



Audit, Governance & Standards Committee

Thu 31 Jan 2019
7.00 pm

Committee Room Two
Town Hall
Redditch



www.redditchbc.gov.uk

**If you have any queries on this Agenda please contact
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Audit, Governance & Standards

Thursday, 31st January, 2019

7.00 pm

Committee Room 2 - Town Hall
Redditch

Agenda

Membership:

Cllrs:	John Fisher (Chair)	Mike Rouse
	Mark Shurmer (Vice-Chair)	Craig Warhurst
	Salman Akbar	Yvonne Smith
	Joanne Beecham	Pat Witherspoon
	Michael Chalk	

1. Apologies and named Substitutes
2. Declarations of Interest

To invite Councillors to declare any Disclosable Pecuniary Interests and/or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
3. Minutes of the meeting held on 25 October 2018 (Pages 1 - 12)
4. Monitoring Officer's Report - Standards Regime (Pages 13 - 16)
5. Auditing Standards - Communication with the Audit, Governance and Standards Committee (Pages 17 - 46)
6. Grant Thornton - External Audit Plan 2018/19 (Pages 47 - 64)
7. Grant Thornton - External Audit - Grant Claims Certification Work Report 2017/18 (Pages 65 - 70)
8. Internal Audit - Progress Report (Pages 71 - 88)
9. Treasury Management Strategy and Capital Strategy Report - To Follow
10. Corporate Governance and Risk Update (Pages 89 - 100)
11. Financial Savings Monitoring Report (Pages 101 - 104)

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12. Review of the Role of Independent Member (Pages 105 - 110)

13. Committee's Work Programme (Pages 111 - 112)



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MINUTES

Present:

Councillor John Fisher (Chair), and Councillors Joanne Beecham, Anthony Lovell, Gemma Monaco, Yvonne Smith, Craig Warhurst and Pat Witherspoon

Officers:

Andy Bromage, Lisa Devey, Claire Felton, Farzana Mughal, Richard Percival, Jayne Pickering and Guy Revans

15. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillors Salman Akbar, Michael Chalk, Mike Rouse and Mark Shurmer.

Members were advised that Councillor Anthony Lovell was attending as substitute for Councillor Mike Rouse and Councillor Gemma Monaco was attending as substitute for Councillor Salman Akbar.

16. DECLARATIONS OF INTEREST

There were no declarations of interest.

17. MINUTES

The minutes of the Audit, Governance and Standards Committee held on 30th July, 2018 were submitted.

RESOLVED

that the minutes of the Audit, Governance and Standards Committee held on 30th July, 2018 be approved as a correct record.

.....
Chair

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18. MONITORING OFFICER'S REPORT - STANDARDS REGIME

The Head of Legal, Equalities and Democratic Services presented the Monitoring Officer's report, and in doing so highlighted the following:

- There had been one complaint made by a member of the public regarding a Councillor which had now been resolved and after investigation no breach had been found.
- Social Media Training had been rescheduled to now be delivered in November, 2018 at the political party group meetings. Furthermore, Members were informed that training in relation to the Measures Dashboard was also being delivered on the 10th December, 2018 and all Members were invited to attend this training.

Members were informed that the Senior Democratic Services Officer (Redditch) was undertaking a Leadership Course and a project exploring how to introduce paperless Committees, and to reduce paperwork for Committee meetings, would form part of the course.

The Executive Director of Finance and Resources clarified that following the resignation of the Independent Member of the Committee; a report would be presented at the next meeting of the Committee on 31st January, 2019 for the review of the role of the Independent Member for Members' consideration.

RESOLVED that

- 1) the Monitoring Officer's Report be noted; and**
- 2) the role of the Independent Member of the Audit, Governance and Standards Committee be considered at the next meeting of the Committee due to be held on 31st January, 2019.**

19. COMPLIANCE TEAM UPDATE

The Assistant Financial Support Manager provided Members with an update on the work of the Council's Compliance Team following the transfer of Benefit Fraud Investigations to the Department of Work and Pensions (DWP).

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Subsequent to the transfer in February, 2016, the following duties remained with the team:

- Investigation of Council Tax Scheme claims;
- Verification of Housing Benefit claims;
- Processing of Housing Benefits Matching Service (HBMS) referrals;
- National Fraud Initiative (NFI) data matching;
- Police requests for information/liaison;
- Support to the DWP in respect of Housing Benefit fraud cases.

The Committee was advised that in effect from October, 2018, the DWP would be rolling out joint working on fraud cases affecting Universal Credit and Local Council Tax Support.

The team had identified an additional £273,000 in Business Rates billing where businesses had not registered for business rates or had expanded in size and not declared it to the Council. There was a three month backlog at the Valuation Office and it was expected this figure would increase by £93,000 after decisions by the Valuation Office.

Arising from Members' questions the following points were made by the Assistant Financial Support Manager:

- From October 2018, the DWP would be rolling out joint working; however, it was not yet clear which services this would include.
- It was important that the expertise and knowledge were retained within the team.
- It was unclear if any additional grant would be received.

Members expressed concerns that if resources were coming back to the Council the DWP would not provide the additional funding. Officers agreed to report back as to the position on this.

RESOLVED

that the Compliance Team Update Report be noted

20. GRANT THORNTON SECTOR UPDATE

Richard Percival from Grant Thornton presented the sector update report which outlined the key issues emerging in the public sector. It

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was reported that CIPFA had proposed a financial resilience index to provide reassurance to Councils who were financially stable and to highlight areas that might need further consideration in relation to financial modelling and funding.

The proposed approach drew on CIPFA's evidence of the factors associated with financial stress, including:

- running down reserves
- failure to plan and deliver savings in service provision
- shortening medium-term financial planning horizons
- gaps in saving plans
- departments having unplanned overspends and/or undelivered savings.

Consultation on the Social Housing Green Paper was now underway, which sought to provide everyone with an opportunity to submit views on proposals for the future of social housing and would run until 6th November, 2018. It was acknowledged that further development was required in respect of social housing.

Worcestershire had submitted a bid to become a Business Rate Pilot for 2019/20 and was currently waiting for a response as to whether this had been accepted.

Arising from Members' questions, the following points were made:

- It was unsure when the Fair Funding Review of Local Government Finance would be completed.
- It was acknowledged that Business Rates at their current levels would not be sustainable.
- It was stated that the Negative Grant may change from 2019/20 onwards.
- There was a concern that the cuts for WCC would have an impact on the services delivered by Redditch Borough Council. WCC was under financial pressures particularly in terms of expenditure on Social Care.
- Members recognised that there would be significant pressure on the Council and they were not confident that they were being advised of the impact that the Council would face in future years.

RESOLVED

that the Grant Thornton Sector Update be noted.

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21. AUDIT FEE LETTER 2018/19

Members were presented with the Grant Thornton Annual Audit Letter for the 2018/19 financial year.

The Council's scale fee for 2018/19 had been set by PSAA at £44,629. This was a significant reduction compared to previous years.

Members were informed that Grant Thornton had been awarded a contract for a further five years.

RESOLVED

that the Audit Fee Letter 2018/19 be noted.

22. GRANT THORNTON ANNUAL AUDIT LETTER 2017/18

Members were presented with the Grant Thornton Annual Audit Letter for the 2017/18 financial year, which outlined the key findings arising from the work carried out at the Council for the year ending 31st March, 2018.

It was reported that the financial statements were submitted on time and that Grant Thornton was able to conclude the audit and provide their unqualified audit opinion by the deadline. This was a significant improvement on previous years. Grant Thornton expressed their gratitude to the Finance Team for their hard work and commitment in delivering the audit in a timely manner.

Grant Thornton was required to give a conclusion on whether the Council had appropriate arrangements in place to secure value for money in the use of its resources. The following works focused on were:

- financial sustainability;
- in year financial reporting to Members; and
- procurement and contract management in the Housing Department.

It was previously identified that improvement was needed in terms of managing the Council's finances effectively to support the sustainable delivery of strategic purposes and maintain statutory functions. The auditors had concluded that the Council was not in a

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financially sustainable position in the long term, and did not have sufficiently developed plans to address this.

Financial reporting to Members continued to improve. The high level savings figures presented to Members were underpinned by appropriate levels of information and analysis.

The final audit fee had been agreed at £62k to include the additional work that was required. The Executive Director of Finance and Resources explained that savings had been made by staff on maternity leave and existing resources had been used to cover the work.

The Chair thanked the team, on behalf of the Committee, for their hard work in delivering the audit by the deadline and that good work had been demonstrated within the report.

Members recognised that the Council was not financially sustainable. It was acknowledged that the Council needed external expert advice and knowledge to help with financial planning. The Executive Director of Finance and Resources stated that the Council were looking at other authorities to identify best practise and embed any learning, in terms of, savings and efficiencies.

RESOLVED

that the Audit Letter for the year ended 31st March, 2018 be noted.

23. INTERNAL AUDIT PROGRESS REPORT

The Head of Internal Audit Shared Services presented a report that informed the Committee of the outcomes of the performance for 2018/19 of Internal Audit and highlighted the key issues identified.

Members were informed that there was a limited assurance reported with regards to housing allocations.

The summary outcome of all of the reviews identified would be reported to Committee in due course. All actions identified were to be carried out by September, 2018 with a follow up in December, 2018. Subsequently, this would be reported back to Committee for consideration.

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It was reported that the 2018/19 reviews, which were at draft report stage as at 30th September 2018, included reviews of GDPR and Health and Safety. The 2018/19 reviews which were on going as at 30th September 2018 were as follows:

- Shopmobility
- Car Parking
- Stores
- Essential Living Fund
- Discretionary Housing Payments
- Council Tax Hardship Fund
- Universal Credit
- Treasury Management.

The summary outcome of all of the above reviews would be reported to Committee in due course when they had been completed and management had confirmed an action plan.

The success of the Internal Audit Shared Service would be measured against some key performance indicators for 2018/19. Other key performance indicators linked to overall governance requirements of Redditch Borough Council e.g. KPI 4 to KPI 6. The position would be reported on a cumulative basis throughout the year.

RESOLVED

that the Internal Audit Progress Report be noted.

24. INTERNAL AUDIT CHARTER UPDATE REPORT

The Head of Internal Audit Shared Services presented to the Committee the Internal Audit Charter. The Charter was last reviewed in July 2017, and continued to be updated to reflect changing requirements in respect of the Audit Service, standards and external assessment.

The Committee was informed that all partners were asked to approve the charter and if the Charter was not approved the Internal Audit Shared Service would be forced to operate without an approved Charter which would be contrary to the Public Sector Internal Audit Standards 2013 leading to non-compliance with the Standards.

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Due to the changing environment that existed in Local Government the Charter needed to be seen as a framework for Internal Audit working arrangements. Any changes required to the Charter which were of a material nature would be reported before Committee at an appropriate time. A copy of the Charter would be included annually together with the Internal Audit Annual Report and Opinion.

RESOLVED

that the revised Internal Audit Charter 2018 be approved.

25. FINANCE SAVINGS MONITORING REPORT 2018/19 - APRIL TO JUNE 2018

The Executive Director of Finance and Resources presented the Financial Savings Monitoring Report for April to June 2018, which outlined the delivery of savings projected for the full year against the Medium Term Financial Plan (MTFP).

The report provided a statement to show the savings projected for 2018/19 as detailed in the MTFP and approved by Council in February 2018. The statement showed that it was projected that the savings of £721k for 2018/19 were on track to be delivered during the financial year.

There were no details available for Members to consider Members in relation subscriptions. However, it was noted that budget of £4k had not been delivered and this had led to pressure on future years.

The Executive Director of Finance and Resources stated that the budget report was submitted to Full Council for consideration. Prior to this the overall budget would be presented to the Executive Committee for consideration.

RESOLVED

that the Financial Savings Monitoring Report for April to June 2018 be noted.

26. HRA INTERNAL CONTROLS - S151 UPDATE

The Head of Environmental Services provided a report in relation to the HRA Internal Controls Section 151 with an updated position

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following the Internal Audit reports which identified failings in the internal controls present in the Council's Housing Service. The report provided assurance to Members that the matters identified within those reports and subsequent investigations into the Housing Service had been addressed appropriately and improvements had been made to the internal controls.

The report also sought to address the matters identified by the Council's External Auditors on 30th July, 2018.

As a result of Internal Audit reports in 2016/17 in relation to Housing Capital and post contract appraisal functions a significant number of failures in contract compliance, contract management and procurement processes were identified.

The wholesale range of failures required an immediate and exceptional programme to address and rectify the position. Actions were taken to address the issues which included:

- Review of all contracts;
- Procurement Officer relocated within Legal;
- Appointed Specialist Officers;
- Review of delegations;
- Comprehensive mandatory training;
- A stock condition survey was to be undertaken;
- Review of financial arrangements.

It was recognised that Officers had worked throughout with internal audit seeking their support and assurance and external audit had been advised on a regular basis. Indeed, the Grant Thornton Audit Findings report 2017/18 had stated that Grant Thornton had considered how the Council had responded to this issue, both with respect to its investigation and ensuring that appropriate arrangements were being put in place to strengthen procurement and contract management. It was concluded that the Council's response to investigating the issue was appropriate and proportionate. Improvements had been made to procurement and contract management.

The Council's internal audit team had carried out two audit investigations into the operation of the Council's Housing Services. These were finalised in March 2017. As a result of these audit investigations certain recommendations were made to the Head of Housing Services in respect of the financial controls within the Housing Service and the extent to which the identified issues were exposing the authority to risk.

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It was also important to note that the investigations and audit reports, to date, found no evidence of fraudulent activity.

The process for managing the investigations was carried out by an independent third party and the Council's External Auditors had been advised and informed throughout this process to ensure that the overall value for money assurance could be considered in this context.

As an initial action, in response to the audit findings, the Council had engaged the services of an external contract manager and this officer had and continued to be instrumental in the identification of and remedial action in respect of the contracts within the Housing Capital Team and the HRA generally.

Details all of the actions either implemented or with a clear timeline of delivery for the Capital Programme Audit were outlined within the report. It was recommended that all staff engaged in the procurement process should be adequately trained and this had been acted on.

