



## Notice of a meeting of Audit Committee

**Wednesday, 13 January 2016**  
**6.00 pm**  
**Pittville Room - Municipal Offices**

<b>Membership</b>	
<b>Councillors:</b>	Colin Hay (Chair), Chris Nelson (Vice-Chair), Matt Babbage, Flo Clucas, Dan Murch, David Prince and Pat Thornton

The Council has a substitution process and any substitutions will be announced at the meeting

## Agenda

<b>1.</b>	<b>APOLOGIES</b>	
<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>	
<b>3.</b>	<b>MINUTES OF THE LAST MEETING(S)</b> 22 and 23 September 2015	(Pages 3 - 14)
<b>4.</b>	<b>PUBLIC QUESTIONS</b> These must be received no later than 12 noon on the fourth working day before the date of the meeting	
<b>5.</b>	<b>EFFECTIVENESS OF THE AUDIT COMMITTEE</b> Head of the Audit Partnership (presentation)	
<b>6.</b>	<b>ANNUAL AUDIT LETTER 2014-15</b> Grant Thornton (no decision required)	(Pages 15 - 22)
<b>7.</b>	<b>CERTIFICATION OF GRANTS AND RETURNS 2014-15</b> Grant Thornton (no decision required)	(Pages 23 - 26)
<b>8.</b>	<b>AUDIT COMMITTEE UPDATE</b> Grant Thornton (no decision required)	(Pages 27 - 40)
<b>9.</b>	<b>INTERNAL AUDIT MONITORING REPORT (INCLUDING COUNTER FRAUD UPDATE)</b> Audit Cotswolds (see recommendation)	(Pages 41 - 52)
<b>10.</b>	<b>COUNTER FRAUD AND ANTI-CORRUPTION POLICY</b> Audit Cotswolds (see recommendations)	(Pages 53 - 72)

11.		<b>WORK PROGRAMME</b>	(Pages 73 - 76)
12.		<b>ANY OTHER ITEM THE CHAIRMAN DETERMINES TO BE URGENT AND REQUIRES A DECISION</b>	
13.		<b>LOCAL GOVERNMENT ACT 1972 -EXEMPT INFORMATION</b> <b>The Committee is recommended to approve the following resolution:-</b>  “That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 5, Part (1) Schedule (12A) Local Government Act 1972, namely:  Paragraph 5; Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings	
14.		<b>EXEMPT MINUTES OF THE LAST MEETING</b> 23 September 2015	(Pages 77 - 80)
15.		<b>DATE OF NEXT MEETING</b> 23 March 2016	

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## Audit Committee

**Tuesday, 22nd September, 2015**  
**6.00 - 7.35 pm**

Attendees	
<b>Councillors:</b>	Colin Hay (Chair), Chris Nelson (Vice-Chair), Matt Babbage, Flo Clucas, Dan Murch and Pat Thornton
<b>Also in attendance:</b>	Robert Milford, Bryan Parsons and Andrew North

## Minutes

### 1. APOLOGIES

There were no apologies

### 2. DECLARATIONS OF INTEREST

None

### 3. PUBLIC QUESTIONS

There were no public questions.

### 4. ART GALLERY AND MUSEUM OVERSPEND

The Head of Audit Cotswolds, Rob Milford, gave members a presentation on the review undertaken to establish why the Art Gallery and Museum project overspends occurred. The slides of the presentation are attached to these minutes for information.

Members discussed the issues and the following points were addressed :

- When asked why this report had taken so long to be submitted to Audit Committee, the Head of Audit Cotswolds explained that as he wished to present a report in the public domain it required significant review from One Legal and HR as it addressed personal sensitive information. This had taken some time.
- Members noted that the removal of the Board had been critical in terms of its significant impact on the outturn thus far. They asked how the council would address this in other significant projects they were undertaking. In response the Head of Audit Cotswolds referred members to the first recommendation in the report which stated that projects of significant size must now ensure a top board is appointed to oversee all aspects of the project. It was noted that the process for scoping roles and responsibilities within Project Initiation Documents (PID's) for monitoring and reporting had already been improved. Members agreed that it was important that workstreams were brought together and thus silo thinking culture avoided.
- A member suggested that the role of councillors on the Board should be defined in a protocol as their role was key in acting as a "critical friend", i.e. someone who was outside of the project structure who could ask

challenging questions about the project. In response officers confirmed that a protocol for this would be developed, in addition to training for both members and officers. The Corporate Governance, Risk and Compliance Officer added that subsequent to the Grant Thornton report PIDs for Key projects would now be submitted to Overview and Scrutiny for review. In addition project management procedures were being reviewed on a live basis with the cemetery and crematorium project and subsequent to this meeting there would be a lessons learned session internally to examine the issues raised from the Art Gallery and Museum project.

- Poor communication issue was highlighted. The Chief Executive commented that it was important to understand that two of the three governance silos (teams) identified in the report were populated by the same people i.e. they were in the management structure but had also taken positions in the project structure appropriate for their level. As he saw it, the way people were operating meant that conversations in the management structure were not relayed into the project hierarchy and thus not shared in the relevant meetings taking place. This culture meant that at times “common sense” did not always prevail and due to the overall workload of those concerned and also a lack of understanding of roles and importance, repercussions were inevitable. He highlighted therefore that whilst systems were important to have in place, it was ultimately people who had not acted as they should have.
- In response to a question on training, the Corporate Governance, Risk and Compliance Officer explained that this was ongoing. The Programme Team were all qualified with Prince 2 with those supporting projects having their own specific skills. At the development stage, there was now more emphasis on identifying the skills required by specific roles to deliver. He reported that the Chief Executive and SLT received a resource plan update which identified capacity in the organisation. The Chair added that it would be useful for members, particularly Cabinet members as they had collective responsibility to have basic Prince 2 training so they could understand the language being used. The Corporate Governance, Risk and Compliance Officer confirmed that he would request that the Programme Team arrange suitable training as soon as possible.
- The Chief Executive acknowledged that due to the scale of the project in terms of Council funding and funding from charitable organisations, a proper structure was justified but highlighted that less sizeable projects would not benefit from the same structure. He assured members that in the future any projects with a sizeable spend, or with significant importance to the council’s reputation, would have a project board and if requests were made to disband the board then these would be refused.
- A question was raised on the presence of an HR representative on a significant sized project. The Head of Audit Cotswolds confirmed that CBC would continue to monitor capacity to deliver projects and the target date for this particular action was listed as January 2016 as this formed part of the general review of project management.
- In response to a question, Members were assured that there was extensive governance of the Vision 2020 project
- A member asked how the lack of appropriate oversight regarding the variations and a lack of proper assessment of the potential of liquidated

damages claims could be avoided in the future. In response the Head of Audit Cotswolds said that the late introduction of project management had exacerbated these issues as the contractor Davis Langdon had been appointed prior to the corporate project officially starting so the project was playing 'catch-up'. This delay, in the event, led to less effective monitoring and control of the construction project. He explained that going forward there should be no siloing of information and a project board could oversee better how to monitor these third party contracts. He was confident that there would thus be better scrutiny and better control of the deliverables. The Corporate Governance, Risk and Compliance Officer assured members that the project management toolkit was continuing to be updated to ensure that the roles and responsibilities would be clearly defined as well as the oversight and reporting.

- The Chief Executive acknowledged that it would be impossible to say that this situation would not reoccur due to the fact that however good the procedures were it was ultimately a "people business". He emphasised that this project had been led by the most experienced project manager in the council, an Executive Director and Service Manager. He believed the problems had arisen due to cultural issues and acknowledged that asking challenging questions throughout the process would have greatly helped.
- A member asked whether in terms of project planning in future contractors should be asked for a bond when they are appointed. Officers agreed that this should be considered.
- In response to a question it was confirmed that there had been no additional expenditure to the overspend reported at the January meeting of the Audit Committee. It was also confirmed that money owed to the Council by certain funding organisations would be released shortly.
- A question was asked whether the cause of the excessive utility overspend in the accounts for the Art Gallery and Museum had been identified. In response the Director Resources said this had been raised in the Bridging the Gap Programme Board meeting and some initial work was currently being undertaken by the property team.

In summing up the Chair made the following points:

- Consideration should be given as to how members should be used on projects
- Crisis management and triggers should be linked by milestones
- Concern was expressed that if projects were driven by "ticking boxes" there was a danger that common sense would not prevail. It was a question of instilling the culture of common sense
- One issue which had not been addressed was instilling wellbeing into officer culture i.e. looking after one another and recognising stress
- There had not been adequate control over the overspend, the money had not been lost, it was now a question of addressing and controlling issues as they arise. There was however a loss of control in terms of how these issues could have been mitigated. Such issues could have been better addressed if all the information had been present and in a timely way at project board and project team meetings.
- Members wished to receive feedback on the recommendations contained within the report and monitor them

The Corporate Governance, Risk and Compliance Officer explained that at the close of project (which was pending due to rectifying of the outstanding “snagging issues”) the Chief Executive would discuss with the project manager and a report would be forthcoming on the lessons learned and what progress had been made against the recommendations. This was estimated to be in January/March. Another member added that this report should include details of what training had taken place by this point. Members wished to see the report in January 2016.

Finally, the Chief Executive reminded members that there were a number of other projects ongoing such as 2020, bulking waste, REST and the JCS which could benefit from a review against the principles set out in the recommendations of this report. This review should provide assurance to all that the relevant requirements were being fulfilled. The Head of Audit Cotswolds undertook to complete this exercise.

**RESOLVED**

**To note the findings of the report and to monitor the implementation of the recommendations with a report to be submitted to Audit Committee at its January 2016 meeting.**

- 5. DATE OF NEXT MEETING**  
Wednesday 23 September 2015.

Colin Hay  
**Chairman**

**Audit Committee**

**Wednesday, 23rd September, 2015  
6.00 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Colin Hay (Chair), Chris Nelson (Vice-Chair), Matt Babbage, Flo Clucas, Dan Murch and David Prince
<b>Also in attendance:</b>	Tracey Brown (Partnerships Team Leader), Peter Barber (Grant Thornton), Sarah Didcote (Deputy Section 151 Officer), Paul Jones (Section 151 Officer), Rob Milford (Audit Partnership Manager), Gill Morris (The Trust Client Officer), Jackson Murray (Grant Thornton) and Bryan Parsons (Governance, Risk and Compliance Officer)

**Minutes**

**1. APOLOGIES**

Councillor Thornton had given her apologies.

The Chairman advised that the Cabinet Member Healthy Lifestyles would have attended for the Cheltenham Trust item (Agenda Item 5) had it not been for another commitment.

**2. DECLARATIONS OF INTEREST**

The Chairman declared a non-pecuniary interest in agenda item 5 (The Cheltenham Trust) as Board Member. He advised that the vice-chairman would take the chair for this item.

**3. MINUTES OF THE LAST MEETING**

The minutes of the last meeting had been circulated with the agenda.

Upon a vote it was unanimously

**RESOLVED that the minutes of the meeting held on the 17 June 2015 be agreed and signed as an accurate record.**

**4. PUBLIC QUESTIONS**

No public questions had been received.

**5. THE CHELTENHAM TRUST - 12 MONTH REVIEW OF GOVERNANCE ARRANGEMENTS**

The vice-chairman took the chair as the Chairman had declared an interest and left the room.

Gill Morris, the Client Officer, introduced the report as circulated with the agenda. She explained that the committee had received a presentation on the proposed governance arrangements for the Trust in June 2014 and at that



stage a commitment was made to update the committee on governance arrangements after twelve months of operation.

The report set out the governance arrangements for management of the contract and the internal governance arrangements that had been developed by the Trust. In relation to management of the contract, there were three levels of governance: monthly performance meetings between the council's client officer and the trust's relationship manager. These were informal meetings to discuss performance and identify any issues or risks for resolution or escalation; quarterly liaison groups meetings. These meetings involved the council's authorised officer (currently the deputy chief executive) and the client officer and the Trust's chief executive and relationship manager. This group agreed the annual development plan and monitored delivery of this plan through quarterly performance reports, also discussing any issues, challenges and potential risks. These meetings also provided an opportunity to have early discussions about any major changes that the Trust wished to make; six monthly partnership board meetings. These meetings included the council's cabinet member healthy lifestyles and authorised officer and the Trust's chief executive and trustee's representative. This group held strategic oversight of the contract, identifying and discussing strategic development opportunities and promoted partnership working and collaboration. Both the liaison group and partnership could be supported by relevant officers from both partners and both were able to appoint sub-committees and task/finish groups if required. The governance framework was subject to annual review to ensure that it continued to provide necessary assurances to both the council and the Trust. In addition to the contract governance framework the Trust participated in the annual review of effectiveness of the council's governance framework. The first assurance checklist had been completed after six months of operation and a commitment was made at the time to review it in six months; this will be undertaken in the coming weeks. The cabinet member healthy lifestyles took an active part in the governance of the Trust and a member seminar was arranged in June for the Trust to brief all members on the first six months' of operation.

