CAE annual report though, is at the time of writing, the internal audit team is operational with an approved work plan. Internal audit is a cornerstone of good governance and it is therefore critical this recovery takes place effectively so as to avoid any limited scope next year. The lack of internal audit activity over the period of the pandemic has also been raised as a significant governance risk by the council's external auditors. **The ongoing and effective recovery of the internal audit team will remain as a significant governance issue.** In lieu of an independent internal audit opinion, similar to arrangements adopted in 2020/21, a management assurance statement will be presented to Audit and Governance Committee in November 2022.

### **Implementation of the CIPFA Financial Code**

The Chartered Institute of Public Finance and Accountancy (CIPFA) published the Financial Management Code (the Code) in October 2019. The Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Each local authority must demonstrate that the requirements of the Code are being satisfied.

Originally, local authorities were required to apply the Code with effect from 1 April 2020. After further considerations of the ambition within this Code, and the wider resource challenges facing local authorities, particularly during the COVID-19 crisis, CIPFA concluded that by 31 March 2021, local authorities should be able to demonstrate that they are working towards full implementation of the Code. The first full year of compliance with the Code would therefore be 2021/22. However, due to unprecedented pressures on the Council's services caused by COVID-19, the decision was taken to delay the full implementation of the Code until 2022/23.

As a first step towards ensuring that the Council meets the Code in 2022/23, the Chief Finance Officer presented a draft Assessment of Compliance to Audit and Governance Committee on 24 March 2022. The assessment was very positive, with a high degree of compliance in many areas. A few areas were assessed as medium compliance with identified actions to be taken forward into 2022/23. For example, these include; review options for integrated financial and performance reports at a service level, the CIPFA Financial Resilience index should be reported to members, review of the asset management plan and major balance sheet items being more visible in financial reporting.

Inevitably, the impact of Covid-19 has tested financial resilience and sustainability over the last couple of years and will continue to do so in coming years. For this reason, it is CIPFA's viewpoint the implementation of the Code remains a critical task. CIPFA further state there are clear links between the Code and the governance framework. For these reasons, **the implementation of the Code will remain as a significant governance issue as there are areas of improvement identified through the assessment.**

### Licensing Service Review

The review has commenced with four key streams identified; digital solutions, governance, finance and human resources. An overview of the project plan was recently presented at Transform Working Group. The review was considered a significant governance issue for 2020/21 as the service is a key component of the Council's regulatory framework and the service had experienced long term resilience issues, this particularly exasperated by the pandemic. Additionally, systems and processes required major improvement as they were compromising the ability of the council to deliver effectively on its statutory licensing service obligations. The purpose of the licensing function is ultimately public protection and therefore significant reputational damage could arise should the planned improvements not be made. **The on-going review will continue to be included as a significant governance issue.**

### Emerging issues

The CGG then considered any other emerging issues that may warrant inclusion as a significant governance issue. Whilst the council has a complex internal control environment, with varying nature of services, systems and processes the inclusion of the following is

proportionate for the size of the council. It is not a fully exhaustive list of every improvement action.

### UK Shared Prosperity Fund

Earlier this year, the UK Government announced the creation of the UK Shared Prosperity Fund (UKSPF), as part of the Levelling Up agenda. The fund aims to target funding to build pride in place, support high quality skills training, support pay, employment and productivity growth and increase life chances. The UKSPF outlines an allocation of funding for Tewkesbury Borough of £1,011,978 over a three-year period. To access these funds the Council was required to develop an Investment Plan to be submitted by 1 August 2022. In light of the tight timescale, a report to Executive Committee on 6 July, recommended to prepare and submit the plan through delegated authority given to key senior officers and relevant lead members. This recommendation was approved and a plan duly submitted within timescale.

Funding is heavily weighted at the end of the three year programme (2024/25 allocation is £643,539) and the funding profile is split between revenue and capital expenditure (different % splits for each of the 3 years). Additionally, there is the added complexity that various local partners and agencies will support delivery of the plan. Once the plan has been signed off by Government, the report eludes to a Local Partnership Group being set up to support delivery and that future governance arrangements will need to be agreed. **In light of the value of the fund, its profile and the necessity to ensure there is good governance this will be included as a significant governance issue.**

## Equality and Diversity

The Council is committed to promoting equality and tackling discrimination. This means treating people fairly, valuing differences and removing the barriers that prevent people from fully participating in public life and realising their full potential. The key piece of legislation is the Equality Act 2010, which protects people from discrimination on the basis of nine protected characteristics. The Act contains an integrated Public Sector Equality Duty, which requires all public bodies and private bodies that deliver a public function, to consider the needs of protected groups when designing and delivering services.

Delayed due to the pandemic, it is an action to review and update the council's Equality and Diversity policy and produce a supporting action plan to raise general awareness to such an important governance area. Whilst the council is confident it complies with legislation it can always do more to make equality and consideration of diversity and inclusion a part of our core business. **The review and update of the Equality and Diversity policy and action plan will be included as a significant governance issue.**

## Fraud Risk Registers

The council has a zero tolerance attitude to fraud and corruption related activity. There are effective counter fraud arrangements in place through the work of the Counter Fraud and Enforcement Unit (CFEU) and internal audit, various policies are in place and reviewed regularly such as the counter fraud and anti-corruption policy, gifts and hospitality policy, whistleblowing policy and declaration of interests/other employment etc. The council also participates in national fraud initiatives.

Without resting on its laurels, these arrangements are to be strengthened further with the production of fraud risk registers for each service area. This is an action within the work programme of the CFEU for 2022/23. This will include considering national and local emerging fraud risks, good practice in processes and procedure, and possible areas of risk mitigation. A service specific risk register will then be developed with overall risks score that can be assessed, monitored and reviewed.

This element of the CFEU annual work programme will be developed according to priority – high risk service areas will be addressed first. This work will also mitigate the need to undertake an annual review of the Serious and Organised Crime (SOC) checklist as service specific SOC risks will be transferred to the relevant service risk register. Given that fraud related work is a key component of the council's wider governance framework the CGG are content that **the development of fraud risk registers for service areas warrant inclusion as a significant governance issue.**

In the overall conclusion of the CGG, there is an acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control) and broadly the framework is sound and arrangements are considered to be fit for purpose. The framework is extensive, complex and given the changing environment, particularly as a result of COVID-19, there will always be areas where governance can be strengthened. It would be unrealistic to expect all aspects of governance to be operating 100% effectively, 100% of the time. A further review will be undertaken by the CGG prior to submitting the AGS for final approval by the Audit and Governance Committee in November 2022.

## Significant governance issues

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness. Progress in delivering the issues identified will be reported to both corporate management team and Audit and Governance Committee.

### 2021-2022 Actions

Governance issue	Proposed action	Timescale	Responsible officer/group
<b>1</b> Community Infrastructure Levy (CIL)	Overall governance arrangements to be formalised between partners.	March 2023	Head of Development Services
<b>2</b> Local Code of Corporate Governance.	Develop and approve a new code of governance.	March 2023	Head of Corporate Services
<b>3</b> Effective recovery of the internal audit function.	Deliver the team's recovery actions including: <ul style="list-style-type: none"> <li>- Completion of audit assignments</li> <li>- Delivery of Quality Assurance and Improvement Programme (QAIP)</li> <li>- Ensure the team remains adequately resourced</li> </ul>	June 2023	Head of Corporate Services (Chief Audit Executive)/ Head of Finance and Asset Management
<b>4</b> Compliance with the CIPFA Financial Code	Deliver outstanding actions identified within the self -assessment.	March 2023	Head of Finance and Asset Management
<b>5</b> Licensing service review	Deliver the work streams identified within the service review project plan.	March 2023	Head of Community Services
<b>6</b> UK Shared Prosperity Fund	Ensure there are sound governance arrangements in place to oversee and support delivery of the investment plan.	December 2022	Head of Finance and Asset Management  Head of Development Services

Governance issue	Proposed action	Timescale	Responsible officer/group
7 Equality and diversity	Review and update the current policy and produce a supporting action plan.	December 2022	Head of Corporate Services
8 Fraud risk registers	Produce service specific registers for high-risk areas.	March 2023	Head of Counter Fraud and Enforcement Unit

Signed on behalf of Tewkesbury Borough Council

Councillor Rob Bird  
Leader of the Council

Date: November 2022

Alisatair Cunningham  
Chief Executive

Date: November 2022

### Governance Framework – key documents/functions

- Council Plan & Covid-19 Recovery Plan
- Performance Management Framework
- Constitution & scheme of delegation
- Transform Programme
- Communication Strategy
- Constitution including financial procedure rules
- Record of Decisions
- Code of Conduct (Employees and Members)
- Officer and Member Protocols
- Code of Corporate Governance
- Risk Management Framework
- Anti-Fraud and Corruption Policy
- Whistleblowing Policy
- Project management framework
- ICT Governance
- Procurement Strategy
- Contract Procedure Rules
- Medium Term Financial Strategy
- Treasury Management policy
- Annual Statement of Accounts
- Complaints Framework
- Equalities Framework
- Internal and External Audit
- One Legal

### Annual Governance Statement

Signed by the Leader of the Council and Chief Executive and published with the Statement of Accounts

### Review and approval of AGS by Audit and Governance Committee

### Council's assurance framework

### Corporate Governance Group

responsible for drafting AGS after evaluating assurance framework

### Review of the effectiveness of the system of internal control

### Performance management and transformation

- Service plans
- Council plan and performance tracker
- Performance indicators
- Complaints
- Transform programme

### Risk management

- Risk Management Strategy
- Corporate risk register
- Project management
- Business Continuity Plan
- Insurance

### Legal and regulatory assurance

- Monitoring Officer function
- One Legal
- Whistle blowing
- Health & Safety
- Anti-fraud & corruption policy

### Members' assurance

- Standards Committee
- Overview and Scrutiny Committee
- Audit and Governance Committee
- Declaration of interests
- Lead Member portfolios
- Code of conduct

### Management assurance

- Management Team meetings
- Corporate Governance Group

### Other source of assurance including 3rd party

- Ombudsman reports
- External reports e.g. peer review
- Shared services – client monitoring
- Counter fraud unit

### Financial management

- Medium Term Financial Strategy
- Revenue and Capital monitoring
- Treasury Management Statement of Accounts
- Compliance with Codes of Accounting Practice
- Savings programme

### Internal audit

- PSIAS
- Compliance Reporting to Audit and Governance Committee
- Audit opinion and recommendations
- Corporate improvement work
- Consultancy & advice

### External audit

- Annual Plan
- Reporting to Audit and Governance Committee
- Audit Opinion and VFM conclusion
- Ad hoc reports
- Statement of accounts work

on-going assurance on adequacy and effectiveness of controls over key risks

**Alistair Cunningham**  
**Chief Executive**  
Tewkesbury Borough Council



## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	23 November 2022
<b>Subject:</b>	Annual Safeguarding Update
<b>Report of:</b>	Head of Community Services
<b>Head of Service / Director:</b>	Head of Community Services
<b>Lead Member:</b>	Lead Member for Community.
<b>Number of Appendices:</b>	3

**Executive Summary:**

Safeguarding is everybody's business. All Councillors, employees and other statutory partners have a duty to report all safeguarding concerns to the relevant safeguarding authority. This report provides the Committee with an update on how Tewkesbury Borough Council is fulfilling its safeguarding responsibilities. The Council has a Safeguarding Policy and Procedure which was refreshed and adopted in February 2020.

Section 11 of the Children's Act 2004 places a duty on safeguarding partners to demonstrate that they have effective processes in place to fulfil their responsibilities on safeguarding children and this is done by way of a self-assessment which is submitted for scrutiny to an assurance panel.

**Recommendation:**

**To CONSIDER the contents of the annual report and the Section 11 assurance submission to give assurance as to the levels of the Council's compliance with its safeguarding duty.**

**Financial Implications:**

None arising directly from this report.

