



Audit, Governance & Standards Committee

Thu 29 Jul
2021
7.00 pm

Council Chamber
Town Hall

REDDITCH BOROUGH COUNCIL

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difference*

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**If you have any queries on this Agenda please contact
Jo Gresham and Joe Galkowski**

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GUIDANCE ON FACE-TO-FACE MEETINGS

Due to the current Covid-19 pandemic Redditch Borough Council will be applying social distancing arrangements for holding face-to-face meetings.

Please note that this is a public meeting and is open to the public to attend

If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.

GUIDANCE FOR ELECTED MEMBERS ATTENDING MEETINGS IN PERSON

In advance of the Committee meeting, Members are strongly encouraged to consider taking a lateral flow test, which can be obtained from the NHS website. Should the test be positive for Covid-19 then the Member must not attend the Committee meeting, should provide their apologies to the Democratic Services team and should self-isolate in accordance with national rules.

Members and officers are strongly encouraged to wear face masks during the Audit, Governance and Standards Committee meeting, unless exempt. Face masks should only be removed temporarily if the Councillor or officer is speaking or if s/he requires a sip of water and should be reapplied as soon as possible. As Councillors may remove their masks from time to time during the meeting, seating will be placed two metres apart, in line with social distancing measures to protect meeting participants.

Hand sanitiser will be provided for Members to use throughout the meeting.

The meeting venue will be fully ventilated and Members and officers may need to consider wearing appropriate clothing in order to remain comfortable during proceedings.

PUBLIC SPEAKING

The usual process for public speaking at Committee meetings will continue to be followed subject to some adjustments which allow written statements to be read out on behalf of residents and the virtual participation of residents at meetings of Audit, Governance and Standards Committee. Members of the public are encouraged to log in virtually, either to speak or observe meetings wherever possible.

Members of the public will be able to access the meeting if they wish to do so. However, due to social distancing requirements to ensure the safety of participants during the Covid-19 pandemic, there will be limited capacity and members of the public will be allowed access on

a first come, first served basis. Members of the public in attendance are strongly encouraged to wear face masks, to use the hand sanitiser that will be provided and will be required to sit in a socially distance manner at the meetings. It should be noted that members of the public who choose to attend in person do so at their own risk.

In line with Government guidelines, any member of the public who has received a positive result in a Covid-19 test on the day of a meeting must not attend in person and must self-isolate in accordance with the national rules.

Notes:

Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded.



Audit, Governance & Standards

Thursday, 29th July, 2021

7.00 pm

Committee Room 2 Town Hall

Agenda

Membership:

Cllrs:

Jennifer Wheeler (Chair)
Juliet Brunner (Vice Chair)
Salman Akbar
Tom Baker-Price
Luke Court

Aled Evans
Julian Grubb
Emma Marshall
Timothy Pearman

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 (Pages 1 - 12)

4. Public Speaking

Members of the public have an opportunity to speak at meetings of the Audit, Governance and Standards Committee. In order to do so members of the public must register by 12 noon two working days before the day of the meeting. A maximum of 15 minutes will be allocated to public speaking.

5. Monitoring Officer's Report - Standards Regime (Pages 13 - 18)

6. Dispensations Report (Pages 19 - 24)

7. RIPA Report 2021 (Pages 25 - 30)

8. Grant Thornton – Certification Work 2019 - 2020 (Pages 31 - 36)

9. Internal Audit Annual Report including Audit Opinion 2020-2021 (Pages 37 - 68)

10. Internal Audit Plan 2021-2022 (Pages 69 - 82)

11. Corporate Governance and Risk Update

Audit, Governance & Standards

Thursday, 29th July, 2021

12. Appointment of Risk Champion

13. Committee Work Programme (Pages 83 - 84)

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Audit, Governance & Standards Committee

Thursday, 15th April, 2021

MINUTES

Present:

Councillor John Fisher (Chair), Councillor Mark Shurmer (Vice-Chair) and Councillors Tom Baker-Price, Ann Isherwood, Yvonne Smith, David Thain, Craig Warhurst, Julian Grubb and Anthony Lovell

Also Present:

Jackson Murray – Engagement Lead for Grant Thornton
Neil Preece – Engagement Manager for Grant Thornton

Officers:

Andy Bromage, Claire Felton, Chris Forrester and James Howse.

