

11 July 2023

Committee	Audit and Governance Committee
Date	Wednesday, 19 July 2023
Time of Meeting	2:00 pm
Venue	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 24 January 2023 of the Tewkesbury Borough Council Code of Conduct, effective from 1 February 2023, as set out in Minute No. CL.72, Members are invited to declare any interest they may have in the business set out on the Agenda to which the approved Code applies.



	Item	Page(s)
4.	MINUTES To approve the Minutes of the meetings held on 23 March and 17 May 2023.	1 - 11
5.	AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME To consider the Audit and Governance Committee Work Programme.	12 - 19
6.	EXTERNAL AUDITOR'S AUDIT PLAN 2022/23 To consider the external auditor's Audit Plan 2022/23.	20 - 39
7.	INFORMING THE RISK ASSESSMENT To consider the external auditor's report on informing the risk assessment.	40 - 72
8.	CORPORATE RISK REGISTER To consider the risks contained within the corporate risk register and assurance that the risks are being effectively managed.	73 - 91
9.	COUNTER FRAUD AND ENFORCEMENT UNIT REPORT To consider the annual update on the work of the Counter Fraud and Enforcement Unit.	92 - 102
10.	ANNUAL HEALTH AND SAFETY REPORT To consider the annual report on the Council's health and safety arrangements.	103 - 116
11.	DATA PROTECTION OFFICER ANNUAL REPORT To receive the annual report on actions undertaken during the year and to consider the action plan, attached at Appendix 1 to the report, to further improve the Council's GDPR arrangements.	117 - 127
12.	INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME To consider the 2023/24 Quality Assurance and Improvement Programme.	128 - 135
13.	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.	136 - 175
14.	INTERNAL AUDIT ANNUAL REPORT 2022/23 To consider the internal audit annual opinion and the assurance from the work undertaken during the year that, overall, the Council's governance, risk management and control environment for the areas audited is generally effective.	176 - 181

DATE OF NEXT MEETING
WEDNESDAY, 27 SEPTEMBER 2023
COUNCILLORS CONSTITUTING COMMITTEE

Councillors: H J Bowman, S R Dove (Vice-Chair), D W Gray, E J MacTiernan, P D McLain, J P Mills, P E Smith, R J G Smith and M R Stewart (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 Thursday, 23 March 2023 commencing at 2:00 pm

Present:

Chair

Councillor V D Smith

and Councillors:

C M Cody, P A Godwin, D W Gray and P D McLain

A&G.38 ANNOUNCEMENTS

- 38.1 The evacuation procedure, as noted on the Agenda, was taken as read.

A&G.39 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

- 39.1 Apologies for absence were received from Councillors H C McLain, H S Munro and P E Smith. There were no substitutes for the meeting.

A&G.40 DECLARATIONS OF INTEREST

- 40.1 The Committee's attention was drawn to the Tewkesbury Borough Code of Conduct which was adopted by the Council on 24 January 2023 and took effect on 1 February 2023.
- 40.2 There were no declarations made on this occasion.

A&G.41 MINUTES

- 41.1 The Minutes of the meeting held on 22 November 2022 and the Special meeting held on 12 December 2022, copies of which had been circulated, were approved as correct records and signed by the Chair.

A&G.42 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

- 42.1 Attention was drawn to the Audit and Governance Committee Work Programme, circulated at Pages No. 17-23, which Members were asked to consider.
- 42.2 The Head of Corporate Services advised that the annual update on the Council's arrangements for the General Data Protection Regulation (GDPR) was due to be considered at the meeting on 22 November 2023; however, this would be brought forward to the July meeting in order to follow the end of the financial year.

42.3 It was

RESOLVED

1. That the Audit and Governance Committee Work Programme be **NOTED**.
2. That the Annual Update on the Council's Arrangements for the General Data Protection Regulation (GDPR) be moved from 22 November 2023 to 19 July 2023.

A&G.43 EXTERNAL AUDITOR'S PROGRESS REPORT

- 43.1 Attention was drawn Grant Thornton's audit progress report and sector update, circulated at Pages No. 24-35, which reported progress in delivering its responsibilities as the Council's external auditors. Members were asked to consider the report.
- 43.2 The Grant Thornton Audit Manager advised that the initial planning and interim work for the 2022/23 audit had taken place in February and March 2023 and was now largely complete. It was intended to commence work on the draft financial statements in July and to report to the Audit and Governance Committee on 27 September 2023 ahead of the 30 September deadline. Reference was made to the requirement to report infrastructure in the balance sheet and he confirmed this change did not impact Tewkesbury Borough Council. With regard to value for money, the 2021/22 work would be ongoing over the next few months and he planned to report to the Audit and Governance Committee in July, subject to capacity as there continued to be pressures within the sector. The 2021/22 housing benefit calculation was also ongoing with the intention of this being completed by the end of April; this was later than the deadline but two months earlier than last year. It was noted that Grant Thornton had met with the Finance team in March as part of their regular liaison meetings and a meeting would shortly be arranged with the Head of Finance and Asset Management, the Head of Corporate Services and the Chief Executive around the value for money work. With regard to the deliverables, outlined at Page No. 29 of the report, Members were advised that the external auditor's annual report was timetabled for December 2023 but it was hoped this could be done earlier. The target date for the 2022/23 housing benefit subsidy certification had not yet been set and was largely dictated by Department for Work and Pensions expectations. Sector updates provided Members with a summary of emerging national issues and development with the latest topics outlined at Pages No. 30-34 of the report. The Grant Thornton Audit Manager advised that next year would be the final year of Grant Thornton being the external audit for Tewkesbury Borough Council.
- 43.3 A Member drew attention to Page No. 33 of the report in relation to the risk of Council's running out of money next year, particularly the suggestion that district councils would have the largest budget gap compared to net spending at 10.2%. He recognised that some authorities would be at higher risk than others and he asked for a view from Grant Thornton as to how Tewkesbury Borough Council's balance sheet compared. In response, the Grant Thornton Audit Manager advised that Tewkesbury Borough Council was less risky than others which was largely attributable to the way the authority was run in terms of financial control and statements; nevertheless, it needed to be highlighted as a risk in terms of financial planning as there were challenges and pressures generally for district councils with a lot of statutory services which needed to be delivered and relatively few opportunities to increase income to support those. Tewkesbury Borough Council was engaged in far fewer riskier activities but it would be interesting to see how that played out over the next few years in the face of government/political change. The Member asked whether the Redmond Review – an independent review into the oversight of local audit and the transparency of local authority financial reporting – had any implications for Grant Thornton and the Audit Manager for Grant Thornton

indicated that he hoped so in the longer term; one of the main things coming out of the report was in relation to the suggestion that the Financial Reporting Council (FRC) could become the public sector regulator which would be helpful in terms of linking issues in the sector to what the regulator cared about which the FRC was better placed to do. Grant Thornton had recently published a report highlighting a number of issues for public sector audit including property valuations, which was a significant risk every year and generated a large amount of work for both Grant Thornton and Tewkesbury Borough Council. Whilst this was a huge area of focus, it was not something the public cared about as it was not relevant to where Council Tax was being spent – there was a disparate balance between focus and effort compared with stakeholder interest.

43.4 It was

RESOLVED That the external auditor's progress report be **NOTED**.

A&G.44 EXTERNAL AUDIT UPDATE

44.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 36-43, asked Members to consider the fee scale of £41,465 for the 2022/23 audit and the appointment of Bishop Fleming as the auditor of Tewkesbury Borough Council for five years from 2023/24.

44.2 The Head of Finance and Asset Management advised that the fee scale set for 2022/23 was an increase of £3,876 against the fee for 2021/22. Members were reminded that this may not be the actual fee as there could be variations to reflect additional work that may be undertaken. It was noted this was the last fee scale in the current appointing period and, as part of the new treasury arrangements, Public Sector Audit Appointments (PSAA) had advised of the likelihood of a major reset of total fees for 2023/24 involving an increase in the order of 150% on the total fees for 2022/23. The second part of the report related to the appointment of Bishop Fleming as the external auditor for Tewkesbury Borough Council for 2023/24-2027/28 and background to the company was provided at Page No. 38, Paragraph 3.3 of the report.

44.3 The Chair queried whether Bishop Fleming had won any other local authority contracts and was informed it had been appointed to the other district councils in Gloucestershire and many of the public sector organisations in the south-west. Another Member raised concern regarding the potential 150% increase in total fees for 2022/23 and asked whether the government was providing any support. In response, the Head of Finance and Asset Management reminded Members that, when the Audit Commission was the Council's external auditor, the audit fee had previously been in the region of £120,000; this demonstrated how much it had reduced over the period to a level that was now unsustainable for the sector. It would be a large increase for the Council but money had been set aside in the 2023/24 budget to meet the cost going forward.

44.4 It was

RESOLVED

1. That the fee scale of £41,465 for the 2022/23 audit be **NOTED**.
2. That the appointment of Bishop Fleming as the auditor of Tewkesbury Borough Council for five years from 2023/24 be **NOTED**.

A&G.45 CORPORATE RISK REGISTER

45.1 The report of the Head of Corporate Services, circulated at Pages No. 40-60, asked Members to consider the risks contained within the corporate risk register and assurance that the risks were being effectively managed.

- 45.2 The Head of Corporate Services advised that three risks had been removed when the corporate risk register had last been considered by the Committee in November – Ref. 6 Safeguarding, Ref. 9 Growth Hub and Ref. 12 COVID-19 Recovery - and Members had discussed adding a risk around the Development Management improvement programme. Officers had discussed this following the meeting and it had now been added as Ref. 16. It was noted that Ref. 12 Wingmoor Farm could now be removed as Gloucestershire County Council had granted planning permission until December 2027. With regard to Ref. 11 National driver shortage, Members were informed that an internal audit review of how that risk was being managed had been undertaken which was detailed at Pages No. 93-95 of the Internal Audit Plan Monitoring Report being considered later on the Agenda. The audit had concluded that the risk had not really materialised, being somewhat mitigated by the market supplement, so whilst there was merit in keeping it under review, that could be done outside of the register and it was suggested it be removed. The Garden Town team was in attendance to take any questions in relation to Ref. 9 Ashchurch Bridge project and the commentary in respect of Ref. 10 Carbon neutrality acknowledged the investment required to meet the ambitions of being carbon neutral and made reference to the successful bid for funding towards a replacement heating system with a report due to be taken to Council following the Borough Council elections. The Head of Corporate Services indicated that the register included a risk around the IT network and he was pleased to report that Public Sector Network compliance had recently been achieved and penetration testing had been positive with testers unable to exploit full network administration. He felt it was important to acknowledge the fantastic work the team continued to do ensure the network remained secure.
- 45.3 A Member understood there was no statutory requirement to have a corporate risk register but she felt it was positive Tewkesbury Borough Council did have one and she found the format to be very useful in terms of the colour coding. She was looking forward to hearing more about the heating replacement system and how much additional money would be needed to supplement the grant funding. The Head of Finance and Asset Management advised this was on the Agenda for the Climate Change and Flood Risk Management Group meeting next week and it was planned to go to out to tender over the next couple of months with a report to Council to approve the balance of the funding. It should be noted that the cost was £1.1-1.2m when it had gone out to tender last year and inflation had risen considerably since that time so, whilst it was positive grant funding had been secured, there were still several hurdles until the heating system was actually replaced. The Member drew attention to Ref. 7, set out at Page No. 50 of the report, which related to maintenance of the Council's assets, and expressed the view that it was necessary to look at the bigger picture in terms of what the long term savings could be from investing in the replacement heating system and other energy efficiency measures, particularly in view of rising energy costs – whilst they did cost money to implement, the savings could be much greater. The Member indicated that this also applied to Page No. 55 of the report and Ref. 10 in relation to the climate change motion which talked about the benefits being outweighed by the costs and she expressed the view there was a need to change this language as if the Council had invested earlier in these things it would be in a better position now. She recognised the Council was doing a lot but it was a long way behind other authorities and she felt there would be bigger repercussions later down the line if it continued to delay investing which came with a reputational risk. The Head of Finance and Asset Management indicated that it was intended to be open and honest with Members about what it would be asked to decide to invest in going forward - some of the things being brought forward would have financial payback but others would not so Members may be asked to contribute to something which did not have a financial return. It would be necessary to look at all of the other benefits associated with each business case as and when they came forward. He confirmed he would be happy to add more positive wording to the commentary

going forward whilst continuing to highlight that financial capacity was the biggest risk.

- 45.4 A Member went on to draw attention to Page No. 49 of the report which stated that GDPR and cyber security training would form part of the Member Induction Programme and she asked whether it would be mandatory. In response, the Corporate Director advised that there was no way of enforcing training unless it was a requirement of sitting on a Committee, such as Planning or Licensing; however, GDPR was something all Members should be trained on and it was mandatory for staff. Group Leaders would need to play their part in encouraging Members to attend as it would ultimately help to protect them as well as the authority. In terms of Page No. 51 of the report, which related to Ref. 8 Garden Town status, a Member asked if it was possible to have a copy of the business case which was due to be submitted to government by March 2023 in relation to J9/A46. The Garden Town Programme Director explained that the development company would be the delivery vehicle, as discussed at Council, and the date was specific to the development company programme – he accepted this was not particularly clear from the commentary but confirmed they were now in a position to submit.
- 45.5 A Member asked if an additional risk could be added in relation to the DEFRA consultation on changes to waste services, particularly in terms of the possibility of all Councils having to offer a free garden waste service and separating recyclable materials – whilst it was likely to be preferable for residents to have consistent collections across the country, this would have a significant impact on Tewkesbury Borough Council which currently operated a comingled collection and charged for its garden waste service. The Head of Community Services agreed this was a significant risk and he would be happy to include it on the corporate risk register. If the changes were implemented, it was hoped that new burdens funding would be available and there may be opportunities for improvement for instance, changing the methodology was said to improve recycling and as Ubico provided the waste collection service for the majority of the county there would be benefits from consistency, for instance, Wingmoor Farm may not be necessary if there was an option to take all material directly to Javelin Park. A Member drew attention to Page No. 44 of the report, and the risk around the uncertainty of Council funding streams, and he asked how much of the waste budget was funded through New Homes Bonus. In response, the Head of Finance and Asset Management advised that approximately £1.25m New Homes Bonus was included in the base budget for next year and this supported all of the Council's core services; none was set aside for specific projects.
- 45.6 In terms of Page No. 59 of the report and Ref. 15 relating to delays in progressing the Joint Strategic Plan, a Member indicated that the Lead Member for Built Environment had suggested one of the other authorities being late to agree a five year housing land supply was impacting Tewkesbury Borough Council so he asked whether Officers were satisfied those scores were accurate. The Corporate Director felt this was a fair point; she would need to be reminded of the level of risk but she agreed that the position could change fairly quickly in relation to the housing land supply scoring which had been done in February.

45.7 Having considered the information provided, it was

RESOLVED

1. That the risks and mitigating controls contained within the corporate risk register be **NOTED**.
2. That it be **AGREED** that:
 - i) the following risks be removed from the corporate risk register:
 - Ref.11 – National driver shortage
 - Ref. 12 – Wingmoor Farm; and
 - ii) a risk around the DEFRA consultation on changes to waste services be added to the corporate risk register.

A&G.46 STATEMENT OF ACCOUNTING POLICIES

46.1 The report of the Financial Services Manager, circulated at Pages No. 61-79, set out the main changes in accounting policies under the Code of Practice on Local Authority Accounting in the United Kingdom in 2022/23. Members were asked to approve the accounting policies to be used in the preparation of the 2022/23 financial statements.

46.2 The Finance Manager advised that this was the annual report which sought approval of the accounting policies to be used for the 2022/23 accounts and outlined the principles and conventions that would be applied. There were no real changes to the Code of Practice for the financial year beginning 1 April 2022 and the new standard, IFRS16, had been deferred until 1 April 2024. The policies had been tidied up this year with interests in companies and other entities and heritage assets being deleted due to their immaterial impact on the transactions. A change had been made in relation to the useful economic life of vehicles, plant, furniture and equipment after reviewing the life of IT equipment and bins and reducing this from 5-7 years to 3-10 years on the basis that bins had a 10 year warranty and advice from the ICT Manager that three years was a more realistic lifespan for technology.

46.3 In response to a query regarding the carrying value of heritage assets, the Finance Manager advised that around £100,000 related to civic regalia. Another Member noted that it stated that heritage assets were not normally disposed of and, on that basis, she asked what had been. The Finance Manager indicated that nothing had been disposed of as far as she was aware - these tended to be things that were held in perpetuity which was what the report was trying to convey. A Member asked if these items were insured and confirmation was provided that all regalia was insured.

46.4 It was

RESOLVED

That the accounting policies to be used in the preparation of the 2022/23 financial statements be **NOTED**.

A&G.47 CIPFA FINANCIAL MANAGEMENT CODE

47.1 The report of the Financial Services Manager, circulated at Pages No. 79-83, asked Members to consider the progress that had been made against the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code action plan.

47.2 The Finance Manager advised that the Chartered Institute of Public Finance and Accountancy (CIPFA) had published the new Financial Management Code in October 2019 which was designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. An assessment against the Financial Management Code had been approved by the Audit and Governance Committee in March 2022 and Appendix A to the report attached the first annual monitoring report against the actions identified. Members were informed that some actions had been completed, for example, additional information such as outstanding debts, treasury indicators and vacancies had been included in the quarter three report to the Executive Committee and would continue to be reported going forward. Other actions were reliant on government clarity regarding long terms funding, for instance, understanding prospects for financial sustainability and budget consultation. In addition, actions such as compliance with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government and carrying out credible and transparent financial resilience assessment were ongoing.

47.3 Accordingly, it was

RESOLVED That the progress made against the CIPFA Financial Management Code action plan be **NOTED**.

A&G.48 INTERNAL AUDIT PLAN MONITORING REPORT

48.1 The report of the Chief Audit Executive (Head of Corporate Services), circulated at Pages No. 84-103, 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.

48.2 Members were advised that overall the conclusion was very positive with only one limited opinion; this was particularly good considering the Council was coming out of the pandemic and the internal control environment had changed significantly. In terms of the work completed during the period, the audit of complaints had shown this process was generally sound and the Council was in the bottom quartile when benchmarked against other authorities, which was positive. There was one outstanding recommendation around refresher training for staff responsible for handling complaints and this would be delivered by the Corporate Director before she left the authority in June. The audit of cemeteries had shown payments were accurately received and reconciled but there was an issue regarding segregation of duties as one person carried out a number of stages so a recommendation had been made to give consideration to introducing a second Officer. Whilst the overall level of control was reasonable, the audit had highlighted the potential for digitalisation of processes and this was included in the Business Transformation work programme; however, the team was currently prioritising licensing and planning. As reported earlier on the Agenda, it was proposed that the national driver shortage be removed from the corporate risk register following the audit which had found a reasonable level of control with no recommendations being made. With regard to the cemeteries audit, a Member noted that income was almost £65,000 but expenditure was only around £13,500 and she asked how it was broken down. The Head of Finance and Asset Management advised that the figures were costs directly associated with burials; there were other costs in terms of delivering the service, for example, employment of the sexton and Ubico costs which would be included within grounds maintenance. The Member raised concern that the maps held at the cemetery may be out of date leading to duplication in allocation of plots but there was no start date for digitalisation. She noted that the Council had a duty to make necessary arrangements where no suitable funeral arrangements had been made for a deceased person who had died in the borough, with only one such

funeral taking place between 1 October 2021 and 30 September 2022, and she asked if this was likely to increase as she expected there would be more people without assets in future. The Head of Finance and Asset Management confirmed that the Council was keen to digitalise all services where possible but there was a lack of capacity within the Business Transformation team and, when considering all of the needs for the coming year, it was felt that licensing and planning were more important in terms of where to place reserves. The current service was very paper-based and it was unsustainable for just one or two individuals to have the knowledge of plots etc. so digitalisation was necessary to ensure the service continued to perform well. In terms of the Council's duty, the Head of Community Services advised that in most cases the costs could be recovered but the person referenced in the audit had no assets so it had fallen to the Council.

- 48.3 An audit of laptops had also been undertaken following the purchase and roll out of approximately 200 laptops to enable staff to work remotely during the pandemic. The audit had demonstrated that IT were often unaware when contractors stopped working for the authority which meant there was pressure to recover their IT equipment quickly, as such, there was an organisational recommendation around keeping IT up to date in order for kit to be returned in a timely manner. It was noted that, due to the need to purchase laptops quickly the requirements of the contract rules had not been followed which was appropriate under the circumstances; however, when the contract rules were not followed, a waiver was required and this was not in place. A Member asked whether Officers were satisfied that value for money was achieved and the Head of Corporate Services confirmed that was the case. The Member asked what this opinion was based upon in the absence of a tender and was advised that the laptops had been purchased for around £500/600, depending on availability, had they been purchased at a significantly lower cost the Head of Corporate Services would have been concerned as to the quality of the product. He indicated that he was confident that the laptops purchased were reflective of need and comparable to the market. The ICT Manager stressed that it had been an unprecedented time when demand for laptops was extremely high and stock was difficult to come by so Officers had to take action when stock was available in order to ensure services could continue - value was in availability rather than the cost of the items and that would be reflected in the waiver which would be completed. In response to a query regarding segregation of duties, the ICT Manager advised that the Head of Corporate Services and the Head of Finance and Asset Management had been consulted on all decisions made on large scale purchase of laptops. Another Member asked if there were penalties within contracts of employment if people did not return their IT equipment when leaving the authority and was advised that the issue was contractors who were not recruited in the same way as permanent staff and were subject to different contracts; the main problem was that their contracts could be terminated at very short notice. Contractors could be based in locations across the country so it could take time to retrieve equipment and raised concerns around data protection etc. The recommendation was around managers notifying IT if contracts were terminated in order to limit this risk. The Member raised concern that, if laptops had been provided for all new staff at the outset of the pandemic, they would shortly be coming to the end of their lives and would need replacing which she presumed would be a significant cost. She also questioned what happened to those laptops which were returned. The ICT Manager explained that the authority had been moving to a model of hybrid working in January 2020 so the pandemic had effectively accelerated a two year roll-out programme and the Council had been able to take advantage of collaborative and modern working practices at an earlier stage. In terms of disposal, laptops that had been rolled out in the first phase were now reaching end of life due to being used on a daily basis; however, they would have residual use so they would either be donated to charity or stripped for parts to fix stock, or they would be recycled.

48.4 The Head of Corporate Services indicated that a new HR self-service system had been launched in October 2022 and an audit had been undertaken in relation to timesheet recording and administration of annual leave. The audit had found a limited level of control in terms of being able to confirm that the correct amount of leave had been recorded on the digital system. The HR and OD Manager explained that there had been a number of different practices for recording annual leave across the Council services and when My HR had launched there had been reliance on individual staff inputting the correct information from the locally held records, as such, the lack of consistency, and the limited opinion, was unsurprising. A review was therefore required to ensure information was correct – this was a big piece of work but it was necessary. A Member noted there was a typographical error at Page No. 101 of the report which should refer to October 2022 rather than 2023.

48.5 It was

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

A&G.49 INTERNAL AUDIT SIX MONTH PLAN 2023/24

49.1 The report of the Head of Corporate Services, circulated at Pages No. 104-110, set out the proposed Internal Audit Plan for April-September 2023. Members were asked to approve the six month plan as set out at Appendix 1 to the report.

49.2 The Head of Corporate Services advised that the report set out the proposed areas for audits moving forward and there was a good range based on the corporate risk register including gifts and hospitality, budget control and the increased requirements for grant certification and disabled facilities grants. The Head of Finance and Asset Management had requested an audit of the commercial property portfolio – purchase of the properties had been well governed with Member engagement and approval so this would focus on management of the properties to ensure the correct lease charges had been raised and terms and conditions were being adhered to. An audit of the High Street Heritage Action Zone scheme was also proposed, as this was a £2m project, along with an audit of garden waste which generated income of £1.1m.

49.3 It was

RESOLVED That the Internal Audit Six Month Plan 2023/24 (April-September) be **NOTED**.

A&G.50 MONITORING OF SIGNIFICANT GOVERNANCE ISSUES

50.1 The report of the Corporate Director, circulated at Pages No. 111-117, set out the Significant Governance Issues identified in the Council's Annual Governance Statement and the action taken to address them. Members were asked to consider the progress made against those actions.

50.2 The Corporate Director advised that the majority of actions had progressed but there were some which would not be delivered by their target dates. For instance, Community Infrastructure Levy (CIL) governance had been outstanding for some time and required the three Joint Core Strategy authorities to agree the arrangements – whilst positive steps had been made, and this was further along than it had been in November when the report was last considered, it was unlikely to be achieved by the end of March. Work on the Local Code of Corporate Governance was yet to commence due to other priorities but all other actions had moved forward. A Member asked when the CIL governance was likely to be resolved and was advised there was no firm date but it was of great concern and needed to be urgently progressed. Several Members expressed concern regarding the delay and it was subsequently

RESOLVED

1. That progress against the Significant Governance Issues identified in the Council's Annual Governance Statement be **NOTED**.
2. That the Committee's concern regarding the lack of progress in relation to Community Infrastructure Levy (CIL) governance be passed on to the Head of Development Services and Chief Executive.

A&G.51 DATA PROTECTION POLICY REVIEW

- 51.1 Attention was drawn to the report of the Head of Corporate Services, circulated at Pages No. 118-131, which attached, at Appendix 1, the revised Data Protection Policy. Members were asked to recommend to the Executive Committee that the revised policy be approved.
- 51.2 The Head of Corporate Services advised that it was prudent to review policies every three years and the Data Protection Policy had last been reviewed in 2018. The main updates were set out at Page No. 120, Paragraph 3.1 of the report and were largely of a minor nature.
- 51.3 With regard to personal data, a Member drew attention to Page No. 124 of the report and asked why it was necessary to collect some of the personal data listed, such as cultural profile. In response, the Corporate Director advised that it would not always be relevant and the authority would only collect the data it needed to process. It was

RESOLVED

That it be **RECOMMENDED TO THE EXECUTIVE COMMITTEE** that the revised Data Protection Policy be **APPROVED**.

The meeting closed at 3:20 pm

TEWKESBURY BOROUGH COUNCIL

Minutes of a Meeting of the Audit and Governance Committee held at the Council Offices, Gloucester Road, Tewkesbury on Wednesday, 17 May 2023 commencing at 6:15 pm

Present:

Chair
Vice Chair

Councillor M R Stewart
Councillor S R Dove

and Councillors:

H J Bowman, D W Gray, E J MacTiernan, P D McLain, J P Mills, P E Smith and R J G Smith

A&G.1 ELECTION OF CHAIR

1.1 The Mayor opened the meeting by seeking nominations for the Chairmanship of the Committee.

1.2 It was proposed and seconded that Councillor M R Stewart be nominated as Chair of the Committee. Upon being put to the vote it was

RESOLVED That Councillor M R Stewart be elected as Chair of the Audit and Governance Committee for the ensuing Municipal Year.