There was one outstanding recommendation in relation to record retention/disposal. This was an issue that the whole Council needed to address.

A number of compliance issues that had been identified as part of the investigation process and Members were advised that these had been resolved. It was important the 'follow ups' were made in order to mitigate any further issues.

It was reported that the stock condition survey would collect a minimum of 20% data on the housing stock. This would provide a more accurate and meaningful picture of the housing stock and would reflect the changes that had already occurred.

Reviews were being conducted on previous projects that had been undertaken to ensure that work had been completed to a satisfactory standard and that all necessary documentation was in place. Subsequently, the data would be uploaded into the new Asset Management system.

The Head of Environmental Services stated that staff briefings were undertaken to ensure that everyone understood the expectations of contract and procurement procedures. He further advised that sickness management were being monitored and addressed appropriately. However, he accepted that cultural changes within

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the services may take longer to embed. It was further reported that the restructure of the services would be reviewed in the future.

Members stated that previously there was a Tenants Panel that worked well with the Council and it was important to ensure that tenants were still engaged with any housing project.

Members acknowledged that substantial improvements had been made and that more work still needed to be done nonetheless. It was prudent that a clear plan was in place to understand the issues.

The Chair requested a clear format was required on the recommendations with the follow ups including the projected completion date. The Chair concluded by thanking all officers and the Committee for their dedication.

RESOLVED that

- 1) Members consider the actions in place to provide assurance in relation to the weaknesses identified; and**
- 2) a 6 monthly update report be presented to the Committee on the implementation of actions contained within the reports.**

27. AUDIT, GOVERNANCE AND STANDARDS COMMITTEE'S WORK PROGRAMME

Members considered the Audit, Governance and Standards Committee's Work Programme for 2018/19. It was noted that the next meeting of the Committee was scheduled to take place on 31st January, 2019.

The Committee would be provided a six monthly update in respect of the Housing Internal Controls at future meetings.

RESOLVED

that the Audit, Standard and Governance Committee Work Programme for 2018/19 be noted.

The Meeting commenced at 7.00 pm
and closed at 8.35 pm

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REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND
STANDARDS COMMITTEE**

31st January 2019

MONITORING OFFICER'S REPORT – STANDARDS REGIME

Relevant Portfolio Holder	Councillor Matthew Dormer, Portfolio Holder for Planning, Governance and Partnerships
Portfolio Holder consulted	
Relevant Head of Service	Claire Felton, Head of Legal, Equalities and Democratic Services and Monitoring Officer
Wards affected	All Wards
Ward Councillor consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 This report sets out the position in relation to key standards regime matters which are of relevance to the Audit, Governance and Standards Committee since the last meeting of the Committee on 25th October 2018.
- 1.2 It is proposed that a report of this nature be presented to each meeting of the Committee to ensure that Members are kept updated with any relevant standards matters.
- 1.3 Any further updates arising after publication of this report, including any standards issues raised by the Feckenham Parish Council Representative(s), will be reported by the Monitoring Officer (MO) at the meeting.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that, subject to Members' comments, the report be noted.

3. KEY ISSUES**Financial Implications**

- 3.1 There are no financial implications arising out of this report.

Legal Implications

- 3.2 The Localism Act became law on 15th November 2011. Chapter 7 of Part 1 of the Localism Act 2011 introduced a standards regime effective from 1st July 2012. The Act places a requirement on authorities to promote and

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maintain high standards of conduct by Members and co-opted (with voting rights) Members of an authority. The Act also requires the authority to have in place arrangements under which allegations that either a district or parish councillor has breached his or her Code of Conduct can be investigated, together with arrangements under which decisions on such allegations can be made. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 were laid before Parliament on 8th June 2012 and came into force on 1st July 2012

Service / Operational ImplicationsMember Complaints

- 3.3 There has been one new member to member complaint since the last meeting of the committee and this has been resolved locally. There is one outstanding complaint which remains ongoing.

Member Training

- 3.4 The Member Support Steering Group Members are currently concentrating on ensuing the new Member Induction Pack and Training Programme are up to date and ready for the new municipal year.
- 3.5 Officers and Members continue to explore ways in which to both reduce the amount of paper used for agendas and enhancing the use of Member IT equipment to reduce the number of paper copies of agendas that need to be printed.

Constitution Review Working Party

- 3.6 The Constitution Review Working Party has been working very effectively in enabling constructive changes to the constitution to be made and in keeping all Members informed.
- 3.7 At least one further meeting of the Constitution Review Working Party is due to be held this municipal year. During this meeting Members will be asked to consider proposed changes to the Licensing Code of Practice and employment appeals processes.

Customer / Equalities and Diversity Implications

- 3.8 There are no direct implications arising out of this report. Any process for managing standards of behaviour for elected and co-opted councillors must

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be accessible to the public. Details of the Member complaints process are available on the Council's website and from the Monitoring Officer on request.

4. RISK MANAGEMENT

The main risks associated with the details included in this report are:

- Risk of challenge to Council decisions; and
- Risk of complaints about elected Members.

5. APPENDICES

None

6. BACKGROUND PAPERS

Chapter 7 of the Localism Act 2011.
Confidential complaint papers (where applicable).

AUTHOR OF REPORT

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AUDIT, GOVERNANCE & STANDARDS AND COMMITTEE 31st JANUARY 2019**GRANT THORNTON – AUDITING STANDARDS 2018/19**

Relevant Portfolio Holder	Councillor Tom Baker Price
Portfolio Holder Consulted	N/A
Relevant Head of Service	Jayne Pickering – Executive Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No

1. SUMMARY OF PROPOSALS

- 1.1 To present Members with the Auditing Standards report for 2018/19 from the Councils External Auditors Grant Thornton.

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to note the report and management responses.**

3. KEY ISSUES**Financial Implications**

- 3.1 There are no financial implications as a direct result of this report however robust internal financial control mechanisms as confirmed within this report reduce the costs associated with fraud and inaccurate accounting arrangements.

Legal Implications

- 3.2 Grant Thornton have a responsibility to ensure that robust systems are in place together with proactive communications with those charged with Governance.

Service / Operational Implications

- 3.3 External Auditors have a duty in planning and performing their audit of the financial statements to understand how Cabinet, supported by the Council's management, and the Audit Committee meets its responsibilities in the following areas:

- Fraud
- Law and regulation
- Going concern
- Related parties
- Accounting for estimates

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The report attached at Appendix 1 details the management response in relation to the controls that are in place within Redditch Borough Council to ensure that arrangements are in place to support the financial and operational management of the organisation. There are no specific concerns that have been highlighted by the External Auditors.

Customer / Equalities and Diversity Implications

3.4 There are no implications arising out of this report.

4. RISK MANAGEMENT

4.1 As part of all audit work the auditors undertake a risk assessment to ensure that adequate controls are in place within the Council so reliance can be placed on internal systems.

5. APPENDICES

Appendix 1 – Grant Thornton Auditing Standards Report 2018/19

6. BACKGROUND PAPERS

Individual internal audit reports.

7. KEY

N/a

AUTHOR OF REPORT

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Auditing Standards – Communication with the Audit, Governance
and Standards Committee
Redditch Borough Council

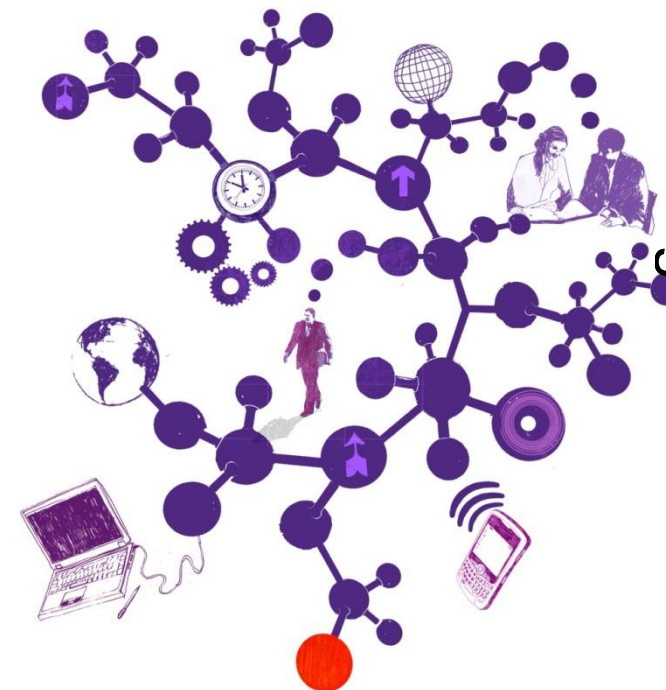
Audit year 2018/19

January 2019

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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

The purpose of this report is to ensure there is effective two way communication between the Council's Audit, Governance and Standards Committee, who are "Those Charged with Governance" and the external auditor.

As your external auditors we have a responsibility under professional auditing standards to ensure there is effective communication with the Audit, Governance and Standards Committee. This means developing a good working relationship with Members, while maintaining our independence and objectivity. If this relationship works well it helps us obtain information relevant to our audit and helps Members to fulfil their financial reporting responsibilities. The overall outcome is to reduce the risk of material misstatement.

In planning and performing our audit of the financial statements we need to understand how the Audit, Governance and Standards Committee, supported by the Council's management, meets its responsibilities in the following areas:

- Fraud
- Law and regulation
- Going concern
- Accounting for estimates
- Related Parties

This report summaries the respective responsibilities of the Audit, Governance and Standards Committee, Officers and external audit in each of these area, as set out by International Standards on Auditing (UK and Ireland) (ISAs). Our primary responsibility is to consider the risk of material misstatement.

Each section of the report includes a series of questions that management have responded to. We would like to ask the Audit, Governance and Standards Committee to consider these responses and confirm that it is satisfied with the arrangements.

Fraud Risk Assessment

The ISAs define fraud as:

"An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage."

[ISA (UK&I) 240, paragraph 11]

The primary responsibility to prevent and detect fraud is with the Audit, Governance and Standards Committee and the Council's management. To do this:

- Officers need to ensure there is a strong emphasis on fraud prevention and deterrence, with a commitment to honest and ethical behaviour
- Audit, Governance and Standards Committee oversight needs to include the potential for the override of controls and inappropriate influence over the financial reporting process.

Our overall responsibility is to ensure the Council's financial statements are free from material misstatement due to either fraud or error. We are required to maintain professional scepticism through the audit, which means considering the potential for the intentional manipulation of the financial statements.

Fraud Risk Assessment cont...

We are also required to carry out a fraud risk assessment to inform our audit approach. This includes considering the following:

- How management assess the risk of material misstatement in the financial statements due to fraud.
- Officers' response to assessed fraud risk, including any identified specific risks.
- Investigations into data matches identified through the National Fraud Initiative and subsequent outcomes.
- How Officers communicate the process for assessing and responding to fraud risk to the Audit, Governance and Standards Committee.
- How Officers communicate their views on ethical behaviour to the Audit, Governance and Standards Committee.
- How the Audit, Governance and Standards Committee exercises oversight of officers' fraud risk assessment and response processes and the internal controls to mitigate these risks.
- What knowledge the Audit, Governance and Standards Committee has of actual, alleged or suspected fraud.

Table 1 sets out how Officers have responded to our financial risk assessment.

Table 1 Fraud Risk Assessment

Question	Management response
<p>1. What is Officers' assessment of the risk of material misstatement in the financial statements due to fraud? Is this consistent with the feedback from your risk management processes?</p>	<p>Although there is an on-going risk of fraud being committed against the Council, arrangements are in place to both prevent and detect fraud. These include work carried out by Internal Audit on overall fraud risk areas and work on Council Tax and Housing Benefit fraud.</p> <p>There is on-going communication between external audit and responsible Officers on emerging technical issues. Officers also attend technical updates. Financial monitoring reports also highlight areas of variance within the capital and revenue budgets and this assists management in identifying areas of material misstatement within the accounts.</p> <p>Management considers there is a low risk of material misstatement in the financial statements due to fraud.</p>

Table 1 Fraud Risk Assessment cont...

Question	Management response
<p>2 Are you aware of any instances of fraud, either within the Council as a whole or within specific departments since 1 April 2018? If so how does the Audit, Governance and Standards Committee respond to these?</p>	<p>There are some areas that are inherently at risk from fraud such as:</p> <ul style="list-style-type: none"> ▪ Council Tax ▪ Benefit Fraud ▪ Single person discount <p>The Audit, Governance and Standards Committee receives any adhoc fraud reports. There are no material instances of fraud that have been identified during the year.</p> <p>The Audit, Governance and Standards Committee would consider the fraud and the actions put forward by officers to ensure fraud is mitigated in the future.</p>

Table 1 Fraud Risk Assessment cont...

Question	Management response
<p>3 Do you suspect fraud may be occurring, either within the Council or within specific departments ?</p> <ul style="list-style-type: none"> ▪ Have you identified any specific fraud risks? ▪ Do you have any concerns there are areas that are at risk of fraud? ▪ Are there particular locations within the Council where fraud is more likely to occur? 	<p>Evidence published suggests that fraud is committed in all organisations to varying degrees, so it is likely that some fraud is occurring in the Authority.</p> <p>Locations handling income, particularly in the form of cash, are more likely to be at risk of fraud. However management does not consider these to be significant risks.</p>
<p>4 Are you satisfied that the overall control environment, including:</p> <ul style="list-style-type: none"> ▪ The process for reviewing the system of internal control; ▪ Internal controls, including segregation of duties; exist and work effectively? <p>If not where are the risk areas? What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets?)</p>	<p>Yes – Internal Audit include fraud risks in their planning process and act as an effective internal control against fraud.</p> <p>Sound systems of internal control with roles and responsibilities are defined in various places such as constitution.</p> <p>The role of internal audit, provides assurance that the Council's internal controls are in place. An annual report is produced and is available prior to the annual accounts being signed and approved.</p> <p>The regular monitoring of budgets and the allocation of financial professional support to budget holders provides control and mitigation against such overrides.</p>

Table 1 Fraud Risk Assessment cont...