Democratic Services Officers:

Jo Gresham and Pauline Ross

53. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillor Peter Fleming and Councillor Salman Akbar. Members were informed that Councillor Julian Grubb and Councillor Anthony Lovell were in attendance as their named substitutes.

54. DECLARATIONS OF INTEREST

There were no declarations of interest.

55. MINUTES

Chair

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

RESOLVED that

the minutes of the meeting of the Audit, Governance and Standards Committee held on Monday 1st March 2021 be approved as a true and correct record.

56. PUBLIC SPEAKING

The Chair confirmed that there were no registered public speakers on this occasion.

57. MONITORING OFFICER'S REPORT - STANDARDS REGIME

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

- There had been no complaints received since the last meeting of the Committee.
- As the Election was approaching, preparations were underway for Member training. Members were informed that if there was any additional, specific training identified by Members they could approach Democratic Services or the Monitoring Officer who could potentially add it to the already established programme of training.
- The High Court judgement in respect of the return to physical meetings was expected to be determined on 21st April 2021. This judgement would establish whether Committee meetings would continue in a virtual setting or have to return to in-person meetings. The Monitoring Officer noted that it was hoped that the outcome would be that virtual meetings would continue. However, she explained that officers were currently preparing for the return to physical meetings should the High Court return that outcome.

Members questioned whether Member Code of Conduct had been made mandatory for the next set of training and it was confirmed that it was the responsibility of the Leaders at Group level to confirm

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

that the training was mandatory. Some Members expressed their concerns that mandatory training was not possible to enforce.

The Chair queried the attendance from Feckenham Parish Council at Committee meetings and questioned whether a representative from the Parish Council was invited. It was confirmed that representatives from Feckenham Parish Council were invited to the meeting and would be contacted post-Election in order to confirm any changes to their nominated representative.

RESOLVED that

the Monitoring Officer's report be noted.

58. GRANT THORNTON EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Engagement Lead for Grant Thornton presented the Grant Thornton External Audit Progress Report and Sector Update and in doing so the following was highlighted for Members' attention:

- The Audit was still ongoing and the outstanding work in respect of the Asset Register was still being finalised by Officers. It was clarified that once this piece of work had been completed Grant Thornton would be in a position to be able to provide their Audit Opinion for 2019-20. This delay to the completion of the 2019-20 Audit had impacted on the preparation of the Audit Plan for 2020-2021 and the timetable for the 2020-2021 Audit and consideration of associated reports would need to be amended prior to consideration by the Committee.
- Grant Thornton carried out two additional pieces of work for the Council which were confirmed as the Annual Housing Benefit Subsidy Claim on behalf of the Department for Work and Pensions (DWP) and the Pooling of Housing and Capital Receipts return on behalf of Ministry of Housing, Communities and Local Government (MHLGC). Members were informed that the Pooling of Housing and Capital Receipts had been returned in accordance with the MHLGC

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

timetable. However, officers had negotiated an extension until the end of April 2021 with the DWP in respect of the Housing Benefit Subsidy Claim.

- Officers from the Finance team attended the Annual Financial Reporting workshop delivered by Grant Thornton which provided updates regarding the Financial Reporting requirements ready for the account close down for 2020-2021.
- Any proposed variations to the Audit Fees would be discussed with the Executive Director for Resources and presented to Members through Audit Plans at a future meeting of the Committee.
- The approach to Value for Money was dictated by the National Audit Office and Members were informed that a new Code had been introduced for the financial year 2020-2021. This new Code meant that an Audit Opinion would no longer be offered. Instead, a commentary would be provided on arrangements in place at the Council. This would be presented in an Auditors' Annual Report. It was highlighted to Members that the planning that had been undertaken prior to previous Audits in order to identify areas of significant risks would not take place this year and that all areas would be in scope. As a result of this, Grant Thornton were no longer able to undertake discreet pieces of work in specific significant risk areas.

The Chair invited the Executive Director of Resources to provide further information in this area and he explained that the report confirmed the priorities for both him and the Head of Finance and Customer Services going forward particularly the completion of the 2019-2020 Audit. He also stated that he would be interested to see what the future looked like given the changes to the Value for Money work undertaken by auditors.

Members were interested when the final Audit Opinion would be issued for 2019-2020. The Engagement Lead from Grant Thornton explained that it was hoped that the opinion would be issued within a few weeks once the outstanding information had been received from officers.