**Legal Implications:**

None arising directly from this report, however the, Children Act 2004, Children and Social Work Act 2017 and Care Act 2014 place duties on the authority to ensure its functions are discharged having regard to the need to safeguard and promote the welfare of children, young people and adults at risk.

**Environmental and Sustainability Implications:**

None arising directly from this report.

**Resource Implications (including impact on equalities):**

None arising directly from this report.

**Safeguarding Implications:**

As set out in the body of the report.

**Impact on the Customer:**

None arising directly from this report.

**1.0 INTRODUCTION**

- 1.1** Safeguarding is everybody's business, all Councillors, employees and other statutory partners have a duty to report all safeguarding concerns to the relevant safeguarding authority. In Gloucestershire this means Gloucestershire County Council Children or Adults services.
- 1.2** Tewkesbury Borough Council recognises and accepts its responsibilities to ensure, as far as possible, that young people and adults at risk are protected from harm.
- 1.3** Historically, district and borough councils and other partners are required to carry out a self-assessment in order to demonstrate their compliance with Section 11 (S.11) of the Children's Act 2004.
- 1.4** The S.11 process is a statutory requirement and an integral part of the self-assessment and assurance of effective safeguarding practice for each agency. This year's S.11 self-assessment has been submitted to the Assurance Panel and is attached at Appendix 1 of this report.
- 1.5** The self-assessment focusses on four main areas:
- 1) Leadership and Accountability
  - 2) Staff Safe Recruitment, Induction, Training and Development
  - 3) Safeguarding Policies and Procedures
  - 4) Listening to Children and Young People.
- 1.6** The Head of Community Services will attend the Assurance Panel in November 2022 to undergo further scrutiny of the written S.11 statement.

**2.0 ASYLUM SEEKER / MIGRANT SAFEGUARDING**

- 2.1** Over the last year the additional element of migrant safeguarding has arisen. The Homes for Ukraine scheme in particular has brought additional requirements for Disclosure and Barring Service (DBS) checks. Each host needs a DBS check and, where children from Ukraine are present, an enhanced DBS check is required. If there is any doubt as to the host's suitability, no guests will be placed with that host.
- 2.2** Where unaccompanied minors come from Ukraine very strict checks are put into place, similar to those checks for fostering arrangements. These checks are carried out by children's safeguarding services at Gloucestershire County Council. To date only one unaccompanied minor has come to the county from Ukraine.

### **3.0 TEWKESBURY SAFEGUARDING CASES**

**3.1** At a previous meeting of this Committee, a Member asked whether examples of cases could be provided in this report; Appendix 2 shows a representative sample of cases reported by various departments and partners.

**3.2** Appendix 3 provides a short case study of the work of the team in relation to anti-social behaviour with potential safeguarding elements.

**3.3** All of the information in these appendices has been anonymised.

### **4.0 CONSULTATION**

**4.1** None

### **5.0 ASSOCIATED RISKS**

**5.1** None

### **6.0 MONITORING**

**6.1** None

### **7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

**7.1** The Council's Safeguarding Policy

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**Background Papers:** None

**Contact Officer:** Head of Community Services 01684 272259  
[Peter.tonge@teWKesbury.gov.uk](mailto:Peter.tonge@teWKesbury.gov.uk)

**Appendices:** Appendix 1 – Section 11 submission  
Appendix 2 – Sample of safeguarding cases  
Appendix 3 – Case study

# S11 Audit Submission

## Details

Case Reference: AUD000012

Submitted date and time: 25/10/2022 14:04:42

Agency / Organisation/s: Tewkesbury Borough Council

Contact Name: Peter J Tonge

Contact Email: peter.tonge@teWKesbury.gov.uk

Contact Telephone Number: 01684272259

# Standard 1: Leadership and Accountability

- 1. A senior level lead with the required knowledge, skills and expertise or sufficiently qualified and experienced to take leadership responsibility for the organisation's/agency's safeguarding arrangements**

## Organisation Response to Standard 1 Question 1:

The Chief Executive (Alistair Cunningham) has Strategic Corporate responsibility for Safeguarding. Peter Tonge – Head of Community Services is the organisations Designated Safeguarding Officer. Peter is supported by 3 Deputy Safeguarding Officers which includes the organisations HR Manager. These responsibilities are incorporated into job descriptions. Posters around the building give contact details of both for staff to contact if they any safeguarding concerns. Councillor Mary Jordan is the Lead Member for Community which includes Safeguarding.

Senior management representation on the GSCP - GSAB subgroup quarterly meetings.

Safeguarding information is available for staff and elected members vis the councils intranet.

The Council's safeguarding policy states "Any contracts awarded with external agencies for the provision of goods and services must make specific reference to safeguarding and the duties imposed on staff. Steps must be taken to ensure the safeguarding of children, young people and vulnerable adults is commensurate with the type of service being provided on behalf of, or in partnership with the council." This relates mainly to the Leisure and waste contracts.

## Areas of Good Practice / or Improvement - Standard 1 Question 1:

Senior leaders are fully committed to ensuring that safeguarding is a high priority for the organisation and this is demonstrated by the way the senior management team discuss safeguarding on a regular basis as a standing item on the SMT agenda.

There is an annual report on safeguarding matters to the Council's Audit & Governance Committee and safeguarding is a quarterly standing item on the Senior Management Team agenda.

Safeguarding young people was also a consideration when TBC developed its response to the Cost of Living pressures and some of the schemes of support are specifically aimed at supporting young people e.g. Holiday Activity Fund – led by Young Gloucestershire, activities and meals are provided for families in need during school holidays.

RAG Rating - Standard 1 Question 1: Green

- 2. A designated practitioner (or, for health commissioning and health provider organisations/agencies, designated and named practitioners) for child safeguarding. Their role is to support other practitioners in their organisations and agencies to recognise the needs of children, including protection from possible abuse or neglect.**

Organisation Response to Standard 1 Question 2:

Peter Tonge – Head of Community Services is the organisations Designated Safeguarding Officer.

Areas of Good Practice / or Improvement - Standard 1 Question 2:

NA

RAG Rating - Standard 1 Question 2: Green

**3. Designated practitioner roles are always explicitly defined in job descriptions. Practitioners should be given sufficient time, funding, supervision and support to fulfil their child welfare and safeguarding responsibilities effectively**

**Organisation Response to Standard 1 Question 3:**

The Safeguarding policy and procedure is a strategic document and is adopted by the Council's Executive Committee. This policy was reviewed, refreshed and adopted by the Council's Executive in March 2020. This outlines the procedures for staff in relation to the safeguarding process. The Council's Audit Committees receive Safeguarding updates periodically.

The Council has a Whistleblowing Policy and this has been adopted across all Gloucestershire Districts and Borough's. At Tewkesbury this was agreed at the Executive Committee 12 October 2016. This policy is overdue for a review.

Procedures for dealing with safeguarding complaints would be dealt with under the council's corporate complaints Policy and in line with the Council's disciplinary policy.

Staff are confident and comfortable raising safeguarding issues with the lead safeguarding officer and his deputies.

Safeguarding considerations are also incorporated in the relevant council policies e.g. the Private Hire and Hackney Drivers Policy and procedure and a common policy standard has been adopted across the County.

**Areas of Good Practice / or Improvement - Standard 1 Question 3:**

Drivers safeguarding training was initially carried out, however most have not received any refresher training and there is now a backlog for existing driver and new drivers. A programme to rectify this is now in place and the council's licensing committee are monitoring progress on a monthly basis.

The Councils Safeguarding Policy will be subject to a further review in 2022.

RAG Rating - Standard 1 Question 3: Amber

**4. A clear line of accountability for the commissioning and/or provision of services designed to safeguard and promote the welfare of children**

**Organisation Response to Standard 1 Question 4:**

No council services are delivered directly or solely to children or young people. Where young people are involved in the delivery of services e.g. housing, DFGs etc they are of course taken into consideration in the appropriate manner.

**Areas of Good Practice / or Improvement - Standard 1 Question 4:**

Tewkesbury Borough Council are working in partnership with the other councils in Gloucestershire and are leading on the development of the housing offer to care leavers in the county. This work will shortly be signed off by the county strategic housing partnership. Care leavers have been involved in the development of this offer.

RAG Rating - Standard 1 Question 4: Green

## Standard 2: Staff Safe Recruitment, Induction, Training and Development

### 1. Safe recruitment practices and ongoing safe working practices for individuals whom the organisation or agency permit to work regularly with children, including policies on when to undertake appropriate vetting of staff

#### Organisation Response to Standard 2 Question 1:

Tewkesbury Borough Council has a robust pre-employment vetting process including 3 year referencing and DBS for relevant roles. This is detailed in our Pre-Employment Standards Document. For agency staff we ask for written assurance from the agency that the agency has undertaken the required pre-employment checks, for contractors, we do our own checks.

All staff are required to undertake the learnPro online familiarisation module on adult and child safeguarding as part of their induction. The all-staff responsibility for safeguarding is also highlighted in our staff handbook which is provided to all new starters and is also available on our staff intranet  
Clinical or professional supervision is not appropriate in our context. However, staff will be required to complete the online training every 2 years and we will run refresher training for posts where staff are more likely to become aware of concerns relating to adults at risk or children.

Staff are competent to carry out their responsibilities. Staff regularly raise safeguarding concerns and where appropriate these are discussed quarterly by the SMT.

With regard to practitioners having regular reviews. This is not appropriate in our context specific to safeguarding, however staff have regular time with their manager in which they can discuss concerns, including an annual Personal and Professional Development session. In addition we will have regular refresher training for posts where staff are more likely to become aware of concerns relating to adults at risk or children.

#### Areas of Good Practice / or Improvement - Standard 2 Question 1:

Safeguarding refresher training needs to be carried out across the organisation.

RAG Rating - Standard 2 Question 1: Amber

**2. Staff should be given a mandatory induction, which includes familiarisation with child protection responsibilities and the procedures to be followed**

Organisation Response to Standard 2 Question 2:

All staff go through a corporate induction which covers all aspect of safeguarding. New elected councillors also receive safeguarding training.

Areas of Good Practice / or Improvement - Standard 2 Question 2:

NA

RAG Rating - Standard 2 Question 2: Green

### **3. Appropriate supervision and support for staff, including undertaking safeguarding training**

#### **Organisation Response to Standard 2 Question 3:**

Safeguarding is incorporated into annual personal professional development (PPD) conversations and is also prompted as part of regular one to one conversations.

#### **Areas of Good Practice / or Improvement - Standard 2 Question 3:**

Safeguarding conversations are encouraged as part of the PPD and one to one processes and is incorporated into templates as a prompt.

RAG Rating - Standard 2 Question 3: Green

**4. Staff are competent to carry out their responsibilities for safeguarding and promoting the welfare of children**

**Organisation Response to Standard 2 Question 4:**

Staff from various council departments regularly report safeguarding concerns to the safeguarding officer or his deputies which give management team confidence that staff are aware of safeguarding and competent in their responsibilities.

**Areas of Good Practice / or Improvement - Standard 2 Question 4:**

NA

RAG Rating - Standard 2 Question 4: Green

## 5. Staff feel able to raise concerns and feel supported in their safeguarding role

Organisation Response to Standard 2 Question 5:

Please see response to previous question.

Areas of Good Practice / or Improvement - Standard 2 Question 5:

NA

RAG Rating - Standard 2 Question 5: Green

**6. All practitioners should have regular reviews of their own practice to ensure they have knowledge, skills and expertise that improve over time**

Organisation Response to Standard 2 Question 6:

Please see response to question 2 in this section.