A&G.2 APPOINTMENT OF VICE-CHAIR

2.1 Councillor M R Stewart took the chair and invited nominations for Vice-Chair of the Committee.

2.2 It was proposed and seconded that Councillor S R Dove be nominated as Vice-Chair of the Committee. Upon being put to the vote it was

RESOLVED That Councillor S R Dove be appointed as Vice-Chair of the Audit and Governance Committee for the ensuing Municipal Year.

The meeting closed at 6:30 pm

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

Additions to 19 July 2023

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Deletions from 19 July 2023

- External Auditor's Annual Report – moved to September.
- Monitoring of Significance Governance Issues – moved to September.

Committee Date: 27 September 2023

Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
External Auditor's Annual Report	To consider the external auditor's annual report.	External Auditors / Associate Director: Finance	Yes – moved from 19 July 2023.
External Auditor's Findings	To consider the external auditor's findings 2022/23.	Associate Director: Finance	No.
Internal Audit Six Month Plan 2023/24	To approve the Internal Audit Six Month Plan 2024/24 (Oct-Mar).	Head of Service: Audit and Governance	No.
Corporate Risk Register	To consider the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.	Director: Corporate Resources	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.	Executive Director: Resources and S151	No.
Statement of Accounts 2022/23	To approve the Statement of Accounts 2022/23.	Associate Director: Finance	No.

NB – Changes from previous work programme highlighted in bold

Committee Date: 27 September 2023			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Annual Governance Statement 2022/23	To approve the Annual Governance Statement 2022/23.	Director: Corporate Resources	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.	Director: Corporate Resources	Yes – moved from 19 July 2023.

Committee Date: 22 November 2023			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
External Auditor's Annual Report	To consider the external auditor's annual report.	External Auditors / Associate Director: Finance	No.
External Auditor's Progress Report	To consider the external auditors' report on progress against planned outputs.	External Auditors / Associate Director: Finance	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 Service: Audit and Governance	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.	Director: Corporate Resources	No.
Counter Fraud and Enforcement Unit Update	To consider the six monthly update from the Counter Fraud and Enforcement Unit.	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.	Director: Corporate Resources	No.

Committee Date: 22 November 2023			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Annual Update on Council's Safeguarding Arrangements	<p>To consider the annual report to give assurance as to the level of the Council's compliance with its safeguarding duty.</p> <p>(To include Gloucestershire Safeguarding Children Board Section 11 Self-Assessment)</p>	Director: Communities	No.

Committee Date: 27 March 2024			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
External Auditor's Progress Report	To consider the external auditors' report on progress against planned outputs.	External Auditors/ Associate Director: Finance	No.
Audit Fee 2023/24	To consider the audit scale fee for 2022/23.	Executive Director: Resources and S151	No.
Statement of Accounting Policies	To approve the accounting policies to be used during the preparation of the 2023/24 financial statements.	Associate Director: Finance	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 Service: Audit and Governance	No.
Internal Audit Six Month Plan 2023/24	To approve the Internal Audit Six Month Plan 2023/24 (Apr-Sept).	Head of Service: Audit and Governance	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.	Director: Corporate Resources	No.
Corporate Risk Register	To consider the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.	Director: Corporate Resources	No.

Committee Date: 27 March 2024			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
CIPFA Financial Management Code – Assessment of Compliance	To consider progress made against the actions within the Assessment of Compliance (annual report).	Associate Director: Finance	No.

Committee Date: July 2024			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
External Auditor's Audit Plan 2023/24	To consider the external auditor's Audit Plan 2023/24.	External Auditors / Associate Director: Finance	No.
External Auditor's Annual Report	To consider the external auditor's annual report.	External Auditors / Associate Director: Finance	No.
Annual Report on Health and Safety Activities	To consider the adequacy of the Council's health and safety arrangements.	Director: Communities	No.
Counter Fraud and Enforcement Unit Report	To consider the annual update on the work of the Counter Fraud and Enforcement Unit team.	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 Service: Audit and Governance	No.
Internal Audit Annual Report 2023/24	To consider the Internal Audit Annual Report 2023/24 and the assurance from the work undertaken during the year on the level of internal control within the systems audited during the year.	Director: Corporate Resources	No.
Corporate Risk Register	To consider the risk register and the risks contained within it.	Director: Corporate Resources	No.

Committee Date: July 2024			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Audit and Governance Committee Annual Report 2023/24	To approve the Audit and Governance Committee Annual Report 2023/24.	Director: Corporate Resources	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.	Director: Corporate Resources	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.	Head of Service: Audit and Governance	No.

OTHER ITEMS			
Agenda Item	Overview of Agenda Item	Lead Officer	Comments
Internal Audit Charter	To approve the Internal Audit Charter.	Director: Corporate Resources	To be presented to the Committee at least every three years – last taken on 23 November 2022.

Tewkesbury Borough Council audit plan

Year ending 31 March 2023

Tewkesbury Borough Council

July 2023
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Contents



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

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Key matters

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National context

For the general population, rising inflation rates, in particular for critical commodities such as energy, food and fuel, is pushing many households into poverty and financial hardship, including those in employment. At a national government level, recent political changes have seen an emphasis on controls on spending, which in turn is placing pressure on public services to manage within limited budgets.

Local Government funding continues to be stretched with increasing cost pressures due to the cost of living crisis, including higher energy costs, increasing pay demands, higher agency costs and increases in supplies and services. Local authority front-line services play a vital role in protecting residents from rising costs; preventing the most vulnerable from falling into destitution and helping to build households long-term financial resilience. At a local level, councils are also essential in driving strong and inclusive local economies, through their economic development functions and measures like increasing the supply of affordable housing, integrating skills and employment provision, and prioritising vulnerable households to benefit from energy saving initiatives. Access to these services remains a key priority across the country, but there are also pressures on the quality of services. These could include further unplanned reductions to services and the cancellation or delays to major construction projects such as new roads, amenities and infrastructure upgrades to schools, as well as pothole filling.

Our recent value for money work has highlighted a number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time.

In planning our audit, we will take account of this context in designing a local audit programme which is tailored to your risks and circumstances.

Audit Reporting Delays

In a report published in January 2023 the NAO have highlighted that since 2017-18 there has been a significant decline in the number of local government body accounts including an audit opinion published by the deadlines set by government. The NAO outline a number of reasons for this and proposed actions. In our view, it is critical to early sign off that draft local authority accounts are prepared to a high standard and supported by strong working papers.

Key matters



Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out further in our Audit Plan, has been agreed with the Executive Director of Resources.
- We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our Value for Money work.
- Our value for money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness.
- Our prior year Audit Findings Report identified two actions. We will consider progress against these during the final audit period in July to September 2023, and communicate our findings to you in our Audit Findings Report.
- We will continue to provide you and your Audit and Governance Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Audit and Governance Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other audited bodies to support consistent and accurate financial reporting across the sector.
- We have identified an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to increasing financial pressures. We have identified a significant risk in regards to management override of control – refer to page 8.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Tewkesbury Borough Council ('the Council') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Tewkesbury Borough Council. We draw your attention to both of these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Governance committee); and we consider whether there are sufficient arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Audit and Governance Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.



Introduction and headlines

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls
- Valuation of the defined benefit net liability
- Valuation of land and buildings assets (including investment property)

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £798k (PY £835k) for the Council, which equates to 2% of your prior year gross operating costs. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. As part of our risk assessment, we have considered the impact of unadjusted prior period errors. As there was only one unadjusted error for £150k for 2021-22, we have not considered there to be any impact on our materiality determination.

Clearly trivial has been set at £40k (PY £41k).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has yet to be completed, as our work on the Auditor's Annual Report (AAR) for 2021-22 is still ongoing. We intend to produce a combined report covering the 2021-22 and 2022-23 financial years, which will incorporate our identified risks of significant weakness in 2021-22 as well as a refreshed risk assessment for 2022-23.

New Auditing Standards

There are two auditing standards which have been significantly updated this year. These are ISA 315 (Identifying and assessing the risks of material misstatement) and ISA 240 (the auditor's responsibilities relating to fraud in an audit of financial statements). We provide more detail on the work required later in this plan.

Audit logistics

Our interim visit took place in February and March 2023 and our final visit will take place in July to September 2023. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our proposed fee for the audit will be £62,815 (PY: £64,065) for the Council, subject to the Council delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
ISA240 revenue recognition risk	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including the Authority, mean that all forms of fraud are seen as unacceptable. <p>We therefore do not consider this to be a significant risk for Tewkesbury Borough Council.</p>
Risk of fraud related to expenditure recognition PAF Practice Note 10	In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period)	<p>We have rebutted this presumed risk for the Authority because:</p> <ul style="list-style-type: none"> • expenditure is well controlled and the Authority has a strong control environment; • there is very little incentive for management to mis-represent expenditure; and • the Authority has clear and transparent reporting of its financial plans and financial position to those charged with governance. <p>We therefore do not consider this to be a significant risk for the Authority. However, our testing will cover the legitimacy of year end creditors and accruals.</p>

‘Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.’ (ISA (UK) 315)

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.
Valuation of land and buildings assets (including investment property)	<p>The Authority revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets and investment properties) at the financial statements date. This valuation represents a significant financial statements estimate by management due to the size of the balances involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management have engaged the services of a valuer to estimate the current value as at 31 March 2023.</p> <p>We have therefore identified the valuation of the closing balance of land and buildings and investment property as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuations were carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding. • test, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register • evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

Management should expect engagement teams to challenge management in areas that are complex, significant or highly judgmental which may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the pension fund net liability	<p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.</p> <p>The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.</p> <p>The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability, in particular the discount rate. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Authority's pension fund net liability as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation; • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of Gloucestershire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- 29 We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2022/23 financial statements, consider and decide upon any objections received in relation to the 2022/23 financial statements;
 - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act).
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
 - issuing an advisory notice under section 29 of the Act
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
1	Determination We have determined financial statement materiality based on a proportion of the gross expenditure of the Council for the prior financial year. Materiality at the planning stage of our audit is £798k, which equates to 2% of your gross expenditure for the prior period.	We determine planning materiality in order to: <ul style="list-style-type: none"> – establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements – assist in establishing the scope of our audit engagement and audit tests – determine sample sizes and – assist in evaluating the effect of known and likely misstatements in the financial statements
2	Reassessment of materiality Our assessment of materiality is kept under review throughout the audit process.	We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.
3	Other communications relating to materiality we will report to the Audit and Governance Committee Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Governance Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.	We report to the Audit and Governance Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. In the context of the Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £40k (PY £41k). If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Governance Committee to assist it in fulfilling its governance responsibilities.

IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs. We say more about ISA 315 Revised on slide 21.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Spend/Income	Planned level IT audit assessment
Civica	Financial reporting	£43,678k	• Detailed ITGC assessment (design effectiveness only)
Northgate	Council Tax, Business Rates, Benefits	£11,810k	• Detailed ITGC assessment (design effectiveness only)
iChris	Payroll	£11,130k	• Detailed ITGC assessment (design effectiveness only)

Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2023

The National Audit Office-issued its latest Value for Money guidance -to auditors in January 2023 . The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:

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Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.

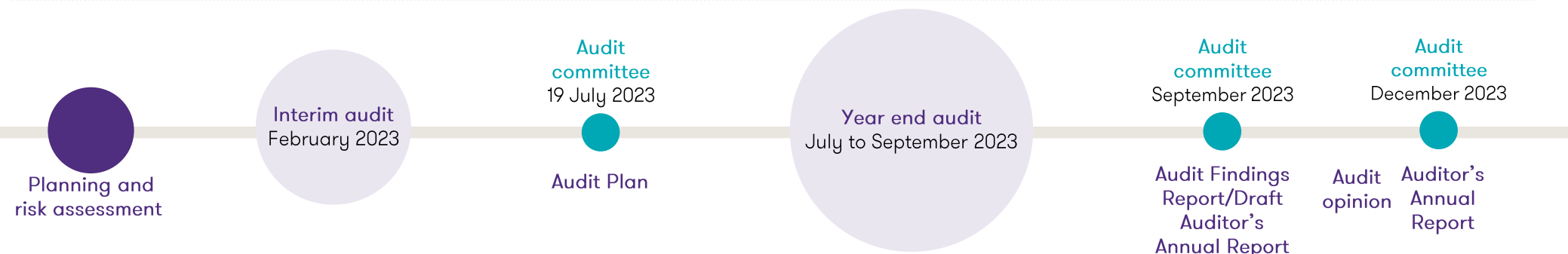


Governance

How the body ensures that it makes informed decisions and properly manages its risks.

Our risk assessment regarding your arrangements to secure value for money in 2022-23 is yet to be completed as we have not yet completed our Auditor's Annual Report (AAR) for 2021-22. Following publication of the 2021-22 AAR, we will complete our 2022-23 risk assessment.

Audit logistics and team



Julie Masci, Key Audit Partner

Provides oversight of the delivery of the audit including regular engagement with Governance Committees and senior officers



Liam Royle, Audit Manager

Plans and manages the delivery of the audit including regular contact with senior officers.



Adams Azubilla, Audit In-charge

Key audit contact responsible for the day-to-day management and delivery of the audit work

Audited Entity responsibilities

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

Our requirements

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

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

Audit fees and updated Auditing Standards including ISA 315 Revised

In 2017, PSAA awarded a contract of audit for Tewkesbury Borough Council to begin with effect from 2018/19. The fee agreed in the contract was £34,589. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2022/23 audit. For details of the changes which impacted on years up to 2021/22 please see our prior year Audit Plans.

The major change impacting on our audit for 2022/23 is the introduction of ISA (UK) 315 (Revised) - Identifying and assessing the risks of material misstatement ('ISA 315'). There are a number of significant changes that will impact the nature and extent of our risk assessment procedures and the work we perform to respond to these identified risks. Key changes include:

- Enhanced requirements around understanding the Council's IT Infrastructure, IT environment. From this we will then identify any risks arising from the use of IT. We are then required to identify the IT General Controls ('ITGCs') that address those risks and test the design and implementation of ITGCs that address the risks arising from the use of IT.
- Additional documentation of our understanding of the Council's business model, which may result in us needing to perform additional inquiries to understand the Council's end-to-end processes over more classes of transactions, balances and disclosures.
- We are required to identify controls within a business process and identify which of those controls are controls relevant to the audit. These include, but are not limited to, controls over significant risks and journal entries. We will need to identify the risks arising from the use of IT and the general IT controls (ITGCs) as part of obtaining an understanding of relevant controls.
- Where we do not test the operating effectiveness of controls, the assessment of risk will be the inherent risk, this means that our sample sizes may be larger than in previous years.

These are significant changes which will require us to increase the scope, nature and extent of our audit documentation, particularly in respect of your business processes, and your IT controls. We will be unable to determine the full fee impact until we have undertaken further work in respect of the above areas. However, for an authority of your size, we estimate an initial increase of £3,000. We will let you know if our work in respect of business processes and IT controls identifies any issues requiring further audit testing. There is likely to be an ongoing requirement for a fee increase in future years, although we are unable yet to quantify that.

The other major change to Auditing Standards in 2022/23 is in respect of ISA 240 which deals with the auditor's responsibilities relating to fraud in an audit of financial statements. This Standard gives more prominence to the risk of fraud in the audit planning process. We will let you know during the course of the audit should we be required to undertake any additional work in this area which will impact on your fee.

Taking into account the above, our proposed work and fee for 2022/23, as set out below, is detailed overleaf [and has been agreed with the Executive Director of Resources].

Audit fees

	Actual Fee 2020/21	Actual (or estimated) Fee 2021/22	Proposed fee 2022/23
Tewkesbury Borough Council Audit	£59,089	£64,065	£62,815
Total audit fees (excluding VAT)	£59,089	£64,065	£62,815

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Assumptions

In setting the above fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit fees – detailed analysis

<i>Revised 2022-23 scale fee published by PSAA – December 2022</i>	£41,465
Additional work on Value for Money (VfM) under new NAO Code	£9,000
Increased audit requirements of revised ISAs 540 / 240 / 700	£2,100
Enhanced audit procedures on journals testing (not included in the Scale Fee)	£3,000
Additional procedures to address other local risk factors	£3,000
Enhanced audit procedures for Payroll – Change of circumstances	£500
Enhanced audit procedures for Collection Fund- reliefs testing	£750
Increased audit requirements of revised ISAs 315/ 240	£3,000
Total proposed audit fees 2022/23 (excluding VAT)	£62,815

All variations to the scale fee will need to be approved by PSAA

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

In this context, we disclose that:

Julie Masci, the Key Audit Partner, is currently serving their 7th year on the engagement. It is PSAA's policy that Key Audit Partners at an audited body at which a full Code audit is required should act for an initial period of five years.

Under FRC Ethical Standard 3.15, for a public interest or listed entity, in circumstances where a degree of flexibility over the timing of rotation is necessary to safeguard the quality of the engagement and the firm agrees, the engagement partner may continue in this position for an additional period of up to two years, so that no longer than seven years in total is spent in the position of engagement partner. Tewkesbury Borough Council is not a public interest entity, however in accordance with PSAA's terms of appointment, we have sought and obtained approval from PSAA for this extension.

As this is the last year of our engagement with the Council, there is no planned rotation. We have mitigated the familiarity threat by appointing a safeguarding partner, who will be responsible reviewing the key judgements of the Key Audit Partner, to ensure that these are not influenced by the familiarity.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Other services

The following other services provided by Grant Thornton were identified. The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

Service	Fees £	Threats	Safeguards
Audit related			
Certification of housing benefit grant	35,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £35,000 in comparison to the total fee for the audit of £62,815, and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings	
Respective responsibilities of auditor and management/those charged with governance	•		ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•		
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•	
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•	This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.
Significant matters in relation to going concern	•	•	
Significant findings from the audit		•	
Significant matters and issue arising during the audit and written representations that have been sought		•	We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.
Significant difficulties encountered during the audit		•	
Significant deficiencies in internal control identified during the audit		•	
Significant matters arising in connection with related parties		•	Respective responsibilities As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.
Identification or suspicion of fraud[deliberate manipulation] involving management and/or which results in material misstatement of the financial statements [not typically council tax fraud]		•	
Non-compliance with laws and regulations		•	
Unadjusted misstatements and material disclosure omissions		•	The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
Expected modifications to the auditor's report, or emphasis of matter		•	



Informing the audit risk assessment for Tewkesbury Borough Council 2022/23

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

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Purpose

The purpose of this report is to contribute towards the effective two-way communication between Tewkesbury Borough Council's external auditors and Tewkesbury Borough Council's Audit and Governance Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit and Governance Committee under auditing standards.

Background

Under International Standards on Auditing (UK), (ISA(UK)) auditors have specific responsibilities to communicate with the Audit and Governance Committee. ISA(UK) emphasise the importance of two-way communication between the auditor and the Audit and Governance Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit and Governance Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit and Governance Committee and supports the Audit and Governance Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the Council's oversight of the following areas:

- General Enquiries of Management
- Fraud,
- Laws and Regulations,
- Related Parties,
- Going Concern, and
- Accounting Estimates.

Purpose

This report includes a series of questions on each of these areas and the response we have received from Tewkesbury Borough Council's management. The Audit and Governance Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

General Enquiries of Management

Question	Management response
<p>1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2022/23?</p>	<p>Rising interest rates contributing to increased investment returns, high inflation impacting on supplies and services e.g. fuel costs.</p> <p>Cost of living crisis – new council tax rebate grant schemes and impact on recovery.</p> <p>Withdrawal from the Homes England Housing Infrastructure Fund (HIF) scheme which was grant funding for the Ashchurch Bridge project.</p>
<p>2. Have you considered the appropriateness of the accounting policies adopted by Tewkesbury Borough Council?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?</p>	<p>The accounting policies are reviewed annually for appropriateness. There are no changes to accounting policies but we have changed the estimate of useful life laptops to reflect actual experience.</p>
<p>3. Is there any use of financial instruments, including derivatives? If so, please explain</p>	<p>The accounts contain financial instruments including debtors, creditors, investments and borrowing. The council does not use and derivatives.</p>
<p>4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?</p>	<p>None that we are aware of.</p>

General Enquiries of Management

Question	Management response
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	Withdrawal from Homes England HIF scheme has resulted in impairment of £1.9m of capitalised costs under Assets Under Construction.
6. Are you aware of any guarantee contracts? If so, please provide further details	No
4 9 7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	No
8. Other than in house solicitors, can you provide details of those solicitors utilised by Tewkesbury Borough Council during the year. Please indicate where they are working on open litigation or contingencies from prior years?	<p>Pinsent Mason – specialist legal advice for the Garden Towns work</p> <p>Mr Richard Atkins QC – H&S legal prosecution against WM Morrison Supermarkets PLC</p> <p>Mr Mark Jackson – Tradeteam Health and Safety Case and WM Morrison Supermarkets case</p> <p>Mr Horatio Waller – Planning appeal high court case Piffs Elm and Ashchurch Bridge judicial review</p> <p>Cornerstone Barristers – Planning appeal for Fleet Lane, Twynning</p> <p>Mr James Pereira QC - Planning appeal high court case Piffs Elm and Ashchurch Bridge judicial review</p> <p>Richard Buxton Solicitors – Ashchurch Bridge judicial review</p> <p>Mischon de Reya – HMRC Royal Mall VAT claim</p> <p>Mr Charles Holland – Licensing prosecution</p>

General Enquiries of Management

Question	Management response
9. Have any of the Tewkesbury Borough Council's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	None that we are aware of.
47 10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	Treasury Management Advisors – Arlingclose Ltd Local authority tax advice – PsTax Ltd Financial accounting advice - CIPFA Specialist consultants for Garden Towns projects – Colin Molton Consultancy Ltd, Arup Ltd, Thomas Lister Ltd, Inner Circle Consulting and Pricewaterhouse Coopers Deloitte LLP – Joint Strategic Partnership advice Russell Porter – review CIL charging structure LG Futures – business rates and council tax accounting support
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	These will be considered as part of the year end process. Our Treasury Management Advisors provide data for any treasury investments we have at year end.

Fraud

Matters in relation to fraud

ISA (UK) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit and Governance Committee and management. Management, with the oversight of the Audit and Governance Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit and Governance Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As Tewkesbury Borough Council's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud,
- process for identifying and responding to risks of fraud, including any identified specific risks,
- communication with the Audit and Governance Committee regarding its processes for identifying and responding to risks of fraud, and
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit and Governance Committee oversees the above processes. We are also required to make inquiries of both management and the Audit and Governance Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from Tewkesbury Borough Council's management.

Fraud risk assessment

Question	Management response
<p>1. Has Tewkesbury Borough Council assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the Council's risk management processes link to financial reporting?</p>	<p>The Council has a robust financial control framework, supported by financial regulations, standing orders, scheme of delegation and an independent and objective Internal Audit function and Counter Fraud and Enforcement Unit. This mitigates the significant risk posed by collusion.</p> <p>Responsibility for ensuring that fraud and corruption risks are addressed sits with the Executive Director, Resources (S151 Officer). The Internal Audit plan includes risk based audits of the core financial systems that are used in the compilation of the financial statements. Any risks that are identified that may result in the financial statements being materially mis-stated due to fraud will be reported to the Council's Management Team and the Audit and Governance Committee as part of the quarterly reporting cycle.</p> <p>The finance team comprises skilled, qualified accounting officers responsible for regular monitoring of management accounts to report actual income and expenditure against budgeted and forecast performance. This process includes discussions with service leads and review of variances to identify any instances of fraud and error. The annual budget is risk assessed and reported, and then monitored as part of the revenue and capital budget monitoring process. All reports to Executive Committee include a section on financial implication and risk assessment to ensure that members are aware of the financial risks of making a decision.</p> <p>The Counter Fraud and Anti-Corruption Policy, the Corporate Enforcement Policy, the Whistleblowing Policy, and the Internal Audit Charter are formally agreed by the Council (at a meeting of the appropriate Committee/Executive). These documents set out the role of Internal Audit and the Counter Fraud and Enforcement Unit in the prevention and investigation of fraud.</p> <p>The Audit and Governance Committee also reviews and approves the annual audit plan and counter fraud plan which includes allocation of resources to respond to fraud allegations and prepare audits to consider possible areas where fraud may be a risk.</p> <p>The work of the Counter Fraud Team is reported to the Audit and Governance Committee on a biannual basis. The overall remit is to prevent, detect and deter the abuse of public funds within the Council by working closely with other public sector organisations. The team can undertake reactive investigation work where a referral is received and where necessary, proactive fraud drives in high risk areas. Internal investigations have taken place by the Counter Fraud Unit and appropriate action has been taken and reported where appropriate.</p>

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Fraud risk assessment

Question	Management response
<p>1. Has Tewkesbury Borough Council assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the Council's risk management processes link to financial reporting?</p>	<p>Where an investigation takes place due to the suspicion of fraud, any areas of risk or poor control that are identified will also be reported to the appropriate manager with remedial recommendations. Internal Audit can then include a follow up audit in the Audit Plan to ensure the recommendations have been implemented. The Council also employs a number of Enforcement Officers within the various service areas who undertake work to tackle abuse of public funds.</p> <p>Management's assessment is that there is a low risk of material misstatement occurring in the financial statements due to fraud due to the implementation of various controls in the financial framework:</p> <ul style="list-style-type: none"> Financial procedure rules are in place to ensure that significant decisions regarding purchase or disposals of assets and liabilities are appropriately authorised. Policies are in place covering internal control and codes of conduct Purchasing system controls ensure that all expenditure is appropriately authorised before payment of invoices. Banking controls are in place for any transactions which are passed through the bank, ensuring separation of duties is maintained. Particularly important for treasury management activities Separation of duties between HR and Payroll function. Strong financial reporting which provides an honest assessment of the council's financial position to management and members, there is a culture of openness in financial reporting.
<p>2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>Assets – rental properties.</p> <p>Revenue – streams such as Council Tax, Business Rates and any rental income.</p> <p>Grants / Benefits – such as Business Grants, Council Tax Reduction Scheme (and Housing Benefit).</p> <p>Expenditure – procurement and contract management. The procurement policy does need to be reviewed however the procurement threshold is £10,000 therefore internal controls ensure that risk is managed. A full competitive procurement shall be undertaken using an Invitation to Tender for contracts over £25,000.</p>