Question	Management response
<p>5 How do you encourage, and communicate to, employees about your views on business practices and ethical behaviour? How do you encourage staff to report their concerns about fraud?</p> <ul style="list-style-type: none"> What concerns are staff expected to report about fraud? 	<p>There is a Fraud Strategy and Whistleblowing procedure in place which explain the procedures to follow. These have been reviewed and will be presented to Members during early 2019/20.</p> <p>Employees are aware of the anti-fraud and corruption strategy, details are available on the website.</p>
<p>6 From a fraud and corruption perspective, what are considered to be high-risk posts:</p> <ul style="list-style-type: none"> How are the risks relating to these posts identified, assessed and managed? 	<p>There are not any significantly high-risk posts identified.</p>
<p>7 Are you aware of any related party relationships or transactions that could give rise to instances of fraud?</p> <ul style="list-style-type: none"> How do you mitigate the risks associated with fraud related to related party relationships and transactions? 	<p>2017/18 financial statements disclosure of related party transactions does not identify potential fraud risk. Members and Officers are required to make full disclosure of any relationships that impact on their roles. Members are required to declare any relevant interests at Council and Committee meetings.</p>
<p>8 What arrangements are in place to report fraud issues to the Audit, Governance and Standards Committee?</p> <p>How does the Audit, Governance and Standards Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p>	<p>Internal Audit provide the Audit, Governance and Standards Committee with updates of their work on fraud prevention and detection, including any significant identified frauds and the action taken. Any adhoc investigations are reported to the Audit, Governance and Standards Committee.</p> <p>The Corporate risk register is reviewed by the Committee and the Member risk champion reports to the Committee at each meeting on updates from managers in relation to departmental registers.</p>

Table 1 Fraud Risk Assessment cont...

Question	Management response
9 Are you aware of any whistleblowing reports under the Bribery Act since 1 April 2018? If so, how does the Audit, Governance and Standards Committee respond to these?	We are not aware of any whistleblowing reports. If there was such a report then Members would consider the appropriate course of action.

Law and Regulation

Auditing standards require us to consider the impact that law, regulation and litigation may have on the Council's financial statements. The factors that may result in particular risks of material misstatement due to fraud or error are:

- The operational regulatory framework – this covers the legislation that governs the operations of the Council.
- The financial report framework – according to the requirement of International Financial Reporting Standards, the Code of Accounting for Local Authorities in England and relevant Directions.
- Taxation considerations – for example compliance with Value Added Tax and Income Tax regulations.
- Government policies that otherwise impact on the Council's business
- Other external factors; and
- Litigation and claims against the Council.

Where we become aware of information about a possible instance of noncompliance we need to gain an understanding of it to evaluate the possible effect on the financial statements.

The ISAs also require us to make enquiries of management and the Audit, Governance and Standards Committee about the arrangements in place to comply with law and regulation. To help with this, management have responded to the following questions.

Table 2 : Law and Regulation

Question	Management response
<p>1 How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does the Council have in place to prevent and detect non-compliance with laws and regulations?</p>	<p>The Monitoring Officer will advise the Council's Management team and Councillors as appropriate.</p> <p>The reporting arrangements include sections for both financial and legal implications to ensure managers have considered compliance with laws and regulations. In addition staff have professional training and conduct in place to support compliance.</p>
<p>2 How is the Audit, Governance and Standards Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>Assurance of complying with the Council's Constitution is provided through the Annual Governance Statement which is reported to Executive.</p>
<p>3 Have there been any instances of non-compliance with law and regulation since 1 April 2018 with any on-going impact on the 2018/19 financial statements</p>	<p>No.</p>
<p>4 Is there any actual or potential litigation or claims that would affect the 2018/19 financial statements?</p>	<p>None.</p>
<p>5 What arrangements does the Council have in place to identify, evaluate and account for litigation and claims?</p>	<p>The legal and finance team liaise on a regular basis to identify and evaluate any potential claims.</p>
<p>6 Have there been any reports from other regulatory bodies, such as HM Revenue and Customs which indicate non-compliance?</p>	<p>No.</p>

Going Concern

Going concern is a fundamental principle in the preparation of the financial statements. Under the going concern assumption, a council is viewed as continuing in operation for the foreseeable future with no necessity of liquidation or ceasing trading. Accordingly, the Council's assets and liabilities are recorded on the basis that assets will be realised and liabilities discharged in the normal course of business. A key consideration of going concern is that the Council has the cash resources and reserves to meet its obligations as they fall due in the foreseeable future.

We have discussed the going concern assumption with key Council officers and reviewed the Council's financial and operating performance. Following are key questions on the going concern assumptions which we would like the Audit, Governance and Standards Committee to consider.

Table 3 : Going Concern

Question	Management response
1 Has a report been received from management forming a view on going concern?	Approved MTFP has a balanced budget for 2019/20 leading management to be confident that the Council is a going concern.
2 Are the financial assumptions in that report (e.g. future levels of income and expenditure) consistent with the Council's Business Plan and the financial information provided to the Council throughout the year?	The MTFP is the culmination of the years reports and savings programme. As such, it is reflective of the approvals which have been made throughout the year.
3 Are the implication of statutory or policy changes appropriately reflected in the Business Plan, financial forecasts and report on going concern?	Yes
4 Have there been any significant issues raised with the Audit, Governance and Standards Committee during the year which could cast doubts on the assumptions made? (Examples include adverse comments raised by internal and external audit regarding financial performance or significant weaknesses in systems of financial control).	External audit have highlighted that some of the savings have not been identified in a high level of detail as yet, however they are being developed at present.
5 Does a review of available financial information identify any adverse financial indicators including negative cash flow or poor or deteriorating performance against the better payment practice code? If so, what action is being taken to improve financial performance?	No

Table 3 : Going Concern cont...

Question	Management response
<p>6 Does the Council have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of the Council's objectives? If not, what action is being taken to obtain those skills?</p>	<p>Yes</p>
<p>7 Does the Council have procedures in place to assess the Council's ability to continue as a going concern?</p>	<p>Yes –the Council conducts quarterly monitoring and quarterly updates of the savings programme, which at present is delivering greater savings than were initially planned.</p>
<p>8 Is management aware of the existence of events or conditions that may cast doubt on the Council's ability to continue as a going concern?</p>	<p>No</p>
<p>9 Are arrangements in place to report the going concern assessment to the Audit, Governance and Standards Committee?</p> <p>How has the Audit Governance and Standards Committee satisfied itself that it is appropriate to adopt the going concern basis in preparing the financial statements?</p>	<p>Yes - as part of the year end accounts presentation.</p> <p>Audit, Standards and Governance has reviewed the work conducted by external audit on the year end accounts and savings programme as well as the professional opinion of the S151 Officer, and as such is satisfied that it is appropriate to adopt the going concern basis.</p>

Accounting Estimates

Local Authorities need to apply appropriate estimates in the preparation of their financial statements. Accounting estimates are used when it is not possible to measure precisely a figure in the accounts. ISA (UK&I) 540 sets out requirements for auditing accounting estimates. The objective is to gain evidence that the accounting estimates are reasonable and the related disclosures are adequate.

Under this standard, we have to identify and assess the risks of material misstatement for accounting estimates by understanding how the Council identifies the transactions, events and conditions that may give rise to the need for an account estimate.

We need to be aware of all estimates that the Council are using as part of their accounts preparation; these are detailed in appendix 1.

The audit procedures we conduct on the accounting estimate will demonstrate that:

- the estimate is reasonable, and
- estimates have been calculated consistently with other accounting estimates within the financial statements.

Table 4: Accounting Estimates

Question	Management response
1 Are management aware of transactions, events and conditions (or changes in these) that may give rise to recognition or disclosure of significant account estimates that require significant judgement?	No.
2 Are management arrangements for the accounting estimates, as detailed in Appendix 1 reasonable?	Yes, Officers have reviewed the estimates and believe they are reasonable.
3 How is the Audit, Governance and Standards Committee provided with assurance that the arrangements for accounting estimates are adequate?	The professional judgement of the s151 Officer is accepted by the Committee.

Related Parties

For local government bodies, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires compliance with IAS 24: Related Party Disclosures. The Code identifies the following as related parties to local government bodies:

- entities that directly, or indirectly through one of more intermediaries, control, or are controlled by the authority (i.e. subsidiaries);
- associates
- joint ventures in which the authority is a venturer
- an entity that has an interest in the authority that gives it significant influence over the authority
- key officers and close member of the family of key officers
- post employment benefit plan (pension fund) for the benefit of employees of the Council, or of any entity that is related party of the Council.

The Code notes that, in considering materiality, regard should be had to the definition of materiality, which requires materiality to be judged from the viewpoint of both the Council and the related party.

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

Table 5: Related Parties

Question	Management response
<p>1 Who are the Council's related parties?</p>	<p>The Council discloses its related parties under the following headings:</p> <ol style="list-style-type: none"> 1. Government – Central Government has control influence over the Council as the Council needs to act in accordance with its statutory responsibilities. 2. Pension Fund – this party is subject to common control by Central Government. 3. Precepts & Levies – these parties are subject to common control by Central Government and thus might be empowered to transact on non-commercial terms. The Council is bound to pay the amount demanded from these parties through precept or levy. 4. Assisted Organisations – the provision of financial assistance by the Council to such parties or voluntary organisations may give the Council influence on how the funds are to be administered and applied. 5. Members and Officers – certain Members and Officers may have controlling influence or related interests with other of the Council's related party organisations, such that they may be in a position to significantly influence the policies of the Council.

Table 5: Related Parties cont...

Question	Management response
<p>2 What are the controls in place to identify, account for, and disclose, related party transactions and relationship?</p>	<p>A number of arrangements are in place for identifying the nature of a related party and reported value including:</p> <ul style="list-style-type: none"> ▪ Maintenance of a register of interests for Members a register for pecuniary interests in contracts for Officers and Senior Mangers requiring disclosure of related party transactions. ▪ Annual return from senior managers/officers requiring confirmation that they have read and understood the declaration requirements and stating details of any known related party interests. ▪ Review of in-year income and expenditure transactions with known identified related parties from prior year or known history. ▪ Review of the accounts payable and receivable systems and identification of amounts paid to/from assisted or voluntary organisation. ▪ Review of year end debtor and creditor positions in relation to the related parties identified. ▪ Review of minutes of decision making meetings to identify any member declarations and therefore related parties.

Appendix 1 Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Property plant and equipment valuations	The Council has a contract with Place Partnership Ltd to manage its asset base, including undertaking annual valuations. The Valuer is a RICS/CIB Member) and reviews are made inline with RICS guidance on the basis of 5 year valuations with interim reviews.	Technical Accountant notifies the valuer of the programme of rolling valuations or of any conditions that warrant an interim re-valuation.	Yes, the Place Partnership valuer.	Valuations are made in line with RICS guidance – reliance on expert.	No
Estimated remaining useful lives of PPE	The following asset categories have general asset lives: <ul style="list-style-type: none"> ▪Buildings 50 years ▪Equipment/vehicles 5 years ▪Plant 12 years ▪Infrastructure 40 years 	Consistent asset lives applied to each asset category.	Yes, the Place Partnership valuer.	The method makes some generalisations. For example, buildings tend to have a useful life of 50 years. Although in specific examples based upon a valuation review, a new building can have a life as short as 25 years or as long as 70 years depending on the construction material used. This life would be recorded in accordance with the local qualified RICS or CIB Member.	No

Appendix 1 Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Depreciation & Amortisation	Depreciation is provided for on all fixed assets with a finite useful life on a straight-line basis.	Consistent application of depreciation method across all assets.	No	<p>The length of the life is determined at the point of acquisition or revaluation according to:</p> <ul style="list-style-type: none"> ▪ Assets acquired in the first half of a financial year and depreciated on the basis of a full year's charge; assets acquired in the second half are not depreciated until the following financial year. ▪ Assets that are not fully constructed are not depreciated until they are brought into use. 	No
Impairments	Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable	Assets are assessed at each year end as to whether there is any indication that an asset may be impaired.	Place Partnership Valuer.	Valuations are made in line with RICS guidance – reliance on expert.	No

Appendix 1 Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Impairments cont..	amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.			is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income.	
Non adjusting events – events after the BS date.	S151 Officer makes the assessment. If the event is indicative of conditions that arose after the balance sheet date then this is an unadjusting event. For these events only a note to the accounts is included, identifying the nature of the event and where possible estimates of the financial effect.	Heads of Services notify the s151 Officer.	This would be considered on individual circumstances.	This would be considered on individual circumstances.	N/A

Appendix 1 Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Overhead allocation	The Finance Team apportion central support costs to services based on fixed bases as detailed in the 'Allocation Summary' spread sheet.	All support service cost centres are allocated according to the agreed 'Allocation Summary' spread sheet.	No	Apportionment bases are reviewed each year to ensure equitable.	No
Measurement of Financial Instruments	Council values financial instruments at fair value based on the advice of their internal treasury consultants and other finance professions.	Take advice from finance professionals.	Yes	Take advice from finance professionals.	No
Bad Debt Provision	A provision is estimated using a proportion basis of an aged debt listing.	An aged debt listing is provided routinely and finance calculate the provision.	No	Consistent proportion used across aged debt as per the Code.	No

Appendix 1 Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Provisions for liabilities	Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.	Charged in the year that the Council becomes aware of the obligation.	No	Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received by the Council.	No

Appendix 1 Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a Change in accounting method in year?
Accruals	Financial Services collate accruals of Expenditure and Income in conjunction with the service managers. Activity is accounted for in the financial year it takes place, not when money is paid or received.	Activity is accounted for in the financial year that it takes place, not when money is paid or received.	No	Accruals for income and expenditure have been principally based on known values. Where accruals have had to be estimated the latest available information has been used.	No

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REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS COMMITTEE 31st JANUARY 2019****GRANT THORNTON AUDIT PLAN 2018/19**

Relevant Portfolio Holder	Cllr Tom Baker Price
Portfolio Holder Consulted	N/A
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 To present to members the Grant Thornton Audit Plan 2018/19. A copy of this document is attached to this report as Appendix A..

2. RECOMMENDATIONS

- 2.1 **Members are asked to note and agree the 2018/19 Audit Opinion Plan**

3. KEY ISSUES**Financial Implications**

- 3.1 The fee associated with the External Audit Opinion and audit of accounting statements and consideration of the Councils arrangements for securing economy, effectiveness and efficiency is £44k this is a reduction from the previous year charge of £62k.