Areas of Good Practice / or Improvement - Standard 2 Question 6:

NA

RAG Rating - Standard 2 Question 6: Green

## Standard 3: Safeguarding Policies and Procedures

### 1. Clear priorities for safeguarding and promoting the welfare of children, explicitly stated in strategic policy documents

#### Organisation Response to Standard 3 Question 1:

The Safeguarding policy and procedure is a strategic document and is adopted by the Council's Executive Committee. This policy was reviewed, refreshed and adopted by the Council's Executive in March 2020. This outlines the procedures for staff in relation to the safeguarding process. The Council's Audit Committees receive Safeguarding updates periodically.

The Council has a Whistleblowing Policy and this has been adopted across all Gloucestershire Districts and Borough's. At Tewkesbury this was agreed at the Executive Committee 12 October 2016.

Procedures for dealing with safeguarding complaints would be dealt with under the council's corporate complaints Policy and in line with the Council's disciplinary policy.

Safeguarding considerations are also incorporated in the relevant council policies e.g. the Private Hire and Hackney Drivers Policy and procedure and a common policy standard has been adopted across the County.

#### Areas of Good Practice / or Improvement - Standard 3 Question 1:

The council's whistleblowing policy is overdue a review.

RAG Rating - Standard 3 Question 1: Amber

**2. Policies for safeguarding and promoting the welfare of children including a child protection policy, and procedures that are in accordance with guidance and locally agreed inter-agency procedures**

Organisation Response to Standard 3 Question 2:

See above response to Q1.

Areas of Good Practice / or Improvement - Standard 3 Question 2:

NA

RAG Rating - Standard 3 Question 2: Amber

**3. Clear escalation policies for staff to follow when their child safeguarding concerns are not being addressed within their organisation or by other agencies**

**Organisation Response to Standard 3 Question 3:**

The council has a safeguarding policy and "procedure" in place, this outlines how to escalate matter where appropriate.

**Areas of Good Practice / or Improvement - Standard 3 Question 3:**

NA

RAG Rating - Standard 3 Question 3: Green

#### **4. Procedures for dealing with allegation of abuse made against members of staff and volunteers**

Organisation Response to Standard 3 Question 4:

This would be dealt with through the council's normal disciplinary policy.

Areas of Good Practice / or Improvement - Standard 3 Question 4:

NA

RAG Rating - Standard 3 Question 4: Green

- 5. Clear whistleblowing procedures, which reflect the principles in Sir Robert Francis - Freedom to Speak Up Review and are suitably referenced in staff training and codes of conduct, and a culture that enables issues about safeguarding and promoting the welfare of children to be addressed**

**Organisation Response to Standard 3 Question 5:**

The county-wide whistleblowing policy needs to be reviewed to take into account the abovementioned principles.

**Areas of Good Practice / or Improvement - Standard 3 Question 5:**

As above.

RAG Rating - Standard 3 Question 5: Red

**6. Good systems for information sharing, which professionals are confident and knowledgeable about**

**Organisation Response to Standard 3 Question 6:**

All public sector organisations within the county are signatories of the countywide information sharing protocol (GISPA)

**Areas of Good Practice / or Improvement - Standard 3 Question 6:**

NA

RAG Rating - Standard 3 Question 6: Green

## Standard 4: Listening to Children and Young People

- 1. A culture of listening to, and engaging in dialogue with, children – seeking children’s views in ways that are appropriate to their age and understanding, and taking account of those views in individual decisions and in the establishment or development of services**

### Organisation Response to Standard 4 Question 1:

No council services are delivered directly or solely to children or young people. Where young people are involved in the delivery of services e.g. housing, DFGs etc they are of course taken into consideration in the appropriate manner.

### Areas of Good Practice / or Improvement - Standard 4 Question 1:

NA

RAG Rating - Standard 4 Question 1: Green

CONCERN	OUTCOME
Sixteen-year-old girl a runaway, getting into unknown vehicles, whilst away from home for the night. Police have returned her home. Is refusing to go to school.  REFERRAL - POLICE	Checked on Social Care involvement, spoke to Dad. Joined a core group at school with YST to discuss support for both parents and child.
13-year-old male concerns about involvement in a local gang who may have links to older males and drug issues.  REFERRAL - POLICE	Social Care and school now aware and YST support worker in place.
Young Mum whose children already in care because of drug misuse – benefits mix ups and concerns for mental health  REFERRAL - BENEFITS TEAM	A long history of social care involvement and drug misuse. Spoke to SW about concerns re: new boyfriend.
Concerns about mental health and threats to harm herself  REFERRAL - EH	Have had previous contact. Reconnected her with her support network.
Elderly gentleman who had been burgled twice and was anxious  REFERRAL - HOUSING ASSOCIATION	Spoke to the Housing Team re a new application for sheltered housing and local PCSO who will call on him
Mum and daughter, learning disability and physical disability. Rats in grounds and disrepair in the home  REFERRAL – EH	Ongoing piece of work between EH Officer and myself and a multi-agency task group including fire service
Concerns regarding threats to kill to neighbours and self-harm, brought about by drug induced psychosis  REFERRAL - HOUSING ASSOCIATION	Neighbourhood Police informed and support worker at XXXXXXXX House.
Disabled lady in distress who felt trapped in her home and was very low  REFERRAL - CUSTOMER SERVICES	I Made a referral to xxxxxxxxxx who will ensure an OT assessment takes place

XXXXXXXXXX Court is a scheme made up of 100 flats of multi tenure. During a review of the turnover, we were concerned with the high level of ASB complaints ranging from music to criminal behaviour and drug dealing. We worked closely with Gloucestershire Police and the Anti-Social Behaviour Officer – XXXXXX XXXXXXXX at Tewkesbury Borough Council to identify a strain on all agency resources as a result of this behaviour.

The negative impact on the reputation of the scheme was also causing a high level of contact from customers and dissatisfaction. Police were receiving regular calls and had to attend frequently

We analysed data regarding low demand and high turnover of tenure. We listened to feedback from customers and realised they were moving out because of problems in the area. We also noted that people were reluctant to move into XXXXXXXXXXXX Court causing us a financial rent loss.

At the time we had around 25% of customers known to be causing serious ASB in the scheme. This nuisance centred around violence, drug/ alcohol misuse and criminal damage. People known locally for causing ASB were moving into XXXXXXXXXXXX Court and it was commonly known as somewhere you don't want to live.

As a result of the data, an estate action plan was put into place with a number of actions to tackle the issues. Regular contact with our partnering agencies was the key to changing the dynamics of the estate. One of these actions was to review those applying for housing through the local authority choice based lettings system.

We concluded that a large proportion of applicants were unlikely to be able to sustain a tenancy for various reasons. We looked at these reasons and used the data to limit customers with these specific issues.

Tewkesbury Borough Council, Gloucestershire Police and The Guinness Partnership worked together on developing a local lettings plan (LLP – see note below) to reduce ASB in the area and to maintain a sustainable community.

The plan can be considered a great success with measurable benefits to resources on agencies, customer satisfaction and the reduction in crime and disorder.

ASB has reduced measurably. We have seen a great reduction in turnover of customers and increased tenancy sustainment rate. Police complaints have reduced and ASB complaints to the local authority are at an all time low. Customer satisfaction has increased and damage in communal areas has reduced. It takes a long time to change the reputation of a scheme but overall, XXXXXXXXXXXX Court is becoming a better place to live and manage.

We continue to work closely with the local authority and Police to manage applicants coming into the scheme. As a result of this approach we have refused applications from those with drug/ alcohol related dependency or known for causing ASB in a previous tenancy to create a better environment for those living in the area.

*Note: An LLP enables the housing provider to tackle the problems by providing robust tenancy management, whilst also offering some respite for the current community. It allows the provider to stipulate certain criteria for future tenants.*

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	23 November 2022
<b>Subject:</b>	Internal Audit Monitoring Report
<b>Report of:</b>	Chief Audit Executive (Head of Corporate Services)
<b>Head of Service/Director:</b>	Chief Executive
<b>Lead Member:</b>	Lead Member Corporate Governance
<b>Number of Appendices:</b>	One

**Executive Summary:**

The monitoring report provides the Audit and Governance Committee with an overview of the internal work completed in the period. This includes a level of assurance as to how well the internal control environment is managed for each audit assignment undertaken.

**Recommendation:**

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

**Financial Implications:**

None arising directly from this report.

**Legal Implications:**

By monitoring the implementation of recommendations, internal audit assists the Council to minimise risk areas and thereby reduce the prospects of legal challenge.

**Environmental and Sustainability Implications:**

None arising directly from this report.

**Resource Implications (including impact on equalities):**

None arising directly from this report.

**Safeguarding Implications:**

None arising directly from this report.

**Impact on the Customer:**

None arising directly from this report other than providing interested residents with assurance as to the adequacy of the Council's internal control, risk and governance environment.

## **1.0 INTRODUCTION**

**1.1** It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that the Chief Audit Executive (Head of Corporate Services) reports formally to the 'board' (Audit and Governance Committee) on the work of internal audit. The monitoring report provides the Audit and Governance Committee with an overview of the work completed by Internal Audit. This includes a level of assurance as to how well the internal control environment is managed for each audit assignment undertaken. Attached at Appendix 1 is the work completed in the period.

## **2.0 COMPLETED AUDIT ASSIGNMENTS FOR THE PERIOD**

**2.1** When reporting, a 'split' opinion is given. This means an individual opinion is given for each risk category identified. This approach enables Internal Audit to identify to management specific areas of control that are operating or not. Assurance opinions are categorised as 'substantial, reasonable, limited, no assurance'. The audit opinions can be found in Appendix 1.

**2.2** Overall, from the individual opinions given, the conclusion is very positive. Particularly in relation to a key finance system (treasury management) and the implementation of a transformational HR project (e-ploy). In relation to bulky waste, the transformation of the service has seen phenomenal success. In terms of the underlying internal control environment, the audit concluded that for the most part, there are no significant areas of concern apart from one 'limited' opinion in relation to invoice authorisation.

**2.3** With regards to work in progress, audits in relation to cemeteries, car parks and arrangements for managing the GDPR risk are well underway. It is anticipated that the conclusion of this work will be presented to Committee in December.

## **3.0 CONSULTATION**

**3.1** All managers are consulted prior to the commencement of the audit to agree the scope and each manager has the opportunity to comment on the draft report and complete a client survey at the end of the audit. The status of audit recommendations are reported on a regular basis to Corporate Management Team.

## **4.0 ASSOCIATED RISKS**

**4.1** If the Chief Audit Executive (does not report functionally to the board this does not comply with PSIAS. If there are delays in response to the acceptance or implementation of internal audit recommendations, this potentially increases the risk of fraud, error, inefficiency or areas of non-compliance within the systems audited.

## **5.0 MONITORING**

**5.1** An internal audit monitoring report of work undertaken is presented at each Audit and Governance Committee.

**6.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

**6.1** The work of Internal Audit supports the internal control, risk mitigation and governance of Council Plan priorities.