Fraud risk assessment

Question	Management response
<p>3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Tewkesbury Borough Council as a whole, or within specific departments since 1 April 2022? If so, please provide details</p>	<p>Any instances of actual, suspected or alleged fraud, error or other irregularities that are identified are reported to Corporate Management and the Audit and Governance Committee (see CFEU reports for full details). The team would work with HR where there are any allegations relating to abuse of position. Benefit fraud investigation is the responsibility of the DWP. Abuse of the Council Tax Reduction Scheme is supported by the Revenues and Benefit staff.</p> <p>The CFEU investigate all allegations of wrongdoing in relation to the abuse of public funds. These matters are managed in line with Council's policies, including disciplinary policy, and will be reported to the police where appropriate.</p>
<p>4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>In some instances recommendations have been made in respect of control procedures and reports are issued to the appropriate Service Leads and Governance Group.</p> <p>The Audit and Governance Committee i.e. 'those charged with governance' receive regular reports including:</p> <ul style="list-style-type: none"> • Six monthly updates on the work of the CFEU. • Internal Audit provide quarterly monitoring reports on finalised audit assignments including updates detailing whether recommendations have been completed or not. • Corporate risk register is presented at each committee meeting. • All related risk and governance type policies are considered by the Audit and Governance Committee prior to approval by the Executive. <p>The CFEU has a similar annual plan for its work which includes an allocation of resources to investigate any alleged fraud. Performance against the Internal Audit Plan and Counter Fraud Plan and any specific issues identified are reported quarterly/half yearly to the Audit and Governance Committee.</p>
<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within Tewkesbury Borough Council where fraud is more likely to occur?</p>	<p>The main areas of abuse relate to fraud associated with benefits to include the Councils Council Tax Reduction Scheme although reviews and verification processes within the department keep this to a minimum. In addition abuse relating to Council Tax and Business Rates avoidance / evasion affects a main revenue stream. Work relating to abuse of Business Grants is now entering the final stages and is focussed on debt recovery / transfer of liability to the Department for Business and Trade.</p> <p>Some high risk areas are no longer within the domain of the Council - depot services are managed by Ubico, leisure matters are contracted out and the Council does not retain housing stock therefore Tenancy Fraud is not a concern although Housing Application abuse remains an area that requires focus and monitoring.</p> <p>There are low risk internal areas such as mileage expense abuse but this is not significant due to the pandemic.</p>

Fraud risk assessment

Question	Management response
<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within Tewkesbury Borough Council where fraud is more likely to occur?</p>	<p>Recruitment and payroll are also areas which are open to abuse.</p> <p>Procurement fraud, specifically within property services departments, remains an area susceptible to abuse because of the significantly high levels of expenditure.</p> <p>Regarding external fraud, both Internal Audit and the Counter Fraud Unit have undertaken work around serious and organised crime and continue to promote awareness and tackle any areas affecting Tewkesbury Borough.</p> <p>Cyber related crime remains a significant risk for the Council and this is managed and reported on by the ICT Team.</p> <p>It cannot be stated that fraud will not occur, but I would not consider one area being significantly at risk.</p>
<p>6. What processes do Tewkesbury Borough Council have in place to identify and respond to risks of fraud?</p>	<p>The existence of the CFEU as a permanent dedicated service significantly mitigates fraud risk generally. The overall remit is to prevent, detect and deter the abuse of public funds within the Council by working closely with other public sector organisations and referring to recommendations by the Home Office and other professional bodies. The team undertakes reactive investigation work where a referral is received and where necessary, proactive fraud drives in high risk areas. The CFEU have promoted and introduced processes for internal and external reporting for both staff and by members of the public. Whistleblowing is becoming more effective as a result.</p> <p>There are many financial controls around the validity and payment of invoices and work with HR re recruitment controls in place to ensure all new employees are vetted properly and that staff recognise fraudulent qualifications. Work has been completed in relation to gifts and hospitality procedures and is underway in relation to conflicts / declarations of interest by staff. The CFEU assist with NFI data matching and undertake our own data matching exercises where risk has been identified. The Council also employs a number of Enforcement Officers within the various service areas who undertake work to tackle abuse of public funds.</p>

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Fraud risk assessment

Question	Management response
<p>6. What processes do Tewkesbury Borough Council have in place to identify and respond to risks of fraud?</p>	<p>The CFEU Head of Service attends the Multi Agency Approach to Fraud (MAAF) group on behalf of the CFEU Partnership, which includes Tewkesbury Borough Council. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire.</p> <p>Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud across the County. Whilst this is resident focussed, where risks or trends affecting the public purse and therefore the Council are identified, the CFEU will liaise with Management Team and ensure the correct mitigation is put in place, amending the work plan to accommodate any additional work streams.</p> <p>The general rollout of the work of the MAAF will ensure staff are more alert to fraud risk therefore strengthening the Council's response.</p>

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Fraud risk assessment

Question	Management response
<p>7. How do you assess the overall control environment for Tewkesbury Borough Council, including:</p> <ul style="list-style-type: none"> the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>There remains a separation of duties, the Council's internal audit service provides the Council with an annual audit opinion using findings from review work carried out across the Council services. The Corporate Governance Group (comprising senior officers) undertake a high level review of the council's governance arrangements which will touch upon the system of internal control.</p> <p>There is a good working relationship between the CFEU and Internal Audit, which ensures that internal control weaknesses identified through counter fraud activities are followed up, following management action to address the weaknesses by internal audit reviews. External Audit also report their findings and recommendations to Audit and Governance Committee, which is subject to the same process of monitoring and challenge. Outcomes of audit work feed in to the Annual Governance Statement which is considered by the Management Team and Audit and Governance Committee.</p> <p>Awareness training on a regular basis reduces the risks associated with internal abuse and fraud. The promotion of integrity and whistleblowing channels also mitigates this. Conflict of interest / declaration of interest processes also help identify those staff who are a potential risk so that appropriate training and management controls can be put in place. The CFEU submits data for the National Fraud Initiative (NFI) and assesses all matches for review and, where appropriate, mitigation. On occasions such issues have been raised by both internal and external audit as part of the audit work. Appropriate recommendations for changes to internal controls are made on these occasions for management to implement.</p>
<p>8. Are there any areas where there is potential for misreporting? If so, please provide details</p>	<p>The financial reporting process is subject to review and challenge by both the Associate Director, Finance and the Executive Director, Resources.</p> <p>There is always the potential but we believe appropriate checks and balances are in place within the shared Finance Team to ensure mis-reporting does not occur. The Council monitors budgets to cost centre level which would highlight any unexpected variances for further investigation. Financial rules govern what is required to be reported and controls the rules surrounding 'virement'. Reports produced by the CFEU are subject to auditable case files held on the case management system.</p>

Fraud risk assessment

Question	Management response
<p>9. How does Tewkesbury Borough Council communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>The Council communicates and encourages ethical behaviour and business processes of its staff and contractor through its policies and strategies including the Counter Fraud and Anti- Corruption Policy, Employee Code of Conduct and Whistleblowing Policy all of which are available on the intranet site. Updates are communicated through induction and refresher training and other internal update channels, emails or staff training events. Staff and Member awareness sessions are provided by the CFEU. Provision of refresher information and literature for new starters has been developed as are online training modules</p> <p>Significant contracts are let following a robust process which seeks assurance from the potential contractor that the organisation has appropriate policies and processes in place. The Council monitors performance and quality and adherence to standards of service delivery. The Procurement Team have included statements on all tender / quote documentation detailing the Councils approach to modern slavery, ethical procurement and supporting local businesses.</p> <p>Publicity with regard to identified fraud and error will also be encouraged to act as a deterrent generally. Through the continued work the CFEU have delivered across the Council relating to awareness and through reputation, staff are encouraged to approach the team. HR colleagues would also ensure fraud reports come to the CFEU for assessment. No significant issues have been reported in 2022/2023. Staff are expected to report any concerns they have about fraud or the misuse of public funds. Any allegations received are referred to the CFEU for investigation. These matters are managed in line with the Council policies, including disciplinary policy, and will be reported to the Council's Management Team where appropriate. In some instances, recommendations will be made in respect of control processes.</p>
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Contract procurement posts, high level budget controllers/approvers, ICT staff with high level system access,. Officers with significant operational financial responsibilities, such as roles in Treasury Management, Chief Finance Officer/Deputy Finance Officer, and roles in Revenues and Benefits are subject to regular security checks, at recruitment and then regularly every three years. Each role is assessed for the requirement to undertake post holder security checks. The Council does not underestimate those lower paid jobs where access to all services 'out of hours' i.e. cleaners – hence why controls such as 'clear desk policy' are in existence.</p> <p>Many Local Government staff are susceptible to duress and corruption due to the nature of their duties - housing teams, council tax officers, planning staff; however there must be a level of trust within the organisation to promote a healthy working environment. Conflict of interest / declaration of interest process development to make it a more risk based one -identifying high risk staff and ensuring the correct controls are in place. Better recruitment checks to vet staff and prevent them entering the workplace - prevention is always the best control.</p>

Fraud risk assessment

Question	Management response
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>Organisations such as Ubico give rise to fraud risk which may affect the Council. The risks associated with fraud related to related party relationships and transactions are mitigated through the requirement within the Constitution for members to make declarations of all relevant relationships and transactions and update their declarations on a quarterly basis. They are also required to disclose any relevant interests at Committee meetings and where appropriate withdraw and disclose any gifts and/or hospitality received via the Council register. Officers are also required to declare any related party transactions. Prevention methods for bribery and corruption form part of the CFEU work stream and are detailed within the Counter Fraud and Anti Corruption Policy.</p>
<p>12. What arrangements are in place to report fraud issues and risks to the Audit and Governance Committee?</p> <p>56 How does the Audit and Governance Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>On a quarterly basis, the Audit and Governance Committee receives monitoring reports from Internal Audit regarding work carried out by the internal audit team. The report details the work carried out compared to the plan, the level of assurance resulting from the audit, the key issues regarding internal controls or fraud including any breaches. Reporting includes the outcome of internal audit follow-up reviews of the implementation of audit recommendations.</p> <p>In addition, the CFEU report biannually to Committee. The Audit and Governance Committee approves the risk based Annual Audit Plan which includes a risk based system audit of core financial systems and resources for auditing non financial systems on a risk basis. The CFEU has a similar annual plan for its work which includes an allocation of resources to investigate any alleged fraud.</p> <p>Performance against the Internal Audit Plan and Counter Fraud Plan and any specific issues identified are reported quarterly/half yearly to the Audit and Governance Committee. The Committee is consulted on any proposed changes to relevant Council Policy – e.g. Whistle Blowing Policy, Counter Fraud and Anti-Corruption Policy, Money Laundering Policy, RIPA Policies etc. Changes to the Council's Corporate Risk Register are also reported to the Audit and Governance Committee on a quarterly basis. The Council's Overview and Scrutiny Committee also receives the Council's quarterly performance reports, which includes changes to the Council's risk registers and details of financial performance. The Audit and Governance Committee exercise oversight over management processes for identifying and responding to risks of fraud and breaches of internal control through challenge of internal audit and counter fraud, monitoring the implementation of recommendations and seeking additional assurances from operational management. See reports presented to Audit and Governance / Overview and Scrutiny Committee.</p>

Fraud risk assessment

Question	Management response
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>The CFEU has not received referrals via whistleblowing. Should the team receive any such referrals, reports are dealt with correctly and in line with the Whistleblowing Policy and with due consideration to sensitive referral sources. Once the investigation is complete, appropriate recommendations are made for action which may include prosecution, civil penalties, improvements to internal controls, and (where an employee is the subject), consideration of disciplinary action.</p> <p>If warranted a report would be made to the Audit and Governance Committee and recommendations for improvements to internal controls issued to Management Team to be followed up by internal audit.</p>
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	<p>None.</p>

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Law and regulations

Matters in relation to laws and regulations

ISA (UK) 250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit and Governance Committee, is responsible for ensuring that Tewkesbury Borough Council's operations are conducted in accordance with laws and regulations, including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit and Governance Committee as to whether the body is in compliance with laws and regulations. Where we become aware of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

Impact of laws and regulations

Question	Management response
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Tewkesbury Borough Council have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the Council's regulatory environment that may have a significant impact on the Council's financial statements?</p>	<p>All reports for decision contain a section considering legal implications and all reports for Executive or Council are considered by the Chief Officers Group (the Monitoring Officer is a member).</p> <p>Senior Officers have sufficient knowledge and experience of their service areas to ensure compliance plus they have access to One Legal or professional advisers as needed. One Legal team are included in the draft distribution network.</p> <p>We are not aware of any changes in the Council's regulatory environment that may have a significant impact on the Council's financial statements.</p>
<p>2. How is the Audit and Governance Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>The Audit and Governance Committee gains assurance that all laws and regulations have been complied with through the work of Internal Audit and also by exception reporting from the Chief Finance Officer or Monitoring Officer.</p>
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2022 with an on-going impact on the 2022/23 financial statements? If so, please provide details</p>	<p>None that we are aware of.</p>
<p>4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details</p>	<p>Any that are will be disclosed in the financial statements.</p>

Impact of laws and regulations

Question	Management response
<p>5. What arrangements does Tewkesbury Borough Council have in place to identify, evaluate and account for litigation or claims?</p>	<p>There are solid working relationships between service areas and business partnering arrangements within finance, which means there are good levels of communication to identify, report and account for such issues. Any instances of litigation or claims are brought up at Leadership Team so the Executive Director of Resources is aware from the start and reports these to the Associate Director – Finance at weekly meetings. These are then assessed and further information from the relevant department is requested.</p> <p>These would also be reviewed as part of the Corporate Governance Group remit and added to the Corporate Risk Register if necessary.</p> <p>Insurance – all managers are aware that at any risk of litigation or a claim must be reported to the Insurance Officer as soon as possible.</p>
<p>6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details</p>	<p>None that we are aware of.</p>

Related Parties

Matters in relation to Related Parties

Tewkesbury Borough Council are required to disclose transactions with bodies/individuals that would be classed as related parties. These may include:

- bodies that directly, or indirectly through one or more intermediaries, control, or are controlled by Tewkesbury Borough Council;
- associates;
- joint ventures;
- a body that has an interest in the authority that gives it significant influence over the Council;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the Council, or of any body that is a related party of the Council.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the Council's perspective but material from a related party viewpoint then the Council must disclose it.

ISA (UK) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

Related Parties

Question	Management response
<p>1. Have there been any changes in the related parties including those disclosed in Tewkesbury Borough Council's 2021/22 financial statements? If so please summarise:</p> <ul style="list-style-type: none"> the nature of the relationship between these related parties and Tewkesbury Borough Council whether Tewkesbury Borough Council has entered into or plans to enter into any transactions with these related parties the type and purpose of these transactions 	<p>All senior managers and councillors have been sent a related party form to complete so this will be compared to 2021-22 to identify and potential changes or omissions and summarised in our working papers.</p>
<p>2. What controls does Tewkesbury Borough Council have in place to identify, account for and disclose related party transactions and relationships?</p>	<p>Annual return at year end for the accounts, members must keep their register of interests up to date with Democratic Services and declare any interests in committee items at the start of any meetings. Also, staff must report any gifts, hospitality or outside commitments to Human Resources and second jobs/voluntary roles must be signed off by the Monitoring Officer.</p>
<p>3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?</p>	<p>Significant transactions must be approved in accordance with the financial procedure rules and in line with authorised signatory limits. Members also must withdraw from any business which is a conflict of interest with a related party.</p>
<p>4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?</p>	<p>Significant transactions outside the normal course of business requires member approval. Financial sign off limits dependent on level within authority. The Chief Officers Group sign off approval for anything that does not require member approval.</p>

Going Concern

Matters in relation to Going Concern

The audit approach for going concern is based on the requirements of ISA (UK) 570, as interpreted by Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020). It also takes into account the National Audit Office's Supplementary Guidance Note (SGN) 01: Going Concern – Auditors' responsibilities for local public bodies.

Practice Note 10 confirms that in many (but not all) public sector bodies, the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the body's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist.

For this reason, a straightforward and standardised approach to compliance with ISA (UK) 570 will often be appropriate for public sector bodies. This will be a proportionate approach to going concern based on the body's circumstances and the applicable financial reporting framework. In line with Practice Note 10, the auditor's assessment of going concern should take account of the statutory nature of the body and the fact that the financial reporting framework for local government bodies presume going concern in the event of anticipated continuation of provision of the services provided by the body. Therefore, the public sector auditor applies a 'continued provision of service approach', unless there is clear evidence to the contrary. This would also apply even where those services are planned to transfer to another body, as in such circumstances, the underlying services will continue.

For many public sector bodies, the financial sustainability of the body and the services it provides are more likely to be of significant public interest than the application of the going concern basis of accounting. Financial sustainability is a key component of value for money work and it is through such work that it will be considered.

Going Concern

Question	Management response
<p>1. What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by Tewkesbury Borough Council will no longer continue?</p>	<p>A rolling Medium Term Financial Strategy (MTFS) is kept as a live document and updated with known changes which will impact on the council finances. The s151 Officer produces a Going Concern Assessment on an annual basis, sits on the Chief Officers Group, and is in place to identify any changes to services or funding.</p> <p>Regular budget monitoring also takes place to identify areas of over and underspend which allows corrective action to be taken if necessary.</p>
<p>2. Are management aware of any factors which may mean for Tewkesbury Borough Council that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?</p>	<p>Central government announced a one year only settlement period covering 2023-24 with no certainty for the future years. This, along with the continuing impact of high inflation, means budgeting for the continuance of our services is problematic. The MTFS accounts for all these uncertainties and ensures that any shortfall in government funding will be met locally to maintain statutory service provision.</p>
<p>3. With regard to the statutory services currently provided by Tewkesbury Borough Council, does Tewkesbury Borough Council expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for Tewkesbury Borough Council to cease to exist?</p>	<p>Yes, we do expect to continue to deliver them for the foreseeable future.</p>
<p>4. Are management satisfied that the financial reporting framework permits Tewkesbury Borough Council to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial</p>	<p>Management are satisfied that Tewkesbury Borough Council can prepare their financial statements on a going concern basis and that it provides a faithful representation of the items in the statements.</p>

Accounting estimates

Matters in relation to accounting estimates

ISA (UK) 540 (Revised December 2018) requires auditors to understand and assess a body's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the body's risk management process identifies and addresses risks relating to accounting estimates;
- The body's information system as it relates to accounting estimates;
- The body's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit and Governance Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

We would ask the Audit and Governance Committee to satisfy itself that the arrangements for accounting estimates are adequate.

Accounting Estimates - General Enquiries of Management

Question	Management response
<p>1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?</p>	<p>The main classes are:</p> <ul style="list-style-type: none"> - property, plant and equipment valuation - pension fund net liability valuation - Estimates of provisions - Fair value estimates of financial instruments
<p>2. How does the Council's risk management process identify and address risks relating to accounting estimates?</p>	<p>Risks are identified and addressed through:</p> <ul style="list-style-type: none"> - Committee report reviews - Use of experts to inform the calculation of accounting estimates e.g. calculating property valuations and pension liability - Updates and bulletins from professional bodies, e.g. CIPFA - Discussions with service managers throughout the year
<p>3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?</p>	<p>We always use professional valuers and get all our assets valued annually to ensure that they are carried at fair value. We instruct our valuers by ensuring we have all the up to date information on assets passed to them to ensure the data is as accurate as possible.</p> <p>With the pension funds we complete an annual return to the actuary to ensure they have the most up to date information possible to value our element of the pension fund.</p> <p>We review all the asset values to ensure we understand the estimation techniques involved and challenge any we are unsure of. Also, we read the accompanying information from both the property valuers and actuary to understand the estimation techniques involved in the valuation to ensure we are comfortable with them.</p>
<p>4. How do management review the outcomes of previous accounting estimates?</p>	<p>When we look at the estimates for the current year we assess those we used the previous years to ensure they were justified and robust.</p>

Accounting Estimates - General Enquiries of Management

Question	Management response
<p>6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?</p>	<p>We identify the high value and high risk transactions in our accounts and look at our skill sets in house. If we do not have the expertise in house we ensure we use a qualified and competent professional, e.g. RICS qualified valuers etc.</p> <p>The main two areas identified are property valuations and the pension liability.</p>
<p>7. How does the Council determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?</p>	<p>Controls include clear instructions to experts on scope of work, checking information used in final reports matches what we have given them and thoroughly reviewing reports, issuing challenges where necessary.</p>
<p>8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?</p>	<p>We document and review any challenge provided or evidence required for our material accounting estimates.</p> <p>For external experts like our actuary and valuers we provide the base data along with any other relevant information they would require then we review the final data and challenge/justify and estimates used to ensure they are robust and verified.</p>
<p>9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including:</p> <ul style="list-style-type: none"> - Management's process for making significant accounting estimates - The methods and models used - The resultant accounting estimates included in the financial statements. 	<p>The nature and extent of the oversight in relation to accounting estimates includes:</p> <ul style="list-style-type: none"> • The agreement of assumptions in advance, including their appropriateness • Verification of the underlying data in advance • The methodology to be used to determine the value of estimates and its appropriateness • Review of the results for reasonableness, including comparative analysis with previous years • Sensitivity of the results to the key assumptions to assess materiality

Accounting Estimates - General Enquiries of Management

Question	Management response
<p>10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?</p>	<p>These are detailed in the critical judgements note within the statement of accounts.</p>
<p>11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?</p>	<p>Management is satisfied that arrangements for the accounting estimates are reasonable, as they are compliant with accounting standards and CIPFA's Code of Practice plus have been reviewed by the Council's finance team.</p> <p>Where applicable, estimates are obtained from qualified, external (and therefore independent) actuaries and property valuers, providing further assurance that the estimates are reasonable.</p>
<p>12. How is the Audit and Governance Committee provided with assurance that the arrangements for accounting estimates are adequate ?</p>	<p>Accounting policies were taken to Audit and Governance Committee for approval prior to the preparation of the statement of accounts.</p>

Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Land and buildings valuations including Investment Properties 69	Valuations are based on the CIPFA Code of Practice and made by a RICS qualified valuer.	Letter of engagement sets out detailed information and basis of estimations. All valuations are thoroughly reviewed and challenged by the accountants.	We use Wilks, Head and Eve for all valuations.	The valuers issue a formal certificate which includes a summary of any estimation uncertainty. We review and challenge all information provided.	No
Depreciation	Useful life is detailed in our accounting policies dependent on asset types. We use straight line depreciation over the asset's useful economic life.	We review these annually.	We speak to service managers about specialized assets or use the valuers estimates in their reports.	We review and challenge any assumptions made.	We have revised the useful economic life for vehicles, plant, furniture and equipment to 3-10 years as our IT department revised the life of our laptops from 5 to 3 years.

Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Valuation of defined benefit net pension fund liabilities 70	We commission the Gloucestershire Pension Fund actuary to undertake this work on our behalf, in accordance with the Code and accounting Standards.	We review the estimates used by the actuary and challenge any large movements.	The actuary of the Gloucestershire LGPS pension scheme is Hymans Robertson.	We rely on the expertise of the actuary who produce a report on Tewkesbury's results which we review for reasonableness and a sensitivity analysis is provided by the actuary as well to assess the likelihood the estimates may be wrong.	No
Financial instruments	All models for valuations for financial instruments are reviewed annually. We use expert advice where needed however we also rely on the in house knowledge of the relevant officers, e.g. Treasury Officer for investments.	We use specialist Treasury Advisers who provide us with the fair value of our investments and borrowings, assessment of credit losses and an analysis of any risks surrounding our financial instruments.	Arlingclose provide all the information for valuing treasury investments.	Sensitivity analysis is undertaken on material valuations where there is some degree of uncertainty.	No

Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Provisions 71	Provisions are made whenever an event takes place that give the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount.	Each provision is separately reviewed by the accountants and in conjunction with the service area experts.	Internal legal advice is sought when necessary.	Each provision is assessed on an individual basis to ensure that it meets the criteria of a provision per IAS 37. The degree of uncertainty is assessed when determining whether a provision is the correct treatment for an item.	No
Accruals	Standard accruals accounting is used. Many of these are captured through our Purchasing system.	At year end accountants work closely with individual service areas to ensure accruals are accurate. Post year end invoices are also reviewed to ensure none are missed.	Budget holders and accountants work together to calculate any accruals.	Experienced finance staff review the assumptions and methodology used. This includes assessing the estimation uncertainty.	No



TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	19 July 2023
Subject:	Corporate Risk Register
Report of:	Head of Audit and Governance
Head of Service/Director:	Director: Corporate Resources
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	One

Executive Summary:

The Council has a risk management framework and this is set out in the Council's 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

Summarised below are key updates arising since the register was last presented at Committee on 22 March 2023.

Risk identified	Key update
Ref 4 – General Data Protection Regulation (GDPR)	Following the recent management restructure an Audit and Governance Team has been created, this will help provide additional resilience to the management of governance issues, such as GDPR. There has also been successful recruitment to the Information Governance Officer role – this is particularly positive as it is a ‘niche’ role. The successful candidate will start in September 2023. As part of the induction programme, Members received an introduction to GDPR, FOI Act and cyber security. The Data Protection Policy was approved at Executive Committee in June 2023.
Ref 6 & 9 – asset management and climate change	The Council has been awarded £708,000 of funding from the Public Sector Decarbonisation scheme to support the replacement of gas boilers with an air source system at the Council offices; however, the project will also require a substantial funding allocation from the Council’s own resources to enable the delivery of the new heat system. A report will be taken to Council on 25 July 2023.
Ref 7 – Garden Town	The programme is currently paused pending the findings of an external gateway review on the management of the programme.
Ref 14 – DEFRA consultation on waste services	This is a new risk added following discussion at the last Audit and Governance Committee. If central government impose a change to our waste collection methodology the impact could be significant both in terms of the financial impact of purchasing new fleet, containers etc but also the disruption to residents.

3.0 CONSULTATION

3.1 None

4.0 ASSOCIATED RISKS

4.1 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.

5.0 MONITORING

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

6.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

- 6.1** 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.

Background Papers: Previous update was presented at Audit and Governance Committee on 22 March 2023.