Governance arrangements within the Trust had developed over the first 12 months of operation, to comply with the Companies Act and the UK Corporate Governance Code for Companies. Good governance was also a key aspect of the Trust's annual submission to the Charity Commission in line with the Charity Commission Guidance. The following points were made: the Health & Safety Committee did not form part of the formal governance arrangements but reported up to the Board through the Finance and Audit Committee; and GO Shared Services had supported the Board, informally, to further develop the governance framework, but this support was now being delivered by an external organisation.

From the perspective of the commissioning team at the council, the framework was working well and having done a significant amount of work over the last 12 months to develop the framework, the Trust were now working to embed it and develop it further and as previously mentioned, the governance arrangements would be reviewed annually to ensure that they continued to work effectively.

The vice-chairman thanked the client officer for her report, which he was in full support of the committee receiving.



The following responses were given to questions from members of the committee;

- The authorised officer would be advised of the suggestion voiced by a member of the committee that the partnership board should meet more regularly, on a quarterly basis, with feedback from task groups and Trustees, given that the Trust were managing Council assets.
- The council had engaged consultants to assist in the development of a Tourism Strategy and the chief executive of the Trust was a member of the project team. There was no tension between the council and the Trust on the issue of tourism but there was agreement that the council needed to be clear about what it wanted and how it would be delivered. It was important to note that the council could not always take the lead and would have to work with other stakeholders in the town to deliver a strategy.
- The Audit Partnership Manager advised that the Charity Commission guidance rules and regulations set out what the Trust were required to do. It was difficult to compare these rules against those that the council had to follow and as such he could not comment upon whether one was more stringent than the other.

Upon a vote it was unanimously

**RESOLVED that the report be noted and comments relating to the governance arrangements of the Trust be fed back to the council's authorised officer.**

**6. ANNUAL GOVERNANCE STATEMENT - PROGRESS REPORT ON SAFEGUARDING OF CHILDREN AND VULNERABLE ADULTS (MAINTAINING A TRAINING AND HANDBOOK REGISTER)**

The Chairman returned to the chair.

The Partnerships Team Leader introduced the progress report as circulated with the agenda. She explained that the council would, in the next 2 months, continue roll-out of the safeguarding declaration and would do so using the Learning Gateway. It was the responsibility of Service Managers to ensure that the correct level of training was identified for staff and entered onto the Learning Gateway, which would act as a register of training for purposes of the Safeguarding Policy. To ensure that this information was up to date, service managers would be required to review the entire for their staff every two years, which was in line with the section 11 audit timeframe of the Gloucestershire Safeguarding Children Board, therefore the next review was scheduled for November 2015. The Partnership Team Leader would review reports on a quarterly basis to ensure that the number completing the declaration and undertaking the required training did not fall below 90%. Should numbers fall below 90%, remedial action would be taken and should this not be remedied, then the issue would be reported to the Senior Leadership Team who would take appropriate action.

The following responses were given to member questions;

- Once entered onto the Learning Gateway the system would flag which officers had not completed the declaration or training and reports would enable monitoring of any officers or teams who were repeatedly not fulfilling their obligations.
- The council did not consider it to be appropriate to mandate elected members to undertake safeguarding training, however, members were able to access the Learning Gateway and member inductions would be used to promote the issue to new members.
- Cases across the country had demonstrated that Taxi Drivers could have identified issues at an early stage and as such they formed part of the Child Exploitation Strategy and officers at the council were currently working with County Council colleagues. Plans were also in place to approach Hotel reception staff just prior to race week in 2016 and make them aware of how to report any concerns.
- Taxi Marshalls had body cameras but she could not say whether the Taxi's themselves did or indeed whether safeguarding training was going to be mandatory. She would raise this with the Licensing manager and report back to the committee by email.

The Audit Partnership Manager confirmed that safeguarding featured on the Internal Audit plan for 2015/16 and the committee would be informed of any findings.

The Corporate Risk and Compliance Officer reminded members that this issue featured on the Annual Governance Statement as a significant issue and asked, given that a point at which records had been improved had been reached, whether members were comfortable for him to annotate this on the AGS significant issues action plan. The Chairman explained that whilst he was comfortable that the matter would no longer be flagged as an issue, but he was keen that the committee continue to monitor it.

Upon a vote it was unanimously

**RESOLVED that having noted the procedures, the committee is reassured that the council can evidence compliance with the safeguarding training duties under section 11 of the Children Act 2004.**

## **7. INTERNAL AUDIT MONITORING REPORT**

The Audit Partnership Manager introduced what was a regular report to the committee, which was designed to give the committee the opportunity to comment on the work completed by the partnership and provide ongoing assurances on the control environment throughout the year. Some of the highlights of the report included: Audit Cotswolds was in the process of updating the audit management software and data analytical tools to support the ever growing service; the service had now commenced provision of a full year of internal audit to The Cheltenham Trust; the contract with Cheltenham Borough Homes Ltd had been successfully renewed for another year; £403k from the DCLG Counter Fraud Fund was received on the 30 April 2015; and the Art Gallery and Museum review had been concluded. Appendix 1 set out a plan of what the service would be working on, with a focus on projects and as mentioned earlier in the meeting, an audit of Safeguarding Adults and Children was scheduled to be undertaken in quarter 4. Appendix 4 set out an update on counter fraud. He confirmed that the service was progressing a significant

amount of work through this arm, had increased this area of work with CBH and had recently been working proactively on the non-returned Single Person Discount forms to include penalties.

The following responses were given to members of the committee;

- The £403k DCLG money was not solely for Cheltenham, it was to be shared across the county.
- With members approval it was hoped that the committee would monitor the counter fraud unit, receiving regular updates as part of the Internal Audit reports, the Project Initiation Document for the project and a more substantial Annual Fraud Report. The committee were comfortable with this suggestion.

Upon a vote it was unanimously

**RESOLVED that the internal audit monitoring report be noted.**

**8. AUDIT HIGHLIGHTS MEMORANDUM ISA 260 (2014-15) AND FINANCIAL RESILIENCE (2015-16)**

Peter Barber of Grant Thornton introduced the report as circulated with the agenda and confirmed that progress had been made against the areas identified as being 'yet to be finalised' in the executive summary of the report. He advised that Grant Thornton anticipated being able to provide an unqualified opinion. The report, which was submitted on the 11 September, stated that no material misstatements had been identified during the audit, however, the council had identified one material misstatement relating to Property, Plant and Equipment and as such, Grant Thornton had issued an addendum on the 17 September, which provided a brief description of the errors, which were offset by another error which meant that the net impact on the Council's Balance Sheet for both years was no material. Details had been included in the accounts which were scheduled next on the agenda. The accounts were very long, more than 100 pages and therefore errors inevitably did occur, but members were assured that this was a positive message. The other area of work for Grant Thornton was the Value for Money conclusion and he was pleased to report that Grant Thornton had reached the view that CBC had satisfactory arrangements in place, with all six risk areas being assessed as 'Green'. He noted that one control issue that had been flagged was the fact that the Section 151 Officer was able to post journals and this had been addressed by the Director of Resources having relinquished his Section 151 Officer responsibilities.

Jackson Murray from Grant Thornton then talked members through some of the finer detail of the report, on which the unqualified opinion was based.

The following responses were given to member questions;

- The £163k surplus from Ubico had arisen as a result of how they had to account for their pensions liability and this surplus had been reported to council by the Cabinet Member Finance when he had presented the mid-term report.
- If an asset within a class was revalued then the code states that you must reassess all assets in that class within that year, but this would not always be possible to achieve so sub-categories are used.

- The £2.99m misstatement related to the Wilson which was listed under assets under construction but came operational in 13/14. This was transferred to assets in operation but not taken into account in the revaluation of the asset.
- As part of the VFM work Grant Thornton did look at investments and in terms of the AG&M overspend did not feel that anything negative needed to be included. Peter Barber was of the opinion that in setting any budget there was always a risk that it would not be enough after having embarked on the project. In his view the income now being generated by the Wilson was helping the council to meet its financial needs and the fact that the council were taking proactive measures to how they approached projects such as this in the future meant that the overspend did not represent a significant issue in relation to VFM.
- The purchase of Delta House would be considered next year and would only be commented upon if it was considered to be warranted.
- The £1.5m budget gap represented the budget gap over the totality of the MTFS rather than £400k each year.
- Grant Thornton were not intimating that the general reserves of the council were too low, they were simply acknowledging that they were lower than other councils of a similar size and that were initiatives such as 2020 vision not to be taken forward, that the council would not be able to depend on its reserves when setting budgets for as long as some other authorities would.

The Section 151 Officer confirmed that he and his team were currently working on the MTFS, which would be considered by Council in October. He assured members that the budget gap did not equate to £400k each year but was instead front loaded at 2016/17. In setting the reserves the council had adopted a risk based approach and considered what was the optimal minimum and based on that assessment advice was that the council should not allow their reserves to fall below £1.35m and it was currently £1.6m. His advice going forward would be that any underspend or fortuitous gains in the future should be used to build the council's reserves. He was not in a position to say whether the £163k Ubico surplus would be utilised in this way or not. He stressed that if the council did not agree to 2020 vision the MTFS would be put at risk and members would need to look at cutting non-statutory services.

Some members of the committee felt strongly that the Wilson did represent good value for money, they felt that the Art Gallery had not been fit for purpose and that the investment that had been made, irrespective of the over-spend, had been an investment for the future.

No decision was required.

### **9. STATEMENT OF ACCOUNTS 2014-15**

The Deputy 151 Officer introduced the report as circulated with the agenda and confirmed that the document had been reduced in size by some 30 pages and information that was available elsewhere had been removed. The explanatory foreword offered a flavour of what the council was doing. She highlighted the difference between the management accounts (spending funded by council tax) to the comprehensive income and expenditure statement (the total cost of the services, including revaluations and other technical accounting adjustments)).

She noted that closure of accounts would be bought forward a month to 31 May in 2016/17, which would be a challenge but the team were already starting to work this into the timetable and bring things forward, in order to be able to conduct a dummy run next year. She stressed that in order to achieve the revised timetable managers would need to be fully signed-up as the finance team were highly reliant on other people doing what they had to do in order to meet their deadlines.

With the help of the Section 151 Officer, the following responses were given to questions from members of the committee.

- The reserves set out on page 75 in the statement of accounts were usable reserves as these were earmarked and committed, even if specific projects had not yet been developed. The Section 151 Officer had asked Exec Board to review the level and requirement for all reserves and realign them. The DCLG Minister had announced plans to cap the level of reserves that a council could hold and had suggested that this would be in return for 5 year settlements. The LGA had raised concerns about this directly with the Minister.
- Grant Thornton reiterated that it was for each council to set their own reserve levels and there was no suggestion that the current level of usable reserves against gross revenue expenditure was insufficient.
- A requirement of the Section 25 report by the Section 151 Officer is to comment upon reserves. He would be taking this opportunity to suggest that the council increase reserves where possible, however, it was important to note that the reason the council did not have large reserves was in part due to the fact that we preferred to fund projects and other expenditure within the Borough.
- It was not entirely possible to draw a fair comparison between CBC and other councils within the county as Cheltenham's property portfolio dwarfed some other councils and therefore it had to maintain larger property maintenance reserves.

Upon a vote it was unanimously

**RESOLVED that the audited Statement of Accounts for 2014/15 be approved and signature by the Chairman of the Audit committee.**

### 10. WORK PROGRAMME

Members were referred to the committee work plan as circulated with the report.

A member suggested that the committee should review the purchase of Delta House and consider whether all the appropriate checks and balances were in place when the decision was made. The Section 151 Officers advised the committee that the council had used £2.5m from a capital receipt to purchase the property and expected a return of 4.1%, rather than the 0.6% offered by banks, which in his view represented good value for money. At the time he also calculated that had the council used all of the capital receipt, rather than investing in the Town Hall and Pittville play area the council would have benefited from £400k+ rather than £100k. The chairman was of the opinion that what was being suggested fell with the remit of scrutiny rather than audit and as such, proposed that Councillor Babbage refer the issue to O&S or the Budget Scrutiny working group to look at if either O&S and/or BSWG were minded to do so.