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**Background Papers:** Internal Audit Six Monthly Plan (April-September 2022) – approved by Audit and Governance Committee on 24 Mar 2022

**Contact Officer:** Head of Corporate Services  
01684 272002      Graeme.simpson@teWKesbury.gov.uk

**Appendices:** Appendix 1 – Internal Audit Opinions

## Audits

## Audit: Bulky Waste 2022/2023

**Introduction:** This audit is completed as part of the 2022/2023 audit plan. The council introduced a new Bulky Waste service in April 2021 and is contracted to Orchard Recycling Service Limited. The council has retained the administration and payment functionality whilst Orchard is responsible for the collection aspect of the service. As part of the new service, customers are now able to make bookings online with around 50% of bookings being made this way. It is a chargeable service for customers and for 2022/23 is £22.50 for the first item and £11.25 for each additional item. If a customer is in receipt of housing benefit or council tax reduction, there is a 50% reduction on charges. There is a recycling element to the service whereas previously all items were taken to landfill. The budgeted income for 2022/23 is £52518. Orchard charges as per the contracted agreement a collection fee of £14.00 per collection of 1-3 items, and £4.00 for each item thereafter, up to 3 additional items. The contract is due for review in November 2022.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p><b>LPC1:</b> Retention of data does not adhere to the Council's retention schedule. Potential financial penalty and reputational impact if data is breached.</p>	<p>Reasonable</p>	<p>Data relating to bulky waste collections is held within the council's digital platform, Liberty Create. This has the functionality to set parameters enabling the automatic deletion of data after a specified period of time.</p> <p>In line with the council's corporate retention schedule, data relating to bulky waste collections should be held for 3 years from the date the record was created. A review of Liberty Create confirmed that bulky waste records are held from March 2021 onwards, and therefore in accordance with the retention schedule.</p> <p>It is noted that the retention parameters are yet to be set within the bulky waste system - verbal assurance was obtained during the audit that these would be in place within the next two years as part of the ongoing development of the platform.</p> <p>Bulky waste collections are carried out by a contractor, Orchard Recycling Service Ltd, and therefore data is shared with them e.g., customer name, address and contact details; for the purposes of enabling collections to take place. This is accessed via a council-owned iPad and back-office system.</p>	<p><b>Recommendation 1</b></p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> Parameters should be set within the Liberty Create system to ensure that data is 'hidden' on the back-office system and iPads within an appropriate timeframe once Orchard mark a collection as completed.</p> <p><u>Implementation date:</u> January 2023</p> <p><u>Responsible Officer:</u> Lead Digital Officer</p>

		<p>In line with the contract and data processing agreement in place with Orchard, they should only have access to this data for the duration of the booking and collection process and not beyond. Audit testing established that data is currently visible to Orchard beyond the collection date and therefore it is recommended that parameters are set within the system to ensure that data is 'hidden' within an appropriate timeframe. <b>[R1]</b>.</p>	
<p><b>O1:</b> Key deliverables of the contract are not achieved, leading to non-compliance of contract conditions, possible service failure, customer complaints and reputational impact.</p>	<p>Reasonable</p>	<p>The Council's contract with Orchard includes a number of key terms and conditions. These were reviewed during the audit as follows:</p> <p><u>Governance and Records</u></p> <p>The contract stipulates that progress meetings should be held at an agreed frequency. Discussions during the audit established that the introduction of the new bulky waste service has been a success for the council, with positive feedback received and successful outcomes reported to both Transform Working Group and the Overview and Scrutiny Committee. There is ongoing dialogue with Orchard regarding service delivery, which at present is informal and ad-hoc. It is recommended that consideration be given to more formalised meetings, to demonstrate that regular contract monitoring takes place <b>[R2]</b>.</p> <p>A further requirement of the contract is for Orchard to submit progress reports to the Council. Audit testing confirmed that Orchard present statistics on the tonnage of items collected on a monthly basis. The Council subsequently reports this information to DEFRA.</p> <p><u>Key Performance Indicators (KPI's)</u></p> <p>The contract includes one KPI- 'percentage of items recycled: up to 70%'. The approach taken by Orchard is to reduce/ reuse where possible and to assess each item to determine where these can be recycled before being taken to landfill. This supports the Council's Environmental Policy and its commitment to minimising waste and the impact of its disposal. This is also an improved position from the previous contract, where no recycling/reuse took place.</p>	<p><b>Recommendation 2</b></p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> Progress reviews with Orchard should be formalised to demonstrate regular contract monitoring.</p> <p>Discussions should include:</p> <ol style="list-style-type: none"> <li>1. A review of Key Performance Indicators <ul style="list-style-type: none"> <li>- Merit in introducing new KPI's</li> </ul> </li> <li>2. Total number of items recycled to be included on the monthly statistics submitted by Orchard <ul style="list-style-type: none"> <li>- Where possible to include verification of the items 'end destinations'</li> </ul> </li> <li>3. Verification of the vetting and safeguarding arrangements in place</li> </ol> <p><u>Implementation date:</u> April 2023</p> <p><u>Responsible Officer:</u> Waste Contract Manager</p>

		<p>It is unclear from the information provided by Orchard as to what the current recycling rate is. For ease of reporting and monitoring, it is recommended that the number of items recycled is included as a total on the monthly statistics, and where possible, to include verification of the items 'end destinations' [R2].</p> <p>Given that the contract has now been in place in excess of 12 months, it would be an opportune time for the KPI's to be reviewed, and if there is merit for any new KPI's to be introduced where appropriate e.g., customer waiting time for collection. It is recommended that these discussions take place with Orchard [R2].</p> <p><u>Insurance</u></p> <p>Audit testing confirmed that appropriate public and employer liability insurances are in place as required by the contract.</p> <p><u>Safeguarding children and vulnerable adults</u></p> <p>Although likely to be limited, there are occasions when Orchard employees may come into contact with vulnerable members of the public whilst carrying out their duties. The contract makes provisions for this in terms of ensuring appropriate safeguarding arrangements are in place. The implementation of these vetting and safeguarding arrangements are currently not verified with Orchard, and it is therefore recommended that this forms part of the ongoing contract monitoring [R2].</p>	
<p><b>EF1:</b> Bulky waste charges are not approved in accordance with council policy.</p>	<p>Substantial</p>	<p>The current charge to customers for a bulky waste collection is £22.50 for the first item and £11.25 thereafter for each item, up to a maximum of 6. These fees are reduced by 50% if the customer is in receipt of benefits. It was confirmed during the audit that these charges were appropriately approved within the 2022/23 budget setting process.</p>	<p>None.</p>

<p><b>EF2:</b> Risk that the approved charges have not been correctly applied.</p>	<p>Reasonable</p>	<p>A sample of 20 bulky waste transactions were tested during the audit. In 19 of these cases, the approved charges were found to have been applied correctly. The one exception related to a customer having been undercharged by £11.25. This was found to relate to a bug in the system which marked all items as 'additional' and therefore charged them at the reduced rate of £11.25.</p> <p>Further investigation established this issue did not affect all bookings, only 10 instances where this had occurred since 1 April 2022. A fix to resolve this problem was identified during the audit whereby the system can be reconfigured; it is therefore recommended that this is implemented as soon as possible <b>[R3]</b>.</p> <p>Where a customer is in receipt of benefits and therefore entitled to the 50% reduction in charge, this can only be obtained by telephoning Customer Services who are able to enter a benefit reference number into the booking process which then applies the discount. Audit testing identified that for a couple of bookings the claim number did not relate to a current claim at the time of the booking. It is recommended that tighter verification is adopted within Customer Services. <b>[R4]</b>.</p> <p>The forecasted income for the bulky waste service for 2022/23 is £52,518. As at September 2022, this has already been exceeded, with a total income to date of £52,532. Assurance was obtained during the audit that the total income received on the general ledger reconciles to the bookings recorded on the Liberty Create system.</p>	<p><b>Recommendation 3</b></p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> The base cost for bulky waste items should be reconfigured within Liberty Create to ensure that charges are being applied correctly in all cases.</p> <p><u>Implementation date:</u> December 2022</p> <p><u>Responsible Officer:</u> Lead Digital Officer</p> <p><b>Recommendation 4</b></p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> Tighter verification is adopted within Customer Services in relation to checking current benefit claims.</p> <p><u>Implementation date:</u> November 2022</p> <p><u>Responsible Officer:</u> Corporate Services Manager</p>
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<p><b>EF3:</b> Risk of a refund issued for an incorrect amount and/or not authorised and approved by appropriate officer</p>	<p>Reasonable</p>	<p>For the period April 2022 to September 2022 a total of 55 bulky waste refunds were processed. These are typically due to a customer deciding to keep the item or dispose of individually.</p> <p>Sample testing of 6 refunds found that in all cases the amount refunded was correct, and that there had been a valid reason for the refund. For promptness, refunds are processed by Customer Service Advisors. Moving forward, instead of relying on an internal audit to give assurance they are justified, it is recommended that sample check of refunds be undertaken by the Customer Services Team Leader <b>[R5]</b>.</p> <p>Discussions during the audit established that refunds will only be given to customers up to 48 hours prior to their scheduled collection. This is to allow sufficient time to update the Orchard collection schedule and ensure the rota is not disrupted. There is currently no information available to customers regarding this process or to advise them of the applicable timescales for requesting a refund. It is therefore recommended that information is added to the council's bulky waste collection webpage in this respect <b>[R5]</b>.</p>	<p><b>Recommendation 5</b></p> <p><u>Recommendation priority:</u></p> <p>Low</p> <p><u>Recommendation Details:</u></p> <p>The process for bulky waste refunds should be enhanced as follows:</p> <ol style="list-style-type: none"> <li>1. A sample of check of refunds is undertaken by the Customer Services Team Leader.</li> <li>2. Information should be added to the council's bulky waste collection webpage advising how to request a refund</li> </ol> <p><u>Implementation date:</u></p> <p>December 2023</p> <p><u>Responsible Officer:</u></p> <p>Waste Contract Manager in conjunction with Corporate Services Manager</p>
<p><b>EF4:</b> Invoices are not reflective of the service delivered- potential over/under charge.</p>	<p>Limited</p>	<p>A review of invoices from Orchard highlighted that since February 2022 there had been an increase in charges. From the charges agreed in the contract, this amounts to an additional £1 where four items are collected, an additional £2 where five items are collected and an additional £3 where six items are collected.</p> <p>Discussions with the Waste team during the audit established that the increase in prices had been introduced as a result of the national rise in fuel prices at the start of 2022. This is therefore considered a fair increase which still generates a surplus for the Council, as demonstrated by the current income for the service. It is however recommended that this price change is formalised in a variation to the Council's contract with Orchard and that the Finance team are made aware of this increase for budgeting purposes <b>[R6]</b>.</p>	<p><b>Recommendation 6</b></p> <p><u>Recommendation priority:</u></p> <p>Medium</p> <p><u>Recommendation Details:</u></p> <p>The increase in charges made by Orchard to the Council for the provision of the bulky waste service should be formalised as follows:</p> <ul style="list-style-type: none"> <li>- Agree a variation to the contract</li> <li>- Notify the Finance team of the applicable price increase</li> </ul>

		<p>Upon receipt of the invoices, these are not currently being verified against the Liberty Create system to check for accuracy. A spot check during the audit of a recent invoice showed a slight discrepancy between the items booked and the items charged for. As this testing was limited, it is recommended that invoices are verified prior to payment to minimise any material difference that could occur. [R7].</p>	<p><u>Implementation date:</u> February 2023</p> <p><u>Responsible Officer:</u> Waste Contract Manager</p> <p><b>Recommendation 7</b></p> <p><u>Recommendation priority:</u> High</p> <p><u>Recommendation Details:</u> All bulky waste invoices should be verified and checked for accuracy prior to payment</p> <p><u>Implementation date:</u> January 2023</p> <p><u>Responsible Officer:</u> Waste Contract Manager</p>
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## Audit: Recruitment (Eploy) 2022/2023