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Appendices: Appendix 1 – Corporate Risk Register

Appendix 1 - Tewkesbury Borough Council: Corporate Risk Register (updated July 2023)

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>Although the Spending Review 2021 set the financial envelope for a three-year period, settlements continue to be on a one-year basis. As with business rates, the fair Funding Review has been delayed until at least 2025/26 leaving councils uncertain as to how funding will be distributed to individual authorities over the medium term.</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>	Executive Director: Resources	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"> Spending Review. Fair Funding Review. Business rates reform Future of NHB and whether an alternative scheme will be brought forward. 	9

Appendix 1 - Tewkesbury Borough Council: Corporate Risk Register (updated July 2023)

Code	Risk score	Risk Management view
Red	16 – 25	Must be managed down to reduce risk scores in the next year
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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
<p>Comments:</p> <p>The 2023/24 Local Government Settlement was again delivered as a one-year settlement with the 24/25 Settlement also likely to be on this basis given that it is the final year of the Spending Review and an impending general election. Whilst it has been confirmed that both Funding Reform and the Business Rates reset have been pushed back until 2025/26 at the earliest, they remain as a distinct possibility within the medium term. There is still no clarity on the future of New Homes Bonus although the government has promised to engage with the sector in 2023. Therefore, there remains considerable uncertainty with local government funding.</p>										
2	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.	<p>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.</p> <p>Denial of service (DoS) – hacker floods a website with more traffic than it can handle. Legitimate users are denied access to services, downtime of systems.</p> <p>Malware – forms of harmful software executed when it is mistakenly downloaded.</p>	5	5	25	<p>Patch management.</p> <p>Penetration testing.</p> <p>Internal phishing awareness exercises.</p> <p>PSN compliance.</p> <p>Firewall management.</p> <p>Cyber insurance.</p> <p>Cyber specific post created within ICT Team.</p>	Associate Director: IT and Cyber	12	<p>Finalise and test cyber response plan</p> <p>Network segmentation</p> <p>Cyber essentials accreditation</p>	9

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Amber	5 – 15	Seek to improve the risk score in the medium term
Green	1-4	Tolerate and monitor

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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
		<p>Ransomware – denies access to systems until a ransom is paid.</p> <p>Reusing credentials on multiple systems makes it easier for a hacker to move around the network</p> <p>All or combination can lead to: Loss of reputation and trust, financial loss – disruption to service delivery, cost of restoring systems, Legal implications – personal data breach could lead to a significant fine</p>								
<p>Comments: Public sector network (PSN) compliance has recently been achieved. Following the previous penetration testing a mandatory network change of password for all staff was carried out. To check the success of this a further penetration test was conducted and the results were positive. A new post of Network and Cyber Manager is in place (with cyber responsibility) and has been actively working to reduce the risk from vulnerabilities in the network. Technical disaster recovery testing was successfully carried out in April and a further corporate exercise is planned for later in the year. The team successfully delivered the council's new remote working solution to migrate from the Ivanti Pulse solution to Fortinet.</p>										
3	If business continuity planning is not in place then	<p>A BC incident could be any of the following;</p> <ul style="list-style-type: none"> ICT downtime 	4	4	16	<p>Individual service continuity plans.</p> <p>Draft corporate plan.</p>	Director: Corporate Resources	12	Finalise and test draft plan.	9

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	there is a risk the council would struggle to deliver its services in the event of an incident.	<ul style="list-style-type: none"> Major staff absence Property access Supply chain failure <p>Leading to reputational damage, financial loss, impact on service delivery etc.</p>				ICT disaster recovery.			Review of individual service plans.	
<p>Comments: A review of individual service plans, supported by the Civil Protection Team is completed. These plans will now help form the ICT BCP by identifying service areas priority systems. Following this a review of the corporate business continuity plan will be finalised and tested. At the end of March a national exercise called 'Mighty Oak' was undertaken, which simulated how authorities respond to a National Power Outage. The exercise went well, and the lessons learnt will inform the council's business continuity and emergency planning arrangements.</p>										
4	If the council is not compliant with General Data Protection Requirement then there is a risk of financial penalties and adverse publicity.	<p>Reputational – adverse publicity and 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>	4	4	16	<p>Updated Data Protection Policy.</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>	Director: Corporate Resources	12	<p>Rollout of e-learning module</p> <p>Implementation of related audit recommendations.</p> <p>Implementation of GDPR action plan</p> <p>Review of data protection policy.</p>	9

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		Staff morale – in case of data breaches, potential disciplinary action				Staff awareness training. GDPR action plan.			The policy was approved at Executive Committee in June 2023.	
Comments: Following the recent Management restructure an Audit and Governance Team has been created, this will help provide additional resilience to the management of governance issues, such as GDPR. In addition to the council have recently appointed a new Information Governance Officer who is due to start in September 2023. As part of the member induction programme, members received an introduction to GDPR, FOI Act and Cyber security. The Data Protection Policy was approved at Executive Committee in June 2023.										
5	Use of Swindon Road depot.	Our waste services are currently based at the Swindon Road Depot in Cheltenham. The depot is currently 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.	5	2	10	Lease agreement in place.	Director: Communities	8	Elements of the lease arrangement of the depot have been reviewed and changes made to formalise the arrangements with Cheltenham BC. Consider where a temporary depot could operate from in an emergency.	5
Comments: 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. No further change to this risk since the last risk register update in March 2023.										

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6	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 £3.7m.	5	4	20	Recent refurbishment of service-related property. Commercial investment reserve including annual contribution. Trained and experienced staff. Appointment of external investment support. Recruitment of additional Property Officer.	Director: Corporate Resources	10	Establishment of long-term asset maintenance programme, including allocation of required funding. Establishment of annual contribution to Asset Maintenance Programme.	5
Comments: The current service and commercial portfolio are in a good state of repair with minor works ongoing. External funding to support the replacement of the heat system at the Council Offices has been secured – a report to Council in July is requesting internal funding to support this project. The commercial property portfolio is now fully let. An asset management and maintenance plan is to be developed by the end of the calendar year.										
7	Garden Town status	Failure to deliver Garden Town programme will have an impact on the Council in <ul style="list-style-type: none"> Reputation - Confidence from Government of TBC ability to deliver 	5	5	25	Regular meetings with the Project Assurance Group/Programme Board which is attended by a Homes England (HE) representative.	Associate Director- Garden Towns	20	Previous capacity funding awards from Government have also included £1.5m towards the County run J9/A46 project to assist with the	9

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		<p>programme (<i>planning stages</i>).</p> <ul style="list-style-type: none"> Financial (loss of NHB from assumed delivery of homes). Non-delivery of homes and jobs required for community (<i>delivery stages</i>). 				<p>The programme 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>Regular review meetings with representatives from HE and DLUHC.</p>			<p>ongoing business case development, plus £500k for assessment of options for establishing a delivery vehicle for the GT– draft outline business case having been submitted to DLUHC for comment (April 2023).</p> <p>Further work on the programme currently on pause pending outcome of Gateway Review</p>	
Comments: The programme is currently paused pending the findings of an external gateway review on the management of the programme.										
8	Non-delivery of the Ashchurch bridge project.	The project under HIF funding has a time limit of March 2024 for complete funding draw-down. This however was not	5	3	15	Grant funding agreement with Homes England (2019)	Associate Director- Garden Towns	25	A Judicial Review submitted by a group of local parishes was heard at the high court in November.	8

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		extendable and further HIF funding support has been withdrawn.				<p>Planning permission granted 16 March 2021.</p> <p>(Note: Planning permission now quashed.)</p> <p>Agree licence/access with landowners</p> <p>Network Rail is an active part of the project board.</p>			In January 2022, the Judicial Review ruled robustly in the Council's favour and all challenges were dismissed. However, the parishes lodged an appeal, heard in December 2022 and the judgement - received in February 2023 quashed the planning consent.	
Comments: Judgement now received and the planning consent has been quashed. Due to the HIF funding constraints – completion by March 2024 – further funding support has been withdrawn. The project continues to assess other delivery options including further grants as well as developer delivery.										
9	The climate change motions approved by Council included a commitment to achieve countywide	<ul style="list-style-type: none"> - Significant change to service delivery. - Ability to influence wider community. - Significant financial input 	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>	Executive Director: Resources	16	Identification of specific actions to support wider carbon neutrality of whole council and the Borough.	4

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[illegible]

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requesting further ongoing and one off financial resources to support the latest climate motion and enable the development of a borough wide climate action plan.										
10	Additional demand placed upon the council through cost of living support.	<ul style="list-style-type: none"> Potential increase in homelessness cases Increase in benefit related cases eg council tax reduction applications/DHP etc Reduced council tax and business rate collection rates Increased business enquiries to growth hub Inflationary increases on council supplies and services additional resource to deliver govt schemes eg energy rebate/food vouchers/warm places 	4	5	20	<ul style="list-style-type: none"> Re-institute the Financial Inclusion Partnership Dedicated Discretionary Housing Payments Officer Use of £100k TBC business grant scheme to support small business Re-target balance of £98k council tax hardship grant additional external funding eg £55k to support warm places Introduction of multi service cell to harness a cohesive response 	Director: Community Services	20	Monitor the impact and consider what further actions can be taken working closely with other partners.	10

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[illegible]

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12	Delays in progressing the Joint Strategic Plan (JSP)	<ul style="list-style-type: none"> lack of up to date strategic policies - potentially lead to inappropriate development Reputational damage. Requirement for additional resources. Insufficient strategic site allocations to deliver housing and land for employment. Impact on securing external funding for key infrastructural projects 	5	3	15	<ul style="list-style-type: none"> Appointed a new Senior Responsible Owner (SRO). Evidence base tracker was created in July 2022. Budget has been identified for the staff resources and technical work required. Detailed risk register has been created. Detailed work programme has been developed. 	Associate Director: Development Services	42 15	<p>A review of the budget and staff resources to deliver the JSP has been undertaken.</p> <p>JSP timetable to be constantly under review. A revised Local Development Scheme is due to go to Executive Committee on 12 July for approval at Council.</p> <p>Steering Group continue to meet on a weekly basis.</p> <p>Joint Advisory Group meeting on a monthly basis.</p>	10

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<p>Comments: The Government has announced a delay in implementing its planning reforms, this was due to the high volume of responses they received to the consultation. Nether the less a review of the JSP timetable reflecting partnership working with Cheltenham and Gloucester City is to be considered by Executive Committee and Council in July. Furthermore, additional staff capacity is being provided in accordance with the resource review to help mitigate any potential delays in the technical work required. Due to the level of uncertainty following the planning reform and the pending formal adoption of the revised JSP timetable the current risk score has been increased from 12 to 15.</p>										
13	Non-delivery of the Development Management review.	<ul style="list-style-type: none"> Reputational damage. Failure to meet the national thresholds for 'major' and 'non-major' planning applications. Significant resource invested in the project. Gap in leadership ahead of permanent resource starting. Staff morale. 	4	3	12	<ul style="list-style-type: none"> Approved project plan with dedicated workstreams incl recruitment & retention Internal programme board chaired by Chief Executive. £150k funding secured through the DLUHC pathfinder projects scheme. In February 2023, further £300k awarded from the DLUHC-Planning Software Improvement Fund to help improve customer experience 	Associate Director: Development Services	9	<p>Delivery of project action plan.</p> <p>Support service review.</p> <p>Deliver new ways of working through Business Transformation, including expenditure of the DLUHC funding.</p>	4

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						for planning service users. • Interim operational manager is in place.				
Comments: With a current gap in senior leadership within the development management team (AD Planning and Exec Director of Place), there is an increased risk in the delay in delivery of some elements of the DM review – although this is being mitigated as much as possible with the support of the continuous improvement project board, and in particular the interim head of service.										
14	Outcome of the DEFRA consultation on the waste service.	If central government impose a change to our waste collection methodology the impact could be significant both in terms of the financial impact of purchasing new fleet, containers etc but also the disruption to residents.	5	4	20	There is little that can be done at this stage to mitigate this risk. Nearer the time there may be an opportunity to undertake an assessment of the service to demonstrate that it is technically, environmentally and economically practical to continue with the current service.	Director: Communities	20	Await the outcome of the government's consultation. Continue to send messages to government that waste collection should be a local decision.	2
Comments: New risk added following Audit and Governance Committee request in March 2023. Awaiting announcements from central government.										

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TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	19 July 2023
Subject:	Counter Fraud and Enforcement Unit Report
Report of:	Head of Service: Counter Fraud and Enforcement Unit
Head of Service/Director:	Executive Director: Resources
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	2

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.

The report also provides the annual update in relation to the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Council's existing authorisation arrangements.

Recommendation:

To CONSIDER the annual 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.

The Council is required to ensure that it complies with the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and any other relevant/statutory legislation regarding investigations. Any authorisations for directed/covert surveillance or the acquisition of communications data undertaken should be authorised by the appropriate Officer and recorded in the Central Register.

<p>Environmental and Sustainability Implications:</p> <p>None.</p>
<p>Resource Implications (including impact on equalities):</p> <p>The promotion of effective counter fraud controls and a zero-tolerance approach to internal misconduct promotes a positive work environment.</p>
<p>Safeguarding Implications:</p> <p>Where any safeguarding concerns are identified during the course of the Counter Fraud and Enforcement Unit duties, appropriate referrals will be made.</p>
<p>Impact on the Customer:</p> <p>Prosecutions will only be considered where the evidential and public interest tests are met with due consideration to the welfare of individuals.</p> <p>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.</p>

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 Executive Director: Resources and the Director: Corporate Resources. 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 - the work plan for 2022/2023 is attached at Appendix 1.
- 1.5** The work plan for 2023/2024, attached at Appendix 2 includes the following additions:
- Proactive work in relation to the Council Tax Reduction Scheme (Council Tax Support).
 - Proactive work in relation to small business rates relief.
 - Development of service area fraud risk registers commencing with the higher risk areas.
 - Proactive work within procurement to include a review of small suppliers.

2.0 WORK PROGRAMME RESULTS

- 2.1** The Counter Fraud and Enforcement Unit Head of Service forms part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud across the county.
- 2.2** The CFEU will be facilitating and assisting in getting targeted information on current scams, or guidance, to identified vulnerable groups through our Communications Teams, but also via our staff that are out in the community or within our customer contact points / reception areas. We are working with Gloucestershire Constabulary's Fraud PROTECT Officer whose role is to provide fraud-safeguarding advice to individuals and groups within our communities. We will be attending the Council Offices to deliver her presentation to Borough Councillors to raise awareness of the MAAF Group so that they may share information with their constituents. In addition, we have discussed cascading the same presentation to Town and Parish Councillors via the appropriate forum. The sessions would help to safeguard local communities against the fraud threats currently targeting individuals in Gloucestershire. The presentation equips people with information to stay safe online, teaching them how to spot phishing messages and how to report them. It will also provide an opportunity to talk about the CFEU Partnership, fraud risks to the public purse and how to report concerns.
- 2.3** As part of the fraud risk strategy work stream, the Government Functional Standard and the Local Government FFCL checklists have been completed. These will be summarised and presented to the Executive Director: Resources with suggested areas of improvement or future work streams. In addition, the integration of the checklist standards within the Annual Governance Statements will be actioned. A summary of this will be presented to Audit and Governance Committee in due course with an update in relation to the service specific fraud risk registers.
- 2.4** The CFEU has developed a fraud awareness leaflet and whistle-blowing flowchart to be issued to all staff for information and with an update confirming that the Counter Fraud and Anti-Corruption and Whistle-Blowing Policies have recently been updated. The leaflet will also form part of the induction pack for new starters. A copy can be issued to the Committee if requested.
- 2.5** The CFEU have been heavily supporting work streams created as a consequence of the pandemic by providing advice relating to fraud risk and abuse, most significantly in relation to the Business Grant and Energy Rebate Schemes.
- 2.6** All post payment assurance activities have now been completed by the CFEU in relation to the Business Grant Schemes. Our focus has now moved to debt; recovery, reconciliation and transfer to BEIS.

- 2.7** 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 are processing the following:
- As previously reported, the team reviewed 1,448 matches representing the 20/21 and 21/22 data sets. In relation to single person discount anomalies, 131 Council Tax accounts were updated resulting in £85,747 increased revenue.
 - In relation to the Housing Waiting List matches and the additional proactive review of the Council's Housing Waiting List, 83 applications were removed representing a figure of £268,920 in loss avoidance.
- 2.8** 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.
- 2.9** During 2022/2023, the team received 22 referrals from across the Council and closed 18. This excludes referrals relating to the Council Tax Reduction Scheme.
- 2.10** 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. Between 1 April 2022 and 31 March 2023, the team received 29 referrals and closed 31 cases. Five Civil Penalties have been applied totalling £290 and increased Council Tax revenue of £7,512 has been raised. The team processed 44 enquiries for the Department for Work and Pensions.
- 2.11** Work undertaken with Enforcement Officers resulted in five successful prosecutions as follows:
- 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.
 - 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.
 - The team successfully prosecuted two individuals in relation to unlicensed breeding, animal welfare and fraud offences. Both individuals pleaded guilty and were sentenced to 18 months in custody suspended for one year. In addition, one defendant was ordered to complete 25 rehabilitation days and the other to undertake 120 hours of unpaid work. Costs of £1,828 were awarded and a Compensation Order for £3,364 was granted.
 - Following a trial, an individual was found guilty of fraud in relation to the selling of dogs. The defendant purported to be the breeder, providing false details in an advert, when in fact the animals had been obtained from an unlicensed breeder. The individual received a £900 Fine and was ordered to pay £300 Costs.

- 3.0 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) / INVESTIGATORY POWERS ACT 2016**
- 3.1** The Council's policies are based on the legislative requirements of these Acts and the Codes of Practice relating to directed surveillance and the acquisition of communications data.
- 3.2** The Policies were reviewed and presented to the Audit and Governance Committee in September 2020; these were adopted by Executive Committee in November 2020.
- 3.3** As reported in July 2022, the RIPA Surveillance and Covert Human Intelligence Source Policy was updated to reflect the new Covert Human Intelligence Sources (Criminal Conduct) Act 2021 which makes provision for those acting as covert agents to commit crime whilst undertaking their duties does not apply to the Council. There have been no subsequent amendments to date.
- 3.4** The Use of the Internet and Social Media in Investigations and Enforcement Policy was presented to Audit and Governance Committee in July 2021 and adopted by Executive Committee in September 2021. The roll out of this policy and associated procedure across the Counter Fraud and Enforcement Unit Partnership has begun
- 3.5** The Council must have a Senior Responsible Officer and Authorising Officers to approve any applications for surveillance or the use of a Covert Human Intelligence Source, before the Court is approached. The Senior Responsible Officer is the Chief Executive, and the Authorising Officers are the Executive Director: Resources and the Director: Communities.
- 3.6** All applications for communications data are made online via the National Anti-Fraud Network (NAFN) which acts as the single point of contact for Councils. There is a requirement for the Council to nominate a Designated Senior Officer who will confirm to NAFN that the Council is aware of any request and approves its submission. This role is undertaken by the Counter Fraud and Enforcement Unit.
- 3.7** The Counter Fraud and Enforcement Unit delivered refresher training to all enforcement staff and One Legal staff in November and December 2022. The Authorising Officers received training in January 2022. Following the change to the registered Senior Responsible Officer, refresher training will be arranged.
- 3.8** There have been no RIPA applications and no applications for communications data were submitted during 2022/2023. One Non-RIPA application has been made relating to overt activity.
- 3.9** The Council takes responsibility for ensuring its procedures relating to surveillance and the acquisition of communications data are continuously improved and all activity is recorded.
- 4.0 CONSULTATION**
- 4.1** Any policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by One Legal and issued to the relevant Senior Officers, Management and Governance Officers for comment.
- 4.2** 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.

5.0 ASSOCIATED RISKS

- 5.1** 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.
- 5.2** 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.
- 5.3** The RIPA and IPA Policies demonstrate the Council's consideration of necessity, proportionality and public interest when deciding on surveillance activity or the decision to obtain personal communication data. The application of the policies and procedures to govern surveillance and the obtaining of personal communications data minimises the risk that an individual's human rights will be breached. Furthermore, it protects the Council from allegations of the same

6.0 MONITORING

- 6.1** 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.

7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

- 7.1** 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

Background Papers: None

Contact Officer: Counter Fraud and Enforcement Unit Head of Service
Emma.Cathcart@cotswold.gov.uk

Appendices: Appendix 1 – Work Plan 2022/23
Appendix 2 – Work Plan 2023/24

Area of Work	Task
Bribery and Corruption	Assessment Template Review – <i>transferred to 2023/2024 work plan.</i>
Bribery and Corruption	Gifts and Hospitality Policy and Procedure Rollout / Awareness – <i>Process reviewed and updated.</i>
Bribery and Corruption	Policy and Procedure: Staff Declarations of Interest / Conflicts of Interest – <i>Process reviewed and updated.</i>
Governance	Delivery of two reports for Audit and Governance Committee – <i>Complete.</i>
Governance	Fighting Fraud & Corruption Locally - Checklist Compliance – <i>Complete, to be presented to Governance Group to inform areas of improvement and provide assurance.</i>
Governance	Government Functional Standard 013: Counter Fraud – Compliance – <i>Complete, to be presented to Governance Group to inform areas of improvement and provide assurance.</i>
Governance	Development of Service Specific Fraud Risk Register (High Risk Service Areas - TBC) – <i>Commenced, draft register to be presented to Governance Group.</i>
Governance	Development / Review of Fraud Risk Strategy / Response Plan – <i>Complete.</i>
Policy	Counter Fraud and Anti-Corruption Policy – <i>next review 2025.</i>
Policy	Corporate Enforcement Policy – <i>next review 2023.</i>
Policy	CTAX, CTRS & HB Penalty and Prosecution Policy – <i>Under review.</i>
Policy	Proceeds of Crime & Anti-Money Laundering Policy – <i>next review 2024.</i>
Policy	Whistle-Blowing Policy – <i>next review 2023.</i>
Policy	RIPA (Surveillance & CHIS) – <i>next review 2023.</i>
Policy	IPA (Acquisition of Communications Data) – <i>next review 2023.</i>
Policy	Use of the Internet and Social Media in Investigations and Enforcement – <i>next review 2024</i>
Procedure	Development and roll out of Proceeds of Crime and Anti-Money Laundering Procedure – <i>Complete, staff training to be arranged.</i>
Procedure	Development and roll out of Use of the Internet and Social Media in Investigations and Enforcement Procedure – <i>Complete, approach to be discussed at Governance Group.</i>
Serious and Organised Crime	Checklist Review – <i>Complete, to be discontinued and subsumed by fraud risk registers.</i>

Department / Contact	Task
Serious and Organised Crime	Proactive Fraud Drive - transient / cash businesses – <i>transferred to 2023/2024 work plan.</i>
Statutory / Regulatory	Collation and Publication of Fraud Transparency Data – <i>Completed annually.</i>
Statutory / Regulatory	RIPA / IPA - Annual Report to Members / Advisory / Inspection SPoC - <i>Completed annually.</i>
Strategy : Detection	Housing Waiting List review (Silver Band only) – <i>Complete, results within report.</i>
Strategy : Detection	National Fraud Initiative Match Reviews - Revenues / Benefits / Housing – <i>Complete, results within report.</i>
Strategy : Detection	Business Rates Review Self Catering Accommodation - Assurance and Enforcement Activities - <i>transferred to 2023/2024 work plan.</i>
Strategy : Detection	HBMS referrals – triage and recommendations – <i>Completed monthly.</i>
Strategy : Detection	Council Tax Reduction Scheme Proactive Fraud Drive (High Risk Claims) – <i>transferred to 2023/2024 work plan.</i>
Strategy : Detection	Procurement - Supplier Payment Review– <i>transferred to 2023/2024 work plan.</i>
Strategy : Detection	Council Tax £150 Rebate - Assurance and Enforcement Activities – <i>Not required, undertaken by Revenues & Benefits Team.</i>
Strategy : Detection	Business Grants - Assurance and Enforcement Activities – <i>See report.</i>
Strategy : Prevention	Development of Fraud Awareness Literature (staff) – <i>Complete.</i>
Strategy : Prevention	Development of Right to Buy Debt Recovery Process – <i>transferred to 2023/2024 work plan.</i>
Strategy : Prevention	Training Members / Staff - Fraud Awareness / RIPA & IPA / CPIA, PACE, Disclosure Training – <i>Completed annually.</i>
Strategy : Prevention	Fraud Awareness – Procurement Activities – <i>transferred to 2023/2024 work plan.</i>

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

Area of Work	Task	Detail
Bribery and Corruption	Assessment Template Review	
Bribery and Corruption	Policy and Procedure: Staff Declarations of Interest / Conflicts of Interest	Required / Follow up at Governance Group
Bribery and Corruption	Review / Roll Out of the Gifts and Hospitality Policy and Procedure	Required / Follow up at Governance Group
Governance	Delivery of two reports for Audit and Governance Committee	July / November
Governance	Fighting Fraud & Corruption Locally - Checklist Compliance	Draft Completed, to be presented to Governance Group
Governance	Government Functional Standard 013: Counter Fraud - Compliance	Draft Completed, to be presented to Governance Group
Governance	Fraud Risk Strategy / Response Plan	Presented to Audit and Governance Committee July 2022 - next review 2025
Governance	Development of Service Specific Fraud Risk Registers	Revenues, Benefits and Procurement
Policy	Counter Fraud and Anti-Corruption Policy	Reviewed and Approved by Audit and Governance Committee July 2022 / Executive Committee August 2022 - next review 2025
Policy	Corporate Enforcement Policy	Approved by Overview and Scrutiny Committee October 2020 / Executive Committee November 2020 - next review 2023
Policy	CTAX, CTRS & HB Penalty and Prosecution Policy	Reviewed and Approved by Audit and Governance Committee July 2017 / Executive Committee August 2017 - Under review
Policy	Proceeds of Crime & Anti-Money Laundering Policy	Reviewed and Approved by Audit and Governance Committee July 2021 / Executive Committee September 2021 - next review 2024
Policy	Whistle-Blowing Policy	Reviewed and Approved by Audit and Governance Committee January 2020 / Executive Committee February 2020 - next review 2023

Area of Work	Task	Detail
Policy	RIPA (Surveillance & CHIS)	Reviewed and Approved by Audit and Governance Committee September 2020 / Executive Committee November 2020 - next review 2023
Policy	IPA (Acquisition of Communications Data)	Reviewed and Approved by Audit and Governance Committee September 2020 / Executive Committee November 2020 - next review 2023
Policy	Use of the Internet and Social Media in Investigations and Enforcement	Reviewed and Approved by Audit and Governance Committee July 2021 / Executive Committee September 2021 - next review 2024
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 / Risks	To be included within the Fraud Risk Registers
Serious and Organised Crime	Proactive Fraud Drive - transient / cash businesses	
Statutory / Regulatory	Collation and Publication of Fraud Transparency Data	
Statutory / Regulatory	RIPA / IPA - Annual Report to Members / Advisory / Inspection SPoC	Annual updates completed July. Inspection commenced.
Strategy : Detection	Housing Waiting List review	Silver Band (594 applications reviewed)
Strategy : Detection	National Fraud Initiative Match Reviews - Revenues / Benefits / Housing	2022/2023 - 621 matches received
Strategy : Detection	Procurement Proactive Fraud Drive - Small Supplier Payment Review	Commenced

Area of Work	Task	Detail
Strategy : Detection	Business Rates Review Self Catering Accommodation - Assurance and Enforcement Activities	Pending guidance / regulations
Strategy : Detection	HBMS Referrals - triage and recommendations	Completed monthly
Strategy : Detection	Business Grants - Assurance and Enforcement Activities	Debt recovery and transfer
Strategy : Detection	Council Tax Reduction Scheme Proactive Fraud Drive	
Strategy : Detection	Aged Debt Review	574 debtors referred for tracing / chasing - project handover
Strategy : Detection	Business Rates Proactive Fraud Drive - Small Business Rates Relief	
Strategy : Prevention	Development of Right to Buy Debt Recovery Process	
Strategy : Prevention	Training Members / Staff - Fraud Awareness / RIPA & IPA / Criminal Enforcement CPIA, PACE, Disclosure Training, Money Laundering	
Strategy : Prevention	Fraud Awareness - Procurement Activities	
Strategy : Prevention	MAAF Support / Work Streams	Staff awareness session 11 July 2023

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

Report to:	Audit and Governance Committee
Date of Meeting:	19 July 2023
Subject:	Annual Health and Safety Report
Report of:	Environmental Safety Officer
Head of Service/Director:	Director: Communities
Lead Member:	Lead Member for Staff and Culture
Number of Appendices:	1

Executive Summary:

The report attached, at Appendix 1, is a summary of the activities carried out to secure health and safety compliance in the financial year 1 April 2022 to 31 March 2023.