The 2016 committee dates relating to the budget would not need to change but future dates would need to be revised to meet with the earlier completion requirement.

**11. ANY OTHER ITEM THE CHAIRMAN DETERMINES TO BE URGENT AND REQUIRES A DECISION**

There were no urgent items for consideration.

**12. LOCAL GOVERNMENT ACT 1972 -EXEMPT INFORMATION**

Upon a vote it was unanimously

**RESOLVED THAT in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining items of business as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 1, 2 and 7, part 1 Schedule 12A (as amended) Local Government Act 1972, namely:**

**Paragraph 5; Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings**

**13. ANNUAL GOVERNANCE STATEMENT SIGNIFICANT ISSUE ACTION PLAN - PROGRESS REPORT ON CAR PARKING (MANAGEMENT OF THE CAR PARKING SERVICES IMPACTING ON INCOME AND OPERATIONAL EFFECTIVENESS)**

The committee considered an exempt report.

No decision was required.

**14. DATE OF NEXT MEETING**

The next meeting was scheduled for the 13 January 2016.

Colin Hay  
**Chairman**



# The Annual Audit Letter for Cheltenham Borough Council

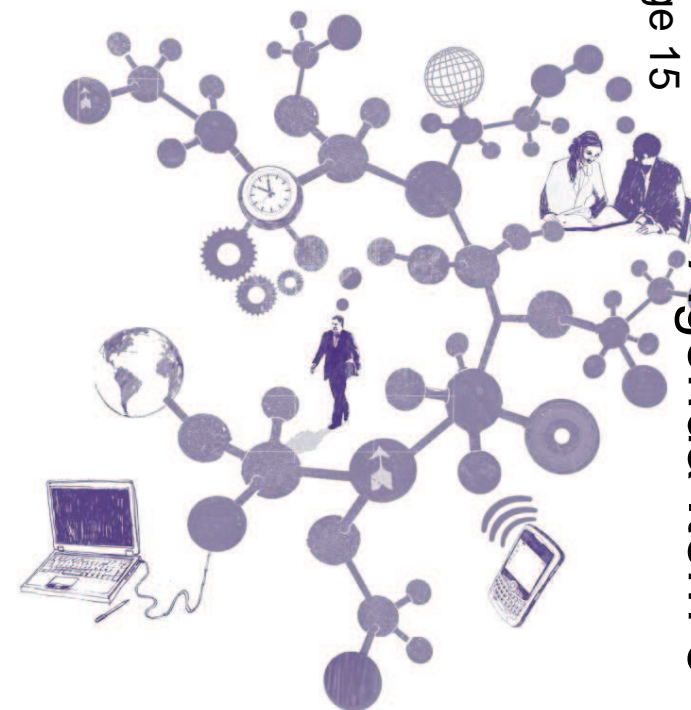
**Year ended 31 March 2015**

27 October 2015

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# Key messages

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

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 25 March 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and Public Sector Audit Appointments Limited.

<b>Financial statements audit (including audit opinion)</b>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 23 September 2015 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none"><li>• A material error was identified in the draft financial statements that resulted in the requirement for a prior year adjustment. This related to the overstatement of Property, Plant and equipment by £2,790k.</li><li>• Assets Under Construction were understated in both 2013-14 and 2014-15, and were corrected in both years.</li><li>• We identified a material classification adjustment of £4,210k between the revaluation reserve and capital adjustment account to transfer revaluation reserve balances for assets that had been disposed of.</li><li>• We identified a £2,005k classification adjustment relating to PPE assets that had been revalued downwards, with the loss taken to revaluation reserve instead of the Comprehensive Income and Expenditure Statement.</li><li>• We identified a small number of other classification and disclosure amendments to the financial statements. All were adjusted in the final audited financial statements.</li><li>• There was one unadjusted item in the financial statements relating to the UBICO surplus, which was increased by £163k after UBICO's audit. This will be accounted for in the 2015-16 financial year.</li></ul> <p>We issued an unqualified opinion on the Council's 2014/15 financial statements on 29 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.</p>
---	---

# Key messages continued

<b>Value for Money (VfM) conclusion</b>	<p>We issued an unqualified VfM conclusion for 2014/15 on 29 September 2015.</p> <p>The key messages reported to support our conclusion were:</p> <ul style="list-style-type: none"><li>• The 2014/15 outturn reported an underspend against the original budget;</li><li>• a robust medium term financial strategy is in place;</li><li>• finance management is sound with effective reporting of variances from plans;</li><li>• the Council understands its priorities and allocates resources appropriately</li><li>• works in partnership with other authorities to achieve efficiencies and value for money; and</li><li>• is exploring innovative ways of delivering high quality services whilst making savings through shared services with other local district councils.</li></ul> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.</p>
<b>Certification of housing benefit grant claim</b>	<p>We are currently auditing the Council's Housing Benefit claim in advance of the 30 November 2015 deadline and will report any findings to the Audit Committee in January 2016.</p>
<b>Audit fee</b>	<p>Our fee for 2014/15 was £65,974 excluding VAT which was in line with our planned fee for the year as set out in the Audit Plan. Further detail is included within appendix B.</p>

# Appendix A: Key issues and recommendations

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

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
1.	<p>The Council encountered a number of issues in 2014/15 with their fixed asset module. This led to a number of errors in the PPE disclosures in the statement of accounts due to the fixed asset module not being up to date as at 31 March 2015.</p> <p><b>Recommendation:</b> A review is undertaken of the effectiveness of the fixed asset module and a decision made by the Section 151 Officer on how to move forward with this to ensure that the fixed asset register is able to be used effectively in 2015/16.</p>	High	<p>The fixed asset module has now been reconciled to the balance sheet for all assets held. A review will be done in 2015/16 to consider the level of integration of the fixed asset module to the General Ledger module within Agresso to ensure their effectiveness and ongoing accuracy.</p> <p>Responsible office: GOSS Business Partner Due date: December 2015</p>

## Appendix B: Reports issued and fees

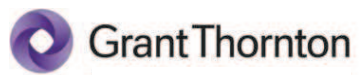
We confirm below the fees charged for the audit and non-audit services.

### Fees for audit services

	Per Audit plan £	Actual fees £
Council audit	65,974	65,974
Housing benefit grant certification fee	12,020	TBC
Pooling of Housing Capital Receipts certification fee	0	2,100
<b>Total audit fees</b>	<b>53,954</b>	<b>TBC</b>

### Reports issued

Report	Date issued
Audit Plan	25 March 2015
Audit Findings Report	23 September 2015
Certification Report	Expected January 2016
Annual Audit Letter	27 October 2015



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Paul Jones  
Section 151 Officer  
Cheltenham Borough Council  
Municipal Offices  
Promenade  
Cheltenham  
GL50 9SA

22 December 2015

Dear Paul

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**Certification work for Cheltenham Borough Council for year ended 31 March 2015**

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

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit claim for the financial year 2014/15 relating to subsidy of £31.9 million. Further details of the claim certified are set out in Appendix A. We also certify one other claim outside of the PSAA arrangements relating to the Pooling of Housing Capital Receipts return. This claim is not referred to in this letter as it falls outside of the PSAA arrangements.

A small number of issues arose from our certification work which are set out in Appendix A. We are satisfied that these issues were either isolated or relatively minor in nature and that the Council has appropriate arrangements in place to compile a complete, accurate and timely claim for audit certification. We are satisfied that the recommendation raised in the previous year relating to the one room indicator on the Civica system has been addressed.

The indicative fee for 2014/15 for the Council is based on the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification under the Audit Commission regime (such as the national non-domestic rates return, teachers pensions return and pooling housing capital receipts return) have been removed. The final fee for 2014/15 of £12,020 is the same as the indicative scale fee set by the Audit Commission. This is set out in more detail in Appendix B.

Yours sincerely

For Grant Thornton UK LLP

**Appendix A - Details of claims and returns certified for 2014/15**

<b>Claim or return</b>	<b>Value</b>	<b>Amended?</b>	<b>Amendment (£)</b>	<b>Qualified?</b>	<b>Comments</b>
Housing benefits subsidy claim	£31,882,500	No	N/A	Yes	<p>The qualification letter referred to;</p> <p>Standard claim reconciliation methodology not being used (although the Council uses its own reconciliation methodology)</p> <p>Underpayments totalling £33</p> <p>Overpayments totalling £210</p> <p>Misclassification of £199 between overpayment cells</p>

**Appendix B: Fees for 2014/15 certification work**

<b>Claim or return</b>	<b>2013/14 fee (£)</b>	<b>2014/15 indicative fee (£)</b>	<b>2014/15 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	11,148	12,020	12,020	Nil	
Total	11,148	12,020	12,020	Nil	

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# Audit Committee Update

## Cheltenham Borough Council

**Year ended 31 March 2016**

22 December 2015

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Associate Director

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Manager

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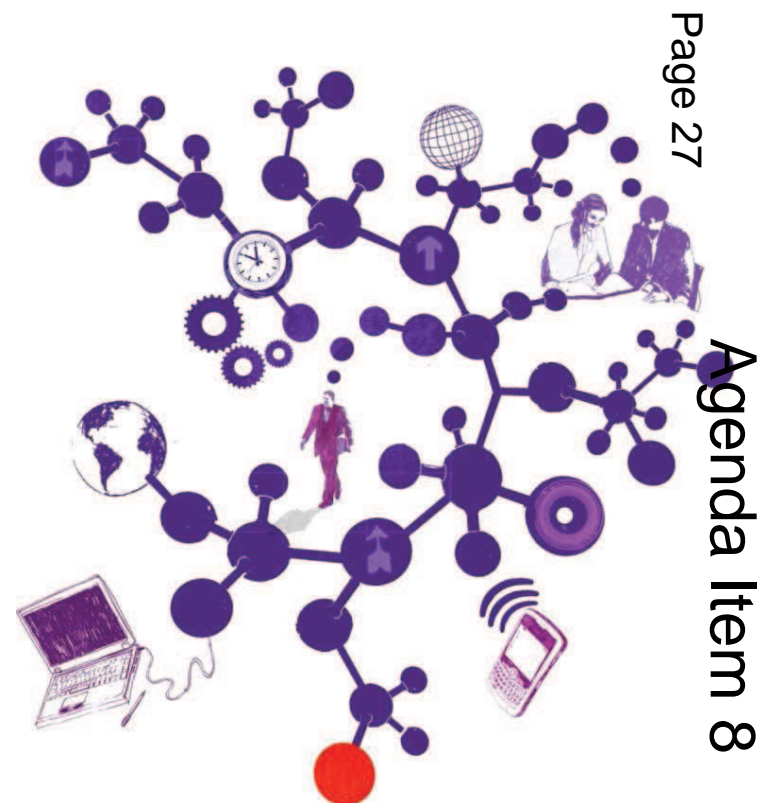
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**Katie Haines**

In-charge Auditor

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

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# Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

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

- Making devolution work: A practical guide for local leaders
- Spreading their wings: Building a successful local authority trading company
- Knowing the ropes: Audit Committee effectiveness review

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

Peter Barber - Engagement Lead **T** 0117 305 7897 **M** (0)7880 456122 [Peter.A.Barber@uk.gt.com](mailto:Peter.A.Barber@uk.gt.com)  
Jackson Murray - Audit Manager **T** 0117 305 7859 **M** (0)7825 028920 [Jackson.Murray@uk.gt.com](mailto:Jackson.Murray@uk.gt.com)

**Action – Members of the Audit Committee are asked to note this update report**

# Progress at 22 December 2015

Work	Planned date	Complete?	Comments
<b>2015-16 Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2015-16 financial statements.	March 2016	Not yet due	The plan will be completed following our interim visit and will be presented to the March 2016 Audit Committee.
<b>Interim accounts audit</b> Our interim fieldwork visit includes: <ul style="list-style-type: none"> <li>• updating our review of the Council's control environment</li> <li>• updating our understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• proposed Value for Money conclusion.</li> </ul>	February 2016	Not yet due	
<b>2015-16 final accounts audit</b> Including: <ul style="list-style-type: none"> <li>• audit of the 2015-16 financial statements</li> <li>• proposed opinion on the Council's accounts</li> <li>• proposed Value for Money conclusion.</li> </ul>	TBC	Not yet due	The timing of our interim visit is still be agreed with Officers.