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

Some Members were concerned with the continued delay in the delivery of the Audit for 2019-2020 and that this delay may cause considerable problems resulting in potential financial implications for the Council. The Executive Director of Resources explained that it was important to ensure that the working papers and supporting data provided to Grant Thornton were of a high quality in order to get the 2019-2020 Audit signed off. In addition to this, that a priority going forward was to agree a realistic and deliverable timetable for the next municipal year. He added that this may result in a delayed Audit for 2020-2021 but would help ensure that the information provided to Grant Thornton was accurate and robust. It was clarified for Members that some of the delay for the Audit during 2019-2020 was inevitably caused by the impact of Covid-19, through the redeployment of officer time and resource, working from home and the significant increase of work administering grant funding and managing rent arrears. That being said it was noted by Members that delays with audits historically had been experienced at the Council pre-Covid. Members were informed that delays in the completion of final accounts had been experienced across much of Local Government and Members were informed that less than half of the sector had completed audited accounts by the required deadline.

During detailed debate Members queried whether, along with the Asset Register risk which had been identified, whether there were any other areas of risk that were of concern to the Council in the municipal year 2020-2021. The Executive Director of Resources explained that Assets were a priority along with Covid-19 grants and ensuring that the process of administering those grants in accordance with the guidance. Members were informed of the process undertaken during the valuation of assets and how these valuations were audited.

In respect of the Sector Update provided by Grant Thornton, Members were keen to further understand the new approach to Value for Money within the Sector and consideration of Financial Sustainability, Governance and improving economy, efficiency and effectiveness would make up the new Auditors' Annual

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

Report in future years. It was explained that there would be crossover in each area and that each new area could not be considered in isolation. It was noted that it was unlikely that further resources would be needed in order to address the extra work going forward, however the wider Finance team was being considered to ensure that the capacity and capability was as it should be in order to carry out their work in future years.

It was explained to the Committee that large amount of grants and support packages had been distributed during the Covid-19 pandemic which had inevitably taken up a large amount of officer time. It was uncertain as to whether there would be any further allocation of monies but that a key area of priority was to consider the impact on the Council's financial planning and on the accounting of the grants. The Head of Finance and Customer Service clarified to Members that there had been significant variances in the way the funding was allocated. He explained that Redditch Borough Council did not depend on large amounts of commercial funding streams and therefore had not received as much allocated grant funding as other Local Authorities had. It was also reported that it was still unclear as to what the impact of the funding on Local Authorities would be and that whilst the pandemic was still ongoing it was also difficult to predict any deficit in funding.

The Chair took the opportunity to thank Grant Thornton and officers for all of their hard work in extraordinary circumstances.

RESOLVED that

the Grant Thornton External Audit Progress Report and Sector Update be noted.

59. INTERNAL AUDIT PROGRESS REPORT

The Head of Worcestershire Internal Audit Shared Service presented the Internal Audit Progress Report.

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

During consideration of this item members' attention was drawn to the following:

- Three reports had been completed since the last meeting of the Committee. These were Health and Safety Training Records 2020/21, Critical Review – Use of Agency staff and consultants 2020-21 and Benefits 2020/21. A high priority recommendation had been identified as part of the Health and Safety Training Records 2020 – 2021 Audit linked to the implementation of the new Enterprise Resource Planning (ERP) system. It was reported to Members that once the Health & Safety area of the new ERP system was rolled out the recommendation would be addressed. Members were assured that there was a clear understanding from officers as to what was required to mitigate any risks and that an action plan was in place.
- It was confirmed that a number of the Audits included in the report had progressed since the report was produced and that all were returning a moderate or above assurance.
- A recommendation from the previous year's Benefits 2019-2020 Final Audit had been rolled over to the current year and was being monitored carefully. This recommendation was regarding the reconciliation between BACS documents and the Benefits system, and an implementation date of 31st April 2021 had been given in order to resolve this recommendation.
- The Quality Assurance Improvement Plan included in the report outlined progress at the end of Quarter 3. This would continue to be monitored and an update provided to the Committee at each meeting.
- That the Annual Report was due to be presented at the July 2021 meeting for consideration by the Committee and that the Audit Plan for 2021-2022 was already drafted and would include some areas that had not been completed in the 2020 – 2021 municipal year.