Tewkesbury Borough Council is committed to the health and safety of its employees, service users and contractors and has a system in place to monitor, control and minimise the risks as far as possible. Of course, incidents occur from time to time and these are learned from and measures put in place to ensure that these risks are minimised further.

Best practice recommends that organisations produce and publish an annual health and safety report. As such, this report summarises Tewkesbury Borough Council's health and safety performance during the year 1 April 2022 to 31 March 2023 and looks forward to work proposed in the next year. The aim is to provide information to demonstrate how the Council fulfils its legal responsibilities to protect its employees, volunteers, contractors, service users and members of the public and to show the processes in place to identify a wide range of health and safety risks and the controls in place against the identified risks.

Corporate Health and Safety is managed via the Keep Safe Stay Healthy Group, chaired by the Director: Communities and is attended by senior managers and staff from the organisation together with the Lead Member for Staff and Culture having a standing invitation. The group considers health, safety and welfare issues across the organisation and have achieved areas of good practice across all Council services as detailed in the progress section of the work plan, for example, the planning and implementation of the Wellbeing programme and the health and safety training that has taken place this year.

Recommendation:

To CONSIDER the contents of the Annual Report.

Financial Implications:

None

<p>Legal Implications:</p> <p>Tewkesbury Borough Council is responsible for the health, safety and welfare of its staff, contractors and where relevant, members of the public in accordance with the Health and Safety at Work etc. Act 1974. All statutory guidance and other legislative requirements must be followed.</p>
<p>Environmental and Sustainability Implications:</p> <p>None</p>
<p>Resource Implications (including impact on equalities):</p> <p>As detailed in the report at Appendix 1.</p>
<p>Safeguarding Implications:</p> <p>None</p>
<p>Impact on the Customer:</p> <p>Customers in the building are covered by the Council's health and safety arrangements.</p>

1.0 INTRODUCTION/BACKGROUND

- 1.1 Tewkesbury Borough Council recognises and accepts its responsibilities to secure the health, safety and welfare of staff and, where relevant, members of the public. It also recognises the importance of good communications in making sure this is effectively carried out.
- 1.2 As part of securing and ensuring compliance with the Health and Safety at Work etc. Act 1974, it has been identified that Members, as well as staff and the public, should be well informed about the work carried out.
- 1.3 The Health and Safety Executive provide excellent guidance in both leading and managing health and safety. The attached report provides a good way to deliver on their recommendation to establish an effective 'downward' communication system and management structure.
- 1.4 The Council has a pro-active Keep Safe Stay Health group which is well attended by senior managers and staff from the organisation. The Lead Member for Staff and Culture has a standing invitation. The objective of this group is to bring together management, staff, trade unions and elected Members to consider health, safety and welfare matters. The group provides a forum for consultation on related policies that the Council may adopt.

2.0 ANNUAL REPORT

- 2.1 The report is intended to be both a reflection on the performance and activities from the previous year, but also a projection of the planning, organising, checks and actions for the future.

3.0 PURPOSE

3.1 The Council is committed to the management of health and safety for both Council client officers and all contractors engaged by the Council. This report provides the health and safety framework that all parties must follow to ensure health and safety is managed during the course of business.

3.2 The purpose of the annual report is to provide an open and transparent way of reporting the work carried out and progress with all matters relating to health and safety in accordance with good practice from the Health and Safety Executive.

4.0 CONSULTATION

4.1 The Leadership Team has been consulted on the contents of the annual health and safety audit report.

5.0 ASSOCIATED RISKS

5.1 Tewkesbury Borough Council is responsible for the health, safety and welfare of its staff, contractors and where relevant, members of the public in accordance with the Health and Safety at Work etc. Act 1974. All statutory guidance and other legislative requirements must be followed.

6.0 MONITORING

6.1 Quarterly report to Leadership Team and annual report to Audit and Governance Committee.

7.0 RELEVANT COUNCIL PLAN PRIORITIES/ COUNCIL POLICIES/STRATEGIES

7.1 Health, Safety and Welfare Policy.

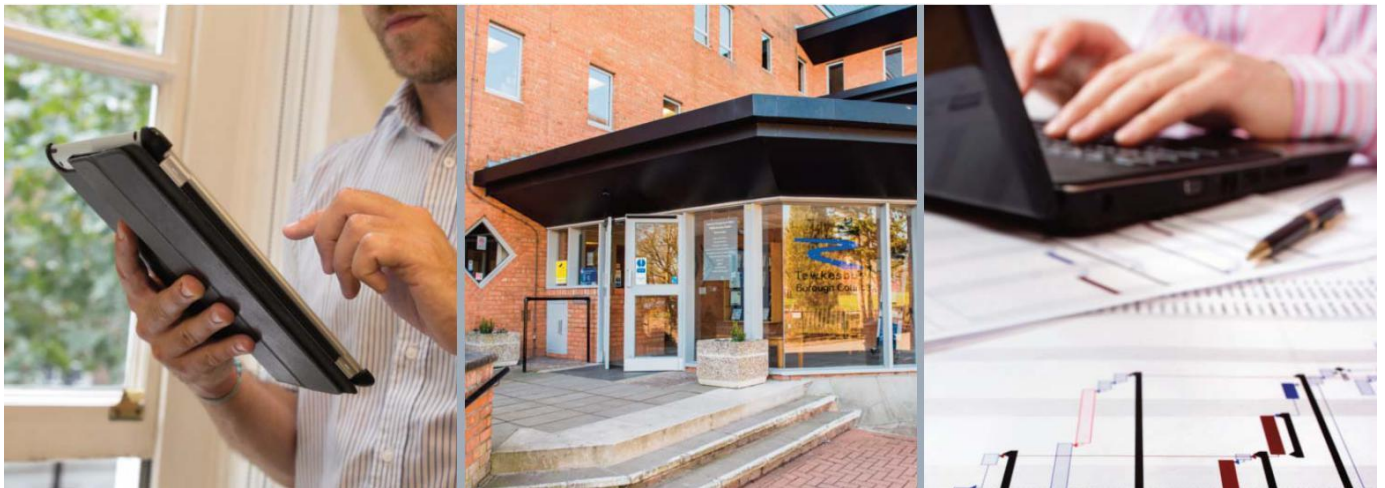
Background Papers: None

Contact Officer: Environmental Safety Officer
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Appendices: Appendix 1 - Corporate Health and Safety Workplan

Corporate Health and Safety Report

April 2022 – March 2023



INTRODUCTION

The purpose of this report is to provide an open and transparent communication on all matters relating to corporate health and safety in accordance with good practice from the HSE. The report is both a reflection on the performance and activities from the previous year, and for the next financial year.

Tewkesbury Borough Council is committed to maintaining a healthy and safe place of work for all its employees, including contractors and volunteers as well as taking all reasonable steps to ensure that the public and the environment are exposed to the lowest practicable level of risk.

Best practice recommends that organisations produce and publish an annual health and safety report. As such, this report summarises Tewkesbury Borough Council's health and safety performance during 2022-2023 and looks forward to work proposed in the next year.

Corporate Structure for Health and Safety

The Management Team

Ultimate responsibility for the health, safety and welfare of staff and the public who use council services lies with the Chief Executive and the Leadership Team. The Director of Communities has specific responsibilities for leading on corporate health and safety matters and chairs the Keep Safe Stay Healthy Group (KSSH).

Keep Safe Stay Healthy Group (KSSH)

The objective of the KSSH group is to bring together Management, Staff, Elected Members and Trade Union representatives to:

- (a) Consider matters relating to the health and safety of all employees.
- (b) Provide a forum on a regular basis for consultation.
- (c) Ensure issues are reported to the Management Team.
- (d) Oversee the Health & Safety annual Work Plan.

Promotion

Internal Health and safety and wellbeing matters are reported via the intranet, the monthly News4U staff newspaper and regular council-wide staff briefing sessions.

Risk Assessments

A generic health and safety risk assessment is available for use by all services to assist with the annual review of service risk assessments which was achieved within the period of this report.

Training

Health and safety training is encouraged, and the council training budget helps to overcome any funding challenges faced by the individual council teams. A list of health and safety training that has been undertaken and further planned training for the coming year is contained in the work plan in appendix 1.

Achievements in the last 12 months

The Keep Safe Stay Healthy group have an annual work plan of priorities for action. This report covers the planned work from April 2022 to March 2023. These are detailed in appendix 1.

Proposed Health and safety Work Plan 2023–2024

The 2023-2024 workplan is attached as Appendix 1.

In line with the Health and Safety Work Plan 2023-2024 we will continue to carry out/action identified rolling health and safety reviews and adopt further tasks in accordance with the outcome of quarterly Keep Safe Stay Healthy meetings.

Accident and Incident Reporting

All accidents/incidents and near misses are reported under the council's procedures to enable appropriate remedial action to be identified and preventative measures to be put in place.

TBC Accidents/Incidents reported April 2021 to March 2022

- TBC staff - 2 reported
- Members of the public - 0 reported

Staff Safety Register (members of the public that pose a risk to council officers)

- 2 inclusions in the time period of this report.

RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) Riddor is the law that requires employers and other people in charge of work premises, to report records of:

- work-related accidents which cause deaths
 - work-related accidents which cause certain serious injuries (reportable injuries)
 - diagnosed cases of certain industrial diseases; and
 - certain 'dangerous occurrences' (incidents with the potential to cause harm)
- No RIDDOR reportable accidents or incidents were reported in the time period of this report.

UBICO (Waste, Street Cleansing and Grounds Maintenance Services) contract plus Mixed Recycling Facility (MRF) contract

As a requirement under these contracts quarterly health and safety reports are provided by the contractors which include accident and incident statistics/data. This information is reviewed at contract meetings in order to identify trends relating to accident statistics and the controls required to reduce the likelihood of recurrence. The waste, street cleansing and ground maintenance quarterly health and safety reports are also taken to the Ubico Board of Directors meetings on a bi-monthly basis. Accident and Incident data analysis/trending is also undertaken by the Waste team and if a trend is identified it is queried with Ubico or the MRF contractor.

Tewkesbury Leisure Centre Contract (Contractor: Places Leisure)

A quarterly report is provided by the contractor to the Service Head of Asset Management who manages and monitor this contract. The report provided covers the performance, operations and health and safety which includes accident/incident statistics. RIDDOR incidents are reported within 24 hours to the Service Head of Asset Management and an accident/Incident trend analysis is undertaken by Places Leisure which is also a contractual requirement. All health and safety matters related to this contract are reported to the Strategic Leisure Partnership Group on a quarterly basis.

Conclusion

Progress has been made this year as detailed in the plan in appendix 1. The proposed planned actions contained in the 2022 -2023 annual work plans have also been achieved or were on a rolling programme and included in the proposed Health and safety Work Plan 2023–2024 as detailed in appendix 1.


References

Health and Safety Executive's (HSE) guidance document HSG65 'Managing for Health and Safety'.

Corporate Health and Safety Report April 2022 – March 2023

Work Plan 2022/2023

1. Response to Covid 19 Pandemic			
Areas Identified	Status	Progress on 2022/2023 actions	Actions for 2023- 2024
Offices and related business settings	😊	As there is no longer a requirement for all employers to explicitly consider COVID-19 in their statutory health and safety risk assessments, corporate and service Covid-19 risk assessments have been removed from the intranet and filed safely for future reference if required.	Reducing the spread of respiratory infections, including COVID-19 in the workplace government guidance has replaced the Working safely during coronavirus (COVID-19) government guidance. The replacement guidance has been incorporated into service risk assessments-
2. Staff wellbeing			
Areas Identified	Status	Progress on 2022/2023 actions	Actions for 2023- 2024

Workplace wellbeing programme		<p>Posted on the council's Intranet or provided through Microsoft Teams or undertaken/arranged by the Social Committee.</p> <ul style="list-style-type: none"> • Stress Awareness Month • Brew Monday (Samaritans) • Healthy Lifestyles Gloucestershire • On your feet Britain • National Walking month • Sun Awareness Week • Mental Health Awareness Week • Retirement Session • Diabetes Awareness Week • Men's Health Week • Talk to us • Cycle to work day • Macmillan Coffee Morning • World Suicide Prevention Day • Stoptober • World Mental Health Day • Alcohol Awareness Week • 16 Days of Action • Focus on your finances • Healthy Lifestyles Gloucestershire Support • National Heart Awareness Month • Time to Talk Day • Neurodiversity Celebration Week • Debt Awareness Week • Nutrition and Hydration Week 	<p>Posted on the council's Intranet or provided through Microsoft Teams or undertaken/arranged by the Social Committee.</p> <ul style="list-style-type: none"> • Stress Awareness Month • On your Feet Britain • National Walking Month • Sun Awareness Week • Mental Health Awareness Week • Bike Week • Diabetes Awareness Week • Men's Health Week • Alcohol Awareness Week • The Big Listen (Samaritans) • Cycle to Workday • Migraine Awareness Week • Macmillan Coffee Morning • Stoptober • World Mental Health Day • World Menopause Day • 16 Days of Action focuses on domestic abuse and violence to
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			women and girls. • Talk Money Week
3. Health & Safety Training			
Areas Identified	Status	Progress on 2022/2023 actions	Actions for 2023-2024
H&S training	😊	<ul style="list-style-type: none"> • Mental Health Awareness Sessions • Working at Height • Manual Handling • First Aid • Defib Training for First Aiders • IOSH Training for managers • Fire Warden • Asbestos Awareness • Legionella Risk Management • Playground Inspection • DSE training 	<p>Further training will be undertaken this year in line with service requirements and the KSSH group plan.</p> <p>The council are also launching a Self-Service training platform in the autumn which will include health and safety training.</p>
4. Healthy Workplaces Gloucestershire Award			
Areas Identified	Status	Progress on 2022/2023 actions	Actions for 2023- 2024

Assessment against criteria across all services	😊	<p>The Gloucestershire Healthy Workplace award demonstrates the council's commitment to the health and wellbeing in the following topics:</p> <ul style="list-style-type: none"> • Organisation • Communication • Recruitment and Retention • Mental Wellbeing and Stress Reduction • Back Pain & Reduction • Smoking • Alcohol and Substance Misuse • Physical Activity • Healthy Eating • Personal Safety & Environmental Health <p>The council engaged in the Gloucestershire Healthy Workplace Award Scheme and achieved foundation award level in June '22. Feedback from the assessor was very positive.</p> <p>The council then worked towards enhanced accreditation, which was achieved in Nov '22 and once again the feedback was very positive.</p>	The only area identified for improvement moving forward was to continue to build on the wellbeing initiatives that will bring people together in healthy activities, such as walking meetings, team challenges, and wellbeing sessions which is covered in the Wellbeing programme assisted by the Social Committee.
5. Keep Safe Stay Healthy Plan			
Areas Identified	Status	Progress on 2022/2023 actions	Actions for 2023- 2024
As contained in the Keep Safe Stay Healthy Group plan which is continually updated and discussed at quarterly meetings.	😊	<ul style="list-style-type: none"> • Health & Safety corporate/service risk assessments reviewed on annual basis or when changes occur. The risk assessment template to assist with this requirement has also been reviewed and revised. • Monitoring of the Health & Safety Management System HSG65 Checklist which scores the councils corporate health and safety management system. This is undertaken annually, and the outcome reported to the KSSH group and the Leadership Team. • The Staff Safety Register guidance and procedures reviewed 	<p>In line with the Health and Safety Work Plan 2022-2023 the following will continue to be carried out/actioned plus further tasks will be added to this plan in accordance with the outcome of quarterly Keep Safe Stay Healthy meetings:</p> <ul style="list-style-type: none"> • Service risk assessments will be reviewed on an annual basis or when changes occur.

		<p>and revised in line with new digital process. The Staff Safety Register has now been digitalised and was launched in Feb 2023.</p> <ul style="list-style-type: none"> • Review of Lone Working policy has also been completed and placed on the intranet and an audit of the recording and monitoring of lone workers has been undertaken across all services. • Accident and Incident Policy reviewed and revised. • Display Screen Equipment policy written in line with the online Cardinus workstation training and risk assessment system. • Departmental meetings undertaken throughout the year by Environmental Safety Officer to assist with risk assessment reviews and lone working arrangements. • The online workstation risk assessment system has been monitored ongoing to ensure staff are working safely in the office and when working remotely. 	<ul style="list-style-type: none"> • Waste and ground maintenance contract H&S updates will continue to be reported by the Waste Team manager at the quarterly KSSH group meetings. Further detail in main body of this report. • H&S updates relating to the Leisure centre contract will continue to be reported to the KSSH group on a quarterly basis by the Property Asset Manager. Further detail provided in the main body of this report. • Environmental Safety Officer attending departmental meetings as and when required in a H&S advisory capacity. • Review of all council health and safety policies which is an ongoing process. The overarching Health, Safety & Welfare policy was reviewed in May and amended in line with new management structure. • Continue to monitor the online workstation risk assessment outcomes to ensure staff are working safely. • Actions required to assist staff with Aggressive Behaviour from the public which has escalated over the last 2yrs. • Further tasks will be added to
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			the plan throughout the year in accordance with the requirements of the Keep Safe Stay Healthy Group.
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TEWKESBURY BOROUGH COUNCIL

Report to:	Audit & Governance Committee
Date of Meeting:	19 July 2023
Subject:	Data Protection Officer Annual Report
Report of:	Director: Corporate Resources (Data Protection Officer)
Head of Service/Director:	Executive Director: Resources and S151 (Senior Information Risk Owner)
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	1

Executive Summary:

This report provides the Committee with the Data Protection Officer's assessment of the Council's general activity during 2022/23 to ensure broad compliance with the Data Protection Act 2018 and the UK General Data Protection Regulation (GDPR). The role of the Data Protection Officer is to monitor compliance by the Data Controller of GDPR legislation. It is a statutory role fulfilled by the Director: Corporate Resources. The Data Controller (the Council) has a duty to comply with GDPR legislation. A Single Point of Contact (SPoC) for GDPR supports service areas in maintaining operational compliance with legislation and has developed and oversees the action plan attached at Appendix 1.

Recommendation:

To receive the annual report on the actions undertaken during the year and to CONSIDER the action plan, attached at Appendix 1, to further improve the council's GDPR arrangements.

Financial Implications:

None arising directly from this report.

Legal Implications:

The authority has a duty to ensure compliance with its data protection obligations. Failure to comply could result in action from the Information Commissioner's Office (ICO) that can include enforcement notices, prosecutions and fines.

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:

It is good practice that the Data Protection Officer (DPO) provides annual assurance on the adequacy of the Council's data protection arrangements. This helps demonstrate to customers, as well as employees, suppliers and other third parties, that they can have trust in engaging with the Council and feel confident that their personal data will be safe.

1.0 INTRODUCTION

- 1.1** The Data Protection Act 2018 (DPA) and UK General Data Protection Regulation (GDPR) came into effect on 25 May 2018. The Council must comply with all relevant legislation and maintain good practices to protect the personal data held. A significant amount of work was undertaken prior to this date to ensure the Council was broadly compliant and this work is ongoing to maintain compliance. The Council has an approved Data Protection Policy that provides guidance to ensure that all personal data is lawfully processed by the council and meets the seven key principles of the regulation.
- 1.2** The Council's policy details the roles and responsibilities to oversee compliance which are as follows:
- Senior Information Risk Owner (SIRO) – to ensure that information assets are appropriately managed. Oversees and is responsible for the whole information governance framework and the risks associated with it. This role is fulfilled by the Executive Director: Resources and S151.
 - Data Protection Officer (DPO) – to undertake the statutory role by monitoring compliance and by providing training, advice and assistance to the SIRO. This role is fulfilled by the Director: Corporate Resources.
 - GDPR Single Point of Contact (SPoC) – acts as the single point of contact for customers, staff, Members and the DPO in relation to personal data. Oversees delivery of the GDPR action plan, providing advice and support to information asset owners. This role is fulfilled by the Information Governance Officer.
 - Information Asset Owners (IAO) – each operational manager has been designated as the IAO for their service. It is their responsibility to ensure their services are compliant with data protection legislation.
- 1.3** An internal Information Governance and Security Board meets on a regular basis to oversee Data Protection and GDPR related activity. One key objective of the Board is to oversee delivery of the GDPR action plan. The action plan can be found at Appendix 1

2.0 GDPR WORK UNDERTAKEN IN THE YEAR

2.1 It is good practice that the DPO, as the compliance monitoring officer, provides assurance to the Audit and Governance Committee as to the broad compliance with GDPR and any action that has been taken over the last year to strengthen arrangements. In terms of the key actions undertaken during the year, these include:

- A review of the Council's Data Protection Policy. An updated Policy was presented to Audit and Governance Committee on 23 March 2023 and subsequently approved by Executive Committee on 7 June 2023. The Policy will now be subject to ongoing annual review.
- A new system, built on the Liberty Create platform, has been developed to manage data requests. This follows a similar process to the existing Freedom of Information Request system and has created efficiencies in responding to these requests.
- Redaction software has been rolled out to appropriate officers to assist with ensuring that personal data is sufficiently protected when responding to requests for information.
- An information governance structure chart has been produced to identify key roles and responsibilities across the organisation e.g., Senior Information Risk Owner, Data Protection Officer etc.
- Data Protection training has been delivered to Members as part of their induction programme. To meet ongoing training requirements, provision for online annual refresher training is in place for all staff and Members.

3.0 LOOKING FORWARD

3.1 The action plan is a comprehensive document, providing an excellent platform to enhance the Council's arrangements. Key actions moving forward include:

- Develop a data retention project plan to address the key risks associated with data retention and put in place effective measures to ensure that the data held by the Council is necessary and proportionate.
- To keep a watching brief on The Data Protection and Digital Bill and assess any potential changes that this may bring to data protection requirements.
- Review privacy notices to ensure that they are up to date and are in place for all activities that involve the collection of personal data.
- Ensure the intranet is a good source of GDPR information for staff and Members, that this is up-to-date with all relevant information and promotes data protection awareness.

4.0 DATA PROTECTION OFFICER ANNUAL CONCLUSION

4.1 Ensuring compliance with Data Protection requirements is a continuous process requiring continual development and learning. The support of the GDPR Single Point of Contact (SPoC) has been invaluable in assisting both the Senior Information Risk Owner and the Data Protection Officer in securing and monitoring the Council's development and compliance. The SPoC role is carried out by the Information Governance Officer, who has recently been appointed to the Head of Audit and Governance. Following a recruitment process, a new appointment was made to the Information Governance Officer role with the successful candidate due to start with the Council in September 2023. This will provide the resource to continue to move the GDPR action plan forward.

4.2 It is pleasing to report that during the year there have been a low number of data breaches recorded, none of which were categorised as high risk, and therefore the Council has not been required to notify the Information Commissioner of any breaches. Nevertheless, it is important that the Council's arrangements are continually reviewed and that the GDPR action plan attached at Appendix 1 is delivered in order to secure the council's continued compliance.

5.0 CONSULTATION

5.1 None

6.0 ASSOCIATED RISKS

6.1 Ongoing compliance monitoring and implementation of the GDPR action plan aims to mitigate the following risks:

- Accidental or deliberate breach of data protection requirements.
- Potential sanctions against the council or individuals imposed by the ICO.
- Council reputational damage.

7.0 MONITORING

7.1 Progress on delivering the GDPR action plan is monitored by an internal Information Governance and Security Board. This Board includes the Data Protection Officer and Senior Information Risk Owner, supported by officers from Audit and Governance, ICT and Business Transformation. Internal Audit also provides additional assurance where appropriate through the delivery of the Internal Audit Plan.

8.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

8.1 Data Protection Policy 2023.

Background Papers: None

Contact Officer: Data Protection Officer (Director: Corporate Resources)
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Appendices: Appendix 1 – GDPR Action Plan

Appendix 1

GDPR Action Plan

Status Key:	
	Action completed
	Action underway- but there is still more to do
	Action not yet started

Workstream	Action	Target completion date	Status/ Progress to date
121	a) Carry out a review of the council's Data Protection Policy	June 2023	COMPLETE An updated Data Protection Policy was presented to Audit and Governance Committee on 23 March 2023 and subsequently approved by Executive Committee on 7 June 2023. The policy will now be subject to ongoing annual review.
	b) Carry out a review of the council's Breach Reporting Policy.	November 2023	Not yet started
	c) Develop a policy for the use and storage of photographs.	December 2023	The policy has been drafted. A storage solution for all corporate photographs now needs to be established.
2. Data audit	a) Review the previous data audit and work through this with individual service areas in order to establish all data that is processed, retained and/or shared (including data obtained in the response to Covid-19).	March 2024	The 2018 data audit has been reviewed- this identified a number of gaps. Further work is needed with Information Asset Owners on this and will form part of the data retention project referenced at action point 3 (e).
	b) Risk assess each service area based on data protection risks, type of data held, regularity of data deletion etc. Risk assessment to be reviewed on a regular basis.	April 2024	Not yet started
3. Data retention and disposal	a) Review the council's corporate data retention schedule and update as necessary.	July 2024	<i>This action will feed into the corporate data retention project.</i>
	b) Review LGA Inform Plus records retention guidance in relation to Covid-19 and update retention schedule as necessary.	July 2021	COMPLETE Covid-19 data is now reflected within the corporate retention schedule.