# Progress at 22 December 2015

Work	Planned date	Complete?	Comments
<b>Value for Money (VfM) conclusion</b> The scope of our work to inform the 2015/16 VfM conclusion comprises an assessment of whether the Council: "In all significant respects have proper arrangements in place to ensure you took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people" The criteria for 2015/16 are: <ul style="list-style-type: none"> <li>• Informed decision making</li> <li>• Sustainable resource deployment</li> <li>• Working with partners and other third parties</li> </ul>	January – April 2016	Not yet due	This work has not yet commenced.
<b>Other areas of work</b> Housing benefit certification work (2014-15) Pooled Housing Capital Receipts (2014-15)	October – November 2015	Yes	We will update members on progress at the Audit Committee.

# Making devolution work: A practical guide for local leaders

## Grant Thornton market insight

Our latest report on English devolution is intended as a practical guide for areas and partnerships making a case for devolved powers or budgets.

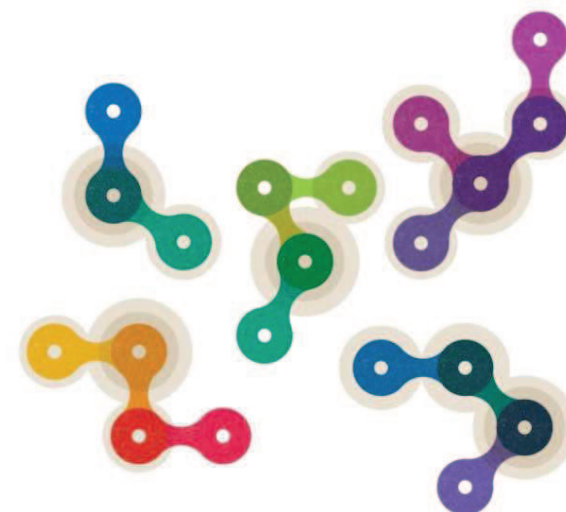
The recent round of devolution proposals has generated a huge amount of interest and discussion and much progress has been made in a short period of time. However, it is very unlikely that all proposals will be accepted and we believe that this the start of an iterative process extending across the current Parliament and potentially beyond.

With research partner Localis we have spent recent months speaking to senior figures across local and central government to get under the bonnet of devolution negotiations and understand best practice from both local and national perspectives. We have also directly supported the development of devolution proposals. In our view there are some clear lessons to learn about how local leaders can pitch successfully in the future.

In particular, our report seeks to help local leaders think through the fundamental questions involved:

- what can we do differently and better?
- what precise powers are needed and what economic geography will be most effective?
- what governance do we need to give confidence to central government

Hard copies of our report are available from your Engagement Lead and Audit Manager



# Turning up the volume: The Business Location Index

## Grant Thornton market insight

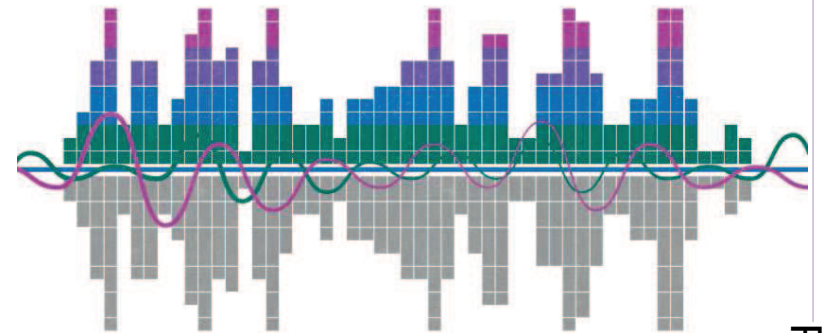
Inward investment is a major component of delivering growth, helping to drive GDP, foster innovation, enhance productivity and create jobs, yet the amount of inward investment across England is starkly unequal.

The Business Location Index has been created to help local authorities, local enterprise partnerships, central government departments and other stakeholders understand more about, and ultimately redress, this imbalance. It will also contribute to the decision-making of foreign owners and investors and UK firms looking to relocate.

Based on in-depth research and consultation to identify the key factors that influence business location decisions around economic performance, access to people and skills and the environmental/infrastructure characteristics of an area, the Business Location Index ranks the overall quality of an area as a business location. Alongside this we have also undertaken an analysis of the costs of operating a business from each location. Together this analysis provides an interesting insight to the varied geography that exists across England, raising a number of significant implications for national and local policy makers.

At the more local level, the index helps local authorities and local enterprise partnerships better understand their strengths and assets as business locations. Armed with this analysis, they will be better equipped to turn up the volume on their inward investment strategy, promote their places and inform their devolution discussions.

Hard copies of our report are available from your Engagement Lead and Audit Manager



# Knowing the Ropes – Audit Committee Effectiveness Review

## Grant Thornton

This is our first cross-sector review of audit committee effectiveness encompassing the corporate, not for profit and public sectors. It provides insight into the ways in which audit committees can create an effective role within an organisation's governance structure and understand how they are perceived more widely.

The report is structured around four key issues:

- What is the status of the audit committee within the organisation?
- How should the audit committee be organised and operated?
- What skills and qualities are required in the audit committee members?
- How should the effectiveness of the audit committee be evaluated?

It raises key questions that audit committees, board members and senior management should ask themselves to challenge the effectiveness of their audit committee.

Our key messages are summarised opposite.



# Improving efficiency of council tax collection

## Local government issues

DCLG have published "Improving Efficiency for Council Tax Collection", calling for consultation on the proposals to facilitate improvements in the collection and enforcement processes in business rates and council tax. The consultation is aimed specifically at local authorities, as well as other government departments, businesses and any other interested parties. The consultation document states that council tax collection rates in 2014-15 are generally high (at 97 per cent), however the government wishes to explore further tools for use by local authorities and therefore seeks consultation from local authorities on DCLG's proposals. The consultation closes on 18 November.

The Government proposes to extend the data-sharing gateway which currently exists between HMRC and local authorities. Where a liability order has been obtained, the council taxpayer will have 14 days to voluntarily share employment information with the council to enable the council to make an attachment to earnings. If this does not happen, the Government proposes to allow HMRC to share employment information with councils. This would help to avoid further court action, would provide quicker access to reliable information, and would not impose any additional costs on the debtor. The principle of this data-sharing is already well-established for council taxpayers covered by the Local Council Tax Support scheme, and it would make the powers applying to all council tax debtors consistent. Based on the results of the Manchester/HMRC pilot, Manchester estimate that £2.5m of debt could potentially be recouped in their area alone.



# Code of Audit Practice

## National Audit Office

Under the Local Audit and Accountability Act 2014 the National Audit Office are responsible for setting the Code of Audit Practice which prescribes how local auditors undertake their functions for public bodies, including local authorities.

The NAO have published the Code of Audit Practice which applies for the audit of the 2015/16 financial year onwards. The Code is principles based and will continue to require auditors to issue:

- Opinion on the financial statements
- Opinion on other matters
- Opinion on whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (the "VFM conclusion".)

In November 2015 the NAO issued guidance on auditors' work on VFM arrangements. This incorporates a new overall criterion for auditors to apply in their work on the VFM conclusion, and places an emphasis on bodies having appropriate information available to support their decision making. The approach remains risk based and as part of our interim audit work we will be determining the risks which we need to take into account in our work on your VFM conclusion.

The overall criterion which the NAO has set is to confirm that appropriate arrangements are in place to ensure you made informed decisions, and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. There will be three areas we will look at, but these are not separate, and we will not reach a distinct judgement against each one. These are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

# References

## References

The following links relate to Grant Thornton and other publications referred to in this progress report;

### **Grant Thornton reports**

- 'Making devolution work: A practical guide for local leaders' <http://www.grantthornton.co.uk/en/insights/making-devolution-work/>
- 'Turning up the volume: The Business Location Index' <http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2015/business-location-index-turning-up-the-volume.pdf>
- 'Knowing the Ropes – Audit Committee Effectiveness Review' <http://www.grantthornton.co.uk/en/insights/knowing-the-ropes--audit-committee-effectiveness-review-2015/>

### **Other links**

- NAO Code of Audit Practice <https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Final-Code-of-Audit-Practice.pdf>



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**Cheltenham Borough Council**  
**Audit Committee – 13 January 2016**  
**Internal Audit Monitoring Report**

<b>Accountable member</b>	Cabinet Member Corporate Services, Councillor Jon Walklett
<b>Accountable officer</b>	Head of Audit Cotswolds, Robert Milford
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>The Council must ensure that it has sound systems of internal control that facilitate the effective management of all the Council's functions. The work delivered by Audit Cotswolds, the Council's internal audit service, is one of the control assurance sources available to the Audit Committee, the Senior Leadership Team and supports the work of the external auditor.</p> <p>The Annual Internal Audit Opinion presented to Audit Committee provides an overall assurance opinion at the end of the financial year. This Internal Audit Monitoring Report, however, is designed to give the Audit Committee the opportunity to comment on the work completed by the partnership and provide 'through the year' comment and assurances on the control environment.</p>
<b>Recommendations</b>	<b>The Audit Committee considers the report and makes comment on its content as necessary</b>

<b>Financial implications</b>	<p>None specifically arising from the recommendation</p> <p><b>Contact officer: Sarah Didcote,</b>  <b>sarah.didcote@cheltenham.gov.uk, 01242 264125</b></p>
<b>Legal implications</b>	<p>None specifically arising from the recommendation</p> <p><b>Contact officer: Peter Lewis, Head of Legal Services, One Legal</b>  <b>peter.lewis@tewkesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>None specifically arising from the recommendation</p> <p><b>Contact officer: Julie McCarthy 01242 264355</b>          Julie McCarthy @cheltenham.gov.uk,</p>
<b>Key risks</b>	That weaknesses in the control framework, identified by the audit activity, continue to threaten organisational objectives, if recommendations are not implemented.

<b>Corporate and community plan Implications</b>	<p><i>“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.” (Chartered Institute of Internal Auditing UK and Ireland).</i></p> <p>Therefore the internal audit activity impacts on corporate and community plans.</p>
<b>Environmental and climate change implications</b>	Relevant to particular audit assignments and will be identified within individual reports.
<b>Property/Asset Implications</b>	<p>None specifically arising from the recommendation</p> <p><b>Contact officer: David Roberts@cheltenham.gov.uk</b></p>

## 1. Background

- 1.1 The Annual Audit Plan 2015/16 was aligned with the corporate and service risks facing the Council as identified in the consultation with the Senior Leadership Team and supported by such systems as the risk registers. The role and responsibilities of internal audit reflect that it is there to help the organisation to achieve its objectives, part of the plan has been aligned to elements of this strategy. However, to inform the audit plan we have also reviewed other key documents, such as the Medium Term Financial Strategy, change programme agendas and updates to the business plan, many of which contain risk assessments
- 1.2 There is also a benefit to supporting the work of the External Auditor (Grant Thornton). This is in the form of financial and governance audits to support such activities as value for money.
- 1.3 The audit plan also considered risks that may evolve during the year. The consultation process has sought to identify these areas considering where internal audit could support and add value to the risk control process. This report identifies work we have completed in relation to the planned audit work.

## 2. Reasons for recommendations

- 2.1 The environment in which Cheltenham BC and other Local Authorities now operates has presented significant drivers for change. The continual effort to meet the organisational objectives within a constrained budget has resulted in core systems coming under review for change e.g. the GO Shared Services impacting on core financial systems and shared services generally impacting on core governance arrangements.
- 2.2 Therefore Internal Audit needs to be responding to the changing environment and the areas where the organisation now requires assurances. This prompts the requirement to keep to a more flexible and risk based plan.
- 2.3 It should also be recognised that the service is a partnership, so co-ordinating resources across multiple organisations is critical to the success of the partnership.
- 2.4 This report highlights the work completed by Internal Audit and provides comment on the assurances provided by this work.

## 3. Internal Audit Output

- 3.1 The internal audit service is continuing to review its operational procedures and processes to ensure they align with the Public Sector Internal Audit Standards (PSIAS).

Below summarises some of Internal Audit's work in progress to date:

### Core Governance

Fieldwork on Governance Compliance has been completed, the report is being drafted.

The audits on Performance Management and Ubico Client Function are progressing.