**Introduction:** This audit is completed as part of the 2022/2023 audit plan. Eploy is a complete applicant tracking and talent CRM (Customer Relationship Management) system. It is used to manage all aspects of recruitment, from raising the initial request-to-recruit requisition to the onboarding of the new recruit. The system also includes recruitment analytics, which can be used to produce reports and measure performance of the service. The Council introduced Eploy in July 2021 for main recruitment and has recently extended this to contract staff.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p><b>Legislative and Compliance</b></p> <p>LP1: Retention of data does not adhere to the council's Corporate Retention Schedule and therefore the service is in breach of GDPR regulations, leading to the possibility of prosecution/fine.</p>	<p>Reasonable</p>	<p>A corporate Data Protection Policy dated 2018 is in place, alongside a Data Retention Schedule. The schedule identifies 37 types of record that the Human Resources and Organisational Development section holds and prescribes retention periods for each area, from immediate deletion for unsolicited applications for employment to 80 years for various health records.</p> <p>For records held on the new Eploy system, retention times and disposal dates are automatically identified, and data will be deleted.</p> <p>However, there are paper-based records which precede the Eploy system that should be reviewed to confirm that they are being held and disposed of in accordance with the Data Protection Act. The HR and OD Manager is aware of this, and a date has been agreed by which this will be completed.<b>(R1)</b></p>	<p><b><u>R1:</u></b></p> <p><u>Recommendation priority:</u></p> <p>Medium</p> <p><u>Recommendation Details:</u></p> <p>Paper-based HR records should be reviewed to confirm that they are being held in accordance with the Council's Data Retention Schedule 2019. All records should be allocated a retention period, with their disposal date clearly marked</p> <p><u>Response from Client:</u></p> <p>This is a task that we are aware of and we will make arrangements for this to be undertaken.</p> <p><u>Implementation date:</u></p> <p>31<sup>st</sup> March 2023</p> <p><u>Responsible Officer:</u></p> <p>HR and OD Manager</p>

<p>LP2: Policies and procedures may not be comprehensive, reviewed regularly and available to all relevant staff, leading to incorrect procedures being followed.</p>	<p>Substantial</p>	<p>Formal written policies and procedures are not available for Eploy, either in paper or electronic format. However, the Eploy system itself is intuitive, with drop down boxes and free text boxes for narrative which guide the user step by step through the recruitment processes, from the recruit to fill stage to onboarding of a candidate. The HR team have provided training to users of Eploy, and they have recorded training videos showing the main steps in the use of Eploy. These videos provide comprehensive guidance, are available to all users of Eploy and are an appropriate alternative to written procedures.</p>	<p><u>None required.</u></p>
<p><b>Operational</b> OP1: Staff may not have received adequate training in the use of Eploy leading to errors and delays in the recruitment process.</p>	<p>Substantial</p>	<p>On the job training was provided to users of the Eploy system by the HR team, who also recorded supplementary training videos. As mentioned in LP2 above, the system itself is intuitive and guides the user through the various stages from recruit to fill to the onboarding of candidates. The HR team is available to provide further support to users and there are now many users who would be able to assist their colleagues. Training on Eploy has been undertaken and there is additional support if it is required.</p>	<p><u>None required</u></p>
<p>OP2: Approval levels may not be appropriate, leading to decisions being made which are outside of an officer's defined responsibilities</p>	<p>Substantial</p>	<p>There are three levels of user set up on Eploy being 60 Hiring Managers who regularly undertake recruitment, three Standard Users, all in the HR Team and 26 vendors who are employment agencies who the Council uses to recruit contract staff. Prior to being set up on Eploy, Hiring Managers were identified by HR based upon those who had been involved in the manual-based recruitment process prior to the implementation of Eploy. Users are reviewed regularly by the HR team, to ensure the list remains current and meets the needs of the Council.</p> <p>There are three levels of authorisation required for a recruitment to proceed, namely the recruiting officer, finance and Corporate Leadership Team. With regards to the authorisation levels, they have been set up to ensure that appropriate separation of duties is maintained and give assurance that there is adequate oversight of recruitment at a senior level.</p> <p>The S151 Officer has oversight of all requests.</p>	<p><u>None required</u></p>

<p>OP3: Regular reports are not produced to support the Workforce Development Strategy, by providing information in relation to strategic workforce metrics, leading to an opportunity for improvements being reduced.</p>	<p>Substantial</p>	<p>Key Performance Metrics as per the Workforce Development Strategy (WDS) are being reported on adequately and provide direction of travel and commentary. These are produced through a combination of Eploy and bespoke reports. Reporting is to a variety of audiences including monthly Lead Member updates, quarterly reporting to Management Team and annual reporting to Overview and Scrutiny Committee. These reports cover all key recruitment metrics such as time to hire, turnover, candidate attraction etc. When the WDS is presented annually, further HR related metrics are presented and all show the direction of travel compared with previous years and have supporting narrative.</p>	<p><u>None required</u></p>
<p><b>Economic and Financial</b> EF1: There is inadequate separation of duties in the use of the Eploy system to prevent the possibility of fraudulent recruitment.</p>	<p>Substantial</p>	<p>Approvers are set up and amended by the HR team when required. As outlined at OP2, there are three levels of authorisation. The audit concluded that these levels and the officers within those levels are appropriate compared to their respective roles and seniority. Testing confirmed that the process is followed in practice and is well explained within the HR training videos. The audit can confirm that no level can be skipped, there is a clear audit trail of who authorises what and when and the levels provide an adequate separation of duties in the approval process.</p>	<p><u>None required</u></p>
<p>EF2: Key decisions are not recorded, leading to a lack of transparency and accountability</p>	<p>Substantial</p>	<p>To expand on the above, the onboarding process was tested and for each stage there was a clear audit trail. This included evidence of the 'Request to Fill Form' and who raised it, the first/second/third authorisers, the system holds detail of the advert, selection for interview, interview notes, contract letter etc. We followed a recruitment, from the recruit to fill stage to the onboarding of the candidate and confirmed that all key documentation was present on the system. The audit can provide assurance that all key documentation is present and that there is transparency in the recruitment process as all stages of the process and decisions are recorded.</p>	<p><u>None required</u></p>

<b>Technology</b> TE1: Access to the system is not adequately controlled, leading to unauthorised use.	Substantial	During testing at IP2 and EF1, we have confirmed that there are 60 Hiring Managers who are able to undertake a recruitment process. The audit can provide assurance that their ability to recruit on Eploy is appropriate based upon their roles and responsibilities. We are also able to provide assurance that authorising officers are set up based upon their role in the process, their service area and seniority.	<u>None required</u>
TE2: The Eploy system is not being used to its full capacity leading to anticipated benefits not being realised.	Substantial	Eploy is a complete applicant tracking and talent customer relations management system which is used from raising a 'request to recruit' to the final onboarding of a candidate. It is used by some large private sector organisations with 000's employees. Whilst all the elements are being used to some degree, not all of the functionality available, which came as part of the standard Eploy package provided, is required or used. This is acceptable and proportionate for the size of the Council.	<u>None required</u>

## Audit: Treasury Management 2022/2023

**Introduction:** This audit is completed as part of the 2022/2023 audit plan. Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management. As at 31st August 2022, the Council held £33.8m of investments and £30.8m of borrowing.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p><b>Legislative and Compliance</b></p> <p>LP1: Retention of data does not adhere to the council's Corporate Retention Schedule and therefore the service is in breach of GDPR regulations, leading to the possibility of prosecution/fine.</p>	<p>Reasonable</p>	<p>A Data Protection Policy dated 2018 is in place, alongside a Data Retention Schedule. The schedule advises for all treasury management records 'keep under review'. Advice was sought from the Internal Audit and GDPR Officer, who advised that a period of 6 years + current would be a good basis for retention. However, the Finance Manager and Accounting Technician are satisfied that current year + 1 is sufficient.</p> <p>It is therefore concluded that data may not be retained and disposed of in line with GDPR requirements and clarification should be sought. It is noted that it is unlikely that personal data is held in treasury management records.</p> <p>It was further found that whilst the requirements in respect of the disposal of personal data is set out in the Data Protection Policy it does not refer to data that does not contain personal data, but which is financially sensitive. Nor does it provide guidance on how data should be identified for disposal, whether this should be authorised and the methods to be used. <b>(R1)</b>.</p>	<p><b><u>R1.</u></b></p> <p><u>Recommendation priority:</u></p> <p>Low</p> <p><u>Recommendation Details:</u></p> <p>There is inconsistency in the requirements for the retention of treasury management records, with the Data Retention Schedule, which should be the definitive guide, being non-prescriptive.</p> <p>The Finance Manager and Accounting Technician should seek clarification from the Internal Auditor and GDPR Officer so that they are clear about how long treasury management records should be held.</p> <p>Clarification should also be sought about how electronic treasury management records, which do not contain personal data are disposed of, for example how this is identified and who authorises its disposal.</p> <p><u>Response from Client:</u></p> <p>Agreed.</p>

			<p><u>Implementation date:</u> 31<sup>st</sup> December 2022</p> <p><u>Responsible Officer:</u> Finance Manager</p>
<p>LP2: The Council has a treasury management strategy which is appropriate for the investment and borrowing activities and is reviewed and approved on a regular basis and is accessible to staff and members.</p>	Substantial	<p>A strategy is prepared on an annual basis. The current Strategy was formally approved by the Executive on 5<sup>th</sup> January 2022 and Council on 25<sup>th</sup> January 2022. The Strategy covers key areas, within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code). The Strategy is available to key staff and can be found on the Council's Website, providing access to all stakeholders</p>	<p><u>None required</u></p>
<p>LP3: The Council has a treasury management policy which is appropriate, covers key areas and outlines roles and responsibilities and is approved on a regular basis and is accessible to staff and members.</p>	Substantial	<p>A Treasury Management policy dated 24<sup>th</sup> July 2019 was prepared in the name of the Head of Finance and Asset Management and Section 151 Officer and is available to relevant staff. The policy is clear and comprehensive and covers all key areas of treasury management activity incl risk management, performance management, decision making, approved Instruments, methods and techniques, organisation, clarity and segregation of responsibilities and dealing Arrangements, cash flow management etc.</p> <p>There is verbal assurance that the policy has been reviewed since July 2019, to confirm that it remains current however this is not evidenced on the document. It is also noted that the next date for formal review is not shown on the document.(R2).</p>	<p><b><u>R2.</u></b></p> <p><u>Recommendation priority:</u> Low</p> <p><u>Recommendation Details:</u> It is good practice to operate version control on documents so that users are confident that the information contained within the document is accurate and up to date. It is therefore recommended that the version date, and date for next review is shown. It is recommended that the Treasury Management Policy is reviewed and confirmed as current on an annual basis.</p> <p><u>Response from Client:</u> Agreed.</p>

			<p><u>Implementation date:</u> 31<sup>st</sup> March 2023</p> <p><u>Responsible Officer:</u> Finance Manager</p>
<p><b>Operational</b></p> <p>OP1: The investment ledger and General Ledger are not reconciled on a monthly basis and is subject to a supervisory review.</p>	Substantial	The Treasury Management system, Logotech is reconciled to the General Ledger monthly. This is undertaken by the Accounting Technician and is reviewed by the Finance Manager. It is confirmed that reconciliations are undertaken in a timely manner and that as at 30 <sup>th</sup> September 2022 there were no differences.	<u>None required</u>
<p><b>Economic and Financial</b></p> <p>EC1: Investments are only placed with approved investment counterparties, within the approved cash limits and within approved timescales.</p>	Substantial	The strategy provides details of approved counterparties, time limits for investing, sector financial limits and details of how foreign investments and pooled funds are to be administered. A sample of 20 investments made in the period 1.11.21 – 30.9.22 from Logotech, the Council's Treasury Management system, confirmed that they were placed in accordance with the strategy.	<u>None required</u>
<p>EC2: Investments have been placed with justification, are supported with appropriate documentation, the interest figure has been correctly calculated, investments were repaid on the correct date and the correct amount of interest received.</p>	Substantial	<p>In all examples, the investment was with a permitted counterparty, within time and financial sector limits.</p> <p>A cashflow forecast is held on Logotech and considers known income and expenditure, based upon information obtained from the previous year, discussions with relevant departments, such as Council Tax, Housing Benefits and Creditors, and projections into the future. The Accounting Technician uses conservative figures and amends the cashflow for material variations and previously unknown amounts. The cashflow allows the Accounting Technician to identify when funds are/will be available for investment and when it is necessary for funds to be recalled. For a sample of 20 investments, we confirmed that a deal ticket and broker notification were present, and that interest received was correct.</p>	<u>None required</u>