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GDPR Action Plan

122	c) Review data retention in relation to Office 365.	December 2023	A DPIA for the use of Office 365 has been carried out and an approval process for sharing data with third parties via 365 is now in place. Further actions are required in relation to: <ul style="list-style-type: none"> Developing an Acceptable Use Policy for the above Publishing an Office 365 privacy notice Office 365 applications to be reflected in corporate retention schedule.
	d) Publish the council's current corporate retention schedule.	March 2021	COMPLETE
	e) Establish a process for maintaining the schedule and monitoring retention periods.	October 2020	COMPLETE This will be monitored through Internal Audit assurance.
	f) Develop a retention project plan to include a phased approach to: <ul style="list-style-type: none"> Legacy data Unstructured data Network drives Mailboxes 	December 2023	Not yet started.
	g) Review email distribution lists.	November 2023	Not yet started.
	h) Data held in mailboxes to be migrated onto local network drives. Consider introducing a time limit on inboxes.	July 2024	<i>This action will be completed as part of the retention project referenced at action point 3 (e).</i>
4. Privacy impact assessments	a) Review the existing privacy impact assessment template	January 2024	A new draft DPIA template has been developed and tested, the next step is to develop this into a digital process. The Data Protection and Digital Bill is due to come into force during late 2023, this may bring potential changes to data protection requirements, including the need for DPIA's. Any further work on the council's existing DPIA template will therefore not commence until the impact of this legislation is known.

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GDPR Action Plan

	b) Develop guidance around when a DPIA should be carried out- with reference to the risk management and project management processes.	January 2024	Not yet started
	c) SPoC to attend Programme Board to ensure all new projects are supported with a PIA where appropriate.	October 2020	COMPLETE SPoC attends Programme Board meetings.
	d) Review existing DPIA's to ensure privacy notices and the corporate retention schedule reflect any changes.	March 2024	Not yet started
5. Data breaches 123	a) Review current practices and documentation in relation to data breaches and determine any areas for improvement.	May 2024	Not yet started
	b) Introduce a reporting process whereby the Information Board receive regular updates regarding data breaches.	November 2020	COMPLETE The Information Governance and Security Board have a data breach update as a standing agenda item.
	c) Introduce a 'follow up' procedure for the lessons learnt/ recommendations from data breaches to ensure they are implemented.	March 2021	COMPLETE Lessons learnt/ agreed actions will be subject to quarterly follow ups, undertaken by Internal Audit. Any non-implementation will be reported to Information Board.
	d) Produce a set of data breach FAQs for staff.	November 2023	Not yet started
6. Privacy notices	a) Ensure all activities which involve the collection of personal data have a privacy notice.	April 2024	Privacy notices are being published as and when new systems/ procedures/ data processing is introduced. A thorough check to ensure all existing activities have privacy notices will be completed as work with individual service areas is progressed as part of the data audit and retention project.
	b) Review the council's existing privacy notices to ensure they are up to date.	April 2024	<i>As above- existing privacy notices will be reviewed as part of the data audit and retention project.</i>

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GDPR Action Plan

7. Processing activities	a) Update the current list of processing and establish a regular review.	December 2024	The template, developed by the ICO, is now populated with the information gathered as part of the 2018 GDPR data audit. Further work is needed to ensure it captures all data processing.
8. Data sharing agreements	a) Develop a central document store of all data sharing agreements, ensuring they are up to date.	Ongoing	COMPLETED Completed data sharing agreements are now held centrally by the SPoC. This does not include historical agreements, and these will be obtained and reviewed as work with individual service areas is progressed as part of the data audit.
	b) Review the list of processing to ensure data sharing agreements are in place where appropriate and introduce a process whereby the SPoC is notified of any new agreements.	December 2024	Not yet started
9. Freedom of Information and Subject Access Requests 124	a) Document the procedures for handling FOI and subject access requests, including any charging process.	February 2024	A new system to log and manage subject access and data requests was launched in October 2022. Documented procedures will now be produced to ensure awareness and consistency in responding to these requests.
	b) Produce data redaction guidance.	February 2021	COMPLETE Redaction guidelines have been produced and training took place on 13 and 14 July 2021. Ad hoc training sessions have also been carried out with individual teams as required.
	c) Look into procuring a redaction tool for Corporate Services	December 2020	COMPLETE Officers within Corporate Services now have access to a data redaction tool.
	d) Roll out the use of an electronic redaction tool to all appropriate officers.	March 2022	COMPLETE Appropriate officers now have access to a data redaction tool.
	e) Introduce a reporting process whereby the Information Group receive regular updates regarding requests.	November 2020	COMPLETE A data request monitoring report is included as a standing agenda item for Information Governance and Security Board.

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GDPR Action Plan

	f) Develop a clear procedure regarding an individual's right to erasure; including processes to inform other organisations, who the data may have been shared with, of the request.	March 2024	Not yet started
10. Training and awareness 125	a) Develop a corporate GDPR training plan for officers and councillors.	October 2023	Not yet started
	b) Develop a data protection organisational chart identifying key roles and responsibilities including Information Asset Owners.	July 2022	COMPLETE An Information Governance structure chart has been produced.
	c) Set up an Information Asset Owner email group distribution.	September 2023	Not yet started
	d) Liaise with HR regarding the possible inclusion of data protection responsibilities in job descriptions.	March 2024	Not yet started
	e) Review GDPR intranet page.	December 2023	Not yet started
	f) Work with Communications to develop a GDPR awareness campaign.	May 2021	COMPLETE GDPR branding has now been developed which will be used for any GDPR related comms. The GDPR communications plan has been completed and will be updated moving forward.
	g) Re-launch the online GDPR training.	November 2021	COMPLETE The training was re-launched to staff in November 2021 and refresher modules will be completed on an annual basis. Members are now required to complete the online training as part of their induction programme and annually thereafter.
11. Governance	a) Complete the ICO's data protection self-assessment.	October 2020	COMPLETE Resulted in overall rating being 'green'. It produced a number of suggested actions; all of which are already included within this action plan, with the

Appendix 1

GDPR Action Plan

			exception of 1 regarding a clear procedure for the right of erasure- now included as an action (9(e)).
	b) Re-instate the Information Group meetings.	November 2020	COMPLETE The Information Group met on 06/10/20 and will meet every 8 weeks moving forward.
12. EU exit	a) Conduct an audit of personal data processing, where the data is received from or sent to a third party.	December 2020	COMPLETE Activities involving the processing of personal data have been identified, including where that data is received from or sent to a third party, as well as that third parties' location e.g., UK, EU etc.
126	b) Identify data flows from the EU to the UK and take appropriate action to implement alternative arrangements where necessary.	April 2021	COMPLETE Data flows have been identified. An adequacy decision has been issued and therefore at present there is no further action the council needs to take.
	c) Identify legacy data relating to EU citizens e.g., data collected prior to 31 December 2020.	April 2021	COMPLETE A risk-based approach is being taken. Discussions with service areas have established that the amount of legacy data held is limited. Where perhaps a larger volume of legacy data will be held is Elections, however this information is updated regularly. It is therefore not considered to be a high risk and there will be a watching brief on developments.
	d) Consider amending existing contracts or reviewing the contractual language for future contracts going forward to ensure they align with UK GDPR (as per MCHLG guidance note on post EU exit preparedness).	September 2022	COMPLETE All contracts moving forward will now align with UK GDPR provisions.
13. GDPR projects	a) Public registers- data redaction and retention	February 2021	COMPLETE Engagement has taken place with key service areas who will now move forward the developed action plan to publish public registers where applicable.
	b) Information classification	March 2024	An horizon form has been produced for Programme Board and this project will be taken forward once the new Information Governance Officer is in post.

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GDPR Action Plan

	c) Data request online system	January 2022	COMPLETE A new system within Liberty Create to manage data requests was successfully launched in October 2022.
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TEWKESBURY BOROUGH COUNCIL

Report to:	Audit & Governance Committee
Date of Meeting:	19 July 2023
Subject:	Internal Audit Quality Assurance and Improvement Programme
Report of:	Chief Audit Executive (Director: Corporate Resources)
Head of Service/Director:	Executive Director: Resources and S151
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	1

Executive Summary:

In accordance with standard 1300 of the Public Sector Internal Audit Standards (PSIAS), the Chief Audit Executive (CAE) must develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of internal audit activity. For Tewkesbury Borough Council, as defined in the Internal Audit Charter, the Director of Corporate Resources undertakes the role of CAE.

Recommendation:

To CONSIDER the 2023/24 Quality Assurance and Improvement Programme.

Financial Implications:

There will be a cost associated with an external assessment of the internal audit functions conformance with PSIAS. The CAE, Section 151 Officer and Chair of Audit and Governance Committee will consider the scope and approach to the assessment and report back to the Committee. Costs will be met from existing approved budgets.

Legal Implications:

The provision of internal audit is a statutory requirement for all local authorities. The internal audit function is required to operate in accordance with the PSIAS. These standards state that the CAE must report functionally to board as well as develop and maintain a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity.

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.

1.0 INTRODUCTION

- 1.1 In accordance with standard 1300 of the Public Sector Internal Audit Standards (PSIAS) the Chief Audit Executive (CAE) must develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity. For Tewkesbury Borough Council, as defined in the Internal Audit Charter, the Director of Corporate Resources undertakes the role of the CAE.

2.0 IMPLEMENTATION OF 2022/23 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME ACTIONS

- 2.1 It is pleasing to report that good progress has been made against the implementation of the 2022/23 QAIP actions as follows:
- A review of the service delivery model of the internal audit function has been completed. Under the Council's new management structure, a new Head of Audit and Governance post was created and successfully filled. This provides more resilience and a more sustainable delivery model for the team.
 - A member of the team, the now Head of Audit and Governance, successfully completed their masters degree in Internal Audit Management in March 2023.
 - New bi-annual audit plans have been introduced and provide greater flexibility.
 - A new Internal Audit Charter was approved in November 2022.
- 2.2 Any outstanding actions that remain pertinent to the delivery of the internal audit function have been included in the 2023/24 QAIP action plan.
- 3.0 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2023/24**
- 3.1 The proposed QAIP for 2023/24 is attached at Appendix 1. This has been developed to be representative and proportionate to reflect the small size of the Internal Audit team. The quality assurance element of the programme summaries the audit process to ensure all audits are completed to a consistent and high standard.
- 3.2 In accordance with the PSIAS, the QAIP is designed to enable an evaluation of internal audit's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.
- 3.3 Standards 1311 and 1312 of the PSIAS require that the QAIP include both internal and external assessments. With regards to the former, this refers to the ongoing monitoring of the service and relates to the integral day-to-day supervision, review and measurement of the internal audit activity. With regards to the latter, this is an independent review of internal audit that must be carried out by a qualified assessor, at least once every five years.
- 3.4 To demonstrate conformance with the Code of Ethics and the Standards, the results of external and periodic internal assessments should be communicated upon completion of such assessments. In practical terms, with regards to internal assessments, this is achieved through the regular internal audit monitoring report and the CAE's annual report. With regards to external assessments, findings are presented to the Committee.

- 3.5** The previous external assessment was undertaken in November 2017 with a formal report presented to the then Audit Committee on 28 March 2018. With regards to the next external assessment, to enable the internal audit function to be fully recovered as a result of the team's previous redeployment to the council's COVID-19 response, a pragmatic approach has been taken and this has been scheduled in the 2023/24 QAIP action plan for completion by March 2024. The Committee will be updated as this progresses.
- 4.0 CONSULTATION**
- 4.1** None.
- 5.0 ASSOCIATED RISKS**
- 5.1** If the CAE does not report functionally to the Board, as well as develop and maintain a QAIP, then this does not comply with PSIAS. If the Internal Audit team does not continually challenge itself to improve, potentially it will not maximise its value to support the council in achieving its objectives.
- 6.0 MONITORING**
- 6.1** Elements of the QAIP will be contained within the Internal Audit Monitoring Report, which is reported to each Audit and Governance Committee. Progress in delivering the actions within the QAIP will also be summarised and reported on an annual basis.
- 7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**
- 7.1** The work of internal audit supports the internal control, risk mitigation and governance of Council Plan priorities.

Background Papers: Internal Audit Quality Assurance and Improvement Programme
2022/23- Audit and Governance Committee 24 March 2022

[PSAIS 1 April 2017.pdf \(publishing.service.gov.uk\)](#)

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Appendices: Appendix 1 - 2023/24 Quality Assurance and Improvement Programme

Internal Audit

Quality assurance and improvement programme

Quality Assurance and Improvement Programme

In accordance with standard 1300 of the Public Sector Internal Audit Standards (PSIAS) the Chief Audit Executive (CAE) must develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit activity. For Tewkesbury Borough Council, as defined in the internal audit charter, the Director of Corporate Resources undertakes the role of CAE. The QAIP must include both internal assessments and external assessments. The programme has been developed so it is proportionate and practical for the small size of the internal audit team (2FTE).

Bi-Annual Plan

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The work of the team is directed by a bi-annual audit plan. The six monthly plan is drawn together by the CAE. For further quality assurance purposes, the plan is presented at leadership team for endorsement before it is presented to Audit and Governance Committee for formal approval.

Once approved the plans are profiled in consultation with relevant managers. The plan is monitored regularly by both the CAE and Head of Audit and Governance. Progress on delivering the plan is also discussed at regular team meetings. Progress on delivery of the plan is reported to each Audit and Governance Committee meeting. In addition, a regular meeting is held with the Lead Member for Corporate Governance and the Chair of Audit and Governance Committee to update on internal audit related work.

Internal Audit Process - overview

During the course of the audit, individual auditors tend to work on their own initiative. If need be, the small size of the team does make it easy for auditors to discuss any issues that may arise, particularly if it requires management input either from the Head of Audit and Governance or CAE.

Prior to undertaking an audit, the assignment brief (scope of the work to be undertaken) will be discussed with the client. This will include, but is not limited to, the identification of the key risks of the area to be audited, particularly if it is a new area of audit or there have been fundamental changes to a current system. All assignment briefs will be reviewed and approved by the CAE.

All subsequent working papers will be quality assured by the Head of Audit and Governance, and they will be dated and initialled as evidence of the quality check. A review sheet will be completed by the Head of Audit and Governance of questions arising as a result of the quality assurance review. The auditor will respond to these and all responses will be documented on the review sheet and signed off.

Following completion of all working papers, findings are summarised within a draft report including any recommendations. Each internal control element of the system or area audited will draw a conclusion on how well managed that element is. The number and significance of recommendations made will directly

inform that conclusion. The Head of Audit and Governance and CAE will review all draft reports.

Following a supervisory review of all audit documentation, the draft report will be issued to the client for approval. The client will naturally quality assure these, for example to ensure they are factually accurate. If there are any significant changes to the draft report or recommendations these will be agreed with the CAE.

Once finalised, the final report will be submitted to the CAE to formally sign the audit off by making comments and deciding if there is any further action. For example, to raise any findings with senior management or if any future audit work is required.

The time taken on individual audits is recorded on a daily work log. There are allocated days within the audit plan to follow up audit recommendations to determine if they have been implemented. Clients are notified on a quarterly basis of outstanding recommendations and these are also raised by the CAE at leadership team. The progress in implementing recommendations are reported to Audit & Governance committee with escalation procedures in place should the recommendation not have been implemented.

Quality Assurance and Improvement Programme

Client Survey

The final report and recommendations are sent to the client together with a client survey form. The completion of the form is encouraged but is not mandatory. Completed forms are returned to the CAE for review and appropriate action taken where necessary. Every two years, a survey will be sent to extended leadership team. This is different to the operational type survey and is more strategic in nature. For example, to ask questions around the value of internal audit.

133 Chair of Audit & Governance Committee and Lead Member engagement

The quality assurance and improvement programme, together with an overview of internal audit work undertaken forms part of a regular discussion with relevant members.

Performance Indicators

By applying the requirements of PSIAS this naturally contributes to the effectiveness of the internal audit team. In addition, and without creating an industry, the team will have a small basket of performance indicators. These will be kept under review annually.

Knowledge and Networking

It is important the team keep abreast of local and national news that affect the work of internal audit. This is achieved through a number of ways;

External focus

- Continuing professional development
- Membership of the Institute of Internal Auditors
- Subscription to CIPFA
- Participants in the Midland Internal Audit Group
- Ad hoc training courses

The team also need to be in touch with what is going on internally within the council;

Internal focus

- Membership of Programme Board – provides oversight on corporate projects
- Attendance at Information Governance and Security Board
- Team is set up on draft committee report distribution list
- Representation on project teams or other key corporate groups
- CAE sits on leadership team and has direct access to Chief Officer Group

Personal, Professional Development (PPD)

In line with the council's HR procedures, each member of the team participates in an annual PPD appraisal. This is supported with less formal but regular meetings during the course of the year. The PPD creates dialogue around individual performance, training and development.

Internal assessments

This will be achieved through ongoing monitoring of the performance of the internal audit activity by the CAE. For example, through monthly team meetings, performance indicator outturn figures, 1-2-1 meetings, feedback from other management team members, reporting to the Audit and Governance Committee and reporting to Members generally. The CAE also has regular 1-2-1 meetings with the Executive Director Resources and S151 and the Chief Executive.



Quality Assurance and Improvement Programme

External assessment

An external assessment of the internal audit function will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The CAE will agree the approach of the assessment and the appointment of the assessor with the Executive Director Resources and S151 and the Chair of Audit and Governance Committee. The committee itself will be updated prior to engagement and will obviously be presented with the findings of the assessment.

monitored and reported to the Audit and Governance Committee through the CAE's annual report. The improvement programme for 23/24 is attached in Appendix 1.

134 Reporting to Audit & Governance Committee

As part of the CAEs annual report, this will include details on compliance with the quality assurance framework and progress on implementing actions within the improvement programme.

Improvement programme

The audit team recognise it is important to continually review practices and implement improvement initiatives where possible. The improvement aspect of the QAIP has been translated into an annual action plan. The action plan will be



	ACTION	DATE	OFFICER RESPONSIBLE
1	Undertake a review of internal audit documentation and processes including: <ul style="list-style-type: none"> - Finalisation of an internal audit manual - Audit recommendation follow-up procedure 	September 2023	Head of Audit and Governance
2	Develop and implement a risk based internal audit plan to: <ul style="list-style-type: none"> - Ensure the service is focussing its efforts on providing assurance on the council's top risks. - Identify where external expertise may be required i.e. ICT related audits 	September 2023	Director of Corporate Resources and Head of Audit and Governance
3	In compliance with the Public Sector Internal Audit Standards (PSIAS), procure and prepare for an independent external assessment.	March 2024	Director Corporate Resources
4	Undertake a review of key performance indicators for the internal audit service.	September 2023	Head of Audit and Governance
5	Develop constructive engagement with the council's new external auditors.	March 2024	Head of Audit and Governance and Director of Corporate Resources
6	Identify appropriate training for the internal audit team to support their ongoing professional development.	March 2024	Head of Audit and Governance

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit & Governance Committee
Date of Meeting:	19 July 2023
Subject:	Internal Audit Plan Monitoring Report
Report of:	Chief Audit Executive (Director Corporate Resources)
Head of Service/Director:	Executive Director Resources and S151
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	2

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 their 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 (Director of Corporate Resources) 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 well and those that are not. Assurance opinions are categorised as 'substantial, reasonable, limited or no assurance'. The audit opinions can be found in Appendix 1.
- 2.2** Overall, from the individual opinions given, the conclusion is positive. The majority of opinions given conclude at least a reasonable level of control with very few 'high' recommendations made. The audits conclude that for the most part, there are no significant areas of concern, with the exception of one limited opinion in relation to Community Infrastructure Levy governance arrangements. This is currently being responded to by management to address the findings made.
- 2.3** With regards to work in progress, audits in relation to garden waste, disabled facilities grants and High Street Heritage Action Zone (HSHAZ) are underway as well as corporate improvement work to update the Council's contract and partnership registers. The conclusion of this work will be presented to Committee in September 2023.

3.0 FOLLOW-UP OF INTERNAL AUDIT RECOMMENDATIONS

- 3.1** All audit recommendations that were due to be followed-up in the period have been followed-up. This provides the Committee with an overview of the breadth of work undertaken and allows the Committee to monitor the implementation of the audit recommendations. The list of these recommendations and their status can be found in Appendix 2. Of the 30 recommendations followed-up during the period, 17 have been implemented, six partially implemented with four yet to be implemented and three mitigated.

4.0 CONSULTATION

- 4.1** 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 is reported on a regular basis to Leadership Team.

5.0 ASSOCIATED RISKS

- 5.1** If the CAE does not report functionally to the board then 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.

6.0 MONITORING

6.1 An internal audit monitoring report of work undertaken during the period is presented at each Audit and Governance Committee.

7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

7.1 The work of internal audit supports the internal control, risk mitigation and governance of Council Plan priorities.

Background Papers: Internal Audit Six Monthly Plan (April-September 2023) – approved by Audit and Governance Committee on 23 March 2023

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Appendices: Appendix 1 – Audit Opinions
Appendix 2 – Outstanding Audit Recommendations

Appendix 1 – Audit Opinions

Audits

Audit: Community Infrastructure Levy 2022/23

Introduction:

The Community Infrastructure Levy (CIL) was introduced by the Planning Act 2008, and it allows but does not require, local authorities to introduce a CIL. This differs from Section 106 agreements; in that it is levied on a much wider range of developments and according to a published tariff schedule. With new developments developers are usually asked to pay a contribution towards the funding of associated infrastructure. Section 106 agreements and CIL are used in combination to fund infrastructure.

CIL is paid primarily by owners or developers of land that is developed. In an area where CIL operates, most new development which creates net additional floor space of 100 square metres or more, or creates a new dwelling, is potentially liable for the levy. Some development is eligible for relief or exemption, and it is necessary to distinguish between these, exemptions for in-use existing buildings to be re-used or demolished (Regulation 40 and Schedule 1) and the clawback periods for different types of relief (Regulation 2 definitions).

The charge was effective in Tewkesbury/Gloucester/Cheltenham from 1 January 2019.

The council is required to produce an annual report setting out CIL receipts and expenditure. This was presented to Council on 6 December 2022 and confirms that total demand notices issued in the period 1 April 2021 to 31 March 2022 were £6,077,626.40, with the total amount from liability notices being £6,040,454.31. The total amount of CIL collected in the reported period was £2,968,463.09.

This audit has reviewed whether the application of CIL is being applied in accordance with the CIL charging schedule and the supporting process is effective.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Legislative and Compliance</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>LP2: Appropriate policies and procedures are not in place to support the management and receipt of CIL which could lead to potential challenge by developers and inconsistency in its application.</p>	Reasonable	<p>The primary database for documentation relating to the Community Infrastructure Levy (CIL) is Exacom. Information is loaded from Uniform, which uses the Idox system to store and monitor planning applications, into Exacom. Flags for archiving and deleting cases are generated by Exacom, not by Uniform which holds planning data including any CIL forms submitted to support an application. This means that documents held on Exacom are disposed of appropriately, but CIL Forms submitted in support of planning applications may remain on Uniform. It is therefore recommended that CIL records held on Uniform are reviewed and disposed of in line with retention requirements, taking into consideration that some large, phased planning permissions will be delivered over several years [R1].</p> <p>It is acknowledged that, following discussions with the CIL Manager during the audit, the current retention period of 12 years within the council's corporate retention schedule is not considered sufficient to take into account some of these larger scale permissions. There is a large, corporate piece of work due to take place to consider more widely the retention and disposal of records across the council, CIL retention periods will be included in this review which will have visibility via the Information Governance and Security Board.</p> <p>In terms of guidance on the CIL, this was found to be comprehensive and available on the council's website, including an introduction to CIL, details of what constitutes a liable development, how the charges are calculated, details of how payments are to be made and the appeals process. It also provides an overview of the six steps of the CIL process. A flowchart from the application stage to the demand notice stage is also present on the website which assists both staff and users of the service to ensure that all steps are followed.</p> <p>A charging schedule, dated October 2018 which is the adopted schedule, has been indexed in accordance with Regulation 121, in line with the CIL index published by RICS and the revised schedule is held on the council's website. Therefore, there is assurance that appropriate policies and procedures are in place in relation to the CIL.</p>	<p><u>Recommendation 1</u></p> <p><u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> CIL records held on Uniform should be reviewed and disposed of in line with retention requirements.</p> <p><u>Implementation date:</u> December 2023</p> <p><u>Responsible Officer:</u> CIL Manager</p>

<p>Operational</p> <p>OP1: Appropriate governance arrangements are not in place to ensure regular and satisfactory oversight of the CIL process, leading to the opportunity to identify issues and take timely action, being minimised.</p>	<p>Limited</p>	<p>It was reported to Audit and Governance Committee in March 2023 that the delay in the signing of a partnership agreement between the respective parties represents a significant governance issue. The formalisation of arrangements between partners will lead to better negotiation of CIL priorities and delivery for communities. The revised date for agreement of governance arrangements was March 2023, however, at the time of this report this had not been completed.</p> <p>It is acknowledged however that progress is being made, with the Memorandum of Understanding due to be taken back to the Executive Committee following the completion of new Member training in July 2023. CIL governance remains an action as a significant governance issue within the council's Annual Governance Statement, and as such will continue to be monitored.</p> <p>In respect of the roles and responsibilities in the administration of the CIL, audit testing confirmed that these have been formally identified and documented. Applications are made via the council's website, and these are initially recorded on Uniform, then transferred to Exacom. By comparing the information held on Exacom to source documents on Uniform, we confirmed for our sample of 10 applications that information had been correctly recorded on Exacom.</p> <p>During the audit, management and performance information was reviewed and this provided assurance that meetings are held regularly with representatives from Tewkesbury Borough Council, Cheltenham Borough Council and Gloucester City Council. The meetings are held monthly, with a standing agenda and provide performance monitoring information.</p> <p>The audit also established that an annual report – 'Annual Infrastructure Funding Statement (IFS) and Community Infrastructure Levy (CIL) Rate Summary Statement Requirements' – is presented to Executive Committee. The report clearly sets out the required information and provides an opportunity for challenge and clarification. Members are also involved in the CIL process throughout the year, with regular engagement with senior management in each authority.</p>	<p>None required.</p>
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		Furthermore, engagement also takes place with portfolio holders and the Executive Committee members during the year, with senior management in each authority.	
Economic and Financial E1: The council does not have a formal and approved system for the effective charging, collection and monitoring of CIL developments meaning there is the potential that CIL monies are not be promptly and accurately collected.	Substantial	<p>Audit testing has confirmed that the application process sufficiently ensures that any developments liable for CIL are identified upon application and that this is confirmed by the officer who validates the application. Where CIL is applicable, all documentation is loaded onto the Exacom system.</p> <p>Exacom automatically moves applications to the next stage and has prompts to ensure that any outstanding information is received from applicants.</p> <p>Sample testing of 10 applications provided assurance that this system for recording and monitoring CIL liable applications is effective and in line with the documented process. In all cases sampled the correct charge had been applied and there are processes in place to raise invoices and undertake recovery action in a timely manner.</p> <p>As set out in the annual Infrastructure Funding Statement, a total of £2,968,463.09 was collected in the period 1 April 2021 to 31 March 2022.</p> <p>Total CIL expenditure recorded in the same period was £157,959.20, made up of expenditure on admin of £148,423.17 and neighbourhood CIL as £9,536.</p> <p>As at the end of June 2023, debts in relation to amounts due was £192,294. Testing confirmed that appropriate and timely action is taken to recover outstanding debts.</p> <p>CIL income is receipted by Adelante, the council's cash receipting system and is then posted to Exacom, with the correct general ledger code allocated against it. We have reviewed a sample of receipts on Exacom during the course of our testing and are satisfied that they are correctly coded in the general ledger. The CIL Manager checks that income is correctly coded and it is considered that this process is satisfactory to ensure that all income received is reflected accurately in the general ledger.</p>	None required.