### Core Financials

Council Tax, NNDR, Benefits (across three councils) – work has started on year 2 of the 3 year programme and will include the implementation status of recommendations agreed in the previous audits. The scope of the audit work includes: collection, recovery, financial reconciliations, payments, overpayments, payment plans and write-offs.

GOSS audits – testing has been concluded on Main Accounting, Treasury Management and Bank Reconciliations. The Draft reports are with Internal Audit Management for review.

Transactional testing for Accounts Payable has been completed and a draft report has been issued to GOSS Management Team. Testing is in progress for Accounts Receivable & Payroll.

Memos for the GOSS HR audits have been issued to HR Management for review and consideration.

### Risk Based

Contract Management – fieldwork has been completed. The Draft report is being compiled.

- 3.3** Audit Cotswolds, as a service, is in the process of updating the audit management software and data analytical tools used by the service. The implementation of audit management software will allow us to sequence and control individual audits across multiple partners and clients. Fundamentally, when implemented, this will be a management efficiency aid for the Department. Data analytics tools will enable us to test complete data sets/transactions, rather than sample testing, giving a more robust opinion. Tender documents for the procurement of the new software have been finalised and published.

Progress against the 2015/16 audit plan is set out in **Appendix 1**. The table below summarises the work brought forward from 2014/15, updated on it's progress.

Audit	Report status
Performance Management	Draft report issued - currently with Head of Internal Audit
Governance Compliance – Members Allowances	Final
Data Protection & Control of Data	Draft report issued – waiting for Management response
Payment Channels and Income Streams	Final
Social Media	Draft report issued – waiting for Management response

- 3.7** Executive summaries of Audits finalised in can be found in **Appendix 2**

- 3.8** The assurance levels are set out in **Appendix 3**

- 3.9** The Counter Fraud update is in **Appendix 4**

<b>Report author</b>	<b>Robert Milford, H</b> <b>robert.milford@cheltenham.gov.uk,</b> <b>01242 775058</b>
<b>Appendices</b>	<ol style="list-style-type: none"><li>1. Audit Plan Progress</li><li>2. Executive Summaries</li><li>3. Assurance levels</li><li>4. Counter Fraud Update</li></ol>



Subject	Outline	Status
<b>CORE GOVERNANCE</b>		
Annual Governance Statement	Support and review of the AGS	Complete
Risk Management	Review of the training for service managers	Q4
Performance Management	Focus on performance of projects and programmes and in particular the role and responsibilities of SLT and Cabinet.	In progress
Governance Compliance	HR policy application by service managers: <ul style="list-style-type: none"> <li>Recruitment &amp; Selection including induction</li> <li>Capability, Grievance and Disciplinary</li> <li>Training schemes</li> </ul>	Fieldwork complete – Draft Report in progress
ICT	Application audits  Shared service support and review	
<b>CORE FINANCIALS</b>		
NNDR	Year 2 module of 3 year programme	In progress
Benefits	Year 2 module of 3 year programme	In progress
Council Tax	Year 2 module of 3 year programme	In progress
GOSS	Separate plan but encompasses Finance, Payroll aspects delivered by GOSS	In progress
GOSS - HR	Review on: <ul style="list-style-type: none"> <li>Absence Recording</li> <li>Staff Allowances</li> <li>Shared Services Allowances</li> <li>Job Evaluation Process</li> </ul>	Draft Memos issued – waiting for Management Response
GOSS – Procurement, Insurance, Health & Safety		Q4
<b>RISK BASED</b>		
Ubico Client Function	Follow-up to the 2013 audit review with the addition of an examination of client side cost covering client	In progress

	servicesPage 46 Gloucestershire Waste Partnership	
Business Continuity Management	Overall plans, service plans and service manager engagement	Q4
Accommodation strategy and property management	Review of strategy and property management	Q4
Security	Review of buildings and personnel security	Q4
Audit Committee Effectiveness	Review of Audit Committee against appropriate guidance and standards	Q4
Contract management	Review of key contracts including tender processes  Plus review of contractor use	Fieldwork complete – Draft Report in progress
Task force review	Review of processes and procedures used in the Cheltenham Development Taskforce project	Q4
Safeguarding Adults and Children	Support the Safeguarding peer review and audit	Q4
<b>CONSULTANCY</b>		
REST project support	Support and ongoing advice regarding the REST project	On-going
20:20 vision	Support and ongoing advice regarding the 20:20 project	On-going
Other change projects	Support for other projects	N/A
<b>Other Audit Work</b>		
Management	Audit Committee, governance and risk groups, high level programmes, etc	N/A
Follow-ups	Assessment of recommendation implementation	N/A
Contingency	7% operational contingency	N/A

Executive Summary for Payment Channels & Income Streams	
Assurance	Limited

**Overview and Key Findings**

This review of Payment Channels and Income Streams was undertaken part of the 2014/15 Audit Plan approved by Audit Committee in April 2014. The focus of the audit was;

Undertaking analysis of payment and income streams in relation to a specified number of service areas and determine whether any further effective audit work can be undertaken.

Undertaking additional audit review work to determine that these areas where substantial risks exist are well controlled. For income focus particularly on the existence of effective and timely reconciliations.

Analysis of income streams and payment channels was undertaken. We identified four service areas to review further and focus on income; We did not identify any payment channels that required additional review. We carried out additional work at the Cemetery and Crematorium, Shopmobility, Planning and Green Space-Allotments. Recommendations from the previous Cash Receipting Audit (2012/13) have also been followed up and included in this report where appropriate.

Financial Rule 15.1 states that budget holders are responsible for:

*Reconciling income systems with the council's main accounting system monthly to ensure that all income received has reached the correct budget head and investigating where there is a discrepancy.*

Agresso Business World (ABW) was implemented at Cheltenham Borough Council in 2012 as the Council's Main Accounting System. Training workshops were run for staff to address any specific training needs and subsequently, standard enquiry report templates were introduced to aid budget holders. However, this review has confirmed that in some service areas monthly reconciliations are not being carried out. Recommendations have been made to the budget holders / service areas in respect of performing monthly reconciliations between the business system and the general ledger. Monthly reconciliations will ensure compliance with the financial rules. Budget Holders will be able to identify whether income has been accurately posted in the ledger, any mis-postings will be easily identifiable and corrections made in a timely manner, these processes will also aid budget monitoring.

To further improve the control environment, recommendations have been agreed with management relating to:

Assess the feasibility of receipting payments via Civica at the Cemetery and Crematorium.

Consider the possibility of accepting card payments at Shopmobility.

To increase efficiency, consider receipting all payments for planning applications in the cash hall.

Based on the work completed we have concluded that the overall system of controls in respect of receipting income and security of cash is satisfactory however, monthly reconciliations to the general ledger are not being carried out which is a breach of the Financial rules, therefore we offer an overall limited assurance opinion. There are a number of other minor improvements that if implemented would strengthen the overall control environment.

There are a number of actions which remain outstanding from the 2012/13 Cash Receipting audit which are of concern. Executive Board will ensure that the actions arising from this report are actioned in accordance with the timeframes documented within this update report.

Mark Sheldon  
8 December 2015

## **Executive Summary for Members Allowances**

**Assurance**
**Satisfactory**

### **Overview and Key Findings**

#### **1. Introduction and Purpose of Review**

The objective of this audit was to provide assurance over the system of control in place for Members Allowances and expenses paid by Cheltenham Borough Council. This audit was carried out in accordance with the internal audit plan 2014/2015. Expenditure in relation to allowances and expenses for 2014/2015 was £316,018.50. Our work has identified certain areas of control weakness, therefore we have suggested recommendations to strengthen the overall control environment.

#### **2. Background**

Local Authorities can pay allowances and expenses to Members in respect of duties which they carry out in their capacity as a Member of the Council. The Democratic Services Department are responsible for the operation of these allowances and expenses, which are regulated and prepared in accordance with 'Local Authorities (Members Allowances) (England) Regulations 2003'. Members receive a basic allowance and those with additional duties are entitled to a special responsibility allowance. Allowances are set and reviewed by an Independent Remuneration Panel which produces a report containing recommendations. The claiming of allowances and expenses by individual Members is discretionary and individuals may opt not to receive payment or to receive reduced payments.

#### **3. Overall Observations and Key Findings**

We found internal controls present within the administration of Members Allowances and claims. There were however elements of non-compliance with Council Rules which increase the risk profile and weaken the internal control framework.

Implementation of the recommendations made within this report will strengthen the overall risk management arrangements covering the Members Allowances, Claims and Expenses processes.

The following high priority observations have been made:

- In accordance with Council's Financial Rules (last updated and agreed by Cabinet in June 2013), Members must provide VAT receipts to support all mileage and expense claims.
- Claims should be made on a regular basis (quarterly as a minimum). The Members Allowance Scheme should also be updated to reflect this requirement.

Recommendations have also been made covering linked to the following areas:

- Increased verification of Member expense claims (in line with the Council's Financial Rules) and facilitation of an audit trail and timeline of claims.
- Refresher training for Members on allowances and claims at a suitable frequency.
- Additional specifics for the Member expense claim process to be proposed to the Independent Remuneration Panel.

#### **4. Conclusion**

Based on testing completed, we offer an audit assurance opinion level of Satisfactory Assurance - The system of expected control although sound, there are opportunities for improvement to further

reduce system objective risks. The implementation of the recommended actions within this report will increase the assurance level of the Council's risk management and control of Members Allowances.

## **5. Management Response**

We are very pleased that the review found that the Members Allowances Scheme was being prepared and administered in line with the regulations and that the information published on the Council's website was clear and detailed. There were no required actions relating to the payment of Members Allowances and we think this is evidence of the improvements we have made to the process and the information published on our website over the last few years. This has enabled us to satisfy frequent FOI requests on this matter by referring any enquiries to the website.

We have updated the Members Travel form, guidance notes and procedures to accommodate the additional risks identified in this report and will communicate any additional requirements and changes to Members. We have also created a set of procedures so that in future any member of the Democratic Services team can deal with expense claims (the procedure includes the need for VAT receipts where appropriate).

The Members Allowance Scheme should only be changed after being reviewed by the IRP and a recommendation then made to Council, as they are not meeting this year we will incorporate any revisions required to the scheme when the IRP next meet to carry out a full review.

Assurance levels for all audits follow a standard methodology to ensure reliability and validity of Internal Audit opinion. The table below set out the rationale for the opinion and suggested management action timescales.

<b>Assurance Level</b>	<b>IA Opinion – Controls</b>	<b>IA Opinion – Compliance</b>
<b>High</b>	The system of control is sound and designed to achieve system objectives	Controls are complete, consistently applied and compliance is good
<b>Satisfactory</b>	The system of expected control although sound, there are opportunities for improvement to further reduce system objective risks	Compliance is generally good but there is evidence of non-compliance with some controls
<b>Limited</b>	The system of controls falls below expectation as weaknesses are increasing system objective risks	There is sufficient evidence of non-compliance which puts the system objectives at risk
<b>Poor</b>	The system of control is weak thus significantly increasing system objective risk	There is significant non-compliance with controls leaving the system vulnerable to abuse or fraud which significantly increases the system objective risks

**Counter Fraud Update****CURRENT OPERATIONS**

- A series of proactive feasibility fraud drives are being launched across the hub region. To enable this to happen substantial works have been undertaken on the legal framework of operational fraud investigation and prosecution. Initial pilots at Cheltenham BC have proven to be effective and exceeding targets set out in the DCLG funding document.
- Health & Safety work stream to ensure lone working policies and personal safety protocol in place. New alarm assets are being procured for the counter fraud officers.
- A new Counter Fraud Policy is under consultation across the hub. All S151 officers have seen and commented on the document and this is now progressing through corporate teams and on to the relevant committees for approval.
- Project implementation re county wide data warehouse and case management system including West Oxfordshire; with the ability to link up with Oxford City, is now well underway with formal procurement being undertaken. Recruitment of the staff for the data warehouse is also underway.
- Engagement with housing associations in the Gloucestershire region via the Gloucestershire Tenancy Fraud Forum is now well underway including the delivery of works under contract for several of them.

**PROJECT DOCUMENTATION**

- Project Initiation Document (PID) has been produced and presented to Gloucestershire Chief Finance Officer Group meeting in September (including plan for engagement with Oxfordshire and West Oxfordshire)
- The PID is being updated with comments received and various project roles now allocated.
- Financial forecast and models under development, with particular focus on the accounting for fraud which is an unpredictable variable.

**TIMELINE**

- Schedule of works for Local Authority's within the area
- The Section 101 agreement is expected to take at least 6-8 months. Section 113 agreements are being used as a temporary solution until S101 available.