Legal Implications

- 3.2 The Council has a statutory responsibility to formally prepare accounts in compliance with national guidelines and ensure these are audited by an audited body.

Service / Operational Implications

- 3.3 Attached at Appendix A is the 2018/19 Audit Plan . The Plan sets out work that the Grant Thornton propose to undertake in relation to the Audit of the financial accounts for 2018/19 and any risks that have will require additional review and consideration.
- 3.4 The Audit will include an understanding of the organisational operations together with issues that may impact on the Council in the future. This assessment results in the External Audit consideration of the risks associated with the accounts and the Appendix details the level of risk allocated to the services we provide.

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS COMMITTEE 31st JANUARY 2019**

- 3.5 The work by the Grant Thornton will enable a robust opinion to be made across all the internal control and accounting arrangements that the Council has in place.
- 3.6 The Auditors will also make an assessment of the Councils arrangements to secure value for money to include systems and processes to manage financial risks and improving efficiency. This will include an assessment of the recommendations in relation to the reporting of financial information and monitoring to members and the delivery of savings and additional income.

Customer / Equalities and Diversity Implications

- 3.7 None as a direct result of this report

4. RISK MANAGEMENT

- 4.1 The Financial Services risk register includes the preparation of the accounts and the controls in place to ensure the accounts are treated in compliance with accounting standards. Risk management arrangements in place across the organisation ensure that risks are addressed and mitigated.

5. APPENDICES

Appendix 1 – Annual Audit Plan 2018/19

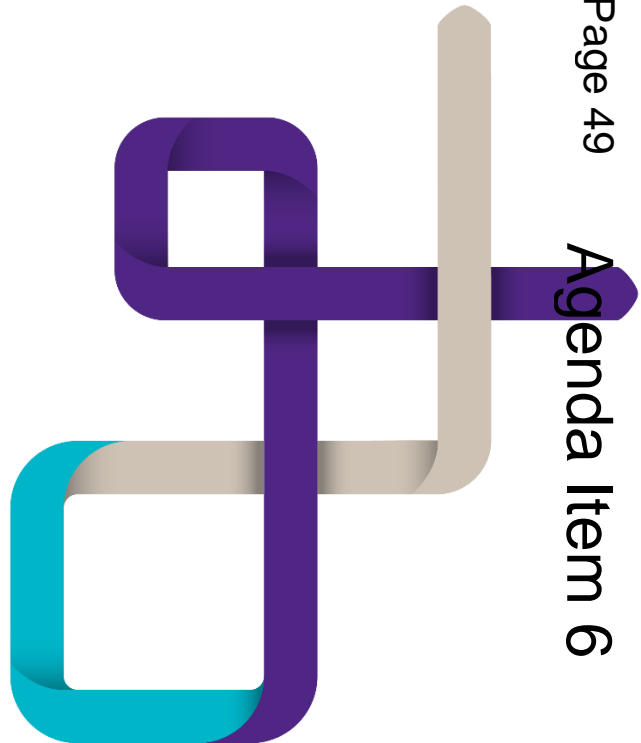
AUTHOR OF REPORT

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External Audit Plan

Year ending 31 March 2019

Redditch Borough Council
31 January 2019



Contents



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2. Key matters impacting our audit approach
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4. Significant risks identified
5. Other matters
6. Materiality
9. Value for Money arrangements
10. Audit logistics, team & fees
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Agenda Item 6

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

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Introduction & headlines

Purpose

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

Respective responsibilities

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

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards

on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the :

- Authority and group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit, Governance and Standards Committee); and
- Value for Money arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources.

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

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

Significant risks

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

- Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.
- The Council's pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.
- The valuation of the Council's property, plant and equipment.

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

Materiality

We have determined planning materiality to be £1.3m (PY £1.3m) for the Authority, which equates to 2% of your prior year gross expenditure. We have set a separate lower materiality level for the disclosure note on senior manager's remuneration of £100k. We report uncorrected omissions and misstatements other than those which are 'clearly trivial', i.e. less than £66k (PY £66k).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risk:

- Financial sustainability.
- Procurement and contract management in the Housing Department.

Audit logistics

Our interim visit will take place in January to March and our final visit will take place in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report.

Our fee for the audit will be £44,629 (PY: £62,460) for the Authority, subject to the Authority meeting our requirements set out on page 13.

Independence

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

Key matters impacting our audit

External Factors

The wider economy and political uncertainty

Local Government funding continues to be stretched with increasing cost pressures and demand from residents.

Officers are currently updating the Medium Term Financial Plan (MTFP). Initial indications are that there will be a shortfall of £400,000 in 2019/20 which will need to be bridged through income generation or fees and charges.

Looking further ahead, Officers anticipate 2020/21 being even more challenging.

Changes to the CIPFA 2018/19 Accounting Code

The most significant changes relate to the adoption of:

- IFRS 9 Financial Instruments which impacts on the classification and measurement of financial assets and introduces a new impairment model.
- IFRS 15 Revenue from Contracts with Customers which introduces a five step approach to revenue recognition.
- We do not expect these to have a significant impact on the Authority, but will ask officers for their own assessment which we will then review.

Internal Factors

New audit methodology

We will be using our new audit methodology and tool, LEAP, for the 2018/19 audit. It will enable us to be more responsive to changes that may occur in your organisation and more easily incorporate our knowledge of the Authority into our risk assessment and testing approach.

Corporate Peer Challenge

In October Executive received a report setting out an Action Plan addressing the “Key” and “Further” recommendations. Most actions are due within the next few months (by early 2019). Progress is being monitored by the Management Team, with six monthly reports to Executive. The Management Restructure still needs to happen, but the main barriers to this now appear to have been removed.

Leisure Company & Housing Department

The Council has established a fully owned subsidiary company to run leisure services. The governance and management structures currently need further development.

The Council also needs to ensure that the issues identified in the Housing /Housing Revenue Account - Overview & Improvement Plan are addressed in a timely manner.

Our response

- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money Conclusion.

- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code.

- You will see changes in the terminology we use in our reports that will align more closely with the ISAs
- We will ensure that our resources and testing are best directed to address your risks in an effective way.

- We will monitor progress against the Corporate Peer Challenge and Management Restructure through our regular meetings with Officers and VFM Conclusion work.

- We will monitor the evolution of the Leisure Company and the impact on finances.
- We will also monitor the progress made in the housing department as part of our work in reaching our Value for Money conclusion.

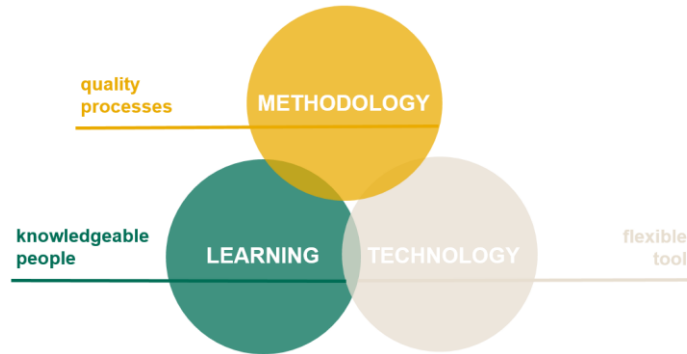
Audit approach

Use of audit, data interrogation and analytics software

LEAP

Audit software

- A globally developed ISA-aligned methodology and software tool that aims to re-engineer our audit approach to fundamentally improve quality and efficiency
- LEAP empowers our engagement teams to deliver even higher quality audits, enables our teams to perform cost effective audits which are scalable to any client, enhances the work experience for our people and develops further insights into our clients' businesses
- A cloud-based industry-leading audit tool developed in partnership with Microsoft



IDEA

- We use one of the world's leading data interrogation software tools, called 'IDEA' which integrates the latest data analytics techniques into our audit approach
- We have used IDEA since its inception in the 1980's and we were part of the original development team. We still have heavy involvement in both its development and delivery which is further enforced through our chairmanship of the UK IDEA User Group
- In addition to IDEA, we also other tools like ACL and Microsoft SQL server
- Analysing large volumes of data very quickly and easily enables us to identify exceptions which potentially highlight business controls that are not operating effectively



Appian

Business process management

- Clear timeline for account review:
 - disclosure dealing
 - analytical review
- Simple version control
- Allow content team to identify potential risk areas for auditors to focus on



Inflo



Cloud based software which uses data analytics to identify trends and high risk transactions, generating insights to focus audit work and share with clients.



REQUEST & SHARE

- Communicate & transfer documents securely
- Extract data directly from client systems
- Work flow assignment & progress monitoring



ASSESS & SCOPE

- Compare balances & visualise trends
- Understand trends and perform more granular risk assessment



VERIFY & REVIEW

- Automate sampling requests
- Download automated work papers



INTERROGATE & EVALUATE

- Analyse 100% of transactions quickly & easily
- Identify high risk transactions for investigation & testing
- Provide client reports & relevant benchmarking KPIs



FOCUS & ASSURE

- Visualise relationships impacting core business cycles
- Analyse 100% of transactions to focus audit on unusual items
- Combine business process analytics with related testing to provide greater audit and process assurance



INSIGHTS

- Detailed visualisations to add value to meetings and reports
- Demonstrates own performance and benchmark comparisons

Significant risks identified

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

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions (rebutted)	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Redditch Borough Council, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for Redditch Borough Council.</p>
Management over-ride of controls	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Valuation of land and buildings</p>	<p>The Authority revalues its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Authority and group financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuation was carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test revaluations made during the year to see if they have been input correctly into the Authority's asset register • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Valuation of the pension fund net liability</p>	<p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report • obtain assurances from the auditor of Worcestershire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

Other matters

Other work

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

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
 - issue of a report in the public interest or written recommendations to the Authority under section 24 of the Act, copied to the Secretary of State;
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

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

Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the Authority's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

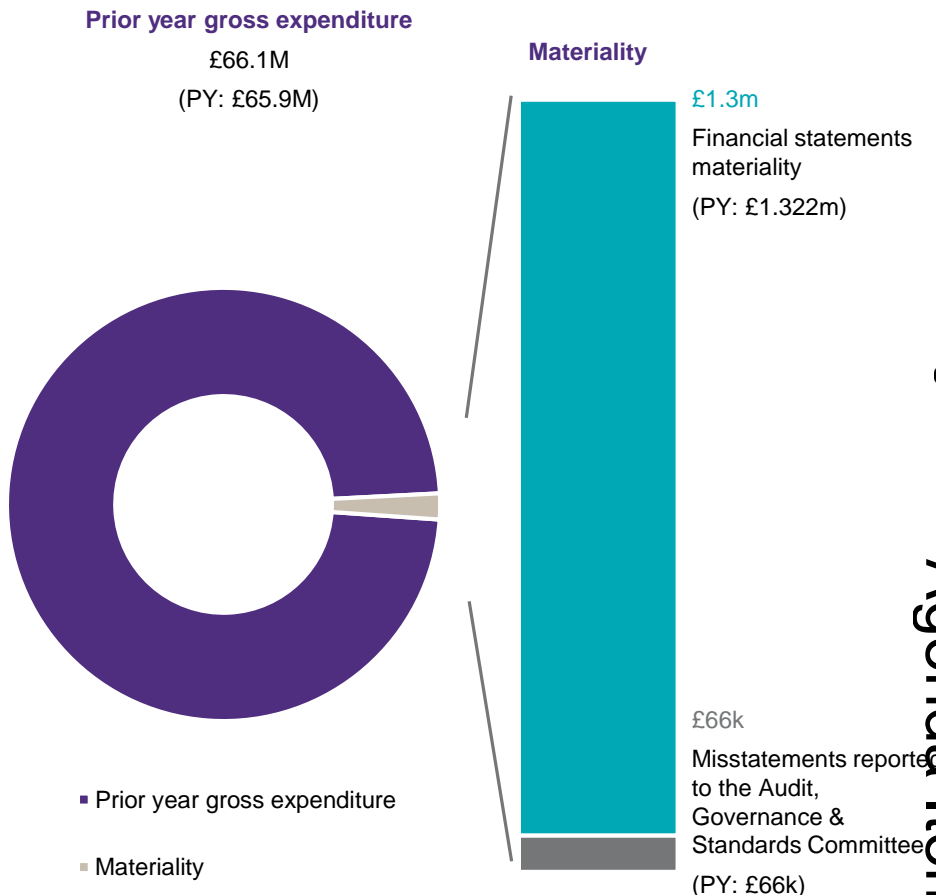
We have determined financial statement materiality based on a proportion of the gross expenditure of the authority for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £1.3m (PY £1.3m) for the Authority, which equates to 2% of your prior year gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision. We have determined this to be £100k for the disclosure note on senior manager’s remuneration, in view of the sensitivity of this note to the reader of the accounts.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the Audit, Governance & Standards Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit, Governance & Standards Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the group and Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £66k (PY £66k).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit, Governance & Standards Committee to assist it in fulfilling its governance responsibilities.



Value for Money arrangements

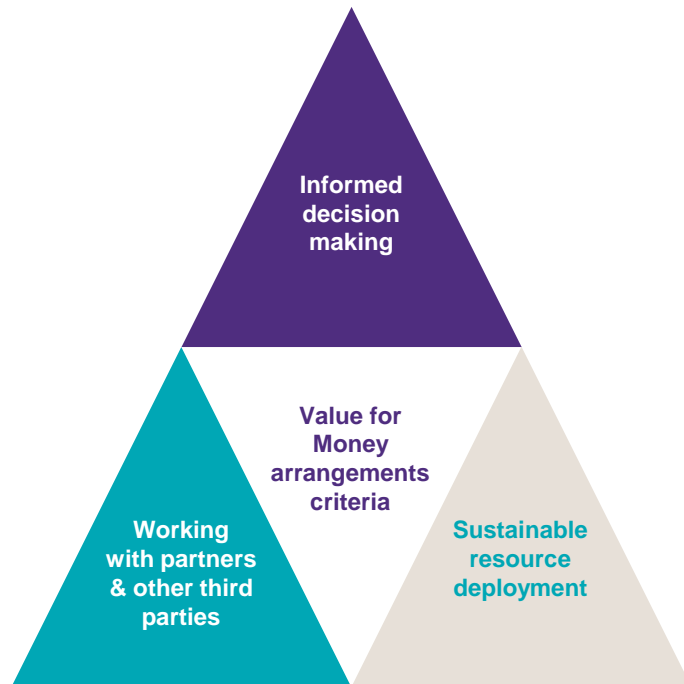
Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place to secure value for money.