Technology T1: If an appropriate method of recording and storing documentation is not used, there is a risk that key records may be lost or amended.	Substantial	During the course of this audit, we have confirmed that Uniform and Exacom are used to administer CIL. Assurance has been obtained that appropriate access controls are in place and that all amendments to applications are recorded and visible. Furthermore, appropriate officers have received training in the relevant areas of CIL and the use of the system.	None required.
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Audit: Homelessness Prevention Grant Scheme 2022/23

Introduction:

As advised by the Department for Levelling Up, Housing and Communities in April 2022, a Homelessness Prevention Grant in the sum of £210,890 was awarded to the council. This covers the period 2022/2023, and is ring-fenced for expenditure in line with the Grant Determination which provides that it must be spent in adherence with the following principles, by March 2023:

- To fully enforce the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness.
- Reduce family temporary accommodation numbers through maximising family homelessness prevention and the use of unsuitable B&BS for families.
- Ensure service financial viability of services by contributing to the costs of statutory duties, including implementing the Homeless Reduction Act and supporting with the costs of temporary accommodation.

The Executive Committee met in October 2022 and confirmed a spending plan for the grant. A further grant of £5,085 was also provided as Domestic Abuse Act new burdens funding 2022-2023 and this has been committed to support a network of Domestic Abuse Rural Champions in the County.

In December 2022, a further top-up grant was awarded to the council in the sum of £34,015. This sum is ring fenced and is to be spend in adherence with the principles of the original grant awarded in April 2022, as shown above.

If the Council fails to comply with any of the conditions and spending requirements, the Minister of State may reduce, suspend, or withhold the grant; or require the repayment of the whole or any part of the grant.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Legislative and Compliance</p> <p>LP1: That there is non-compliance to the grant conditions relating to the Homelessness Prevention Grant Schemes leading to repayment in whole or any part of the grant.</p>	Substantial	<p><u>Part 1: Grant Expenditure</u></p> <p>We have reviewed all expenditure which has been incurred, or is due to be incurred by 31 March 2023, and having undertaken extensive testing, can confirm that it has been made in accordance with the terms of the Homelessness Prevention Grant and the Homelessness Prevention Grant Top Up.</p> <p>We are satisfied that expenditure has been properly applied in accordance with the agreed principles of the grants, which were approved by Executive Committee in October 2022.</p> <p>It is noted that an increased amount of £98,609.64 had been allocated to Housing Benefit subsidy. This was projected at the start of the year to be £62,000, based upon previous year costs. This increase is covered in more detail in part 2 below.</p> <p>The Section 151 Officer is required to provide assurance that the grant has been used in accordance with the agreed principles by 10 April 2023. We are satisfied that the online return will be made, and the outcome of this audit will be relied upon to support the assertion that the principles have been adhered to.</p> <p><u>Part 2: Compliance with the spending plan agreed by Executive Committee on 5 October 2022</u></p> <p>The initial grant was in the sum of £210,890 and the spending plan was prepared on this basis. At this time a grant of £5,085 was awarded for domestic abuse new burdens funding and an additional sum of £34,015 was later awarded to the council, bringing the total grant available to £249,990.</p> <p>As at 31 March 2023, a total of £247,514.63 has been spent, leaving a small remaining balance of £2,475.37.</p>	None required.

		<p>We have confirmed the following:</p> <p><u>Temporary Accommodation Costs</u></p> <ul style="list-style-type: none"> • Anticipated expenditure: £62,000 • Actual expenditure: £98,609.64 <p>The spending plan informs us that for the majority of temporary accommodation placements that are made, housing benefit claims are submitted. Some applicants are not eligible and housing benefit subsidy does not cover 100% of temporary accommodation costs so there is a shortfall that needs to be met. This is met from the grant and is charged to temporary accommodation costs.</p> <p>The anticipated figure in the spending plan was based upon the value for the previous financial year, however, the council has seen an increase in demand for temporary accommodation this year and therefore, the value of subsidy shortfall is higher.</p> <p>The Housing Services Manger confirmed that being able to identify costs with some certainty is important to ensure that the grant funding is applied as effectively as possible, in accordance with the terms of the grant, and based upon need. The uncertainty in estimating the level of housing benefit subsidy makes this more challenging.</p> <p><u>Enhanced hours within the Housing Advice team including new Rough Sleeping Prevention Officer pilot role.</u></p> <ul style="list-style-type: none"> • Anticipated expenditure: £52,605 • Actual expenditure: £78,373.62 <p>The hours for current staff within the team have been increased to meet the demands of the service and maintain prevention focussed activity. At the time of the audit the new Rough Sleeping Prevention Officer role was going through the job evaluation process and once the position is filled, will focus on preventing rough sleeping through liaising with landlords, mediation with family and sourcing alternative accommodation.</p> <p><u>Contribution to the partnership team</u></p> <ul style="list-style-type: none"> • Anticipated expenditure: £49,135 • Actual expenditure: £41,226.00 		
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		<p>The partnership team, hosted by Gloucester City Council, coordinates district action on a variety of housing matters. The funding supports services operating across the County such as the Rough Sleeping Outreach service and Domestic Abuse Places of Safety scheme.</p> <p><u>New Rough Sleeping Prevention Officer pilot role</u></p> <ul style="list-style-type: none"> • Anticipated expenditure: £18,891 • Actual expenditure: Included with enhanced hours above. <p><u>Homelessness prevention activity</u></p> <ul style="list-style-type: none"> • Anticipated expenditure: £28,259.01 • Actual expenditure: £26,046.37 <p>This will support the development of a rural champions network within the Gloucestershire Domestic Abuse Support Service (GDASS), identifying professionals and members of the public and training them to understand domestic abuse and develop pathways for referrals.</p> <p>We were advised by the Housing Services Manager that the additional £34,015 was spent in accordance with the priorities of the spending plan.</p> <p>We are satisfied that expenditure has been largely incurred in accordance with the spending plan, with the exception of Temporary Accommodation Costs, which have been exceeded.</p>		
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Audit: Car Parks 2022/23

Introduction:

There are 13 car parks in total which are managed by the council in Tewkesbury and Winchcombe. The council has a number of contracts in place with providers to help provide a parking service, including contracts for the maintenance of car park machines, income collection and the issuing and collection of parking charge notices.

Car parking information is available online for the public to see, and this covers details of individual car parks and designated disabled car spaces. Information is also provided on the council website regarding parking permits and the process of receiving parking tickets.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Operational:</p> <p>O1: Collection of cash from meters and rectification of meter faults are not consistent with contract requirements leading to lapses in insurance indemnification, delays in banking and potential loss of income.</p> <p>O2: The issue of penalty notices and monitoring arrangements do not adhere to the contract leading to penalty charges not being collected and banked correctly.</p> <p>O3: The issue of permits and monitoring arrangements do not adhere to the</p>	Reasonable	<p>The council has the following contracts in place in relation to the provision of its car parks:</p> <p><u>Pivotol/ Jade- cash collection and banking</u> A cash collection contract is in place which includes the provision of cash collection from various locations, for example the Public Services Centre, Tourist Information Centres, as well as council owned car parks. A review of this contract confirmed that it provides sufficient detail of when cash should be collected and from which car park. Furthermore, this is monitored by the Property Administration Assistant who receives details of values collected.</p> <p><u>Flowbird –providers of council’s car park machines</u> As well as providing the car park machines, Flowbird are responsible for the maintenance of these machines. Key Performance Indicators (KPI’s) are contained within schedule 4 of the contract and these cover important areas such as engineer attendance, technical support and system operability; the targets for which are considered to be reasonable.</p> <p>Evidence was provided which confirmed an awareness of these KPI’S and, given the nature of the contract, these are monitored on a reactive basis as and when any maintenance needs arise. Any failings are promptly identified and rectified to ensure that the contractor is adhering to the KPI’s.</p> <p>The contract also contains provision for meetings to be held between the council and their representatives. To date, one meeting has been held, in October 2022. Acknowledging the fact that this is a new contract, this is considered reasonable and discussions during the audit confirmed that these meetings would take place on an ongoing annual basis. It is also acknowledged that informal meetings take place with Flowbird in relation to any maintenance issues identified.</p> <p><u>NSL Marston – off street parking enforcement</u> A contract is in place for the provision of off-street parking enforcement, covering the period 2020-2025. The contract contains a provision for the review of performance at not less than quarterly meetings between the council and the</p>	None required.

<p>contract leading to permits not being issued promptly; potential over allocation of permits at particular sites and income not being banked.</p>		<p>Contract Manager.</p> <p>Confirmation was obtained that meetings take place between Marston's and the council, and performance is discussed and minuted. KPI's are monitored via the Chipside system, this records all relevant data to enable KPI monitoring. This is checked on a monthly basis and also forms part of the invoice verification process, to ensure that targets have been met prior to payment.</p> <p><u>Chipside – collection of penalty charge notice (PCN) income and issue of parking permits</u></p> <p>Discussions during the audit established that the council's contract with Chipside is yet to be signed. Verbal assurance was obtained that this is nearing completion with a signed contract due to be in place by the end of July 2023.</p> <p>In terms of meeting the requirements of the contract, some assurance can be placed upon DVLA audits which are carried out to ensure ongoing legislative compliance, of which these have been positive. This includes meeting certain statutory timeframes in relation to the processing of PCN's.</p> <p>Audit testing was also able to confirm that all PCN income has been received and banked in a timely manner.</p>		
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<p>Social, Political and Ethical</p> <p>SPE1: Signage and designated bays as advertised to the public through the council's website are not available at sites leading to reputational issues over transparency of data.</p>	<p>Reasonable</p>	<p>On site observation confirmed that signage and designated bays, as advertised on the council's website were largely as represented.</p> <p>There were some variances between the actual number of marked disabled bays and that stated on the council's website. The car parks schedule, detailing permit charges per car park, was also found not to be published. It is therefore recommended that the council's website is updated. [R1].</p>	<p>Recommendation 1: <u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> The council's website should be updated to reflect the correct number of disabled bays available at Back Lane, Oldbury and Vineyards car parks.</p> <p>The website should also be updated to include the car parks schedule, which details permit charges per car park.</p> <p><u>Implementation date:</u> December 2023</p> <p><u>Responsible Officer:</u> Head of Asset Management/ Asset Management Team Leader</p>
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<p>Economic and Financial</p> <p>EF1: Fees in relation to car parks, permits and penalty charges have not been approved leading to potential public challenge.</p> <p>EF2: Income from car parks is not reconciled to the banking's or allocated correctly to the general ledger leading to potential loss of income and misrepresentation of accounts.</p>	Reasonable	<p>Any changes to car park fees and charges are subject to a formal approval process. With regards to the current fees, these were approved in 2015. Since their approval, a review took place in 2020. This included consultation with Members as well as with Town Council's. At that time there was no appetite to change the existing fees, instead there was a focus on the maintenance of the car parks. Discussions during the audit confirmed that the fees and charges are next due to be reviewed in 2024, at which point any changes will be displayed on the council's website and at car parks.</p> <p>During the audit a sample of 60 receipts from the following sources of car parking income were reviewed:</p> <ul style="list-style-type: none"> • Cash collected from car parking machines (collected by Pivotal) • Credit and Debit card payments (administered by RinGo) • Penalty charge notices (issued by NSL Marston and collected by Chipside) • Permits (issued by Chipside) <p>This confirmed that income had been banked in full, in agreement with source documentation and allocated to the correct general ledger code.</p>	None required.
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Audit: Gifts and Hospitality 2023/24

Introduction:

It is an offence under the Bribery Act 2010 and/or Prevention of Corruption Act to accept gifts, loans, fees or rewards as an inducement for employees to act in a certain way in their official capacity. The council's Code of Conduct 2021 provides guidance about what is expected by the council from employees in their daily work and dealings with elected members, colleagues and the public. The code applies to all employees and anyone acting as an employee of Tewkesbury Borough Council, and to clarify, the use of the word 'employee' within this code includes permanent and temporary employees, casual workers and agency staff. Inevitably some of the issues covered will affect some employees more than others.

In relation to gifts and hospitality, the Code of Conduct prescribes when it is permissible for employees to accept offers of hospitality and guidance on when offers to attend purely social or sporting functions should be accepted. Acceptance of such gifts and hospitality should be registered in writing on the Gifts, Hospitality and Sponsorship Application and Approval form available on the intranet and be properly authorised by the relevant Head of Service.

Gifts, benefits and hospitality offered to members of an employee's family as a consequence of their employment must also be declared in writing to their Head of Service whether accepted or not.

Regardless of whether any gift or offer of hospitality is accepted, it must be registered using the Gifts, Hospitality and Sponsorship Application and Approval.

The Council's Staff Handbook reinforces the provisions of the Code of Conduct, as does the council's Constitution.

This audit will review the declaration, approval and reporting process and confirm that there is general staff awareness on the subject. Members of the council are guided by the Gifts and Hospitality Protocol for Councillors, and therefore this does not fall within the scope of this audit.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Legislative and Compliance</p> <p>LPC1: 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>LPC2: The Council has a policy in respect of the acceptance of gifts and hospitality which is appropriate, covers key areas and outlines roles and responsibilities and is approved on a regular</p>	Substantial	<p>We have confirmed that policies and procedures in relation to the acceptance, reporting and approval of gifts and hospitality are in place, they cover key areas and are accessible to employees. They are available on the council's Intranet and the requirements are drawn to new employee's attention in the new employee induction programme.</p> <p>The form that needs to be completed by employees to record gifts and hospitality is held on the council's Intranet and the guidance directs employees to this.</p> <p>Control in this area has recently been strengthened with the introduction of a digital declaration, that all staff must complete annually. This Governance and Compliance Form, requires that employees confirm annually that they are aware of the requirement to declare gifts and hospitality, and provides links to the relevant guidance and documentation. We have reviewed compliance with this requirement at SPE1.</p> <p>In accordance with the council's Code of Conduct, copies of completed Gifts, Hospitality and Sponsorship forms should be recorded on the employee's personnel file. Out of the five forms that had been completed in the financial year 2022/2023, only one had been recorded on the employee's personal file. It is however acknowledged that moving forward, all completed forms will be sent to the Audit and Governance team who will maintain the central register and ensure instructions are sent to HR to update employee personnel files. As part of this change, communication will be sent to all staff to raise awareness.</p>	None required.

basis and is accessible to staff and members.			
<p>Social, Political and Ethical</p> <p>SPE1: There is a lack of transparency in employees' dealings with service users, suppliers / contractors or members of the public which may lead to a perception that there has been inappropriate or fraudulent behaviour and raise issues of conflict of interest.</p>	Reasonable	<p>It should be noted that we are unable to provide assurance that all gifts and hospitality have been declared and recorded as we are only able to identify those which are held on file at the time of the audit. However, we are satisfied that the process for declaring gifts and hospitality is sound, particularly with the new requirement for the annual digital declaration.</p> <p>During the period 1 April 2022 – 31 March 2023, five forms declaring gifts and/or hospitality had been completed.</p> <p>We have reviewed the five forms and can provide assurance that they have been completed in full, with sufficient detail provided to describe the gift and reasons why the employee believes it is not detrimental to accept the gift. In all cases the forms were reviewed and signed by the relevant Head of Service, with their reasons for approving the acceptance of the gift. Examples of gifts included wine and chocolates, a gift voucher, and a Fitbit which was won in a raffle at a Local Government meeting.</p> <p>The audit identified a requirement for the Gifts, Hospitality and Sponsorship Register to be available for public inspection. This is not currently made clear to members of the public and therefore a recommendation has been made [R1].</p> <p>The new requirement for all staff to complete an annual digital declaration provides an additional control to ensure that staff are aware of their obligations to declare gifts and hospitality. However, there is scope for further staff awareness, particularly in relation to the requirement for all offers to be recorded, regardless as to whether any gift or hospitality has been accepted [R2].</p>	<p>Recommendation 1 [R1]: <u>Recommendation priority:</u> Low</p> <p><u>Recommendation Details:</u> Arrangements should be made to inform the public that the register of Gifts, Hospitality and Sponsorship is available for inspection.</p> <p><u>Implementation date:</u> August 2023</p> <p><u>Responsible Officer:</u> Head of Audit and Governance</p> <p>Recommendation 2 [R2]: <u>Recommendation priority:</u> Medium</p> <p><u>Recommendation Details:</u> Staff awareness around the gifts and hospitality procedures and requirements should be carried out.</p> <p><u>Implementation date:</u> September 2023</p>

			Responsible Officer: Head of Audit and Governance
Audit: Payroll 2022/23 Introduction: Staff costs represent the largest element of the council's budget, and the internal control environment should therefore be representative of this. The audit scope includes ensuring that 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 and regular reconciliations are undertaken.			
Risk identified:	Level of Control:	Overall opinion:	Recommendations:
Legislative and Compliance LPC1: 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.	Substantial	<p>It is recognised that an annual review of payroll data is undertaken to delete any information no longer required. The audit did however identify that payroll information is not specifically mentioned within the council's corporate retention schedule. In respect of this, there is a large, corporate piece of work due to take place to consider more widely the retention and disposal of records across the council, payroll retention periods will be included in this review, which will have visibility via the Information Governance and Security Board.</p> <p>The audit established that the council does not maintain a specific Payroll Policy but covers such processes and procedures within the Financial Procedure Rules and a number of procedural notes. Both require updating however assurance was obtained that they are in the process of being reviewed, and therefore no recommendation has been made at this time.</p>	None required.

<p>LPC2: Policies and procedures are not in place or not regularly reviewed to ensure that payments are processed in accordance with authorised procedures.</p>			
<p>Operational</p> <p>OP1: Failure to protect against contingency in the absence of the Payroll Officer</p> <p>OP2: In the event of an IT failure there is no contingency in place to ensure service delivery.</p>	<p>Substantial</p>	<p>On discussion with the Payroll Officer (PO), Associate Director of Finance and the Financial Control Officer (FCO), there is reasonable assurance that there are controls in place to enable the payroll function to continue in the absence of the Payroll Officer. The FCO has previously received training on processing payroll, in which process notes were composed. Whilst the FCO stated they had not completed a full payroll run since the training, the FCO does regularly pick up elements of the payroll processing when required. The FCO stated they felt confident that they could complete a full payroll process in the absence of the PO using the process notes with assistance from the AD if necessary.</p> <p>A business continuity plan (BCP) is in place to outline the necessary steps to be taken in the event of a disruption or system failure. The BCP was updated in January 2023 and contains detailed contingency plans for processing payroll.</p>	<p>None required.</p>

<p>Economic and Financial</p> <p>EF1: Incorrect parameters are entered within the payroll system, resulting in under or over payments in respect of wages and deductions</p> <p>EF2: Fraudulent or duplicate payees are set up within the payroll system and the council pays earnings incorrectly</p> <p>EF3: Leavers are not removed from the payroll in a timely manner, leading to overpayments</p> <p>EF4: A process is not in place</p>	Substantial	<p>A system called CHRIS is used to process payroll. A check against this system during the audit verified that the figures used for National Insurance and tax deductions agreed to the figures on the gov.uk website for the tax year 2022-2023. Student loan and pension parameters were also found to be accurate.</p> <p>Testing of a sample of 20 employee's payslips for December 2022 found that all 20 employees had been entered into CHRIS with the correct grade and Spinal Column Point (SCP), and annual salaries were accurate, including when pro-rata for part time staff.</p> <p>During the audit deductions were manually recalculated, this confirmed that in all 20 cases employees had been charged the correct tax and NI rates. Additional allowances were also recalculated and found to be accurate. 1 overpayment totalling £668.04 was found relating to a change from an honorarium payment to a standby allowance. It was noted that this was a system error and unfortunately was not picked up using the normal controls due to the number of changes made to payroll in December 2023, including the Recruitment and Retention Award and the national pay award. The Payroll Officer is in the process of instigating recovery procedures.</p> <p>There is an adequate segregation of duties between the officer creating the employee profile in the payroll system, the officer entering the payment details, and the officer running the monthly BACS payments. Payment details, once entered into CHRIS, are also verified by a second member of the finance team.</p> <p>The audit identified that any amendments to the system, after the initial creation of the employee profile, are not verified by a second officer, however there are several methods that would flag unauthorised changes. For example, if the Payroll Officer was to change an employee's bank details to their own, this would be flagged by the member of staff when they did not receive their wages. Whilst this is not a proactive control, this is a deterrent.</p> <p>There are a number of processes in place to identify fraudulent or 'ghost' employees, including annual 'ghost employee' checks and quarterly budget monitoring meetings which would identify overspends against the staffing budgets. Within the system, there are controls that will flag up if a duplicate NI number is already in the system,</p>	None required.
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<p>for starters to be promptly added to the payroll system, leading to payments being missed or not processed in time, causing hardship for the employee</p> <p>EF5: Additional hours have been paid incorrectly or without authorisation</p> <p>EF6: Regular reconciliations are not undertaken, and incorrect payments or potential fraudulent payments are not identified.</p>		<p>to reduce the likelihood of duplicating employee records. A monthly report of profiles in which they receive a payment greater or lesser than the regular wage is also reviewed by a second party to identify any anomalies.</p> <p>With regard to access to the system, the Payroll Officer is responsible for creating users and can remove individuals as appropriate. A check against the list of current users confirmed that all employees listed were both currently employed by the council and access was appropriate given their job role.</p> <p>During the audit a further sample of 5 leavers was obtained to verify that they had been closed off on CHRIS, that their final pay was accurate and that they had not been paid after they had left the council. Testing found that all 5 members of staff had the correct termination date on the system compared to their leavers form. A recalculation of the wages confirmed that they had been accurately paid, and where applicable, back pay in relation to the national pay award had been made.</p> <p>The audit also sampled 5 new starters to confirm that they had been promptly and accurately entered into the payroll system and had been paid promptly and in line with their grade. The testing found that all 5 had been formally notified to the Payroll Officer via the correct procedure, and whilst 3 of the 5 starters had begun working at the council before the Payroll Officer was notified, this was due to the timing of the pay run and did not impact upon the employee being paid promptly. All 5 were found to have been correctly entered into CHRIS with respect start dates, payment details, grade and SCP. Manually recalculating the base pay found that all 5 had been accurately calculated.</p> <p>A sample of 2 additional hours claims were tested from the December pay run to ensure that these had been paid appropriately. Additional hours payments were also picked up in earlier testing with respect of back pay on previous hours worked. In all cases they were found to have been paid accurately.</p> <p>The audit confirmed that the Payroll Officer completes monthly reconciliations between the general ledger and the payroll system. A verification of 2 reconciliations confirmed that the values matched between the payroll system, the payment system (Adelante), the bank statement and the general ledger.</p>	
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Biodiversity Net Gain Grant 2022/23

In 2022/23 the council was awarded a Biodiversity Net Gain Grant totalling £26,807 by the Department for Environment Food and Rural Affairs (DEFRA). The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them to make the preparations necessary to apply a minimum 10% increase in biodiversity to planning permissions (unless otherwise exempt) granted under the Town and Country Planning Act 1990 from November 2023. Grant conditions require that the Chief Executive and Chief Internal Auditor sign and return a declaration to DEFRA confirming compliance. Audit testing was carried out in relation to the grant funding to support the declaration statement which was as follows:

2022/23 Biodiversity Net Gain Grant Declaration

To date, no spend has been committed from the 2022/23 funding, pending further government guidance being released outlining the BNG planning mechanisms. The government guidance released 21 February 2023 will be useful in informing the detail for the programme of spend and the council anticipates that the further secondary legislation, when released, will enable us to commit the additional new determination to best effect. This will include training in the new BNG metric v.4 (to be released in Spring 2023). It is also envisaged that the grant monies will be utilised (either pooled with the other Gloucestershire Districts or singularly), to potentially expand planning/ecological officer advice and capacity.

However, Tewkesbury Borough Council has been engaged in a number of initiatives and workstreams, in order to prepare for mandatory BNG in Autumn 2023. Planning Policy Officers have been working collaboratively with neighbouring local authorities within Gloucestershire, including Gloucestershire County Council, as part of the Planning and Biodiversity Group. The Group meets regularly, with BNG as a standing agenda item during each meeting. Potential pooling opportunities for BNG grant monies are currently being explored within the Group, in order to provide joint LA officer training or the funding of an Ecology Officer post, in order to assist the LAs with implementation of BNG.

Officers are also working collaboratively with neighbouring LAs, to seek to identify appropriate sites within the county, for the delivery of off-site BNG. This may include, for example, a 'green call for sites' and work is ongoing to set out how this might best be undertaken, either as a Borough initiative or on a county-wide basis.

Work is also ongoing between Tewkesbury Policy officers and Property Team colleagues, to seek to identify any council-owned sites which may offer potential opportunities for BNG delivery and how this might best be achieved.

Collaboration has also been undertaken with the Gloucestershire Nature + Climate Fund (GNCF). www.glosncf.com

The GNCF is a legal entity established by the Gloucestershire Local Nature Partnership and the GFirst Local Enterprise Partnership and would aid delivery of offsite BNG, working with LA's and landowners and enabling developers to meet their BNG requirements.

A proportion of Tewkesbury officer time, has been spent, engaging with the GNCf and officers from neighbouring districts, to develop a Memorandum of Understanding (MoU), which agrees the grounding principles and means of delivery/how funding will be collected and administered etc, in respect of off-site BNG. The latest iteration of the drafted MoU (December 2022) is currently being reviewed by each LA, with a view to being signed by all parties (the six LA's and County Council), shortly. The MoU will be reviewed by GNCf once the government has released secondary legislation on biodiversity net gain to ensure that this document is still compliant.

In addition, an element of the Defra BNG grant funding would be required for council owned site preparation (once identified/agreed upon), for BNG investment and for officer training.

Further work to date and ongoing includes:

- Reviewing BNG government legislation and supporting guidance.
- Reviewing the requirements for developer BNG management plan/landscape and ecological management plans.
- Investigating the potential for matching of BNG funding allocations with other BNG funding or other grant funds to support larger, more strategic projects. For example, stacking BNG and Habitat Regulations Assessment funding for Suitable Alternative Natural Greenspace.
- Investigating how the LA might work collaboratively with other organisations with expertise and local knowledge (Natural England, Gloucestershire Wildlife Trust etc), to assist with BNG delivery.