<p>EC3: Borrowing requirements have been placed with justification, are supported with appropriate documentation, the interest figure has been correctly calculated and borrowings repaid on the correct date and the correct amount of interest paid.</p>	<p>Not applicable</p>	<p>There were no borrowings in the period under review.</p>	
<p>EC4: There are adequate monitoring arrangements in place to ensure other key requirements of the strategy is complied with.:</p>	<p>Substantial</p>	<p>The strategy provides guidance on how activities should be managed, for example liquidity management and long-term lending. The audit can confirm there is appropriate and regular monitoring and oversight of these areas from a number of relevant stakeholders and advisors, such as the S151 Officer, Arlingclose, the Council's Treasury Management advisor, Members in regular Treasury reports and external audit.</p> <p>Advice is sought from the Council's Treasury Management advisor and fund managers where appropriate.</p>	<p><u>None required</u></p>
<p>EC5: There is adequate separation of duties in the treasury management processes to ensure investments and borrowings are made securely and to counter any potential for fraud</p>	<p>Substantial</p>	<p>Investment transactions are made using the CHAPS system, requiring one officer, usually the Accounting Technician responsible for treasury management to raise the transaction and a different officer to authorise it. In total and including the Accounting Technician, there are 15 officers who are authorisers on the system who are of an appropriate level of seniority and understand the transactions they are approving. However, it was found that three of the authorising officers have left the Council. Assurance was received there is no risk associated with this situation as associated with them remaining as authorisers as they have returned their bank cards required to make a transfer and everything requires dual authorisation. However, it is good practice to remove officers who no longer work at the Council from all systems that they were previously associated. In addition, we found that three of the remaining authorisers have change their names since being set up with the bank. <b>(R3)</b>.</p>	<p><b><u>R3.</u></b>  <u>Recommendation Details:</u>  It is recommended that the bank is notified of authorisers who have left the Council or changed their names.  <u>Response from Client:</u>  Agreed.  <u>Implementation date:</u>  31<sup>st</sup> March 2023  <u>Responsible Officer:</u>  Finance Manager</p>

## Recommendations Rating

Priority:		Definition:
1	<b>High</b>	A fundamental weakness in the system that puts the Authority at risk. This might include non-compliance with legislation or council policy, or may result in major risk of loss or damage to council assets, information or reputation. Requires action as a matter of urgency; to be addressed within a 3-6 month timeframe wherever possible or within an extended time frame as agreed with Internal Audit if the recommendation requires extensive resources or time.
2	<b>Medium</b>	Observations refer mainly to issues that have an important effect on the system of internal control but do not require immediate action. Legislation or policy are unlikely to be breached as a consequence of these issues, although could cause limited loss of assets, information or adverse publicity or embarrassment. Internal audit suggest improvement to system design to minimise risk and/or improve efficiency of service. To be resolved within a 6-9 month timescale.
3	<b>Low</b>	Observations refer to issues that would if corrected, improve internal control in general and ensure good practice, but are not vital to the overall system of internal control. A desirable improvement to the system, to be introduced within a 9-12 month period.

## 145 Level of control

Level of control:	Definition:	Guidance:
<b>Substantial</b>	Substantial assurance- A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	No audit recommendations or no more than 3 low priority (3) recommendations.
<b>Reasonable</b>	Reasonable assurance- There is generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	No more than 2 medium priority (2) recommendations, possibly with some low (3) recommendations.
<b>Limited</b>	Limited assurance- Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Between 1 and 3 high priority (1) and possibly several other priority recommendations OR 3 or more medium (2) recommendations.
<b>No Assurance</b>	No Assurance- Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	4 or more Priority 1s OR 6 or more medium priority (2) recommendations.

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	23 November 2022
<b>Subject:</b>	Internal Audit Six Month Plan 2022-23
<b>Report of:</b>	Head of Corporate Services (Chief Audit Executive)
<b>Head of Service/Director:</b>	Head of Corporate Services (Chief Audit Executive)
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	One

**Executive Summary:**

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

**Recommendation:**

**To APPROVE the Internal Audit Six Month Plan 2022/23 (October-March) as detailed in Appendix 1.**

**Financial Implications:**

None directly arising from this report.

**Legal Implications:**

None directly arising from this report.

**Environmental and Sustainability Implications:**

None directly arising from this report.

**Resource Implications (including impact on equalities):**

The undertaking of an audit will require the support and engagement of individual services.

**Safeguarding Implications:**

None directly arising from this report.

**Impact on the Customer:**

To give assurance to external stakeholders (including customers) as to how well the council's internal control environment is managed.

## **1.0 INTRODUCTION**

- 1.1** Internal audit sits within Corporate Services and has direct reporting to the Chief Executive. This arrangement demonstrates compliance with PSIAS ref 1110 – organisational independence, as it allows the Head of Corporate Services (delegated as CAE within the Internal Audit Charter) to report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. Safeguards have been put in place to protect the independence of the CAE, given the operational responsibilities of the role.
- 1.2** PSIAS ref 2010 – planning, requires that the CAE is responsible for developing a risk-based plan to take into account the requirement to produce an annual internal audit opinion. The input of senior management and the Board (Audit and Governance Committee) must be considered in the process. The plan has been endorsed by Corporate Management Team.
- 1.3** The setting of a six month plan enables a flexible approach to be taken to audit planning. Rather than setting a rigid annual plan, this approach recognises the changing environment the Council operates in, particularly around its transformation agenda. It allows audit planning to better track and respond to the audit of developing risk areas. In terms of auditing the strategic risks facing the Council, the Corporate Risk Register helps inform the work of Internal Audit.

## **2.0 PUTTING TOGETHER THE PLAN**

- 2.1** The plan (see Appendix 1) takes into account key areas as follows:

### **2.2 Corporate Risk Register**

It is important the Committee gains assurance that risks reported within the register are being managed. Internal audit will on a rolling basis, review individual risks and ascertain that mitigating controls are actually in place, working effectively and there is progress in implementing actions to mitigate the risk further.

### **2.3 Governance-related**

These are typically audits which are not a recognised service area but are frameworks or systems which underly the Council's overall governance framework.

### **2.4 Corporate Improvement**

This is an allocation of days, specifically requested by Corporate Management Team. This is ad hoc work and can either be of a consultancy or assurance type nature. Using the independence of internal audit can help inform the Corporate Management Team of specific issues when a need arises or utilise internal audit to undertake a piece of work where there may not be available resource.

### **2.5 Financial Systems**

This is the audit review of the key financial systems which inform the year end Statement of Accounts. Although internal audit sits within the Chief Executive's Unit, it still recognises its responsibility to support the Head of Finance and Asset Management to discharge his duties as the Council's Section 151 Officer, one of which is to maintain sound financial control. It has previously been reported to Audit and Governance Committee, both by internal audit and external audit, the Council has good financial control. On this basis the individual financial systems can be audited on a rolling basis.

## **2.6 Service-related Activity**

These are service-related activities that have been risk assessed based upon factors such as size of budget, inherent risk, previous audit history and the period since last audit. Very often this does not require any sophistication to the assessment as fundamental changes to service-related activity tend to be the main identifier or the time since the last audit. There is also a reserve set aside specific for ICT audit related work.

## **2.7 Other Areas**

- There is an allocation of days under 'consultancy and advice'. This covers representation at corporate groups such as the Keep Safe, Stay Healthy Group, Programme Board and individual project groups. The days also cover general advice given on an ad hoc basis such as advice on procurement, financial procedure rules, data retention etc.
- An estimated number of days are allocated for follow-up reviews. This is an important element of audit work to provide assurance as to whether audit recommendations have been successfully implemented.

## **3.0 CONSULTATION**

3.1 Corporate Management Team

## **4.0 ASSOCIATED RISKS**

4.1 If an Internal Audit Plan is not developed and approved there will be no steer as to where audit resources should be deployed. If the plan does not give adequate coverage of the internal control environment then resources will not be deployed effectively to the higher risk areas.

## **5.0 MONITORING**

5.1 The Audit and Governance Committee receives, at each meeting, a monitoring report on achievement against the plan, and an audit opinion for each individual audit. Any audit within the plan where recommendations have been made to improve control are subject to a follow-up audit. Progress in implementing internal audit recommendations is reported to each Audit and Governance Committee.

## **6.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

6.1 The work of internal audit underpins the delivery of actions within the Council Plan.

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**Background Papers:** None

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**Appendices:** Appendix 1 – Internal Audit Six Month Plan Oct-March 2022/23

# Tewkesbury Borough Council

## Internal Audit Plan 2022/23

### (October 2022 to March 2023)



## Internal Audit Plan 2022/23

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver for the period October 2022 – March 2023.

### Introduction and objective of the Audit Plan

Internal audit provides an independent and objective opinion on the authority's risk management, governance, and control environment by evaluating its effectiveness.

Each year the Chief Audit Executive, in conjunction with Senior Management, sets out proposed audit plans for April to September, and also October to the following March.

The objective of this planning process is to provide an annual audit opinion, based on sufficient and appropriate coverage of key business objectives and associated risks.

The outcomes of each of the audits should provide senior management and members with assurance that the areas audited and associated risk is effectively managed. Where improvements are required then this will be supported with appropriate recommendations.

When undertaking individual audit engagements an opinion is given for each element of the system being audited. The definitions used are standard definitions as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and accord with the definition of internal audit as prescribed within the Public Sector Internal Audit Standards (PSIAS). The four definitions used are as follows:

- **Substantial Assurance** – “A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.”
- **Reasonable Assurance** – “There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.”
- **Limited Assurance** – “Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.”
- **No Assurance** – “Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.”

In applying the most appropriate level of opinion internal auditors will use their professional judgement, based on the results of the audit, consideration of risk and consequences of areas of weakness for the organisation. The opinion concluded is informed by the number of recommendations made and the category of those recommendations. There are three categories: high, medium and low.

The internal audit planning process recognises the difficulty in predicting longer term planning. Having a flexible approach and an audit programme set at six monthly intervals, allows internal audit to adjust the audit programme in line with changes made to the council's risk register, operations, and systems. It must be recognised that the council has an extensive and complex array of systems, processes and frameworks which overall informs the council's internal control environment. Therefore, internal audit coverage can never be absolute and is limited to the area being audited at that point in time. Responsibility for risk management, governance and internal control arrangements remains fully with management. Internal audit is an arm of effective management.

To give adequate coverage of the council's risk, governance and internal control environment the plan is broken down across those sub-headings. In addition, days are allocated to do follow up work i.e. confirm the implementation (or not) of previous internal audit recommendations, also for corporate improvement work – this is where internal audit can lead or deliver on specific projects or policies. The plan is based on 'net' productive days after taking account of days allocated for any annual leave, an allowance for sickness absence, training days etc.