**PLANNED WORK STREAMS**

- More structured approach and agreement with regard to fraud work for Cotswold DC and West Oxfordshire DC
- Policy and procedures are under review and alignment across Gloucestershire and Oxfordshire

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## Cheltenham Borough Council

### Audit Committee – 13 January 2016

#### Counter Fraud and Anti-Corruption Policy

<b>Accountable member</b>	Cabinet Member Corporate Services, Councillor John Walklett
<b>Accountable officer</b>	Head of Audit Cotswolds, Robert Milford
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>This policy needs to be updated to reflect the changes to the counter fraud arrangements at the Council, since the 1st April 2015, with the development of a new counter fraud unit within Internal Audit.</p> <p>The draft Counter Fraud and Anti-Corruption Policy has been developed to confirm latest legislation and to reflect the changes brought about by the creation of the Single Fraud Investigation Services (operated by the Department for Work and Pensions) which subsumed the Council's responsibilities for investigating Housing Benefit Fraud.</p> <p>The draft Policy has been developed in consultation with other Gloucestershire authorities and West Oxfordshire District Council to provide a platform for the operation of the counter fraud unit.</p>
<b>Recommendations</b>	<p><b>That Audit Committee:</b></p> <ol style="list-style-type: none"> <li><b>1. Considers the Counter Fraud and Anti-Corruption policy and makes any further suggestions that it considers necessary to strengthen the Council's standards of propriety and accountability.</b></li> <li><b>2. Authorise the Head of Audit Cotswolds, in consultation with the Section 151 Officer, to update the policy with any additional comments resulting from the on-going counter fraud project.</b></li> <li><b>3. Supports the principles set out in the policy and that the Audit Committee fulfils its role as set out in the policy.</b></li> </ol>

<b>Financial implications</b>	<p>There are no direct financial implications as a result of this report. However, the adoption of this counter fraud and anti-corruption policy will help support the prevention and detection of fraud and reduce potential financial loss to the council.</p> <p><b>Contact officer: Sarah Didcote, Deputy S151 Officer</b></p> <p><b>Sarah.didcote@cheltenham.gov.uk</b></p>
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<b>Legal implications</b>	<p>No comments were received prior to One Legal before the publication of the report because of the Christmas holiday period. Any comments that are received will be brought to the meeting.</p> <p><b>Contact officer: Peter Lewis, Head of Legal Services, One Legal</b>  <b>peter.lewis@teWKesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>All Council employees and casual workers will need to be made aware of the changes to the updated policy.</p> <p>It will be essential that the Counter Fraud team and the HR Team work closely together on any issues relating to staff investigations as the Council's Disciplinary Process will need to be followed and the process managed carefully to ensure any criminal investigation is not compromised.</p> <p><b>Contact officer: Julie McCarthy, HR Manager (West)</b>  <b>Julie.mcCarthy@chEltenham.gov.uk</b></p>
<b>Key risks</b>	If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.
<b>Corporate and community plan Implications</b>	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. 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.
<b>Environmental and climate change implications</b>	N/A
<b>Property/Asset Implications</b>	<p>David Roberts</p> <p><b>Contact officer: David Roberts, Head of Property Services</b>  <b>david.roberts@chEltenham.gov.uk</b></p>

## 1. Background

- 1.1** This policy needs to be updated to reflect the changes to the counter fraud arrangements at the Council, from the 1st April 2015, following the development of a new counter fraud service as approved by the Cabinet on the 10<sup>th</sup> February 2015.

## 2. Reasons for recommendations

- 2.1** The draft Counter Fraud and Anti-Corruption Policy has been developed to reflect latest legislation and to reflect the changes from the creation of the Single Fraud Investigation Services (operated by the Department for Work and Pensions) which subsumed the Council's responsibilities for investigating Housing Benefit Fraud.
- 2.2** The draft Policy has been developed in consultation with all of the Gloucestershire authorities and West Oxfordshire District Council to provide a platform for the operation of the counter-fraud unit

- 2.3** It should also be recognised that the : , artnership, so co-ordinating policy across multiple organisations is critical to the su , artnership.
- 2.4** This policy highlights the key legislation and the roles and responsibilities of Members, Officers and other parties.

### **3. Consultation**

- 3.1** The policy has been prepared and drafted by the Audit Cotswolds Investigations team, who are leading the Gloucestershire Counter Fraud Hub Project. The policy has been initially compiled from a review of all policies across the region and current legislation.
- 3.2** Following the initial drafting of the policy, the document was then circulated to Section 151 officers at all hub sites (All Gloucestershire Districts and the County Council, plus West Oxfordshire District Council) for review.
- 3.3** This draft was then presented to the Cheltenham Corporate Governance Group for initial comment before being presented to this Committee for approval.

<b>Report author</b>	<b>Robert Milford Head of Audit Cotswolds</b> <b>robert.milford@cheltenham.gov.uk,</b> <b>01242 775058</b>
<b>Appendices</b>	1. Counter Fraud and Anti-Corruption Policy

## Risk Assessment

## Appendix 1

The risk				Original risk score (Impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	Without appropriate policy in place the counter fraud unit and other Council resources are unable to take effective and efficient measures to counter fraud, potentially resulting in authority suffering material losses due to fraud	PJ	11/12/14	4	4	16	Reduce	Introduce a suitable Counter Fraud policy that enables effective and efficient mitigation of fraud risk.	31 <sup>st</sup> March 2016	RM	
<b>Explanatory notes</b> <b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) <b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) <b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close											

## Counter Fraud and Anti-Corruption Policy

### 1. INTRODUCTION AND PURPOSE OF THE POLICY

- 1.1. 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. The Council is committed to an effective Counter Fraud and Anti-Corruption culture, by promoting high ethical standards and encouraging the prevention, detection and investigation of fraudulent activities.
- 1.2. The Section 151 Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangements for the Council's financial affairs to include the development of financial codes of practice and accounting instructions. Through delegation of duties, the Officer ensures appropriate controls are in place.
- 1.3. The Monitoring Officer has a statutory responsibility to advise the Council on the legality of its decisions and to ensure that the Council's actions do not give rise to illegality or maladministration. It is therefore essential for employees to follow the Council's policies and procedures to demonstrate that the Council is acting in an open and transparent manner.
- 1.4. The Council has a statutory duty to undertake an adequate and effective internal audit of its accounting records and its system of internal controls. The Council's Financial Rules confirm that the Head of Internal Audit is responsible for the investigation and reporting of all suspected irregularities, upon instruction and at the request of the Section 151 Officer, Monitoring Officer or a Director.
- 1.5. The Council has a zero tolerance approach to fraud committed or attempted by any person against the organisation or any of its partner agencies. The Council will thoroughly investigate all suggestions of fraud, corruption or theft, from within the Council and from external sources which it recognises can:
  - Undermine the standards of public service that the Council is attempting to achieve by diverting resources from legitimate activities.
  - Reduce the level of resources and services available for the residents of the borough, district or county as a whole.
  - Result in consequences which damage public confidence in the Council and / or adversely affect staff morale.
- 1.6. Any proven fraud will be dealt with in a consistent and proportionate manner. Appropriate sanctions and redress for losses will be pursued, to include criminal proceedings against anyone perpetrating, or seeking to perpetrate, fraud, corruption or theft against the Council.
- 1.7. The Council is committed to the highest possible standards of openness, probity, honesty, integrity and accountability. The Council expects all staff, Councillors and partner organisations to observe these standards and values, which are defined within the Code of Conduct for Employees and the Members Code of Conduct, to

## Counter Fraud and Anti-Corruption Policy

help achieve the Council's over-arching priority for the continued delivery of outcomes and value for money for local tax-payers.

### 2. DEFINITIONS

- 2.1. **FRAUD:** The term "fraud" is usually used to describe depriving someone of something by deceit, which might either be misuse of funds or other resources, or more complicated crimes like false accounting or the supply of false information. In legal terms, all of these activities are the same crime, theft, examples of which include deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.
- 2.2. Fraud was introduced as a general offence and is defined within The Fraud Act 2006. The Act details that a person is guilty of fraud if he commits any of the following:
- Fraud by false representation; that is if a person:
    - (a) dishonestly makes a false representation, and
    - (b) intends, by making the representation:
      - (i) to make a gain for himself or another, or
      - (ii) to cause loss to another or to expose another to a risk of loss.
  - Fraud by failing to disclose information; that is if a person:
    - (a) dishonestly fails to disclose to another person information which he is under a legal duty to disclose, and
    - (b) intends, by failing to disclose the information:
      - (i) to make a gain for himself or another, or
      - (ii) to cause loss to another or to expose another to a risk of loss.
  - Fraud by abuse of position; that is if a person:
    - (a) occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person,
    - (b) dishonestly abuses that position, and
    - (c) intends, by means of the abuse of that position:
      - (i) to make a gain for himself or another, or
      - (ii) to cause loss to another or to expose another to a risk of loss.
- 2.3. In addition the Act introduced new offences in relation to obtaining services dishonestly, possessing, making, and supplying articles for the use in frauds and fraudulent trading applicable to non-corporate traders.
- 2.4. **CORRUPTION:** Is the deliberate use of one's position for direct or indirect personal gain. "Corruption" covers the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person to act inappropriately and against the interests of the organisation.

## Counter Fraud and Anti-Corruption Policy

- 2.5. **THEFT:** Is the physical misappropriation of cash or other tangible assets. A person is guilty of "theft" if he or she dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.
- 2.6. **MONEY LAUNDERING:** Money laundering is the process by which criminals attempt to 'recycle' the proceeds of their criminal activities in order to conceal its origins and ownership whilst retaining use of the funds.
- 2.7. The burden of identifying and reporting acts of money laundering rests within the organisation. Any service that receives money from an external person or body is potentially vulnerable to a money laundering operation. The need for vigilance is vital and any suspicion concerning the appropriateness of a transaction should be reported and advice sought from the Head of Internal Audit. A failure to report a suspicion could compromise an individual and they could be caught by the money laundering provisions. All employees are therefore instructed to be aware of the increasing possibility of receiving requests that are not genuine and are in fact for the purpose of money laundering.
- 2.8. The Council recognises its responsibilities under the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002. These responsibilities are set out in detail within the Council's Anti-Money Laundering and Proceeds of Crime Policy. The Council's full reporting process is also detailed therein and the designated money laundering reporting officer is identified.
- 2.9. The Council's Legal Team also have their own professional guidance in relation to money laundering which places a duty on Solicitors to report any suspicions. These suspicions may override their legal professional privilege and confidentiality.
- 2.10. **BRIBERY:** The Bribery Act 2010 introduced four main offences, simplified below. Please note, a 'financial' or 'other advantage' may include money, assets, gifts or services within the following:
- Bribing another person: a person is guilty of an offence if he offers, promises or gives a financial or other advantage to another person. Further if he intends the advantage to induce a person to perform improperly a function or activity or if he knows or believes the acceptance of the advantage offered constitutes improper activity.
  - Offences relating to being bribed: a person is guilty of an offence if he requests, agrees to receive, or accepts a financial or other advantage intending that as a consequence an improper activity or function will be performed improperly or if he knows or believes the acceptance of the advantage offered constitutes improper activity. Where a person agrees to receive or accepts an advantage as a reward for improper activity or function that has been performed. It does not matter whether the recipient of the bribe receives it directly or through a third party, or whether it is for the recipient's ultimate advantage or not.
  - Bribery of a foreign public official: a person who bribes a foreign public official is guilty of an offence if the person's intention is to influence the foreign public

## Counter Fraud and Anti-Corruption Policy

official in their capacity, duty or role as a foreign public official. A person must also intend to obtain or retain business or an advantage in the conduct of business and must offer, promise or give any financial or other advantage.

- Failure of commercial organisations to prevent bribery: organisations, which include the Council, must have adequate procedures in place to prevent bribery in relation to the obtaining or retaining of business associated with the business itself.

- 2.11. The Council is committed to ensuring the prevention of corruption and bribery and sets out its policy in relation to the acceptance of gifts and hospitality within the Code of Conduct for Employees and the Members Code of Conduct. Receipt of any gifts or hospitality should be recorded by Officers and Members in the appropriate register. Officers and Members are also required to declare any outside interests that they have which may result in a conflict of interest in respect of transactions and dealings with the Council. Again, any such interests will be recorded in an appropriate register.
- 2.12. Prior to entering into any business arrangements, all Council Officers and/or business units should ensure that they have taken all reasonable steps to identify any potential areas of risk relating to bribery or corruption. If an Officer has any concerns they must raise them with The Head of Internal Audit.