The guidance identifies one single criterion for auditors to evaluate:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”

This is supported by three sub-criteria, as set out below:



Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Authority to deliver value for money.



Financial sustainability

How robust is the MTFP and how well developed are savings plans?

We have previously identified that improvement is needed to planning finances effectively to support the sustainable delivery of strategic purposes and maintain statutory functions.

We will review the February 2019 MTFP and select a number of new savings or income generation schemes to test.

We will assess the progress being made to put the Council on a long term financially viable footing.

We will monitor implementation of the Leisure LATC and the savings arising from it.

We will review the impact of the Commercialisation Programme Board.

We will monitor progress on the management restructure.



Procurement and contract management in the housing department

Are planned changes to the housing department being made?

We will review progress against the Strategic Improvement / Action Plan.

We will review progress to deliver savings and ensure the HRA is not reporting a deficit each year.

Audit logistics, team & fees



Richard Percival, Engagement Lead

Richard's role will be to lead our relationship with you and take overall responsibility for the delivery of a high quality audit, meeting the highest professional standards and adding value to the Council.



Neil Preece, Audit Manager

Neil's role will be to manage the delivery of a high quality audit, meeting the highest professional standards and adding value to the Council.



Denise Mills, Audit Incharge

Denise's role will be to take responsibility for ensuring there is effective communication and understanding by finance team of audit requirements and have day to day responsibility for the running of the audit and first point of contact;

Audit fees

The planned audit fees are £44,629 (PY: £62,460) for the financial statements audit completed under the Code, which are inline with the scale fee published by PSAA. £24,000 of fees are planned for the Housing Benefit Claim certification, and £2,250 for the Pooling of Housing Capital Receipts certification which constitutes non Code work by PSAA. In setting your fee, we have assumed that the scope of the audit, and the Authority and its activities, do not significantly change.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Any proposed fee variations will need to be approved by PSAA.

Early close

Meeting the 31 July audit timeframe

In the prior year, the statutory date for publication of audited local government accounts was brought forward to 31 July, across the whole sector. This was a significant challenge for local authorities and auditors alike. For authorities, the time available to prepare the accounts was curtailed, while, as auditors we had a shorter period to complete our work and faced an even more significant peak in our workload than previously.

In 2017/18 Officers produced the financial statements in advance of the deadline and we were able to conclude the audit by the end of July as planned. This represented a significant improvement on the timescale achieved last year. However, our audit identified a higher number of relatively minor amendments than we would expect. A number of the working papers initially supplied did not provide the requisite assurance, or could not be agreed to the financial statements. While officers responded very positively to our questions the Council needs to ensure that for this year sufficient time is allowed for a robust and thorough quality review of the accounts and working papers before they are presented for audit.

We have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible, by agreeing which authorities will have accounts prepared significantly before the end of May
- seeking further efficiencies in the way we carry out our audits
- working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline again.

Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 12). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

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

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

Independence & non-audit services

Auditor independence

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

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public bodies.

Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. The following other services were identified:

Service	£	Threats	Safeguards
Audit related			
Certification of Housing capital receipts grant	2,250	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £2,250 in comparison to the total fee for the audit of £44,629 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of 2018/19 Housing Benefit subsidy claim	24,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £24,000 in comparison to the total fee for the audit of £44,629 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. This work will be completed after we issue our opinion on the financial statements.

Non-audit related

None

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.



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REDDITCH BOROUGH COUNCIL**AUDIT GOVERNANCE & STANDARDS & COMMITTEE 31st JANUARY 2019****GRANT THORNTON – CERTIFICATION WORK REPORT 2017/18**

Relevant Portfolio Holder	Councillor Tom Baker Price
Portfolio Holder Consulted	N/A
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 To present Members with the Grant Certification Letter for 2017/18 from the Councils External Auditors Grant Thornton.

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to note the letter 2017/18**

3. KEY ISSUES**Financial Implications**

- 3.1 The base fee for the grant work is £18k. Any further work undertaken as a result of additional testing is chargeable. No additional fee was charged for 2017/18.

Legal Implications

- 3.2 Grant Thornton have a statutory responsibility to certify the claims submitted by the Council.

Service / Operational Implications

- 3.3 External Auditors have a duty to carry out all work necessary to meet their statutory responsibilities in accordance with the Code of Audit Practice. This includes certification of grant claims.

- 3.4 The auditors have certified the Housing Benefit Claim for 2017/18 relating to over £21.7m of expenditure. There were a number of issues that required further testing. It is worth noting that there is no level of materiality when auditing the housing benefit claim and therefore the errors can be minor in value but require further testing. The auditors have reported in their letter that they have seen improvements in the workbook production and a reduction in the number of errors made following training and support that has been given to the teams.

AUDIT GOVERNANCE & STANDARDS & COMMITTEE 31st JANUARY 2019**Customer / Equalities and Diversity Implications**

3.5 There are no implications arising out of this report.

4. RISK MANAGEMENT

4.1 As part of all audit work the auditors undertake a risk assessment to ensure that adequate controls are in place within the Council so reliance can be placed on internal systems.

5. APPENDICES

Appendix 1 – Grant Thornton Certification Letter 2017/18

6. BACKGROUND PAPERS

Individual audit reports.

AUTHOR OF REPORT

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Tel: 01527-881207



Grant Thornton

An instinct for growth™

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7 January 2019

Dear Jayne

Certification work for Redditch Borough Council for year ended 31 March 2018

We are required to certify the Housing Benefit subsidy claim submitted by Redditch 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) took on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit subsidy claim for the financial year 2017/18 relating to subsidy claimed of £21.7 million. Further details are set out in Table A.

We identified a number of issues from our certification work which we wish to highlight for your attention. There were eight lots of additional testing arising from the findings from the previous year. We also found errors in one new area, and completed additional testing. In 2016/17 we tested 409 cases, identifying 28 errors (7% error rate). This year we tested 458 cases, identifying 35 errors (8% error rate). Officers again completed the initial testing using the standard workbooks. We are pleased to be able to report that the workbook completion was good quality, and we agreed with the testing conclusions reached. We received very good support from officers throughout our audit.

Sample testing found the following issues included in the subsidy claim:

- Earnings incorrectly entered
- Incorrect treatment of working tax credit
- Incorrect treatment of child tax credit
- Misclassification of overpaid benefit
- Incorrect rent figure used

The nature of these errors is very similar to the previous year.

As a result of the errors identified, the claim was amended and qualified, and we reported our findings to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The indicative fee for 2017/18 for the Council was based on the final 2015/16 certification fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by PSAA for the Council for 2017/18 was £18,199. We are not proposing to vary this fee.

Yours sincerely

A handwritten signature in blue ink that reads "Grant Thornton UK LLP". The signature is written in a cursive, flowing style.

Grant Thornton UK LLP

Table A - Details of claims and returns certified for 2017/18

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£21,744,200	Yes	(£23)	Yes	See below

Findings from certification of housing benefits subsidy claim

Workbook completion

PSAA provides workbooks to all audit suppliers to complete in order to ensure consistency and high quality in documentation. Many councils now complete these workbooks using Quality Assessment Officers or Supervisors who have not initially been involved in assessing claims. Auditors then re-perform some of the work that officers have completed. This reduces the cost of the work compared to auditors doing it all, and gives officers better information on any training needs or quality issues regarding the initial claim assessments.

We again provided support and guidance to officers on workbook completion to help improve the quality of workbook completion. We are pleased to be able to report that the workbook completion was of higher quality, and we agreed with the testing conclusions reached. As officers had previous experience of completing the workbooks, we were also able to reduce the level of re-performance we carried out.

Non HRA Rent Rebate testing

These are short term or bed and breakfast claims. Our initial testing of 13 cases identified four errors relating to incorrect entries in respect of rent, earnings and working tax credit. Testing of a further 57 cases, covering the whole population, did not identify any further errors.

HRA Rent Rebate testing

These are claims by tenants in HRA properties. Our initial testing of 20 cases identified one error due to incorrect child tax credit. Testing of a further 40 cases identified two additional errors.

Rent Allowance testing

These are claims by tenants in private housing. Our initial testing of 20 cases identified three errors in respect of the omission of National Insurance/Tax and earnings. Testing of a further 40 cases identified a further four errors.

Testing arising from prior year errors

Where testing identifies errors in one year, DWP requires us to undertake further testing in the subsequent year. The testing focuses on cases with the same characteristics as the original error. This year, because of errors in previous years, we had to carry out testing in eight areas. We found additional errors in seven areas. This means that, in 2018/19, the amount of testing required will be similar to this year.

Table B: Fees for 2017/18 certification work

Claim or return	2015/16 fee (£)	2017/18 indicative fee (£)	2017/18 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£25,328	£18,199	£18,199	£7,129	Decrease in fee set by PSAA.
Total	£25,328	£18,199	£18,199	£7,129	

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Date: 31st January 2019**AUDIT, GOVERNANCE & STANDARDS COMMITTEE****THE INTERNAL AUDIT PROGRESS REPORT OF THE HEAD OF INTERNAL AUDIT SHARED SERVICE; WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE.**

Relevant Portfolio Holder	Councillor Baker-Price
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester, Financial Services Manager
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

1.1 To present:

- The progress report of internal audit work with regard to 2018/19 as at 31st December 2018.

2. RECOMMENDATIONS2.1 **The Committee is asked to RESOLVE that the report be noted.****3. KEY ISSUES****Financial Implications**

3.1 There are no direct financial implications arising out of this report.

Legal Implications

3.2 The Council is required under the Accounts and Audit Regulations 2015 to “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.

Date: 31st January 2019**AUDIT, GOVERNANCE & STANDARDS COMMITTEE**

Service / Operational Implications

- 3.3 The involvement of Member's in progress monitoring is considered to be an important facet of good corporate governance, contributing to the internal control assurance given in the Council's Annual Governance Statement.

This section of the report provides commentary on Internal Audit's performance for the period 01st April to 31st December 2018 against the performance indicators agreed for the service and further information on other aspects of the service delivery.

AUDIT REPORTS ISSUED/COMPLETED SINCE THE LAST PROGRESS REPORT (25th October 2018):

2018/19 AUDIT SUMMARY UPDATES:**Welfare Support**

The Welfare Support audit was a combination of three identified areas in the audit plan:

- Essential Living Fund
- Discretionary Housing Payments
- Council Tax Hardship Fund

The review found the following areas of the system were working well:

- The support provided by the Financial Independence Team to the customer which provides a seamless journey for the customer.
- The award is decided based on the customer's needs.

The review found the following areas of the system where controls could be strengthened:

- Transparency of the Welfare Budgets
- Accuracy of recorded expenditure and reporting
- Current Expenditure of the Welfare Benefits
- Record Keeping

There were 4 'medium' and 2 'low' priority recommendations reported.

Type of Audit: Full System

Assurance: Moderate

Final Report Issued: 23rd November 2018

Date: 31st January 2019**AUDIT, GOVERNANCE & STANDARDS COMMITTEE**

Summary of assurance levels:

2018/19	
Welfare Support (incorporating Essential Living Fund, Discretionary Housing Payments and Council Tax Hardship Fund reviews)	Moderate

2018/19 reviews which were at draft report stage as at the 31st December 2018 included.

- GDPR
- Health and Safety
- Universal Credit
- Treasury Management
- Shop Mobility

2018/19 reviews which were on going as at the 31st December 2018 included.

- Car Parking (at clearance stage)
- Stores
- National Non Domestic Rates
- Council Tax
- Housing Benefits
- Debtors
- Creditors
- Payroll

Audits progressing through the planning stage included:

- Procurement
- Risk Management

The summary outcome of all of the above reviews will be reported to Committee in due course when they have been completed and management have confirmed an action plan.

Critical review audits are designed to add value to an evolving Service area. Depending on the transformation that a Service is experiencing at the time of a scheduled review a decision is made in regard to the audit approach. Where there is significant change taking place due to transformation, restructuring, significant legislative updates or a comparison required a critical review approach will be used. In order to assist the service area to move forwards a number of challenge areas will be identified using audit review techniques. The percentage of critical reviews will be confirmed as part of the overall

Date: 31st January 2019**AUDIT, GOVERNANCE & STANDARDS COMMITTEE**

outturn figure for the audit programme. To report this percentage during the year based on outturn will cause the figure to fluctuate throughout the year, however, a final percentage figure will be reported in the annual report. The outturn from the reviews will be reported in summary format as part of the regular reporting as indicated at 3.3 above.

Follow up reviews are an integral part of the audit process. There is a rolling programme of review that is undertaken to ensure that there is progress with the implementation of the agreed action plans. The outcome of the follow up reviews is reported on an exception basis taking into consideration the general direction of travel and the risk exposure. An escalation process continues to be developed involving CMT and SMT to ensure more effective use of resource in regard to follow up and reduce the number of revisits that are currently necessary to confirm the recommendations have been satisfied.

3.4 AUDIT DAYS

Appendix 1 shows the progress made towards delivering the 2018/19 Internal Audit Plan and achieving the targets set for the year. As at 31st December 2018 a total of 207 days had been delivered against an overall target of 400 days for 2018/19.

Appendix 2 shows the performance indicators for the service. Performance and management indicators were agreed by the Committee on the 26th April 2018 for 2018/19.

Appendix 3 shows the tracking of completed audits.

Appendix 4 shows the 'high' and 'medium' priority recommendations for finalised which are reported to the Committee for information.

3.5 OTHER KEY AUDIT WORK

Much internal audit work is carried out "behind the scenes" but is not always the subject of a formal report. Productive audit time is accurately recorded against the service or function as appropriate. Examples include:

- Governance for example assisting with the Annual Government Statement
- Risk management
- Transformation review providing support as a 'critical appraisal'
- Dissemination of information regarding potential fraud cases likely to affect the Council
- Drawing managers' attention to specific audit or risk issues
- Audit advice and commentary
- Internal audit recommendations: follow up review to analyse progress
- Day to day audit support and advice for example control implications, etc.

