

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: |
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| <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> |

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| <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. |

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| 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: |
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| <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. |

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| | | <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 Manager 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: |
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| <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. |

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| <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: |
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| <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. |

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| basis and is accessible to staff and members. | | | |
| Social, Political and Ethical 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. | 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> |

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| 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. | |

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| <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> |

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| <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> | <p>Substantial</p> | <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> | <p>None required.</p> |
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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: |
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| 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: |
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| 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. |