Members questioned the number of Audit days that had been delivered in 2020-2021 and were informed that the number of days that were likely to be delivered by the end of the year was

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

approximately 230. It was noted that this was just under half of the expected amount, despite 16 reviews being carried out. There had been a number of reasons why the number of Audit days was lower than expected which included, challenges from the Covid-19 pandemic and that two of the reviews with significant budgets associated with them that were due to take place could not be undertaken as it was considered not to be the most appropriate time to carry out this kind of audit and present accurate Value for Money conclusions.

During detailed discussion regarding the Performance Indicators included in the report, Members were keen to understand the metrics that were used to measure the performance of the Internal Audit Service. It was clarified to Members that the Performance Indicators included in the report were in respect of the original numbers that had been decided when the Audit Plan 2020-2021 was agreed during the previous municipal year and had not been revised. This provided a transparent overview of the indicators and the baseline of the original Audit Plan. Members were keen that performance indicators provided in the future be amended and remain consistent for reports due to be considered by the Committee. In addition to this, it was requested that if any revisions were made to a future Audit Plan during a municipal year, then these changes should be reflected and included as part of any performance measures in order to provide more meaningful data. The Executive Director of Resources reassured Members that Internal Audit was being utilised effectively and in the correct priority areas within the Council and with the appropriate resources.

The Chair thanked the Head of Worcestershire Internal Audit Shared Service for his detailed presentation.

RESOLVED that

the Internal Audit Progress Report be noted.

60. COMPLIANCE TEAM UPDATE FINANCIAL SAVINGS MONITORING REPORT

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

The Head of Finance and Customer Services presented the Compliance Team Update Financial Savings Monitoring Report and in doing so Members' attention was drawn to the impact the Compliance Team had on the collection of additional income during the 2020-2021 municipal year. It was reported that significant additional income had been collected in Council Tax and Non-Domestic Rates (NDR) collection work streams. However, Members were informed that for NDR not all of the income collected was kept by the Council. It was noted that the work carried out by the team was an extremely important function, offered value for money and any additional income collected covered the cost of the running of the Compliance Team.

RESOLVED that

the Compliance Team Update Financial Savings Monitoring Report.

61. COVID-19 GRANTS

The Head of Finance and Customer Services presented the detailed report in respect of Covid-19 Grants received during the pandemic. Members were informed that included in the report were the timelines and criteria for the grants, the amount of funding available and how much of the funding had been allocated. It was highlighted that a significant amount of funding had been allocated and that the payments were on track.

Members were informed that if residents had any queries regarding funding that they should refer to the Council's website where signposting was available for all Covid-19 funding and also included the application process. In addition to this, the Head of Finance and Customer Services undertook to provide Members with any links from the Communications Team to share with residents through their social media channels.

The Chair invited the Executive Director for Resources to comment on the report and in doing so he informed Members that this was a complex area and inevitably some areas of business would not be captured through all of the criteria. He explained that the team had

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

worked extremely hard to make sure that the application process was as simple as possible and that funds were released effectively to those residents and businesses who needed it.

RESOLVED that

the Covid-19 Grants report be noted.

62. CORPORATE RISK REGISTER VERBAL UPDATE

The verbal update in respect of the Corporate Risk Register was presented by the Head of Finance and Customer Services. He explained that there had been several risks identified which were as follows:

- Failure to be non-complaint with Health & Safety
- Failure to deliver a sustainable financial plan for the General Fund and Housing Revenue Account
- Failure to manage the impact of Covid-19
- Impact of Brexit on the economy workforce
- Business Continuity Plans ability to deliver during a particular incident
- Failure to deliver the Council Plan
- Failure of IT infrastructure due to cyber-attacks.

These were predominantly the same as highlighted to the Committee previously with the exception of the failure to manage the impact of Covid-19. Members were informed that it was extremely important how this was managed now that customers were beginning to return to the Town Hall and officers were returning to work where appropriate. The risks were being mitigated by encouraging the use of automated and online Council systems for payments and ensuring the use of PPE in Council premises.

In respect of the Impact of Brexit, Members were informed that there was increased support available for local businesses should they require assistance in understanding new processes particularly in respect of shipping requirements. This support was available

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

through Central Government guidance and residents should be directed there if additional support was required in this area.

Members were informed that the Business Continuity Plans had recently been reviewed and were up to date.