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- Networking with audit colleagues in other Councils on professional points of practice
- National Fraud Initiative.
- Investigations

National Fraud Initiative

- 3.6 There has been on going work undertaken in regard to the National Fraud Initiative. This year is the 2 yearly cycle of data extraction and uploading to enable matches to be reported. Worcestershire Internal Audit Shared Service (WIASS) has a coordinating role in regard to this investigative exercise in Redditch Borough Council. The data requirements were uploaded during October and December 2018 with any queries dealt with accordingly.

Customer / Equalities and Diversity Implications

- 3.7 There are no implications arising out of this report.
- 3.8 The Worcestershire Internal Audit Shared Service (WIASS) is committed to providing an audit function which conforms to the Public Sector Internal Audit Standards.
- 3.9 We recognise there are other review functions providing other sources of assurance (both internally and externally) over aspects of the Council's operations. Where possible we will seek to place reliance on such work thus reducing the internal audit coverage as required.
- 3.10 WIASS confirms it acts independently in its role and provision of internal audit.
- 3.11 Due to changing circumstances and after consultation a small variation in the plan has been agreed on a risk priority basis with the s151 Officer e.g. shared services which was joint with Bromsgrove District Council. Additional days have been used in a couple of review areas to ensure a comprehensive review was completed

4. RISK MANAGEMENT

- 4.1 The main risks associated with the details included in this report are:
- Failure to complete the planned programme of audit work within the financial year; and,
 - The continuous provision of an internal audit service is not maintained.

5. APPENDICES

Appendix 1 ~ Internal Audit Plan delivery 2018/19

Appendix 2 ~ Performance indicators 2018/19

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Appendix 3 ~ Tracking analysis of previous audits

Appendix 4 ~ 'High' and 'Medium' priority recommendations

6. BACKGROUND PAPERS

Individual internal audit reports which are held in the internal audit service.

7. KEY

N/a

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCILDate: 31st January 2019AUDIT, GOVERNANCE & STANDARDS COMMITTEEAPPENDIX 1Delivery against Internal Audit Plan for 2018/19
1st April 2018 to 31st December 2018

Audit Area	2018/19 PLAN DAYS	Forecasted days to the 31 st March 2019	Actual Days used to 31 st December 2018
Core Financial Systems (see note 1)	67	67	28
Corporate Audits(see note 2)	47	47	52
Other Systems Audits(see note 3)	232	232	102
SUB TOTAL	346	346	182
Audit Management Meetings	20	20	12
Corporate Meetings / Reading	9	9	6
Annual Plans, Reports and Audit Committee Support	25	25	7
Other chargeable	0	0	0
SUB TOTAL	54	54	25
TOTAL	400	400	207

Note 1

Core Financial Systems are audited in quarters 3 and 4 in order to maximise the assurance provided for the Annual Governance Statement and Statement of Accounts.

Note 2

Due to the nature of some of the reviews additional resource was allocated resulting in additional days.

Note 3

A number of the budgets in this section are 'on demand' (e.g. consultancy, investigations) so the requirements can fluctuate throughout the quarters. If there is little demand for certain budgets this is reflected in the overall usage, however, it does not necessarily reduce the coverage of the overall plan.

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The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2018/19. Other key performance indicators link to overall governance requirements of Redditch Borough Council e.g. KPI 4 to KPI 6. The position will be reported on a cumulative basis throughout the year.

	KPI	Trend/Target requirement/Direction of Travel	2018/19 Position (as at 31st December 2018)	Frequency of Reporting
Operational				
1	No. of audits achieved during the year	Per target	Target = Minimum 16 Delivered = 1 (covering 3 reviews) 5 @ draft report (8 in progress)	When Audit Committee convene
2	Percentage of Plan delivered	>90% of agreed annual plan	52%	When Audit Committee convene
3	Service productivity	Positive direction year on year (Annual target 74%)	*68%	When Audit Committee convene
Monitoring & Governance				
4	No. of 'high' priority recommendations	Downward (minimal)	Nil to report	When Audit Committee convene
5	No. of moderate or below assurances	Downward (minimal)	1	When Audit Committee convene
6	'Follow Up' results (2017/18 onwards)	Management action plan implementation date exceeded (<5%)	1	When Audit Committee convene
Customer Satisfaction				
7	No. of customers who assess the service as 'excellent'	Upward (increasing)	1	When Audit Committee convene

WIASS conforms to the Public Sector Internal Audit Standards 2013.

* Below target figure due to 4 new starters in April 2018 and a period of settling in and training. Training is continuing, however, the overall productivity figure is beginning to increase again; previously reported figure was 58%.

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APPENDIX 3

Planned Follow Ups:

In order to continue to monitor progress of implementation, 'follow up' in respect of audit reports is logged. The table provides an indication of the action that is planned going forward in regard to the more recent audits providing assurance that a programme of follow up is operating.

To provide the Audit, Governance & Standards Committee with assurance we are following a comprehensive 'follow up' programme to ensure recommendations and risks have been addressed from previous audits. Commentary has been provided on audits as part of the normal reporting process. Previous audit year updates in regard to 'follow ups' will be provided every six months to avoid duplication of information. Any exceptions (i.e. where no action has commenced by the agreed implementation date) will be reported to the Committee.

For some audits undertaken each year 'follow-ups' may not be necessary as these may be undertaken as part of the full audit. Other audits may not be time critical therefore will be prioritised as part of the over all work load and are assessed by the Team Leader.

Follow up in connection with the core financials is undertaken as part of the routine audits that were performed during quarters 3 and 4.

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<u>Audit</u>	<u>Date Final Audit Report Issued</u>	<u>Service Area</u>	<u>Assurance</u>	<u>Number of High, Medium and Low priority Recommendations</u>	<u>Results of follow Up</u> <u>1st</u>	<u>Results of follow Up</u> <u>2nd</u>	<u>Results of follow Up</u> <u>3rd & 4th</u>
Performance Measures	3rd May 2017	Corporate	Limited	This audit report made 3 high priority recommendations and 1 medium priority recommendation relating to resilience, timeliness, integrity of information and other aspects of performance. A follow up will take place in 3 months time.	A new system is being put in place to change reporting measures this is currently awaiting agreement to the new approach but should be in place for reporting in March 2018. A follow up to be carried out in May 2018 to look at what is now in place and if it is working	A follow up in May 2018 found that 2 high priority recommendations in relation to resilience and timeliness and the 1 medium priority recommendation in relation to additional information had been implemented. The high priority recommendation in relation to integrity of information was in progress. Follow up February 2019	
Palace Theatre	29th June 17	Leisure Services	Significant	1 medium priority recommendation was made in relation to resilience.	Follow up March 2018 found the medium priority recommendation to be partially implemented and is ongoing.	Follow up to be undertaken in March 2019.	
Procurement	30th August 17	Finance/Legal	Moderate	This audit report made 5 medium priority recommendations relating to the strategy, training, procuring of agency staff, frameworks and resilience of e-procurement system.	Follow up to be undertaken in March 2019.		
Homelessness	6th November 2017	Housing	Significant	One medium priority recommendation was made relating to data protection and access to the Arbitras system.	The follow up in June 2018 found that the one medium priority recommendation is in progress.	A follow up in Jan 19 found that the one remaining medium priority recommendation was awaiting procurement of a new system which is a council wide project. This has been recorded as a risk with the IT Housing Project Board. Assurance has been given to the Council that under GDPR as they are procuring a new system they are covered at this point in time. A follow up will be undertaken in 3 months time to ensure that this is being actioned.	

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<u>Audit</u>	<u>Date Final Audit Report Issued</u>	<u>Service Area</u>	<u>Assurance</u>	<u>Number of High, Medium and Low priority Recommendations</u>	<u>Results of follow Up</u> <u>1st</u>	<u>Results of follow Up</u> <u>2nd</u>	<u>Results of follow Up</u> <u>3rd & 4th</u>
Cash Collection	14th November 2017	Cash Collection	Moderate	The report found four recommendations; 1 high and 3 medium relating to the suspense account, refund checks, over and under investigations and administrative errors.	The follow up in May 2018 found that the three medium recommendations had been implemented and the one high recommendation in relation to the suspense account was in progress.	Follow up to be undertaken in March 2019	
Customer Services	14th November 2017	Customer Services	Moderate	The report found 6 recommendations; 5 medium and 1 low relating to minutes of meetings, phone recordings, housing options frontline, complaints system, website, self service computer.	The follow up in May 18 found that out of the 5 medium priority recommendations 4 had been implemented and the 1 in relation to Housing options is in progress.	A follow up in Jan 19 found that the one recommendation in relation to induction training has now been implemented. No further follow ups are required.	
Disabled Facility Grants	28th September 2017	Community Services	Moderate	The report found 1 high priority and 2 medium priority recommendations in relation to Records retention and security, Registration of Land Charges and Private Sector Home Repairs Assistance policy.	The follow up in February 2018 found that the three recommendations are in progress. The amount of work required to fully implement two of the recommendations means that this work although progressing is taking time in order to get it correct. The other recommendation needs to be placed before Members before it is fully implemented. Follow up planned 28th January 2019.		
St David's House	Housing	4th October 2017	Moderate	The report found 1 high and 5 medium priority recommendations in relation to Care Cost Returns, Handbooks, Hospitality Reporting, Procurement Card, Training, and Induction.	The follow up in March 2018 found that 1 High and 4 medium priority recommendations had been implemented. 1 medium priority in relation to induction was in progress. A further follow up to be scheduled.	Follow up in January 2019 confirmed that all Certification requirements had been satisfied thus all recommendations have been implemented. No further follow up required. It should be noted that a request from the Children and Families Service Manager has been	

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<u>Audit</u>	<u>Date Final Audit Report Issued</u>	<u>Service Area</u>	<u>Assurance</u>	<u>Number of High, Medium and Low priority Recommendations</u>	<u>Results of follow Up</u> <u>1st</u>	<u>Results of follow Up</u> <u>2nd</u>	<u>Results of follow Up</u> <u>3rd & 4th</u>
						made for further audit work to be completed in her area.	
Environmental Waste	27 th November 2017	Environmental Services	Moderate	The report found 1 high and 4 medium priority recommendations in relation to Bulky Waste Receipt Books, Business Waste Charges, Fees and Charges, Bulky Waste quotes and Garden Waste Invoices.	Follow up January 2019 found the 4 medium priority recommendations were satisfied and the high priority recommendation was in progress pending further transformation of the Business Support Team re. reconciliation and controlled stationery. To be followed up in April 2019.		
Records Management	5 th January 2018	Corporate	Limited	Reported 5 high and 1 medium priority recommendations; Implementation of the information security policy, inventory of IT equipment, retention and disposal schedule, confidential waste collection, storage of documents on the Orb, and GC Sx email accounts	Being followed up as part of the 2018/19 GDPR audit.		
Debtors	4 th June 2018	Finance	Significant	Reported 1 medium priority recommendation; Manual Processes outside the system	To be followed up as part of the 2018/19 audit. (January 2019)		
Benefits	30 th July 2018	Finance	Significant	Reported 3 medium and 2 low priority recommendations; Overpayment, Write-Offs, Performance Information, Overpayment Classification and User Access Reviews	To be followed up as part of the 2018/19 benefit audit. (January 2019)		

end

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APPENDIX 4

Definition of Audit Opinion Levels of Assurance

Opinion	Definition
Full Assurance	<p>The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively.</p> <p>No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.</p>
Significant Assurance	<p>There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk.</p> <p>Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Moderate Assurance	<p>The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet it's objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Limited Assurance	<p>Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
No Assurance	<p>No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>