## Proposed Internal Audit Plan 2022/23 (October 2022 – March 2023)

Areas of coverage and brief scope	Responsible officer
<b>Corporate risk register</b>	
<p>The <b>risk register</b> is a high-level corporate document presented at each Audit and Governance Committee meeting. The document captures the details of the risk, its impact upon the council, the controls in place to mitigate the risk and any further mitigating action points. The risks are audited on a rolling basis to give management and member's assurance that controls in place are effective and action points are being progressed.</p>	Heads of Service
<b>Governance related</b>	
<p><b>Complaints</b> – previously reported to this committee and also to the Overview and Scrutiny Committee was the role of internal audit to provide independent assurance that lessons learnt from individual complaints had actually been implemented. A small sample of complaints will be reviewed and followed up with individual service areas.</p>	Heads of Service
<b>Financial</b>	
<p><b>Payroll</b> - the audit will look to gain assurance over the security and integrity of the system and payroll transactions. Staff costs represent the largest element of the Council's budget and the internal control environment should be representative of this. The audit scope will be agreed with the relevant manager and will include: adequate controls are in place to ensure the integrity of starters and leavers, all payments are authorised and calculated in accordance with relevant policies and processes, all pay awards (national and local) have been correctly applied, parameter tables (tax, national insurance etc) are set up correctly, regular reconciliations are undertaken.</p>	Finance Manager
<p><b>Grants</b> – the Council's S151 Officer has requested a number of days be allocated for internal audit to review a number of grant schemes (scope of the schemes to be agreed). This will look to give assurance that grants are being utilised for the purpose in which they were awarded and any terms and conditions of the grant are being adhered to.</p>	Head of Finance and Asset Management
<b>Service related</b>	
<p><b>Human Resources (absence management)</b> – a project has just been initiated to replace the current paper based system for the management of absence. A more effective and digital approach is being adopted with the support of the Business Transformation Team. The implementation of a new and modern portal for managing absence will be more effective and efficient. The audit will review the key elements of the new system to confirm they are working effectively and in accordance with 'the supporting attendance policy'.</p>	HR and Organisational Development Manager
<p><b>Corporate (timesheet recording and administration of annual leave)</b>– supported by the Business Transformation Team a new corporate system has recently been implemented as part of a wider 'HR self-service' project. The audit will review the key elements of the new system to confirm they are working effectively and in accordance with relevant policies.</p>	HR and Organisational Development Manager

## Proposed Internal Audit Plan 2022/23 (October 2022 – March 2023)

Areas of coverage and brief scope	Responsible officer
<p><b>Council Tax (discounts and exemptions)</b> – there are a range of discounts and exemptions that can be applied for. For example, single persons, students, empty properties, severely mentally impaired, care leavers, council tax reduction etc. The audit will sample check a number of these to give assurance they have been applied correctly, have adequate supporting evidence and are reviewed on a relevant and proportionate basis.</p>	<p>Revenues and Benefits Manager</p>
<p><b>Council Tax (recovery)</b> – The audit will review the recovery procedures in place to ensure all accounts where the amount due is not received are liable to recovery, and for each outstanding debt, recovery action is undertaken in a prompt, consistent and effective manner. Debts are only written-off after all investigation and appropriate recovery actions have been exhausted. Write-offs are accurate and are processed in accordance with the Council's Financial Regulations. Collection targets are met and management are provided with sufficient, accurate and timely information on debt collection rates</p>	<p>Revenues and Benefits Manager</p>
<p><b>Community Infrastructure Levy (CIL)</b> - CIL is a charge that local authorities can set on new development in order to raise funds to help fund infrastructure, facilities and services. The audit will review if the application of CIL is being applied in accordance with the CIL charging schedule and the supporting process is effective.</p>	<p>Head of Development Services</p>
<p><b>ICT</b> – a reserve has been set aside for the commissioning of specialist ICT audit work – the scope of this work will be agreed in the third quarter.</p>	<p>ICT Manager</p>
<p><b>Corporate improvement</b></p>	
<p>This is ad hoc work and can either be of a consultancy or assurance type nature. Using the independence of internal audit can help inform CMT of specific issues when a need arises or utilise internal audit to undertake a piece of work where there may not be available resource.</p>	<p>Corporate Management Team (CMT)</p>
<p><b>Consultancy &amp; Advice (including representation of Corporate Group)</b></p>	
<p>As part of the role of internal audit it is inevitable the team will be approached from time to time to provide ad-hoc advice. The team welcomes such approaches and these are often around contract procedure rules, financial procedure rules, proposed system changes etc</p>	<p>Chief Audit Executive</p>
<p><b>Follow up reviews</b></p>	

## Proposed Internal Audit Plan 2022/23 (October 2022 – March 2023)

Areas of coverage and brief scope	Responsible officer
<p>A key part of the work of internal audit is to <b>follow up</b> previous recommendations with relevant services to gain assurance they have been implemented. The date of follow up is driven by the agreed implementation date. The outcome of this work is reported at each Audit and Governance Committee meeting via the internal audit monitoring report.</p>	<p>Heads of Service and Operational Managers</p>

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	23 November 2022
<b>Subject:</b>	Internal Audit Charter
<b>Report of:</b>	Chief Audit Executive (Head of Corporate Services)
<b>Head of Service/Director:</b>	Head of Corporate Services
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	One

**Executive Summary:**

Public Sector Internal Audit Standards (PSIAS) require the purpose, authority and responsibility of the internal audit activity must be formally defined in an Internal Audit Charter. The charter must be periodically reviewed by the Chief Audit Executive and presented to senior management and the board for approval. For the purpose of Tewkesbury Borough Council, the charter defines the 'board' as the Audit and Governance Committee and the 'Chief Audit Executive' as the Head of Corporate Services.

**Recommendation:**

**To APPROVE the Internal Audit Charter.**

**Financial Implications:**

None directly arising from this report.

**Legal Implications:**

None directly arising from this report.

**Environmental and Sustainability Implications:**

None directly arising from this report.

**Resource Implications (including impact on equalities):**

None directly arising from this report.

**Safeguarding Implications:**

None directly arising from this report.

**Impact on the Customer:**

None directly arising from this report.

## **1.0 INTRODUCTION**

**1.1** Standard 1000 of the Public Sector Internal Audit Standards (PSIAS) requires the purpose, authority and responsibility of the internal audit activity must be formally defined in an Internal Audit Charter. The charter must be periodically reviewed by the Chief Audit Executive (CAE) and presented to senior management and the board for approval. For the purpose of Tewkesbury Borough Council, the charter defines the 'board' as the Audit Committee and the 'Chief Audit Executive' as the Head of Corporate Services.

## **2.0 INTERNAL AUDIT CHARTER**

**2.1** The charter is a formal document that defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within the organisation, including the nature of the Chief Audit Executive's (CAE) functional reporting relationship with the board; authorises access to records and defines the scope of internal audit activities. Final approval of the Internal Audit Charter resides with the board (Audit and Governance Committee).

**2.2** The charter must also; define the terms 'board' and 'senior management' for the purposes of internal audit activity; cover the arrangements for appropriate resourcing, define the role of internal audit in any fraud-related work; and include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.

**2.3** In layman's terms, the charter is a document which if not in place would not detrimentally affect the performance of the Internal Audit team. It does, however, define for those who are not involved in the internal audit activity, what internal audit is, what it does, how it does it and provides assurance it does so in compliance with PSIAS.

## **3.0 AMENDMENTS TO THE CHARTER**

**3.1** The amendments to the charter are clearly shown within the updated version (see Appendix 1) with anything no longer relevant 'struck through' and additional commentary highlighted. There is no significant change to the way the internal audit service is delivered, a summary of the amendments is as follows:

- Page 3 – to reflect that a six monthly Internal Audit Plan is produced rather than an annual plan.
- Page 5 – to reflect that a Corporate Risk Register is now in place and reported to each Audit and Governance Committee.
- Page 7 – to reflect that fraud investigations will be undertaken by the Counter Fraud and Enforcement Unit (CFEU) (as defined within the Council's Counter Fraud and Corruption Policy).
- Page 8 – to reflect the changing relationship with external audit.

## **4.0 CONSULTATION**

**4.1** Corporate Management Team.

## **5.0 ASSOCIATED RISKS**

**5.1** It is a requirement of PSIAS that an Internal Audit Charter is in place. Without it, then there would be non-compliance with the standards.

## **6.0 MONITORING**

**6.1** All work of the Internal Audit team is quality assured to ensure compliance with PSIAS. The charter itself will be periodically reviewed and any significant changes brought to the attention of the Audit and Governance Committee. The charter will be presented at Committee as a minimum every three years, regardless of whether there are amendments.

## **7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

**7.1** None.

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**Background Papers:** Public Sector Internal Audit Standards (PSIAS) -  
[PSAIS 1 April 2017.pdf \(publishing.service.gov.uk\)](#)

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**Appendices:** Appendix 1 – Revised Internal Audit Charter

# Internal audit charter



~~June 2019~~ November 2022  
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## 1. Introduction

Public Sector Internal Audit Standards (PSIAS) ref 1000 require that the purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter. The Chief Audit Executive (CAE) must periodically review the charter and present it to senior management and the board for approval.

PSIAS requires that the charter should define the terms ‘board’ and ‘senior management’ for the purposes of the internal audit activity. With regard to this council the Audit and Governance Committee will act as the ‘board’ and in relation to ‘senior management’ this will be Corporate Management Team. The Head of Corporate Services undertakes the role of CAE.

The charter establishes internal audit’s position within the council, including the nature of the CAE functional reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the charter resides with the board.

The charter must also:

- Cover the arrangements for appropriate resourcing
- Define the role of internal audit in any fraud-related work
- Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities; and
- Define the nature of assurance services and consulting services provided by internal audit

## 2. Definition of internal auditing

PSIAS (section 4) defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. This definition is recognised in all relevant audit documentation.

## 3. Objective of internal audit

In layman’s terms, internal audit is an arm of effective management. Management is responsible for internal control and establishing policies, procedures and processes to help the council achieve its objectives. To provide optimum benefit to the council, internal audit will work in partnership with management to improve the control environment and assist the organisation in achieving those objectives. This is achieved through the mix of audit work; assurance work, corporate improvement work and consultancy and advice, whether this is ad hoc or through project related work. The objective supports the ‘Mission of Internal Audit’ which is defined within section 3 of the PSIAS as ‘To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight’.

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## 4. Core principles for the professional practice of internal auditing

The principles, taken as a whole, articulate internal audit effectiveness. For internal audit to be considered effective, all principles should be present and operating effectively. The application of the principles will help internal audit achieve its mission. The principles are;

Principle	Examples of applying the principle
<ul style="list-style-type: none"><li>• Demonstrates integrity</li></ul>	<ul style="list-style-type: none"><li>• Confidentiality of work undertaken.</li><li>• Building trust with clients.</li><li>• Compliance with requirements of relevant professional body.</li><li>• Compliance with rules and procedures of the council.</li></ul>
<ul style="list-style-type: none"><li>• Demonstrates competence and due professional care.</li></ul>	<ul style="list-style-type: none"><li>• Quality assured work.</li><li>• Works towards professional qualification.</li><li>• Training and development.</li></ul>
<ul style="list-style-type: none"><li>• Is objective and free from undue influence.</li></ul>	<ul style="list-style-type: none"><li>• Ensure there is no conflict of interest.</li><li>• Factuality of audit findings.</li><li>• Safeguard arrangements in relation to CAE role.</li></ul>
<ul style="list-style-type: none"><li>• Aligns with the strategies, objectives, and risks of the organisation.</li></ul>	<ul style="list-style-type: none"><li>• Risk based audit plan.</li><li>• Consideration of risks within corporate risk register.</li><li>• ICT risk assessment.</li></ul>
<ul style="list-style-type: none"><li>• Is appropriately positioned and adequately resourced.</li></ul>	<ul style="list-style-type: none"><li>• Independently located within the council's structure.</li><li>• Adequate staff resource to deliver the audit plan.</li><li>• Direct reporting line to senior management.</li></ul>
<ul style="list-style-type: none"><li>• Demonstrates quality and continuous improvement.</li></ul>	<ul style="list-style-type: none"><li>• Delivery of quality assurance and improvement actions.</li></ul>
<ul style="list-style-type: none"><li>• Communicates effectively.</li></ul>	<ul style="list-style-type: none"><li>• Client satisfaction feedback.</li><li>• Clear and concise planning engagement.</li><li>• Quality of audit reporting and recommendations.</li><li>• Assurance to Audit and Governance Committee.</li></ul>
<ul style="list-style-type: none"><li>• Provides risk- based assurance.</li></ul>	<ul style="list-style-type: none"><li>• Categorisation of audit opinions and recommendations.</li><li>• Audit work linked to corporate objectives.</li><li>• Auditing 'what matters'.</li></ul>
<ul style="list-style-type: none"><li>• Is insightful, proactive, and future- focused.</li></ul>	<ul style="list-style-type: none"><li>• Participates within professional networks.</li><li>• Horizon scanning of internal and external audit related activity.</li><li>• Corporate improvement days.</li></ul>
<ul style="list-style-type: none"><li>• Promotes organisational improvement.</li></ul>	<ul style="list-style-type: none"><li>• Implementation of audit recommendations.</li><li>• Corporate improvement days allocated within the audit plan.</li><li>• Consultancy and advice on corporate projects.</li></ul>

“A key determinant of the **effectiveness of internal audit** is that it is seen to remain free from interference in all regards.”