Some Members were keen to have access to the Risk Register in hard copy prior to the meeting. There was discussion regarding this request and some Members thought that the role of the Risk Champion was to monitor the Risk Register and report back to the Committee as necessary. This would ensure that the Committee were not scrutinising a specific risk in detail but would offer an opportunity to understand the risks faced by the Council in broader terms. It was reiterated by some Members that access to the Risk Register would be extremely useful and provide a valuable insight for Members, officers undertook to provide this for future meetings.

RESOLVED that

the Corporate Risk Register Verbal Update be noted.

63. RISK CHAMPION VERBAL UPDATE

Councillor D. Thain provided a Risk Champion update to the Committee and informed Members that risk monitoring was particularly important during the pandemic including financial and resourcing risks. It was hoped that the ERP system would help to mitigate any risks in these areas and that the implementation of the system was currently going well with training underway.

Some Members indicated that they were very keen to recruit an Independent Member to the Committee in the new municipal year to help drive improvement, ensure transparency and robustness in all areas considered by the Committee.

RESOLVED that

the Risk Champion Update be noted.

Audit, Governance & Standards Committee

Thursday, 15th April, 2021

64. COMMITTEE WORK PROGRAMME

The Democratic Services Officer highlighted to Members that in addition to the items currently on the agenda, a General Dispositions report would also be included for Members' consideration.

At the end of the meeting the Chair thanked all of the Members who were standing down in the next Election and all of the remaining Members and officers. He commented that the role of the Audit, Governance and Standards Committee was a vital role within the Council and ensured that the Council applied appropriate and robust processes and provided confidence to residents within the Borough.

RESOLVED that

the Committee Work Programme be noted.

The Meeting commenced at 7.00 pm
and closed at 9.09 pm

**Audit, Governance &
Standards Committee
2021**

29th July

MONITORING OFFICER'S REPORT

Relevant Portfolio Holder	Councillor David Thain - Portfolio Holder for Finance and Enabling (including Governance)
Portfolio Holder Consulted	Yes
Relevant Head of Service	Yes
Report Author Claire Felton	Job Title: Head of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk Contact Tel: 01527 881429
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An Effective and Sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Audit, Governance and Standards Committee is asked to RESOLVE that:-

1) subject to members' comments, the report be noted

2. BACKGROUND

- 2.1 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 update provided at the meeting of the Committee in April 2021.
- 2.2 It has been 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.

**Audit, Governance &
Standards Committee
2021**29th July

-
- 2.3 Any further updates arising after publication of this report, including any relevant standards issues raised by the Parish Councils' Representative(s), will be reported on orally by Officers/the Parish Representative(s) at the meeting.

3. FINANCIAL IMPLICATIONS

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

4. LEGAL IMPLICATIONS

- 4.1 Chapter 7 of Part 1 of the Localism Act 2011 ('the Act') places a requirement on authorities to promote and 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.

5. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purpose**

- 5.1 It is important to ensure that the Council manages standards regime matters in an appropriate manner. The issues detailed in this report help to ensure that there is an effective and sustainable Council.

Climate Change Implications

- 5.2 There are no specific climate change implications

6. OTHER IMPLICATIONS**Equalities and Diversity Implications**

- 6.1 There are no direct implications arising out of this report. Details of the Council's arrangements for managing standards complaints under the

**Audit, Governance &
Standards Committee
2021**29th July

Localism Act 2011 are available on the Council's website and from the Monitoring Officer on request.

Operational Implications**6.2 Member Complaints**

No complaints have been received since the last meeting.

The New Normal

- 6.3 The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 No.392 enabled Councils to hold virtual meetings in 2020 and early 2021. The regulations in respect of remote meetings only applied until 6th May 2021. As a result, from 7th May 2021 formal Committee meetings needed to take place physically once more.
- 6.4 In April 2021 the High Court considered a case brought by Hertfordshire County Council, Lawyers in Local Government (LLG) and the Association of Democratic Services Officers (ADSO) which challenged the requirement the return to holding committee meetings in person. The High Court ruled that primary legislation was required to enable formal committee meetings to be held virtually in England and therefore Councils had to return to convening these meetings in person from 7th May 2021 onwards. In a post-script to this the High Court subsequently ruled that the public must be provided with physical access to meetings held in person though it was recognised that this needed to be organised in a safe manner.
- 6.5 In organising meetings to be held in person, the Council had to ensure compliance with social distancing rules. An officer working group was established to review meeting arrangements for committee meetings that would take place in person. As part of this work the group took into account the information provided in the Ministry of Housing, Communities and Local Government Covid-19: Guidance for the safe use of Council buildings which referred to the social distancing

**Audit, Governance &
Standards Committee
2021**29th July

arrangements and how these and other mitigating measures could safely be implemented in a physical committee meeting environment. In line with this guidance meetings held between 17th May 2021 and 21st June (subsequently extended to 19th July when the deadline for the Roadmap out of Lockdown was altered) are being organised so that attendees sit one metre apart when wearing face masks or 2 metres apart if they are exempt from wearing face masks and/or are wearing a visor.