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Priority	Definition
High	<p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives.</p> <p>Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.</p>
Medium	<p>Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.</p>
Low	<p>Control weakness that has a low impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation is desirable as it will improve overall control within the system.</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
Audit: Welfare Support					
Assurance: Moderate					
1	Medium	<p>Transparency of the Welfare Budgets</p> <p>The expenditure measure on the Civica system which staff can see to advise them as to how much has been spent against the budget is not working and shows an incorrect DHP budget, therefore provides a misleading position.</p> <p>Staff are not aware of the budgets for the various welfare benefits.</p> <p>The budgets are monitored at least monthly by the Assistant Financial Support Services Manager (Welfare). Communication would be sent to staff if there was an issue with the budgets not being spent or a risk of over spending.</p> <p>Budget information needs updating on the system to include Local Authority amount.</p>	<p>A lack of transparency of the budgets could potentially lead to funds running out before the financial year or a surplus of funds. This, in turn, could lead to criticism that the Council is not doing all it can to assist members of the public in need or deliver on its strategic promises.</p>	<p>Review the Civica system to ensure the information reflects the correct figures and current percentage spent.</p> <p>Ensure the Financial Independence Team (FIT) are kept updated on the expenditure against the budgets.</p>	<p>Responsible Manager:</p> <p>Assistant Financial Support Services Manager (Welfare)</p> <p>Actions:</p> <p>Will look into systems to correct figures and report issues were necessary to service provider for fixing.</p> <p>Report regular expenditure to teams short term via meetings</p> <p>Adapt measures to reflect useful data (As part of bigger changes with point 3) this will be looked at by Financial Services Manager</p> <p>Implementation date:</p> <p>31st March 2019</p>
2	Medium	<p>Accuracy of recorded expenditure and reporting</p> <p>The expenditure and number of applications shown on the Civica reports do not match those on the performance measures on the dashboard spreadsheet.</p> <p>There are no procedures held within the team to follow when preparing the figures for consistency and to share knowledge in team when the Assistant Financial Support Services Manager (Welfare) is not available.</p> <p>The reports obtained from the Civica</p>	<p>Risk of poor managerial decision making and reputational damage if performance is not transparent and correctly and fully reported.</p>	<p>Establish accurate and reliable reporting on the dashboard.</p> <p>Produce procedures that would provide resilience and allow other staff to produce the performance measures ensuring consistency and accuracy in the information being reported.</p> <p>Review the performance measures and ensure the measures are fit for purpose and add value.</p> <p>Review the manual processing of the performance measures and investigate if further automation is possible to reduce the amount of</p>	<p>Responsible Manager:</p> <p>Assistant Financial Support Services Manager (Welfare)</p> <p>Actions:</p> <p>Adapt measures currently collected to reflect useful data, Also look at data collected from the system without manipulation (in order to involve automation)</p> <p>Additional reports are produced quarterly for the Head of Customer and Financial Support. Also for members committees which contained more detailed information regarding how the service is performing.</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<p>system for Discretionary Hardship Payment and Council Tax hardship do not provide clear information for reporting.</p> <p>The process for reporting the data has to be carried out manually and is time consuming.</p> <p>The notes on the performance measures on the Orb have not been updated since December 2017 therefore members and management will not have a full understanding of impact and trends to know if the service is performing satisfactorily.</p>		<p>manual work thus streamlining the process.</p>	<p>These reports were details of expenditure against budgets</p> <p>Reasons for the difference in expenditure to reporting is due to the time when claim is processed which could mean a claim is back dated and would be added/recovered at a later date.</p> <p>Procedure to produce report for Hardship in same format as Discretionary Hardship Payment.</p> <p>Discretionary Hardship Payment report has now been resolved and information can easily be obtained.</p> <p>Notes on measures to be updated where there has been a change trend/performance</p> <p>Implementation date:</p> <p>31st March 2019</p>
3	Medium	<p>Current expenditure of the welfare benefits</p> <p>The amount of applications as shown on the Orb for Discretionary Housing Payment has decreased this financial year compared to last year.</p> <p>There was no evidence that refusals of claims for Discretionary Housing Payment or Council Tax Hardship fund are being monitored.</p>	<p>Un-spent Discretionary Housing Payment will need to be returned and the amount of the award for the following year will be reduced, potentially leading to some customers in hardship not being able to claim this benefit in the future once the budget is spent.</p>	<p>Identify the reason for the reduction in applications for the Discretionary Housing Payment award and where the current referrals are coming from.</p> <p>Keep the Financial Independence Team along with other key personnel within the homelessness service updated on the expenditure against budget on a monthly basis.</p> <p>Provide training to front line staff so that they advise customers to claim and discuss any cases where Discretionary Housing Payment has been refused.</p> <p>Implement a control to ensure the discretionary hardship payment funds are used appropriately and that the budget is utilised fully to assist in delivering the Corporate priorities.</p>	<p>Responsible Manager:</p> <p>Assistant Financial Support Services Manager (Welfare)</p> <p>Actions:</p> <p>Working with Housing Options to help with Discretionary Housing Payment take up following changes to Homeless scheme. This has been identified that Housing had been using their own money instead of Discretionary Housing Payment to help with Deposits on private rents. Housing are contacting their partner to ensure this awareness is shared.</p> <p>Financial Independence Team</p> <p>Officers have this year undertaken talks in community to show what is available.</p> <p>Training being undertaken with the Financial Support Advisors on Discretionary Housing Payment</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
					<p>completion</p> <p>General Staff Training upcoming.</p> <p>Set up monthly meetings with Housing to discuss Discretionary Housing Payment expenditure against budget and agree actions.</p> <p>Implementation date:</p> <p>30th April 2019</p>
4	Medium	<p>Record Keeping</p> <p>The sample check identified a number of cases where it was not clear why the customer was awarded the welfare benefit.</p> <p>It was unclear from the file notes the amount of the award made for Discretionary Housing Payment and Council Tax Hardship cases as the payments shown on the Civica report did not reconcile as most included other payments.</p> <p>There is no control in place to monitor the awards for consistency and transparency.</p>	<p>Risk of reputational damage if challenged.</p> <p>Inadequate record keeping could lead to inappropriate or inconsistent award.</p>	<p>Establish clear guidance as to what needs to be included in file note when making a decision on the award and the decision on the amount of the award and where this information is to be recorded on Civica.</p> <p>Establish a quality review process to sample monitor the awards to ensure they</p> <p>are awarded appropriately, transparently and that information is found in a timely manner.</p>	<p>Responsible Manager:</p> <p>Assistant Financial Support Services Manager. (Systems).</p> <p>Actions:</p> <p>Set staff clear guidelines to follow and will then monitor through Quality Checking officers.</p> <p>Implementation date:</p> <p>28 February 2019</p>
end					

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REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS AND COMMITTEE** 31ST JANUARY 2019**CORPORATE GOVERNANCE AND RISK**

Relevant Portfolio Holder	Cllr Tom Baker Price
Portfolio Holder Consulted	No
Relevant Head of Service	Jayne Pickering – Executive Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No

1. SUMMARY OF PROPOSALS

- 1.1 For Members to consider the current Corporate Risks Register and to consider any further risks that should be considered to be included in the 2019/20 register

2. RECOMMENDATIONS**2.1 The Committee is asked to asked to:**

- 2.1.1 consider the current Corporate Risks Register and to request any additional risks to be considered

3. KEY ISSUES**Financial Implications**

- 3.1 There are no financial implications in relation to the development of the register or the associated Governance updates.

Legal Implications

- 3.2 The Council operates within a number of statutory Governance regulations and the Corporate Risk Register demonstrates how the Council will address and mitigate risks associated with the delivery of the Councils Strategic Purposes.

Service / Operational Implications**Corporate Risk Register**

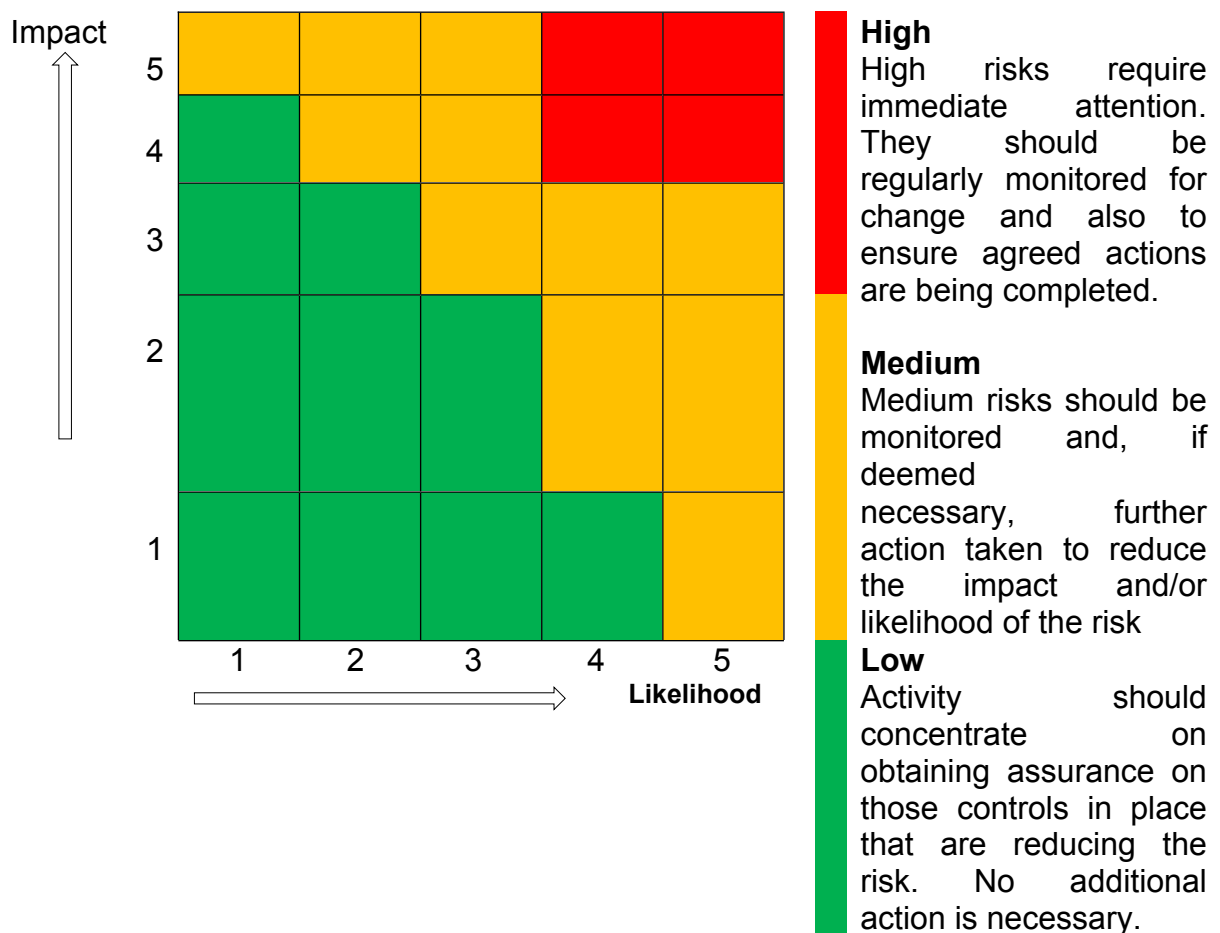
- 3.3 The Corporate Risk Register has been developed by the management team and agreed by this Committee to address issues that are of a strategic nature and are seen as areas that have potential to impact on the delivery of the Strategic Purposes. An annual review is undertaken to ensure that current risks are captured and that any risks no longer deemed of being corporate are moved to departmental registers. The register attached at Appendix 1 is the 2018/19 register to enable members to be aware of corporate risks within the Council and uses the Red/ Amber / Green Scoring Mechanism to assess the risk associated with the issue and details both the controls and mitigating actions that are in place to reduce the risk to the organisation.

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- 3.4 The scoring mechanism is shown in the table below and the Impact Scoring Criteria is attached at Appendix 2:

Risk scoring matrix

The risk scoring matrix reflects the Councils' current appetite / tolerance to risk. This risk tolerance should be reviewed at least annually as part of the formal refresh of risk management. There are three risk classification (low, medium and high) and these are based on the impact and likelihood values that are given to each risk. The risk matrix below illustrates how risks are classified.



- 3.5 Members are asked to consider the current register and make any proposed changes or additions to be included in the 2019/20 register that will be presented to the next meeting of this Committee.

Customer / Equalities and Diversity Implications

- 3.6 By promoting good governance the Council ensures that all of its residents and communities have a consistent standard of service and opportunities.

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4. RISK MANAGEMENT

- 4.1 The Corporate Risk Register provides a framework for risks to be addressed and mitigated in relation to the delivery of the Councils Strategic Purposes. There have been a number of improvements recommended by Internal Audit to strengthen the risk management arrangements and the member review of the corporate register will support one of the recommendations.

5. APPENDICES

Appendix 1 - Corporate Risk Register 2018/19
Appendix 2 - Impact scoring criteria

6. BACKGROUND PAPERS

Departmental risk registers.

AUTHOR OF REPORT

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2018/19

Risk	Cause / Effect	Current Mitigations	Inherent Risk	Actions Needed	Residual Risk	Risk Owner	Links to Strategic Purposes
Non Compliance with Health and Safety Legislation	<p>Cause:</p> <ul style="list-style-type: none"> Consequence of Council action Negligence by Council Actions beyond Council control <p>Effect:</p> <ul style="list-style-type: none"> Reputation affected Legal action against Council Financial impact 	<ul style="list-style-type: none"> Standard Operating Procedures -SOP (H&S etc) Health and Safety Committee meets regularly Training for staff Health-checks First Aid in place Safeguarding Policy and Procedures Risk Assessments Updated inspection policy Continued updates to Health and Safety Committee 	Impact – 4 Likelihood – 2 = 8	<ul style="list-style-type: none"> Development of Corporate H&S Measures Review of corporate capacity to support H&S 	Impact – 4 Likelihood – 2 = 8	Deb Poole	All
Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence	<p>Cause:</p> <ul style="list-style-type: none"> Requirement for savings to balance budget Unanticipated cost pressures / demand on services Pressure from other partners <p>Effect:</p> <ul style="list-style-type: none"> Longer term improvement / 	<ul style="list-style-type: none"> Robust budget-setting process in place Developed budget bids for pressures and details of savings proposed using 5 case model Data used to evidence need in business cases Performance Dashboard in place 	Impact – 4 Likelihood – 3 =12	<ul style="list-style-type: none"> Implementation of Enterprise Resource System to improve functionality of system and access to budget managers Improve consistency and timeliness of information to enable decisions to be made in an 	Impact – 4 Likelihood -2 = 8	Jayne Pickering	All

2018/19

	<p>innovation / efficiency is hindered</p> <ul style="list-style-type: none"> Impact on organisation, staff and residents Impact on Transformation Programme 	<ul style="list-style-type: none"> Established "whole-life" or "end to end" approach to assessment of savings proposals 		<p>informed way</p> <ul style="list-style-type: none"> Improve cost recovery information 			
<p>Managing the impact of National Changes – financial / social economic or environmental which may have a detrimental impact on service delivery or quality (eg Brexit / Universal Credit)</p>	<p>Cause:</p> <ul style="list-style-type: none"> Changes to National Policy impacting on services at a local level Lack of resource to meet the demand on the service Reduction in funding or revenue available Funding for new initiatives not available Service cessation <p>Effect:</p> <ul style="list-style-type: none"> Reputation affected 	<ul style="list-style-type: none"> Budget Scrutiny cross party meeting to review financial issues on a regular basis Regular consideration at management team of National Issues Medium Term Financial Plan in place with assumptions on levels of cuts Full review of reserves and balances Officers working with partners and networks to identify issues 	<p>Impact – 4 Likelihood – 4 = 16</p>	<ul style="list-style-type: none"> Reporting regularly to members of National policy changes that may impact on local demand Earlier consideration of budget implications 	<p>Impact – 4 Likelihood – 4 = 16</p>	<p>Jayne Pickering</p>	<p>All</p>