### 3. SCOPE

- 3.1. In relation to any of the above mentioned offences, this policy applies to:

- All employees, including casual workers and agency staff.
- Councillors.
- Committee Members of Council funded voluntary organisations.
- Partner organisations, where the Council has a financial or statutory responsibility.
- Council Suppliers, Contractors and Consultants.
- The general public.

### 4. AIMS AND OBJECTIVES

- 4.1. The aims and objectives of the Counter Fraud and Anti-Corruption Policy are to:

- Ensure that the Council has measures in place to guard against fraud and loss and that the Council maximises revenue recovery.
- Safeguard the Council's valuable resources by ensuring they are not lost through fraud but are used for providing services to the community as a whole.
- Create a 'counter fraud' culture which highlights the Council's zero tolerance to fraud, corruption, bribery and theft, which defines roles and responsibilities and actively engages everyone (the public, Councillors, staff, managers and policy makers).
-



## Counter Fraud and Anti-Corruption Policy

### 4.2. The Council aims to:

- Proactively deter, prevent and detect fraud, corruption, bribery and theft.
- Investigate any suspicions of, or detected instances of fraud, corruption, bribery and theft.
- Enable the Council to apply appropriate sanctions, to include prosecution, and recovery of losses.
- Provide recommendations to inform policy, system and control improvements, thereby reducing the Council's exposure to fraudulent activity.

## 5. PRINCIPLES

- 5.1. The Council will not tolerate abuse of its services or resources and has high expectations of propriety, integrity and accountability from all parties identified within this policy. Maintaining this policy supports this vision.
- 5.2. The Council has a documented Constitution, Scheme of Delegated Powers and Financial Regulations to give Members and Officers clear instructions or guidance for carrying out the Council's functions and responsibilities. Responsibility for ensuring compliance with these documents rests with management with adherence being periodically monitored by Internal Audit Services; where breaches are identified these will be investigated in accordance with this policy and the Council's Financial Rules.
- 5.3. The Council expects that Members and Officers will lead by example in ensuring adherence to rules, procedures and recommended practices. A culture will be maintained that is conducive to ensuring probity. Members and Officers should adopt the standards in public life as set out by the Nolan Committee, known as the Nolan Principles:
  - Selflessness – to take decisions solely in terms of the public interest and not in order to gain for themselves.
  - Integrity – not to place themselves under any obligation to outside individuals or organisations that may influence the undertaking of their official duties.
  - Objectivity – when carrying out any aspect of their public duties, to make decisions and choices on merit.
  - Accountability – to be accountable, to the public, for their decisions and actions and must submit themselves to the appropriate scrutiny.
  - Openness – to be as open as possible about the decisions and actions they take and the reasons for those decisions and actions. The dissemination of information should only be restricted when the wider public interest clearly demands it.
  - Honesty – to declare any private interests which relate to their public duties and take steps to resolve any conflicts arising in a manner which protects the public interest.
  - Leadership – to promote and support these principles by leadership and example.

## Counter Fraud and Anti-Corruption Policy

- 5.4. The Council will ensure that the resources dedicated to counter fraud activity are appropriate and any officers involved in delivering these services are trained to deliver a professional counter fraud service to the correct standards ensuring consistency, fairness and objectivity.
- 5.5. All fraudulent activity is unacceptable, and will result in consideration of legal action being taken against the individual(s) concerned. In addition, the Council has in place disciplinary procedures which must be followed whenever staff members are suspected of committing a fraudulent or corrupt act. These procedures are monitored and managed by the Human Resources Team and will be utilised where the outcome of an investigation indicates fraudulent or corrupt acts have occurred.
- 5.6. The Council will pursue the repayment of any financial gain from individuals involved in fraud, malpractice and wrongdoing. The Council will also pursue compensation for any costs it has incurred when investigating fraudulent or corrupt acts.
- 5.7. This policy encourages those detailed within this document to report any genuine suspicions of fraudulent activity. However, malicious allegations or those motivated by personal gain will not be tolerated and, if proven, disciplinary or legal action may be taken. Reporting arrangements in relation to incidents of fraud or irregularity are detailed below.
- 5.8. The Council will work both internally across different departments and with external organisations such as the Police, HM Revenue and Customs and other Councils to strengthen and continuously improve its arrangements to prevent fraud and corruption.
- 5.9. The Council collects and stores data within multiple departments to enable data cleansing, data sharing and data matching. This process can be utilised for the prevention and detection of fraud and the Council will pursue this where appropriate. The Council applies fair processing practices and these are reflected within data collection documents, stationery and other data collection processes such as those required for the National Fraud Initiative

### 6. RESPONSIBILITIES

OFFICER / DEPARTMENT	SPECIFIC RESPONSIBILITIES
Head of Paid Service	Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Section 151 Officer	To ensure the Council has adopted an appropriate Counter Fraud and Anti-Corruption Policy. That there is an effective internal control environment in place and resources to investigate allegations of fraud

## Counter Fraud and Anti-Corruption Policy

	and corruption.
<b>Monitoring Officer</b>	To advise Councillors and Officers on ethical issues, conduct and powers to ensure that the Council operates within the law and statutory Codes of Practice.
<b>Audit Committee</b>	<p>To receive formal assurance from Internal Audit at meetings and an annual opinion report in relation to the Council's control measures and counter fraud activity.</p> <p>The Audit Committee also receives assurance from external audit on the Council's Annual Accounts and Annual Governance Statement.</p>
<b>Councillors</b>	<p>To comply with the Members Code of Conduct and related Council policies and procedures.</p> <p>To be aware of the possibility of fraud, corruption, bribery and theft and to report any genuine concerns to the Head of Internal Audit.</p>
<b>External Audit</b>	<p>Has a duty to ensure that the Council has adequate arrangements in place for the prevention and detection of fraud, corruption, bribery and theft.</p> <p>Has powers to investigate fraud and the Council may invoke this service.</p>
<b>Head of Internal Audit</b>	<p>Responsible for assisting the development and implementation of the Counter Fraud and Anti-Corruption Policy. The Internal Audit Department have a duty to monitor the investigation of any reported issues of irregularity.</p> <p>To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this policy.</p> <p>That action is identified to improve controls and reduce means, opportunity and the risk</p>

## Counter Fraud and Anti-Corruption Policy

	<p>of recurrence.</p> <p>Reporting to the appropriate Senior Officer(s) (Director or equivalent) with regard to the progress and results of investigations.</p> <p>Reporting annually to the Audit Committee on proven frauds.</p>
<b>Counter Fraud Services</b>	<p>To proactively deter, prevent and detect fraud, corruption, bribery and theft within or against the Council.</p> <p>To investigate all suspicions of fraud, corruption, bribery or theft, within or against the Council, in accordance with the Criminal Procedures and Investigations Act 1996 (CPIA).</p> <p>To consider reputational damage and the public interest test when investigating any instances of fraud, corruption, bribery or theft.</p> <p>To conduct interviews under caution when appropriate in accordance with the Police and Criminal Evidence Act 1984 (PACE).</p> <p>To undertake any surveillance operation or obtaining any communications data, adhering to the Regulation of Investigatory Powers Act 2000 (RIPA) – this is applicable when undertaking criminal investigations only.</p> <p>To comply with the Data Protection Act 1998 when obtaining or processing personal data.</p> <p>To report to the appropriate Senior Officer(s) (Director or equivalent) for decisions in relation to further action.</p> <p>To enable the Council to apply appropriate sanctions, to include criminal proceedings, and to assist in the recovery of losses in accordance with the Council's Prosecution Policy.</p> <p>To prepare Witness Statements and prosecution paperwork for the Council's Legal Department.</p> <p>To attend and present evidence in the</p>

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	<p>Magistrates Court, the Crown Court and Employment Tribunals.</p> <p>To provide recommendations to inform policy, system and control improvements.</p> <p>To provide fraud awareness training and updates for Councillors and staff.</p> <p>To publicise successes where appropriate.</p>
<b>Human Resources</b>	<p>To report any suspicions of fraud, corruption, bribery or theft to the Head of Internal Audit if identified during any disciplinary procedure.</p> <p>To ensure recruitment procedures provide for the obtainment and verification of significant information supplied by applicants.</p>
<b>Strategic Directors, Heads of Service, and Service Managers</b>	<p>The primary responsibility for maintaining sound arrangements to prevent and detect fraud and corruption rests with management.</p> <p>To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to the Head of Internal Audit.</p> <p>To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption, bribery and theft. To reduce these risks by implementing internal controls, monitoring of these controls by spot checks and to rectify weaknesses if they occur.</p>
<b>Staff</b>	<p>To comply with Council policies and procedures when conducting their public duties.</p> <p>To be aware of the possibility of fraud, corruption, bribery and theft and to report any genuine concerns. Staff may report suspicions as detailed below.</p> <p>Referrals can also be made in confidence in accordance with the Council's Whistleblowing Policy.</p>

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<b>Public, Partners, Suppliers, Contractors and Consultants</b>	To be aware of the possibility of fraud and corruption within or against the Council and to report any genuine concerns or suspicions as detailed below.
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### 7. APPROACH TO COUNTERING FRAUD

- 7.1. The Council has a responsibility to reduce fraud and protect its resources by enabling counter fraud services to complete work in each of the following key areas:
- 7.2. **DETERRENCE:** The best deterrent is the existence of clear procedures and responsibilities making fraud and corruption difficult to perpetrate and easy to detect. As detailed already within this policy, the Council has a number of measures in place to minimise risk:
- Clear codes of conduct for Officers and Members.
  - Register for declarations of interest / gifts and hospitality for Members and Officers.
  - Clear roles and responsibilities for the prevention and detection of fraud, corruption, bribery and theft including an Audit Committee, an appointed Monitoring Officer, Section 151 Officer and trained counter fraud staff.
  - Effective ICT security standards and usage policies.
- 7.3. The existence of an effective Internal Audit Team is a prime deterrent for fraud and corruption. The Internal Audit Team analyse and identify potential areas at risk of fraudulent abuse with the assistance of the Council's Corporate team, efficient and effective audits of principal risk areas can then be conducted.
- 7.4. The Council will promote and develop a strong counter fraud culture, raise awareness and provide information on all aspects of its counter fraud work. This may include advice on the intranet, fraud e-learning tools, publicising the results of proactive work, investigating fraud referrals and seeking the recovery of any losses.
- 7.5. **PREVENTION:** The Council will strengthen measures to prevent fraud. Internal Audit will work with management and policy makers to ensure new and existing systems, procedures and policy initiatives consider any possible fraud risks. Any audit conducted will also consider fraud risks as part of each review and ensure that internal controls are in place and maintained to combat this.
- 7.6. Important preventative measures include effective recruitment to establish the propriety and integrity of all potential employees. Recruitment is carried out in accordance with the Council's Recruitment and Selection Policy and provides for the obtainment and verification of significant information supplied by applicants.
- 7.7. The Council will undertake any internal remedial measures identified by any investigation to prevent future recurrence at the first opportunity.

## Counter Fraud and Anti-Corruption Policy

- 7.8. **DETECTION:** A record of fraud referrals received will be maintained by Internal Audit (and other departments as applicable). This record helps to establish those areas within the Council most vulnerable to the risk of fraud. In addition, a consistent treatment of information and independent investigation is ensured. A Council wide fraud profile is created which then informs any detailed proactive work.
- 7.9. Internal Audit leads in the National Fraud Initiative (NFI) for the Council. The Council is legislatively required to participate in a national data matching exercise. Particular sets of data are provided and matched against other records held by the Council or external organisations. Where a 'match' is found it may indicate an irregularity which requires further investigation to establish whether fraud has been committed or an error made. An officer in the Internal Audit team is designated as the 'Key Contact' for this process. The initiative also assists in highlighting areas which require more proactive investigation. The Council may engage in other data matching/sharing for the purposes of fraud prevention and detection, and for the recovery of monies owed.
- 7.10. Safeguarding and deterrent internal controls and monitoring procedures are established for financial and other systems within the Council, for example those set out within the Council's Financial Rules / Contract Rules.
- 7.11. The Council relies on employees, Councillors and the public to be alert and to report any suspicions of fraud and corruption which may have been committed or that are allegedly in progress. Managers should be vigilant and refer any matters which may require additional monitoring to the Head of Internal Audit.
- 7.12. **INVESTIGATION:** The Council will investigate all reported incidents of fraud or irregularity using its counter fraud resources. The Council will ensure the correct gathering and presentation of evidence in accordance with the Criminal Procedures and Investigations Act 1996.
- 7.13. Investigations will make due reference to Employment Law as necessary and be conducted within a reasonable time in accordance with the Human Rights Act 1998. Investigations will also adhere to and comply with other applicable legislation such as the Police and Criminal Evidence Act 1984, Data Protection Act 1998 and the Freedom of Information Act 2000 as appropriate.
- 7.14. Officers may utilise investigative tools and gain intelligence utilising a number of legal gateways and data sharing agreements. This may include membership to third party organisations such as the National Anti Fraud Network (NAFN).
- 7.15. When investigating allegations of fraud and corruption, the Council may be required to conduct surveillance. The Council must comply with the Regulation of Investigatory Powers Act 2000 which ensures that investigatory powers are used in accordance with human rights. To ensure compliance the Council has a written procedure detailing who may authorise covert surveillance and the use of covert human intelligence sources. Standard documentation has been adopted which must be used by an Officer when seeking such authorisation.