Recommendations Rating

Priority:		Definition:
1	High	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	Medium	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	Low	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.

Level of control

Level of control:	Definition:	Guidance:
Substantial	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.
Reasonable	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.
Limited	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.
No Assurance	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.

Appendix 2 - Outstanding Audit Recommendations Followed up in Q1 2023/24

	Recommendation reviewed and found not implemented
	Recommendation reviewed and found to be partially implemented
	Recommendation reviewed and found to be implemented
	Recommendation reviewed and found to be mitigated

Communities

Service Area	Responsible Officer	Audit Recommendation	Priority	Implementation Date	Findings
Environmental Health 161	Director of Communities in conjunction with Director of Corporate Resources and Out of Hours Officers	Emergency Planning Audit 2019-20 Documentation relating to the council's emergency planning arrangements should be reviewed as follows: <ul style="list-style-type: none"> The emergency co-ordination room set-up procedure should be documented Resilience Direct should be reviewed to ensure all documents are up to date e.g., all rest centre plans should be uploaded and out of date documents removed. The RAG status should be reviewed to include a risk matrix and each team leader should provide commentary on the status of their team prior to each Emergency Planning Team Leader meeting The emergency plan should be published on the intranet (excluding personal contact details) The link to the community risk register on the Gloucestershire Prepared webpage should be updated 	Medium	January 2020 April 2022 September 2023	Partially Implemented: The community risk register has been updated on the Gloucestershire Prepared webpage. A check online confirmed this. The remaining outstanding actions have been allocated to specific team members to complete. A new implementation date of September 2023 has been agreed.

Waste and Recycling	Head of Waste and Recycling	Ubico Health and Safety Monitoring Audit 2018-19 An overview of all completed risk assessments and safe systems of work against each operational activity should be requested from Ubico, this should include review dates in order for effective monitoring to take place.	Medium	March 2020 April 2022	Implemented: Risk assessments and safe systems of work for each operational activity were provided to the Head of Waste and Recycling in April 2022. Confirmation was obtained that ongoing monitoring takes place as follows: <ul style="list-style-type: none"> Risk assessment issues/ safety issues are raised by Ubico as and when they occur. Discussions and any required amendments to risk assessments or safe systems of work take place on a regular basis as a result of this. Incidents and accidents are reported to quarterly Partnership Board meetings. Where appropriate this triggers a review of any applicable risk assessment.
Waste and Recycling	Director of Communities	Ubico Health and Safety Monitoring Audit 2018-19 In accordance with the contract, Ubico should be instructed to undertake regular health and safety checks on bring sites that are open to the public and details of these checks be provided to monitoring officers.	Medium	March 2020 April 2022	Implemented: Bring site inspections are carried out on a monthly basis by a supervisor. Furthermore, crews inspect the bring sites on collection days and report any issues found.
Waste and Recycling	Head of Waste and Recycling	Bulky Waste 2022-23 The increase in charges made by Orchard to the Council for the provision of the bulky waste service should be formalised as follows: <ul style="list-style-type: none"> Agree a variation to the contract Notify the Finance team of the applicable price increase 	Medium	February 2023 November 2023	Partially Implemented: Confirmation has been obtained that Finance were notified of the applicable price increase. The contract variation is yet to be completed. A new implementation date of November 2023 has been agreed.

Waste and Recycling	Head of Waste and Recycling	Bulky Waste 2022-23 All bulky waste invoices should be verified and checked for accuracy prior to payment	High	January 2023	Implemented: Verbal assurance was obtained that manual checks are now completed to verify the accuracy of the invoices. Moving forward, checks will be documented on the waste team's liberty create dashboard.
Commercial Waste	Head of Waste and Recycling and Principle Trade Waste Projects Officer	Debtor Services Related Recovery Audit 2019-20 Rec 1: Review the process for administration of the commercial waste service to ensure that the processing of customer information is accurate. At a minimum, training should be provided to the Operations Admin at Ubico, to ensure that the correct information is provided to enable the council to issue accurate invoices Commercial Waste Audit 2015-16 Rec 1: Commercial waste debt should be regularly reviewed, and appropriate recovery action taken.	Medium	September 2020 April 2023	Mitigated: The commercial waste service operated by the council is being discontinued as a result of a review of the service, therefore this recommendation is no longer applicable. Any outstanding debt will be subject to review as part of the exit project.

Corporate Resources

Service Area	Responsible Officer	Audit Recommendation	Priority	Implementation Date	Findings
Revenues and Benefits	Head of Revenues & Benefits	Council Tax Liability, Discounts & Exemptions Audit 2018-19 A review of disregards should be undertaken	Low	January 2020 June 2022 October 2023	<p>Not Implemented:</p> <p>Due to resources and the impact of COVID-19 recovery on the team, this recommendation has not yet been implemented.</p> <p>Some reviews were started, but competing demands on the team meant that these were not completed.</p> <p>Work is ongoing to implement modules within the Citizen Access portal which will allow the department to fully automate the process of reviews. All discounts/exemptions and disregards will be reviewed on a rolling annual period once the module has been introduced.</p> <p>New implementation date of October 2023.</p>

<p>Revenues and Benefits</p>	<p>Head of Revenues & Benefits</p>	<p>DHP Audit 2019-20</p> <p>An independent verification check should be carried out on a sample of DHP applications (10% of total applications received). This check should include a recalculation of the income and expenditure spreadsheet used by the assessors.</p>	<p>High</p>	<p>June 2020 April 2022</p>	<p>Implemented:</p> <p>DHP applications are now independently verified as follows:</p> <ul style="list-style-type: none"> • A check sheet/memo has been introduced to log decisions. • The Head of Revenues and Benefits reviews each memo. • All claims are recorded in a spreadsheet and stored on One Drive to allow the Head of Revenues and Benefits access to approve or query the application. • Regular meetings are held between the DHP officer and Head of Service to discuss applications. • A system (Citizen Access) has been obtained to automate the process with parameters set to acceptable outgoings in line with the policy. • A sole officer now deals with all cases to ensure consistency. • Budget monitoring is completed on a monthly basis to ensure sufficient funds are available.
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Revenues and Benefits	Head of Revenues & Benefits	DHP Audit 2019-20 Consideration should be given to introducing performance reporting in respect of DHPs. This should be in consultation with the Lead Member for Finance and Asset Management. Performance reporting should include recovery of overpayments.	Medium	April 2020 April 2022 November 2023	Partially Implemented: <ul style="list-style-type: none"> The Head of Revenues and Benefits completes monthly budget monitoring and collects data to report to DWP at the start of each month. DHP spend is reported monthly to the Lead Member, although this doesn't include recovery of overpayments. The Head of Service confirmed that they will investigate this with a view to implementing the process for recovery of DHP awards where paid incorrectly. The team is due to be restructured, with a new section which will concentrate solely on recovery of debts within the service.
Corporate Resources	Director of Corporate Resources & Executive Director	New Income System Audit 2018-19 The Council should comply with the Payment Card Industry Data Security Standards and in this respect should give consideration to:- <ul style="list-style-type: none"> the transaction process relating to phone payments, -payments taken at the reception desk the physical environment in which card transactions are handled Undertaking a PCI-DSS compliance certification staff members taking payments when working from home 	Medium	June 2021 April 2022	Implemented: The council has completed a PCI DSS compliance validation and a copy of the compliance certificate was provided.

Audit and Governance	Head of Audit and Governance	Complaints 2022-23 To ensure a complete record of each complaint is held within the Liberty Create Portal, Operational Managers should be required to record any evidence relating to lessons learnt within the system. Where a lesson learnt has not been implemented, a note should be placed on the complaint file explaining the reason for this.	Medium	December 2022	Implemented: As part of the complaints training which took place on 20 and 21 June 2023, officers were reminded that any evidence relating to lessons learnt must be recorded within the complaints system. Moving forward this will be spot-checked by the Corporate Services Officer.
167 Audit and Governance	Head of Audit and Governance in conjunction with the Corporate Services Officer	Complaints follow up 2022-23 Consideration could be given to amending the Complaints system to: <ul style="list-style-type: none"> • prompt staff to meet all five criteria required by the Complaints Policy • allow multiple selections to be made in the 'remedy' drop down menu and supported with: <ul style="list-style-type: none"> • refresher training for staff who are responsible for responding to complaints 	Medium	August 2023	Partially implemented: The five criteria mentioned in the Complaints Policy is still to be highlighted on the complaints system for all managers to see when they are responding to their complaints. This is being built into the system. The complaints system has been updated and now allows officers to make multiple selections from the 'remedy' drop down menu. Complaints training took place on 20 and 21 June 2023 for those officers who are responsible for responding to complaints.

People, Culture and Performance

Service Area	Responsible Officer	Audit Recommendation	Priority	Implementation Date	Findings
People, Culture and Performance 168	HR/OD Manager in conjunction with CFEU	Serious and Organised Crime Framework (HR) Audit 2018-19 An investigation should be completed into the availability of providing training to appropriate staff to identify indicators of Officers working under duress or potential corruption.	Low	April 2020 July 2022	Implemented: The recent introduction of a digital Governance and Compliance form, that all staff must complete annually, ensures that the council can identify and mitigate any conflicts. Furthermore, general fraud awareness has been raised as follows: <ul style="list-style-type: none"> • A workstream with Counter Fraud Unit and HR is in place to roll out online training (in addition to the in-house training previously provided). • Literature to be included in all new staff contracts/ starter information has been developed.
People, Culture and Performance	HR/OD Manager	Serious and Organised Crime Framework (HR) Audit 2018-19 Consideration should be given to providing the HR team with training to identify fraudulent IDs and documentation	Low	April 2020 April 2022 December 2023	Not Implemented: This training is yet to be delivered. Discussions have taken place with the Counter Fraud Unit to deliver in-house training and a new implementation date of December 2023 has been agreed.

People, Culture and Performance	Associate Director: People, Culture and Performance	Timesheet Recording and Administration of Annual Leave 2022-23 Managers should be asked to delete any leave / flexi records held electronically or in paper format for leavers as the retention schedule requires that records should be kept for the duration of employment. Action 1: Email reminder by 17 March 2023 for completion by end of March 2023	Medium	March 2023	Implemented: An email was sent to all managers asking them to delete all leave records they hold for employees who have now left the council. Going forward this will be digitally managed by MyHR.
169 People, Culture and Performance	Associate Director: People, Culture and Performance	Timesheet Recording and Administration of Annual Leave 2022-23 HR should lead in facilitating a full reconciliation between employee annual leave records and the amounts carried over to My HR. This should include a review to ensure that timesheets have been configured correctly in terms of contracted hours. Action 1: Initially we will review the 16 annual leave records obtained by the Auditor and reconcile the balance carried forward to My HR.	High	March 2023 December 2023	Partially Implemented: All staff leave records, pre-dating the launch of the MyHR system, have been collated. The next step is to complete a reconciliation against the MyHR system. Time has not yet been set aside to complete this task due to lack of team availability. A new implementation date of December 2023 has been agreed.
People, Culture and Performance	Associate Director: People, Culture and Performance	Timesheet Recording and Administration of Annual Leave 2022-23 HR should remind staff of the requirement to register on My HR.	Medium	February 2023	Implemented: All eligible staff are now set up on MyHR following chaser emails. Where any individual is not completing their records, the officer and their manager receive automated notifications.

People, Culture and Performance	Associate Director: People, Culture and Performance	Recruitment (Eploy) 2022-23 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	Medium	March 2023 December 2023	Mitigated: There is a large, corporate piece of work due to take place to consider more widely the retention and disposal of records across the council. HR records will be a workstream included in this review, which will have visibility via the Programme Board and Information Governance and Security Board.
People, Culture and Performance 170	Associate Director: People, Culture and Performance	IT Laptops 2022-23 Management should inform HR when a member of staff are due to leave so that IT can also be notified.	Low	March 2023	Implemented: An email reminding managers of the process was sent out following completion of the audit. The People, Culture and Performance team found that the process works well for contracted members of staff but has been less effective for agency staff. Discussions have recently been held to find an alternative and more effective method going forward.

Resources

Service Area	Responsible Officer	Audit Recommendation	Priority	Implementation Date	Findings
Finance	Operational Managers	Sundry Debtors Audit 2021-22 A further review of outstanding debt within each service area should be carried out to establish recovery action or to write off debts where appropriate. Proposed action should be documented against each debt	Low	April 2020 July 2022	Implemented: There has been a vast reduction in aged debts now that they are reported to senior management on a quarterly basis. A spreadsheet is now required to be completed detailing action taken to try and recover the debt.
171 Finance	Accounts Payable and Receivable Officer	Sundry Debtors Audit 2021-22 Appropriate authorisation should be obtained by Finance where adjustments relate to a debt associated with a contractual agreement in place e.g., a service already delivered for an agreed price, a rent reduction etc. The authorisation should be checked against the current 'Authorised Signatory List'.	Medium	December 2022	Not implemented: The process of credit notes still requires review, to identify the best method for authorising credit notes and documenting this appropriately. A new implementation date of October 2023 has been agreed.
Finance	Associate Director of Finance	Sundry Debtors Audit 2021-22 Progress against reducing the level of outstanding debt should be reported to the appropriate senior management body on a six monthly basis.	Medium	November 2022	Implemented: Outstanding debts are now reported to senior management on a quarterly basis.

Treasury Management	Associate Director of Finance	Treasury Management 2022-23 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. 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. 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.	Low	December 2023	Mitigated: There is a large, corporate piece of work due to take place to consider more widely the retention and disposal of records across the council. Treasury Management records will be a workstream included in this review, which will have visibility via the Programme Board and Information Governance and Security Board.
Finance 172	Associate Director of Finance	Creditors Audit 2021-22 To investigate with CIVICA the 'change view process' relating to failed BACS payments and other creditor changes in order to ensure that the segregation of duties between the officer raising the change and the officer authorising the change is consistently demonstrated within the system.	Medium	March 2023 January 2024	Partially Implemented: A request has been raised with CIVICA to investigate this query, however to date, a response and resolution has not been received. Further contact will be made, and a new implementation date of January 2024 has been agreed.
Treasury Management	Associate Director of Finance	Treasury Management 2022-23 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.	Low	March 2023 September 2023	Not Implemented: This recommendation has not been implemented at this time, due to waiting on our Treasury Adviser to issue a new template following required changes. The current policy will be amended in line with the revised template, approved, and dated accordingly. A new implementation date agreed of end of September 2023.

Treasury Management	Associate Director of Finance	Treasury Management 2022-23 It is recommended that the bank is notified of authorisers who have left the Council or changed their names.	Low	March 2023	Implemented: Any leavers or name changes have been notified to the council's new bank, Lloyds. A check confirmed that those that had recently left had been removed from the authorisers, e.g., Corporate Director.
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Transformation

Service Area	Responsible Officer	Audit Recommendation	Priority	Implementation Date	Findings
Transformation	Associate Director Transformation	Project Management Framework Audit 2018-19 Training on the project management framework, including risk management, should be provided to all officers involved in project delivery. Formal project management training should also be offered where appropriate	Medium	October 2020 April 2022	Implemented: The Corporate Services Officer delivered training to Programme Board following the transition from Sharepoint to Teams. Moving forward, this will be delivered annually given the regular change in membership and the importance of understanding each element of the project management framework.
174 Transformation	Associate Director of Transformation	Bulky Waste 2022-23 Tighter verification is adopted within Customer Services in relation to checking current benefit claims.	Medium	November 2022	Implemented: The Customer Services team access the Revenues system, NEC, to confirm there is a current and open benefit claim for the customer when booking a Bulky collection. Whilst the team do not have access to the benefit details screen in line with data protection requirements, they are still able to identify an open benefit claim without having to see the claim itself.
Transformation	Business Transformation Manager	Bulky Waste 2022-23 The base cost for bulky waste items should be reconfigured within Liberty Create to ensure that charges are being applied correctly in all cases.	Medium	December 2022	Implemented: Confirmation was provided that the system has been updated to reflect the correct base cost for bulky waste items.

Transformation	Business Transformation Manager	Bulky Waste 2022-23 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.	Medium	January 2023	Implemented: Confirmation was provided that the system has been updated to 'hide' any collections completed more than 14 days prior, and this has been applied to the orchard interface.
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TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	19 July 2023
Subject:	Internal Audit Annual Report 2022/23
Report of:	Chief Audit Executive (Director: Corporate Resources)
Head of Service/Director:	Chief Audit Executive (Director: Corporate Resources)
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	None

Executive Summary:

The Chief Audit Executive (CAE) must deliver an annual internal audit opinion and report that can be used to inform the Annual Governance Statement. The opinion must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. This report provides Members with a summary of internal audit work undertaken during 2022/23 and a supporting opinion for the year.

For Members new to the Committee, for the financial years 2020/21 and 2021/22 a 'limitation of scope' opinion regarding independent assurance from internal audit on the adequacy of the Council's governance, risk management and control environment was reported. This was a direct result of the Internal Audit team being redeployed to the Council's response and recovery to the COVID-19 pandemic. The team's redeployment to support the administration of business grants was regularly reported to this Committee and the reasoning fully supported by Members and Corporate Management Team (now Chief Officer Group).

It is therefore positive to report that the Internal Audit team was operational for 2022/23 and the outcome of the team's work being able to inform an annual opinion.

Recommendation:

To CONSIDER the internal audit annual opinion and the assurance from the work undertaken during the year that, overall, the Council's governance, risk management and control environment for the areas audited is generally effective.

Financial Implications:

None directly other than the work of internal audit contributes to the Council's 'Value For Money' arrangements.

Legal Implications:

None.

Environmental and Sustainability Implications:

None.

Resource Implications (including impact on equalities):

None.

Safeguarding Implications:

None.

Impact on the Customer:

None other than the operational deployment of internal audit gives independent assurance to customers and residents as to the effectiveness of the Council's internal control environment.

1.0 INTRODUCTION

- 1.1** Internal auditing is 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.
- 1.2** The Public Sector Internal Audit Standards (PSIAS) requires that the Chief Audit Executive (CAE) delivers an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement (AGS). For Tewkesbury Borough Council, the CAE is defined as the Director: Corporate Resources, as detailed within the Internal Audit Charter.
- 1.3** Internal audit work is informed by a six-monthly Internal Audit Plan. Each plan is approved by the Audit and Governance Committee. These were approved on 24 March 2022 (period April-September 2022) and 23 November 2022 (period October 2022-March 2023) respectively. For each individual audit assignment an opinion is given on various elements of the control environment and these opinions are reported to the Committee.
- 1.4** From the work undertaken in the year an overall opinion should be concluded on the adequacy and effectiveness of the Council's framework of governance, risk management and control. It should be noted that internal audit is only part of the Council's assurance framework therefore the annual audit opinion is only reflective and restricted to the areas audited during the year.
- 1.5** For Members new to the Committee, for the financial years 2020/21 and 2021/22 a 'limitation of scope' opinion regarding independent assurance from internal audit on the adequacy of the Council's governance, risk management and control environment was reported. This was a direct result of the Internal Audit team being redeployed to the Council's response and recovery from the COVID-19 pandemic.

1.6 The team's redeployment to support the administration of business grants was regularly reported to this Committee and the reasoning fully supported by Members and Corporate Management Team (now Chief Officer Group). Namely:

- historically the Council's internal control environment, particularly financial management controls are well managed;
- the value of the business grants and the speed at which they were expected to be paid were of a significant risk to the Council;
- The attributes of the Internal Audit team were an ideal fit to support the business cell;
- excluding internal audit, the ongoing systems and processes to evaluate and manage risk, controls and governance remained in place; and
- for additional assurance, each Head of Service produced a management assurance statement on the adequacy of the control environment within their service area.

It is therefore positive to report that for 2022/23 the Internal Audit team was operational and the outcome of the team's work being able to inform an annual opinion.

2.0 SUMMARY OF 2022/23 INTERNAL AUDIT WORK

2.1 The audit plan is pulled together using a risk-based approach and informed by the following activities:

- Governance related work.
- Corporate risk register.
- Work on fundamental financial systems.
- Work of a service-based nature.
- Corporate improvement work.
- Follow-up work.
- Consultancy and advice.

This approach results in a comprehensive range of audits that are undertaken during the course of the year, to support the overall opinion on the control environment.

2.2 In compliance with PSIAS, monitoring reports of internal audit activity are presented at each Audit and Governance Committee. Audit work undertaken during the year consisted of:

<ul style="list-style-type: none"> • Creditors (supplier invoice payments). • Local Authority Compliance and Enforcement Grant. • Contain Outbreak Management Fund. • Sundry Debtors. • Homelessness Prevention Grant. • Complaints x 2. • Bulky Waste. • Eploy (recruitment system). 	<ul style="list-style-type: none"> • Community Infrastructure Levy. • Payroll. • Car parks. • Corporate Risk Register. • Laptops. • HR self-serve – timesheet recording and annual leave. • Cemeteries. • Treasury Management
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- 2.3** In addition to the above, the Internal Audit team also undertook a variety of corporate improvement work initiatives. The audit plan has an allocation of days for this type of work and these days are regularly used by the Corporate Leadership Team to assist in various improvement activities.
- 2.4** A key area of assurance work and one that is of particular importance to management and Members is the follow-up of internal audit recommendations. Days are allocated within the plan for this work and the status of recommendations followed-up during each quarter are reported to Committee. As a result of the Council's recovery from the pandemic, the whole suite of audit recommendations have been reviewed and refreshed implementation dates agreed with the relevant managers. The first follow-up of these recommendations are included within the internal audit monitoring report on today's Agenda.
- 2.5** The team was also represented on key corporate groups such as Corporate Governance Group, Keep Healthy, Stay Safe Group, Project Programme Board and the Information Governance and Security Board. This provides the team with the opportunity to provide advice on key governance frameworks, individual projects and keep abreast of emerging issues. The team is also contacted on a regular basis to provide ad hoc advice on a range of activities, for example compliance with the Council's contract procedure and financial procedure rules, general policy issues and proposed changes to systems and processes.

3.0 TEAM STRUCTURE AND INDEPENDENCE

- 3.1** Management of the Internal Audit team is overseen by the CAE. For the majority of 2022/23, delivery of the audit plan was carried out by two full time auditors. This resource is deemed appropriate, sufficient and is effectively deployed to achieve the plan. Appropriate refers to the mix of knowledge, skills and other competencies needed to perform the plan. Sufficient refers to the quantity of resources needed to accomplish the plan.
- 3.2** As defined in the Internal Audit Charter, the team has remained organisationally independent during the year. During 2022/23, the CAE reported directly to the Chief Executive so has free and unfettered access if needs be. If the need was to arise, it is also stipulated within the charter that the CAE will also have access to the Chair of the Audit and Governance Committee. As in previous years, the team has a good relationship with the Chair with quarterly briefings taking place to update on internal audit activity. These meetings also included the Lead Member for Corporate Governance.
- 3.3** With regards to the independence of the CAE, it is not uncommon within a small district council for the internal audit strategic lead to also have operational responsibility for service areas. During 2022/23, the CAE held a wide managerial remit including ICT, Customer Services, Human Resources and Policy and Communications. In cases where an audit was undertaken in any of these areas, the CAE can give assurance that all audit opinions are exercised objectively and with integrity so that the opinions issued are open, transparent and accurate. Safeguards are also in place to protect this independence i.e. where an audit was undertaken in a service area managed by the CAE, then key aspects of the audit were reviewed and signed off by the Head of Finance and Asset Management (role as per previous management structure).

4.0 INTERNAL AUDIT CHARTER

- 4.1** 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 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 and Governance Committee and the 'Chief Audit Executive' as Director: Corporate Resources.
- 4.2** 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 CAE functional reporting relationship with the board; authorises access to records and defines the scope of internal audit activities. Final approval of the charter resides with the board.
- 4.3** 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. The charter is kept under continual review and approved by Audit and Governance Committee every three years. This approval was last undertaken on 23 November 2022.

5.0 LOOKING FORWARD 2023/24

- 5.1** As part of the recent management restructure, a new post of Head of Audit and Governance was created. This was successfully recruited to via an internal appointment and provides the CAE with operational management support. This post also oversees information governance and a number of corporate activities such as the complaints and Freedom of Information frameworks, business continuity, and Council Plan performance monitoring.
- 5.2** As part of the Quality Assurance and Improvement Programme (QAIP) the internal audit service has an action plan of improvement activities for the current financial year. Of particular note is the external assessment of the service and also the development of a comprehensive risk-based audit plan. For 2022/23, the year was very much around the service 'getting back on its feet'. Now it is re-established and with additional resilience created through the new Head of Service post this provides real opportunity to add greater value.

6.0 OPINION ON THE OVERALL ADEQUACY OF THE CONTROL ENVIRONMENT

- 6.1** 59 separate audit opinions were issued during the year across the audits detailed within the table within Paragraph 2.2. It is pleasing to report that the bulk of the opinions were either 'substantial' (28) or 'reasonable' (27) with only four 'limited' opinions issued and zero 'no assurance' opinions issued. Of the four limited opinions issued these related to:
- Sundry debtors – improvement in debt recovery particularly within the trade waste and licensing services. (recommendation accepted and implemented).
 - Bulky Waste – verification and checking of supplier invoices. (recommendation accepted and implemented).
 - Community Infrastructure Levy – governance arrangements between the partner councils. (recommendation accepted but not yet implemented).
 - HR system (annual leave & flexi) – reconciliation of hours carried forward to the new system. (recommendation accepted and implementation in progress).

7.0 CONCLUSION

- 7.1** It is the assertion of the CAE that the work of internal audit complies with the Public Sector Internal Audit Standards. Assurance can therefore be given to all relevant parties that the work of internal audit can be relied upon. In terms of the overall internal audit opinion for the year, given the complexities of the Council's internal control environment there will always be areas identified by internal audit that require improvement. The internal audit opinions issued during the year demonstrate that overall, the Council's governance, risk management and control environment is generally sound. Where areas of concern have been identified there has been a positive management response. All recommendations are subject to follow-up by internal audit and reported to Audit and Governance Committee at the appropriate time. This opinion will inform the Council's Annual Governance Statement.

8.0 CONSULTATION

- 8.1** None directly relating to this report but naturally part of the work of internal audit involves consultation across various levels.

9.0 ASSOCIATED RISKS

- 9.1** None as the audit opinion is a positive one.

10.0 MONITORING

- 10.1** The opinions concluded for individual audit assignments are reported to Audit and Governance Committee. Likewise, the performance of the service is regularly reported to Committee.

11.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

- 11.1** The recovery of the internal audit service was a key action within the Council's COVID-19 recovery plan.

Background Papers: Internal Audit Monitoring reports presented to Audit and Governance Committee during the course of the year.

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Appendices: None