2018/19

	<ul style="list-style-type: none"> Quality of life of residents affected Demand increasing on services Negative Financial impact 	<ul style="list-style-type: none"> 4 year financial plan in place Consider opportunities for alternative service delivery models/ approaches to generate income / reduce cost Ensure updated with legislation and financial impact of changes 					
<p>Business Continuity Plans fail to operate effectively in an incident.</p>	<p>Cause:</p> <ul style="list-style-type: none"> Service plans not all in place, fit for purpose or validated. Plans not implemented or embedded within the culture of the organisation. <p>Effect:</p> <ul style="list-style-type: none"> Damage to property / equipment Service delivery affected Councils' reputation 	<ul style="list-style-type: none"> All services have undertaken a Business Impact Analysis (BIA) resulting in revised Business Continuity Plans Lead officer in place Heads of Service identified as on duty officers 	<p>Impact -3 Likelihood – 4 = 12</p>	<ul style="list-style-type: none"> Corporate Business Continuity Plan to be refreshed 	<p>Impact -3 Likelihood -2 = 6</p>	<p>Sue Hanley / Ruth Bamford</p>	<p>All</p>

2018/19

	<p>harmed</p> <ul style="list-style-type: none"> Financial impact 						
IT systems and infrastructure has a major failure	<p>Cause:</p> <ul style="list-style-type: none"> Global virus attack Failure in power supply Storage of data/servers affected <p>Effect:</p> <ul style="list-style-type: none"> Loss of key data Service delivery affected Councils' reputation harmed Financial impact 	<ul style="list-style-type: none"> Business Continuity Plans in place Discrete and remote data storage in place Back-up procedures in place and followed IT business continuity procedures reviewed 	Impact – 3 Likelihood – 3 = 9	<ul style="list-style-type: none"> Continue to assess strength of IT security 	Impact – 3 Likelihood – 2 = 6	Deb Poole	<i>Enabling Services</i>
Non adherence with Statutory Inspection Policy	<p>Cause:</p> <ul style="list-style-type: none"> Lack of robust monitoring systems Lack of capacity /capability of resources Changes in legislation not addressed <p>Effect:</p> <ul style="list-style-type: none"> Serious Impact 	<ul style="list-style-type: none"> Specialist resource in place to support delivery 	Impact -4 Likelihood -4 = 16	<ul style="list-style-type: none"> Robust management structure to be implemented. Further review of monitoring arrangements Further implementation of insurance recommendations Contracts reviewed to ensure suppliers undertake roles Training plan 	Impact -4 Likelihood -4 = 16	Guy Revans	<i>Help me to find somewhere to live in my locality Keep my place safe and looking good</i>

2018/19

	<p>on residents</p> <ul style="list-style-type: none"> • Serious reputational harm • Financial Penalties 			<p>developed to ensure staff clear of responsibilities</p> <ul style="list-style-type: none"> • Development of robust action plan 			
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APPENDIX 2

We use the following three categories to measure impact. Each can be defined in line with the seven criteria. However, it should be noted that these criteria are for **guidance only** and do not need to all apply exactly. Each risk should be considered individually.

CRITICAL

1. Death, extensive permanent injuries, long term injury
2. Short to medium term loss of service capability
3. Adverse local publicity, potential for embarrassment nationally
4. More than 40 people involved
5. Strong possibility of litigation
6. Financial loss in excess of £250,000
7. Breaches of law punishable by fines and/or imprisonment

SIGNIFICANT

1. Medical treatment required, long term sickness
2. Short to medium term disruption to service capability
3. Needs careful public relations management
4. Up to 40 people involved
5. High potential for complaint, litigation possible
6. Financial loss between £50,000 and £250,000
7. Breaches of regulations/national standards

NOTICEABLE

1. No injuries beyond 'first aid' level
2. No significant disruption to service capability
3. Unlikely to cause any adverse publicity
4. No more than 6 people involved
5. Unlikely to cause complaint/litigation
6. Financial loss below £50,000
7. Breaches of local procedures/standards

NB. A number of low impact incidents may have a significant cumulative effect and require attention

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REDDITCH BOROUGH COUNCILAUDIT GOVERNANCE AND STANDARDS COMMITTEE 31ST JANUARY 2019APRIL – SEPTEMBER FINANCIAL SAVINGS MONITORING REPORT 2018/19

Relevant Portfolio Holder	Councillor Tom Baker-Price
Portfolio Holder Consulted	-
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

To report to the Committee the monitoring of the savings for April – September 2018/19. This report presents the savings delivered projected for the full year against those identified in the medium term financial plan (MTFP)

2. RECOMMENDATIONS

- 2.1 That the Committee note the final financial position for savings as presented in the report and at Appendix 1.

3. KEY ISSUES

- 3.1 This report provides a statement to show the savings projected for 2018/19 as detailed in the MTFP and approved by Council in February 2018.
- 3.2 The statement shows that it is projected that the savings of £721k for 2018/19 are on track to be delivered during the financial year.
- 3.3 The External Auditors, Grant Thornton, have recommended that the delivery of savings be monitored more closely to ensure that the Council is meeting savings in the way that was expected when the budget was set. This monitoring was recommended to be undertaken by this Committee and Grant Thornton further advised that the savings monitoring should be against the Medium Term Financial Plan rather than the efficiency plan as the MTFP is the more recently approved budget projection for the Council. The savings statement attached reflects this approach.
- 3.4 As members may be aware during the budget process, heads of service propose savings that are to be delivered during future financial years. The budget allocation is

REDDITCH BOROUGH COUNCIL**AUDIT GOVERNANCE AND STANDARDS COMMITTEE 31ST JANUARY 2019**

then reduced to reflect the proposed saving and officers meet on a monthly basis to ensure that all estimated reductions to budget are being delivered.

3.5 Legal Implications

None as a direct result of this report.

3.6 Service/Operational Implications

Timely and accurate financial monitoring ensures that services can be delivered as agreed within the financial budgets of the Council

4. Customer / Equalities and Diversity Implications

None, as a direct result of this report.

5. RISK MANAGEMENT

Effective financial management is included in the Corporate Risk Register.

6. APPENDICES

Appendix 1 – Saving monitoring April – September 2018/19

7. BACKGROUND PAPERS

Available from Financial Services

AUTHOR OF REPORT

Name: Jayne Pickering – Executive Director Finance and Resources
Email: j.pickering@bromsgroveandredditch.gov.uk
Tel: (01527) 881400

REDDITCH - SAVINGS & ADDITIONAL INCOME FROM 18-19 BUDGET ROUND

Appendix 1

Department	Description of saving	2018-19 £'000	Comments	Quarter 2			
				On target Y/N	Additional (add to to in yr savings) £'000	below target Y/N	Pressure £'000
Business Transformation	Annual Revenue Budget Saving	-177	Review of IT contract spend	Y			
Community Services	accommodation charge	-18	Review of budget required	Y			
Community Services	telephones	-4	Review of budget required	Y			
Community Services	travellers and unauthorised campers costs	-7	Review of budget required	Y			
Community Services	staff savings from reduced mileage and reduced hours	-3	Review of budget required	Y			
Community Services	additional income	-2	Review of income generated	Y			
Community Services	NNDR	-1	Savings identified	Y			
Community Services	accommodation charge	-18	Review of budget required	Y			
Corporate	Amalgamate postage budget	-14	Savings identified	Y			
Corporate	RBC staff awards	-3	Savings identified	Y			
Corporate	Insurance	-27	Savings identified	Y			
CAFS	Reduction in Hrs	-5	Savings identified	Y			
CAFS	Additional income	-125	Additional income based on previous year	Y			
Environmental Services	Fuel and Vehicle R&M	-67	Savings identified	Y			
Environmental Services	Materials, equipment and waste disposal	-21	Savings identified	Y			
Environmental Services	Overtime	-6	Savings identified	Y			
Environmental Services	Utilities	-4	Savings identified	Y			
Environmental Services	Contractors and Credit Card Fees	-5	Savings identified	Y			
Environmental Services	Increase in cremation income	-50	Additional income generated	Y			
Environmental Services	Additional work for County Council and inflation of fees	-15	Additional income generated	Y			
Environmental Services	Replacement waste bins	-72	Revenue savings achieved by capitalising all bin replacements	Y			
Corporate	Subscriptions	-4	Savings identified	N			4
Corporate	Subscriptions	-25	Savings identified	Y			
Corporate	Subscriptions	-8	Savings identified	Y			

Department	Description of saving	2018-19 £'000	Comments	On target Y/N	Additional (add to to in yr savings) £'000	below target Y/N	Pressure £'000
Leisure & Cultural Services	savings on spend budgets	-5	Mainstream funding no longer needed received/in place	Y			
Leisure & Cultural Services	Furniture purchase for Chamber and CR2/3 - budget allocation is more than required	-4	Savings identified	Y			
Leisure & Cultural Services	Vehicle Costs	-3	Savings identified	Y			
Leisure & Cultural Services	savings on accommodation costs	-8	Savings identified	Y			
Leisure & Cultural Services	Additional income	-20	Increased income generated at Palace Theatre	Y			
TOTAL		-721			0		4

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS COMMITTEE 31ST JANUARY 2019****APPOINTMENT OF INDEPENDENT MEMBER**

Relevant Portfolio Holder	Cllr Tom Baker Price
Portfolio Holder Consulted	No
Relevant Head of Service	Jayne Pickering – Director Finance and Resources
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 To enable Members to consider the appointment of an independent member to the Committee .

2. RECOMMENDATIONS

- 2.1 **Members are asked to consider the report and to agree if an independent member is to be recruited.**

3. KEY ISSUES**Financial Implications**

- 3.1 The independent member would be a voluntary post however a reimbursement for travelling would be made.

Legal Implications

- 3.2 The constitution of the Council states “ the Audit, Governance and Standards Committee shall be entitled to appoint a number of people as non-voting co-optees”. It is proposed that one independent member is recruited with the aim to review the value of the position after 12 months.

- 3.3 Independent members to the Audit, Governance and Standards Committee do not have voting rights in accordance with Section 13 of the Local Government and Housing Act 1989.

Service / Operational Implications

- 3.4 In 2013 Members of this Committee approved the recruitment of an independent member. Mr Jones secured the role and continued this appointment until 2018. The appointment of independent non-voting co-optees is considered to strengthen the independence of the Audit, Governance & Standards Committee and add additional independent

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS COMMITTEE 31ST JANUARY 2019**

experience and expertise. Suitably qualified and experienced independent members serving on Audit Committees can bring specialist knowledge and insight to the workings and deliberations of the Committee which, when partnered with elected members' knowledge of working practices and procedures, enhances the performance of the Committee. Members will be aware that Mr Jones participated fully in the meetings, asking questions and requesting further information and undertook further review of services areas and reporting back to Committee where appropriate.

- 3.5 Should members agree a new appointment be made, it would be necessary to establish an interview panel, consisting of 4 elected members from amongst the Audit, Governance & Standards Committee in order to ensure political balance, with delegated authority to interview candidates for the position of independent member.
- 3.6 Previously members agreed that it was reasonable to follow guidance as currently in place for appointment to the independent remuneration panel to appoint to the role. The criteria for appointments is that independent members cannot be:
- a member of any local authority in the area (including Parish Council)
 - disqualified from being an elected member of a local authority
 - a member of any committee or sub-committee of the local authority, including being a co-opted member
 - a member of a political party to ensure independence
 - a relative or close friend of a Member or employee of the Council
- 3.7 A proposed role description is attached at Appendix 1 for members consideration to ensure that the appointment is made within a framework of competency and experience.

Customer / Equalities and Diversity Implications

- 3.8 The appointment will be made in a fair and transparent manner and it is anticipated that the independent member will be able to enhance the role of the Audit, Governance & Standards Committee.

4. RISK MANAGEMENT

- 4.1 The appointment of an independent member is recognised as promoting good governance and best practice within the Council.

5. APPENDICES

AUDIT, GOVERNANCE & STANDARDS COMMITTEE 31ST JANUARY 2019

Appendix 1 – Role Description

AUTHOR OF REPORT

Name: Jayne Pickering – Exec Director Finance and Resources
E Mail: j.pickering@bromsgroveandredditch.gov.uk 01527-881207

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS COMMITTEE 31ST JANUARY 2019**

REDDITCH BOROUGH COUNCIL**APPENDIX 1****INDEPENDENT MEMBER OF THE AUDIT, GOVERNANCE & STANDARDS COMMITTEE****JOB DESCRIPTION****Main Purpose**

To act as an independent member of the Council's Audit, Governance & Standards Committee.

Duties and Responsibilities

1. To review the effectiveness of the Council's risk management framework and internal control environment, including overseeing:
 - risk management strategies
 - anti-fraud arrangements
2. To monitor the effectiveness of the Council's financial and non-financial performance to the extent that it affects exposure to risk and poor internal control.
3. To provide independent assurance to the Council in relation to the Annual Governance Statement.
4. To review and approve the annual statement of accounts, confirming the appropriate accounting policies have been followed, including the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
5. To monitor and review the activity and effectiveness of both Internal and External Audit.

PERSON SPECIFICATION**Experience**

You will be a person who has experience working in a medium/large organisation at a senior level or other experience that would give similar benefits.

Financial management experience (accountancy, audit or management of a large budget) would be advantageous.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE 31ST JANUARY 2019

Skills

You should be able to:

- understand complex issues and the importance of accountability and probity in public life.
- analyse and assess evidence and come to a rational conclusion.
- demonstrate objectivity.
- demonstrate integrity and discretion.
- make decisions.
- possess effective interpersonal skills.

Knowledge

Some knowledge of local government would be useful.

Knowledge of corporate governance arrangements in either public or private sectors would be beneficial.

Knowledge of risk management.

Commitment

The Audit, Governance & Standards Committee meets approximately 5 times a year for about 2 hours on each occasion. Preparation time will also be required for each meeting.

Payment

This public office does not command a salary, however reimbursement of travelling and subsistence expenses will be paid.:

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AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Work Programme

31st January 2019 meeting

Standards

- Monitoring Officer's Report

Governance

- Auditing Standards – Communication with the Audit, Governance and Standards Committee
- External Audit Plan 2018/19
- External Audit – Grant Claims Certification Work Report 2017/18
- Treasury Management Strategy and Capital Strategy Report
- Internal Audit – Progress Report
- Review of the Role of Independent Member

Monitoring

- Corporate Governance and Risk Update
- Financial Savings Monitoring Report
- Committee's Work Programme

25th April 2019

- HRA Internal Controls - S151 Update
- Investment and Acquisition Strategy Update Report
- Housing Improvement Plan

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