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- 7.16. Officers may also need to acquire intrusive and sensitive communications data when conducting an investigation. This is permissible however; the Council must adhere to the Regulation of Investigatory Powers Act 2000 when applying for this information and the correct nominated single point of contact must be used. As above, specific details are set out within the RIPA written procedure.
- 7.17. Further information in relation to the use of the above and protocol for Officers when investigating irregularities is set out within the Council's Counter Fraud and Anti-Corruption Investigation Procedures and Guidelines. These include the need to:
- Deal promptly with the matter.
  - Record all evidence received.
  - Ensure that evidence is sound and adequately supported.
  - Conduct interviews under caution when necessary.
  - Ensure security of all evidence collected.
  - Contact other agencies if necessary e.g. Police, Trading Standards, HM Revenue and Customs.
  - Notify the Council's insurers.
  - Implement Council disciplinary procedures where appropriate.
  - Attend court and present evidence.
- 7.18. **SANCTIONS:** The Council will apply considered sanctions to individuals or organisations where an investigation reveals fraudulent activity. This will include:
- Appropriate disciplinary action in line with the Disciplinary Policy.
  - Fines and penalties.
  - Criminal proceedings.
  - Civil proceedings to recover loss.
- 7.19. **REDRESS:** A crucial element of the Council's response to tackling fraud is seeking financial redress. The recovery of defrauded monies is an important part of the Council's strategy and will be pursued in line with internal debt recovery processes and legal redress i.e. Confiscation Orders and the application of the Proceeds of Crime Act 2002.
- 7.20. **CONTROL FAILURE RESOLUTION:** In addition to the above, Internal Audit also prepares a risk based annual Audit Plan that details the key objectives and areas of work for the year. Within these work areas indicators for fraud are considered. Internal Audit will also respond to requests from management where there may be concerns over the effectiveness of internal controls. The work plan is agreed and monitored by the Audit Committee and Section 151 Officer.

## 8. REPORTING, ADVICE AND SUPPORT

- 8.1. The Council's expectation is that Councillors and managers will lead by example and that employees at all levels will comply with the Constitution, Council Policies, Financial Regulations, Procurement Regulations, Financial and Contract Procedure Rules, codes of conduct and directorate procedures.



## Counter Fraud and Anti-Corruption Policy

- 8.2. The Council recognises that the primary responsibility for the prevention and detection of fraud rests with management. It is essential that employees of the Council report any irregularities, or suspected irregularities to their Line Manager and if this is not appropriate then to the Head of Internal Audit.
- 8.3. The Council must create the right environment so that anyone can raise concerns in respect of irregularities with the knowledge that they will be treated seriously and confidentially. The Council will provide all reasonable protection for those who raise genuine concerns in good faith, as confirmed in the Council's Whistleblowing Policy.
- 8.4. If the informant is a member of the public or external contractor, they can contact the Internal Audit Team at the Council to report the suspicion. This can be done anonymously. A hotline number for reporting suspicions may also be established and if so, can be found on the Council's website. The Council's complaint procedure may also be utilised but may not be the most appropriate channel.
- 8.5. The above process does not relate to reporting Housing Benefit Fraud allegations (which are now dealt with by the Department for Work and Pensions) or to Council Tax Reduction Scheme offences. The informant should contact the Officer nominated to deal with this; details can be found on the Council's website within the Revenues and Benefit Section information.
- 8.6. The Officer who receives the allegation (whether from a Councillor or a Council employee) must refer the matter to the Head of Internal Audit and/or the Counter Fraud Officer within Internal Audit, to determine how the potential irregularity will be investigated and to whom the allegation should be discussed within the Council. This is to ensure correct investigative procedures are adhered to and that any potential fraud enquiry is not compromised.
- 8.7. As appropriate, reports will be issued to Senior Officers (Director or equivalent), the Monitoring Officer, Head of Paid Service, Section 151 Officer, Cabinet Member etc. where the irregularity is material and/or could affect the reputation of the Council. Decisions will then be made with regard to the most appropriate course of action. Communications and publicity will also be managed if the matter is likely to be communicated externally.
- 8.8. If the investigation relates to an employee then Human Resources will be engaged and the Council's Disciplinary Procedure will also be considered however this will be managed carefully to ensure the criminal investigation is not compromised.
- 8.9. The Council's Counter Fraud and Anti-Corruption Investigation Procedures and Guidelines provide further detail about reporting.
- 8.10. The Council will also work in co-operation with the following bodies (and others as appropriate) that will assist in scrutinising our systems and defences against fraud, bribery and corruption:

## Counter Fraud and Anti-Corruption Policy

- Local Government Ombudsman.
- External Audit.
- The National Fraud Initiative.
- Central Government Departments.
- HM Revenue and Customs.
- The Police.
- Trading Standards.
- The Department for Work and Pensions.
- Immigration Services.
- The Chartered Institute of Public Finance and Accountancy (CIPFA).
- The Institute of Revenues Rating and Valuation (IRRV).

8.11. As detailed, any concerns or suspicions reported will be treated with discretion and in confidence. Key contacts include:

Section 151 Officer – <i>name and direct dial</i>	Write to: Counter Fraud Services Council Offices
Monitoring Officer - <i>name and direct dial</i>	
Head of Internal Audit - <i>name and direct dial</i>	
Internal Audit Counter Fraud Officer – <i>name and direct dial</i>	

### 9. FURTHER INFORMATION

9.1. Further information on Council policy can be found in the following documents (or equivalent documentation / codes) :

- The Constitution.
- Code of Conduct for Employees and the Members Code of Conduct which include information in relation to gifts and hospitality and declaring and registering interests.
- Whistleblowing Policy.
- Prosecution Policy.
- Anti-Money Laundering and Proceeds of Crime Policy.
- Recruitment and Selection Policy.
- RIPA Procedure and Guidance.
- Counter Fraud and Anti-Corruption Investigation Procedures and Guidelines.
- Financial Rules.
- Contract Rules or equivalent.
- Fair Processing Statement.
- Disciplinary Procedure.

## Counter Fraud and Anti-Corruption Policy

### 10. STRATEGY AND POLICY REVIEW

- 10.1. The Internal Audit Department will review and amend this strategy as necessary to ensure that it continues to remain compliant and meets legislative requirements and the vision of the Council.
- 10.2. Responsible Officer: Head of Internal Audit.  
Date: October 2015.  
Review frequency as required by legislative changes / every three years.

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Audit Committee 2014-2015 work plan

Item	Officer	Decision / Discussion / Information
<b>13 January 2016</b>		
<b>Briefing (to agree agenda): 30 November 2015</b>	<b>Complete reports by: 1 January 2016</b>	
Effectiveness of the Audit Committee	Rob Milford	Presentation
Annual audit letter 2014-15	Grant Thornton	Discussion
Certification of grants and returns 2014-15	Grant Thornton	Discussion
Audit committee update	Grant Thornton	Discussion
Internal audit monitoring report (inc. counter fraud update)	Audit Cotswolds	Decision
Counter fraud and corruption policy (review)	Audit Cotswolds	Decision
<b>23 March 2016</b>		
<b>Briefing (to agree agenda): 8 February 2016</b>	<b>Complete reports by: 11 March 2016</b>	
Audit committee update	Grant Thornton	Discussion
Audit plan (for the current year)	Grant Thornton	Discussion
Auditing Standards – communicating with the Audit Committee	Grant Thornton	Decision
Annual plan (for the upcoming year)	Rob Milford	Tbc
Internal audit monitoring report (inc. counter fraud update)	Rob Milford	Discussion
Annual review of risk management policy	Bryan Parsons	Decision
Approval of the Code of Corporate Governance	Bryan Parsons	Decision
Whistle Blowing Policy (review)	Rob Milford	Decision
Annual governance statement – significant issues action plan progress report	Bryan Parsons	Decision
RIPA guidance review and Acquisition of Communications Data under Regulation of Investigatory powers Act 2000 – Policy	Bryan Parsons	Decision
Car Parking issues – follow-up (agreed at 23/09 meeting)	Rob Milford	Tbc
Prosecution Policy and Fair Processing Statements	Rob Milford	Decision
<b>15 June 2016</b>		
<b>Briefing (to agree agenda): 3 May 2016</b>	<b>Complete reports by: 3 June 2016</b>	
Audit committee update	Grant Thornton	Discussion
Internal audit opinion (for the previous year)	Rob Milford	Discussion

Audit Committee 2014-2015 work plan

Item	Officer	Decision / Discussion / Information
Internal audit monitoring report (inc. counter fraud update)	Rob Milford	Discussion
Annual governance statement	Bryan Parsons	Decision
Annual Audit Fee letter for the coming year	Grant Thornton	Discussion
Annual counter fraud report	Rob Milford	Tbc

Items to be added at a future date (future dates will not be agreed until March 2016)		
Corporate Strategy – consideration of governance issue	Rob Milford	Tbc
Joint training session with Cotswold, West Oxford and F.O.D councillors – governance of shared services (tbc)	Rob Milford / Mark Sheldon	n/a
Policy review timetable (briefing note)	Bryan Parsons	
Requirements of the Localism Act (re: local audit)	Rob Milford	Tbc
Corporate Governance arrangements for Glos Airport following further work by the JASWG and recs arising	Mark Sheldon	Tbc
Revenue and benefits commissioning review (governance arrangements)	Mark Sheldon	Tbc
Briefing note - Audit arrangements of Airport, ICT and other services/bodies for which CBC require assurances	Rob Milford	Information
AG&M update – progress against recommendations	Rob Milford?	Tbc

ANNUAL ITEMS (standing items to be added to the work plan each year)			
January	Audit committee update	Grant Thornton	Discussion
	Annual audit letter (for the previous year)	Grant Thornton	Discussion
	Certification of grants and returns (for the previous year)	Grant Thornton	Discussion
	Internal audit monitoring report (inc. counter fraud update)	Rob Milford	Discussion
	Annual governance statement – significant issues action plan	Bryan Parsons	Decision
March	Audit committee update	Grant Thornton	Discussion

Audit Committee 2014-2015 work plan

Item		Officer	Decision / Discussion / Information
	Audit plan (for the current year)	Grant Thornton	Discussion
	Auditing Standards – communicating with the Audit Committee	Grant Thornton	Decision
	Annual plan (for the upcoming year)	Rob Milford	Tbc
	Internal audit monitoring report (inc. counter fraud update)	Rob Milford	Discussion
	Annual review of risk management policy	Bryan Parsons	Decision
	Approval of the Code of Corporate Governance	Bryan Parsons	Decision
June	Audit committee update	Grant Thornton	Discussion
	Internal audit opinion (for the previous year)	Rob Milford	Discussion
	Internal audit monitoring report (inc. counter fraud update)	Rob Milford	Discussion
	Annual governance statement	Bryan Parsons	Decision
	Annual Audit Fee letter for the coming year	Grant Thornton	Discussion
	Annual counter fraud report	Rob Milford	Tbc
September	Audit committee update	Grant Thornton	Discussion
	Audit highlights memorandum - ISA 260 (for the previous year)	Grant Thornton	Discussion
	Financial Resilience report (for current year)	Grant Thornton	Discussion
	Internal audit monitoring report (inc. counter fraud update)	Rob Milford	Discussion
	Review of annual statement of accounts	Finance Team	Tbc

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