- 6.6 Taking into account social distancing rules the Council can accommodate the majority of Council meetings in the Civic Suite at Redditch Town Hall. However, there is not sufficient capacity in the Civic Suite to accommodate Full Council meetings whilst social distancing measures remaining in place. Therefore, Council meetings during this time have needed to take place at an external venue where there is greater capacity. For example, on 24th May 2021 the Annual Council meeting took place at the Abbey Stadium.
- 6.7 There were elections in Redditch in May 2021. At these elections 8 new Councillors were elected and 1 experienced Member was returned. A comprehensive induction programme has been implemented with new Members being provided with Induction Packs and attending an Induction Evening event on 11th May 2021. The induction programme was organised in accordance with the Members support Steering Group.
- 6.8 As part of the induction process, in-depth and refresher training for Planning was offered to Members in May 2021. This training took place online and was facilitated by the Head of Planning, Regeneration and Leisure Services and other Planning officers. A further Planning Refresher training session was offered to Members that were unable to attend training in May 2021.
- 6.8 Overview and Scrutiny training was offered to Members on 7th June 2021. This was an online session and was facilitated by the Chief Executive Officer and Democratic Services. An additional session was conducted on 1st July 2021 for any Members were unable to attend the previous session.

**Audit, Governance &
Standards Committee
2021**29th July

6.9 Additional training is planned or has already been delivered in respect of the following areas as part of the New Member Induction Process:

- Code of Conduct Training
- Licensing Committee Training
- Data Protection Training
- Safeguarding Training
- Audit, Governance and Standards Training

6.10 The Member Development Steering Group met on 29th June 2021. During this meeting the induction programme for new Members was discussed and positive feedback was received from new Members present at the meeting. The group agreed to circulate a survey to the new Members in order to receive further feedback about the induction progress which will be taken on board for the future.

6.11 The Constitutional Review Working Party continues to meet regularly. Any recommendations arising from meetings of this group will be reported to Council for Members' consideration.

7. RISK MANAGEMENT

7.1 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.

8. APPENDICES and BACKGROUND PAPERS

No appendices.

Chapter 7 of the Localism Act 2011.

**Audit, Governance &
Standards Committee
2021**

29th July

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor David Thain – Portfolio Holder for Finance and Enabling (including Governance)	
Lead Director / Head of Service	Claire Felton - Head of Legal, Equalities and Democratic Services and Monitoring Officer	July 2021
Financial Services	N/A	
Legal Services	Claire Felton - Head of Legal, Equalities and Democratic Services and Monitoring Officer	July 2021

**AUDIT, GOVERNANCE
AND STANDARDS COMMITTEE**29th July

2021

LOCALISM ACT 2011 – STANDARDS REGIME – DISPENSATIONS

Relevant Portfolio Holder	Councillor David Thain, Portfolio Holder for Finance and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton, Head of Legal, Equalities and Democratic Services
Report Author Jess Bayley	Job Title: Jess Bayley, Senior Democratic Services Officer (Redditch) Contact email: jess.bayley@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 Ext: 3268
Wards Affected	All Wards
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An effective and sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Committee is asked to RESOLVE The Committee is asked to RESOLVE that

- 1) any new Individual Member Dispensations (IMDs) requested by Members up to the point of the meeting, and as advised by the Monitoring Officer at the meeting, be granted under section 33 (2) of the Localism Act 2011, to allow those Member(s) to participate in and vote at Council and Committee meetings in the individual circumstances detailed;**
- 2) the previously granted general dispensation in relation to allowing Members to address Council and Committees in circumstances where a member of the public may elect to speak be re-granted under section 33 (2) of the Localism Act 2011, to allow Members to participate in and vote at Council and Committee meetings when considering these matters;**
- 3) subject to the caveat set out in paragraph 4.9 of this report in relation to setting the Council's Budget, the Audit, Governance and Standards Committee grants dispensations under Section 33 (2) of the Localism Act 2011 to allow all Members to participate in**