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## 5. Code of ethics

The overall integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement. When undertaking their work, internal auditors will demonstrate integrity, objectivity, confidentiality and competency. Internal Audit officers will have due regard to the Committee on Standards of Public Life’s ‘Seven Principles of Public Life’ and must comply to the code of ethics of any professional body where they are members.

## 6. Independence and objectivity

### Organisational independence

The internal audit team is part of the Chief Executive’s Unit. This allows effective communication with and free and unfettered access to the Chief Executive. This fulfils the PSIAS requirement that the CAE must report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. If the need arises, the CAE will also have unfettered access to the Chair of the Audit and Governance Committee. To develop effective communication with the chair, regular meetings are held to provide an update on internal audit activities.

Organisational independence will also be effectively achieved through functional reporting to the Audit and Governance Committee. Examples of functional reporting include the approval of this charter, approval of the **annual six-monthly** internal audit plan, receiving regular monitoring reports on internal audit activity and the presentation of an annual report. The

annual report will usually be timed to support the council’s Annual Governance Statement. Confirmation of internal audit’s organisational independence will be included in the annual report of the CAE.

A key determinant of the effectiveness of internal audit is that it is seen to remain free from interference in all regards. This shall include, but not limited to matters of audit selection, scope, procedure, frequency, timing or report content. To ensure this, internal audit will operate within a framework that allows unrestricted access to senior management and members, reporting in its own name and segregation of team members from line operations.

### Individual objectivity

Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest. On an annual basis an internal audit code of conduct form will be signed by each internal auditor to make them aware of their responsibilities such as impartiality, objectivity and any potential conflicts. Any potential conflict of interests will be identified when setting the scope of individual audit assignments. The CAE will consider the materiality of the conflict and if necessary take remedial action. For example, assigning the audit to another team member or contracting the audit work externally.

It is not uncommon, given the financial challenges facing local government, that a CAE will have operational responsibility for other service areas. At Tewkesbury, the CAE has responsibility for services such as ICT,

Customer Services, Human Resources together with responsibility for corporate frameworks such as risk management and project management.

PSIAS standard 1112 requires that where responsibilities of the CAE fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity. In practical terms, at Tewkesbury Borough Council, where an audit is to be undertaken in a service area which is managed by the CAE then key aspects of the audit will be reviewed and signed off by the Head of Finance and Asset Manager (HFAM). The relevant internal audit officer will report direct to the HFAM for the purpose of approving documentation such as the audit assignment brief, draft report and proposed recommendations. The CAE, as the client, will have opportunity to provide comments but final approval rests with the HFAM. This approach is endorsed by the Corporate Governance Group.

## Responsibility of the board

As per this charter the ‘board’ is defined as the Audit and Governance Committee. The responsibility of the board is defined within its terms of reference. Its key responsibility is to maintain an overview on the adequacy of the council’s governance, internal control and risk management processes.

## 7. Authority & confidentiality

Internal audit shall have full, free and unrestricted access to all council services,

functions, premises, assets, employees, members and records that the CAE considers necessary to enable the internal audit service to meet its responsibilities. This is also defined within the council’s Financial Procedure Rules. The CAE is also a member of the council’s management team and therefore has the authority to raise any significant audit issues at a strategic level.

All documentation and information accessed in the course of undertaking internal audit activities shall be used solely for that purpose. All internal audit staff, including contractors and external service providers performing work on behalf of internal audit, are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work

## 8. Scope of internal audit

The scope of internal audit will extend to the entire control environment of the council. In order to turn this generic description into actual subjects for audit, a risk based approach is used when setting the audit plan. The format of the plan ensures there is adequate coverage of the control environment. Internal audit is only part of the council’s assurance framework so when setting the audit plan consideration will be given to ensuring that internal audit does not duplicate the work of other sources of assurance.

Where key systems are being operated, or provided, to the council by other organisations, the CAE will agree with management, whether internal audit conduct the work to derive the

“The audit of the financial systems helps **give assurance** regarding the accuracy of financial information”.

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required assurance on the adequacy of internal controls, or rely on the opinions of other auditors. Where appropriate, dialogue will be sought with the CAE of the respective organisation.

To ensure there is adequate coverage when putting the annual plan together, the plan consists of both assurance and consultancy type work. Assurance work is, for the purpose of this charter, defined as the undertaking of audits within the audit plan. An opinion is reached on the adequacy of the internal control environment relating to that individual audit and this opinion is reported to management and the Audit and Governance Committee. Consultancy work is, for the purpose of this charter, defined as advisory and related client service activities, the nature and scope of which are agreed with the client. This can include general advice, being part of a project team, sitting on corporate groups or undertaking corporate improvement work. The plan can be broadly split over the following themes;

### **Corporate governance**

These are key frameworks that contribute to the effectiveness of the council's governance arrangements. Internal audit will work closely with the Council's Monitoring Officer to help facilitate the completion of the Annual Governance Statement and undertake, where appropriate governance related audits. A key area of governance is the council's risk management framework. The **emerging** corporate risk register and specifically, the corporate risks contained within the register will also inform the internal audit plan.

### **Corporate improvement**

In addition to traditional assurance work, internal audit can collectively identify performance, control and risk issues and proactively help to resolve them. To avoid any conflict of interest, it is made clear from the outset that management must take ownership of the resolution, for example, formulation or update of a policy or strategy

### **Work on fundamental financial systems**

Although internal audit reports directly to the Chief Executive, the service maintains a close relationship with the Head of Finance and Asset Management (S151 Officer). The work of internal audit aids the S151 Officer in ensuring there are adequate arrangements for the proper administration of the council's financial affairs. The audit of the financial systems helps give assurance regarding the accuracy of financial information and helps external audit form an opinion on the overall statement of accounts. Audits will not necessarily be undertaken on an annual basis but as a minimum will be carried out every 2 years on a cyclical programme.

### **Service areas**

An adequate range of other systems and service unit audits will need to be included to give additional credibility to the comprehensiveness of the opinion provided on the control environment. These will be identified using a risk based assessment.

### **Consultancy and advice**

Supporting the assurance work, we need to be best placed to offer advice on key corporate projects and keep abreast of emerging issues. For this purpose, internal audit are represented on key corporate groups and are also accessible to management to provide advice

and consultancy on any ad hoc issues that may arise.

### **Follow up reviews**

This is an important element of audit work and will provide assurance to management and members as to whether audit recommendations have been successfully implemented.

### **External work**

Internal audit will consider the undertaking of external assignments provided this does not have an adverse effect on the annual plan. Any risks to undertaking assurance work for third parties will be carefully considered by the CAE prior to accepting any such engagement. Examples of such work could include work for town and parish councils or other local authorities.

In terms of horizon work, as described within the charter, internal audit are ideally positioned within the council to keep abreast of emerging issues. With regards to national issues, the team are members of the Midland Internal Auditor's group, subscribe as members to the Institute of Internal Auditors (IIA) and receive regular updates from organisations such as Chartered Institution of Public Finance and Accountancy (CIPFA).

## **9. Overall opinion**

As set out in the PSIAS, para 2450, the CAE must provide an annual report to the board which must include;

- An annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework

- A summary of the audit work from which the opinion is derived, and
- A statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme

The basic aim of every internal audit report should be to give an opinion on the risk and controls of the area under review, building up to the annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

A fundamental part of the work undertaken by internal audit is the follow up of audit recommendations to ensure that management actions have been effectively implemented. Days are allocated within the audit plan for this work and the outcome is reported to each Audit and Governance Committee. The committee has the remit to call in any officer to explain where recommendations remain unimplemented. All audit opinions and the results of follow up work, particularly the need to escalate any outstanding recommendations and/or adverse audit opinions are also considered by corporate management team on a quarterly basis.

### **Fraud and corruption**

Managing the risk of fraud and corruption is the responsibility of management. This responsibility is defined within the council's anti fraud and corruption strategy. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud or corruption will be detected. Internal auditors will be alert in all their work to risks and exposures that could allow fraud or corruption.

~~The CAE should be informed of all suspected or detected fraud, corruption or theft so that he can consider the adequacy of the relevant controls, and evaluate the implication of fraud and corruption for his opinion on the internal control environment. Internal audit may be requested by management to assist with fraud related work and will work closely with the council's Monitoring Officer and Head of Finance and Asset Management when any fraud type issue arises. Internal audit's role in investigating fraud related issues is defined within the council's anti fraud and corruption strategy.~~

**Internal audit will work closely with the Gloucestershire Counter Fraud and Enforcement Unit (CFEU) where fraud or corruption is suspected or detected. Also, to work in partnership with the CFEU and strengthen overall arrangements in the council's governance processes. The role of both parties is defined within the Council's counter fraud and corruption strategy.**

## 10. Resourcing

The internal audit service is provided through an in-house team of two full time equivalent officers. These officers report to the CAE. The team sits within the Chief Executive Unit and therefore has a direct reporting line to the Chief Executive. This is recognised as good practice.

The audit plan is aligned to the available staff resource and this resource is deemed sufficient to ensure the coverage and effectiveness of internal audit activity. The remit of internal audit is not just related to financial control and

therefore it is essential the skills mix within the team reflects this wider responsibility. Where necessary, to ensure an effective and credible audit service is provided then resources from external providers will be considered if it is deemed the audit team do not possess the required skills and knowledge. The employment of any external provider would be notified to the Audit and Governance Committee.

The CAE is responsible for ensuring that the resources of the internal audit section are sufficient to meet its responsibilities and achieve its objectives. If a situation arose whereby it was the opinion these resources were insufficient, this would be formally reported to the Chief Executive, and, to the Audit and Governance Committee.

## 11. Relationship with external audit

~~Both internal audit and external audit have a commitment to work together to ensure resources are effectively and efficiently deployed. The two meet regularly to support a cooperative, professional working relationship, share relevant information and coordinate the overall audit effort.~~

~~We will tell each other of any significant issues which arise as soon as practicable, and of any changes or delays in agreed areas of reliance. We will also liaise during the planning stage of producing audit plans to ensure the timing and scope of our work makes the most of coverage and avoids duplication. External audit will have full and free access to all internal audit documentation.~~

“The charter will be brought back to the Audit Committee for **formal approval** every three years”

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Internal audit will work closely with the external auditors to ensure any request for information on audit related matters is responded to promptly. This can include anything from the CAE's viewpoint on the adequacy of the council's internal control environment, perceived fraud risks through to simply sharing the results of any audit assignments. Both parties have an 'open door' policy for each other.

## 12. Compliance with PSIAS

It is a requirement of PSIAS that an independent review must be commissioned at least once every five years by a qualified assessor. The purpose of the review is to give assurance that internal audit are operating in compliance with PSIAS. The timing, scope and appointment of the assessor will be reported to Audit and Governance Committee for approval.

## 13. Review of the charter

The charter will be reviewed annually by the CAE. The charter will be brought back to the Audit and Governance Committee for formal approval every three years unless there is a significant change arising from the annual review.

### **Graeme Simpson**

Head of Corporate Services  
(Chief Audit Executive)

~~June 2019~~ November 2022

**Graeme Simpson**  
**Head of Corporate Services**  
(Chief Audit Executive)