**AUDIT, GOVERNANCE
AND STANDARDS COMMITTEE**29th July

2021

and vote at Council and Committee meetings when considering the setting of:

- a) the Budget;
 - b) Council Tax;
 - c) Members' Allowances; and
 - d) Council Rents;
 - e) Non-Domestic Rates – Discretionary Rate Relief Policy and Guidance affecting properties within the Borough;
- 4) it be noted that all dispensations granted by the Committee take effect on receipt of a written request from Members for such a dispensation and where Members may have a Disclosable Pecuniary Interest in the matter under consideration, which would otherwise preclude such participation and voting; and
- 5) it be noted that any new or re-granted dispensations will remain valid until the first meeting of the Audit, Governance and Standards Committee following the next Borough Council Elections in 2022.

2. BACKGROUND

The purpose of this report is to provide members with an opportunity to consider and agree a number of general dispensations for all Councillors as well as specific dispensations for individual Councillors where requested.

3. FINANCIAL IMPLICATIONS

- 3.1 None.

4. LEGAL IMPLICATIONS

- 4.1 Section 33 of the Localism Act 2011 provides that Dispensations can be granted in respect of Disclosable Pecuniary Interests (“DPIs”).
- 4.2 Section 33 (1) requires that a Member must make a written request for a dispensation.
- 4.3 Section 33 (3) provides that a dispensation must specify the period for which it has effect and that period may not exceed 4 years.

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

29th July2021

Service / Operational Implications

- 4.4 Under s31 (4) of the Localism Act 2011 a Member who has a DPI in a matter under consideration is not permitted to participate in the discussion or vote on the matter unless s/he has first obtained a dispensation under s33.
- 4.5 Section 33 (2) includes a number of situations where a dispensation can be considered, but should be granted "only if, after having regard to all relevant circumstances" the Committee considers that one of those situations applies.
- 4.6 The statutory grounds under s33 (2) for the granting of a dispensation are where the authority –
- “(a) considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,
 - (b) considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,
 - (c) considers that granting the dispensation is in the interests of persons living in the authority’s area,
 - (d) if it is an authority to which Part 1A of the Local Government Act 2000 applies and is operating executive arrangements, considers that without the dispensation each member of the authority’s Executive would be prohibited by section 31(4) from participating in any particular business to be transacted by the authority’s executive, or
 - (e) considers that it is otherwise appropriate to grant a dispensation.”
- 4.7 The consideration of whether to grant a dispensation under s33 was previously delegated to the former Standards Committee. This function subsequently transferred to the newly established Audit, Governance and Standards Committee. All dispensations granted are valid until the

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

29th July

2021

first meeting of the Audit, Governance and Standards Committee following the next applicable Borough Council elections.

- 4.8 Dispensations, all of which require the advance approval of the Committee and a subsequent written request from the Member to the Monitoring Officer, currently fall within three categories:

- General Dispensations
- Council Tax Arrears
- Individual Member Dispensations
- Outside Body Appointment Dispensations

- 4.9 It should be noted that under Section 106 of the Local Government Finance Act 1992 there is a caveat that any Member who is 2 months (or more) in arrears with their Council Tax payments cannot participate in any Council meeting concerning the budget. In the event that any Members are affected by the provisions of section 106, the statutory rule that they be barred from taking part in the budget decisions would prevail.

- 4.10 The following individual member dispensations have been requested for approval, to remain valid until the first meeting of the Audit, Standards and Governance Committee after the District Council Elections in 2022.

Councillor(s)	Relevant DPI	Reason for dispensation
Councillor Matthew Dormer	Director appointed to the Redditch Business Improvement District (BID).	To enable the Councillor to participate in discussions and decisions concerning town centre regeneration and economic development, including in respect of the BID.

- 4.11 It should be noted that any dispensations approved by the Committee only take effect on receipt of a written request from Members for a specific dispensation to be granted. As such, Members must ensure that they submit a written request for dispensation to the Monitoring

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

29th July2021

Officer whenever they are aware that any relevant business is due to be discussed/debated at meetings, in order for the required dispensation to then be applied.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The issues detailed in this report help to ensure that there is an effective and sustainable Council.

Climate Change Implications

- 5.2 None.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 None.

Operational Implications

- 6.2 None.

7. RISK MANAGEMENT

- 7.1 The granting of general dispensations by the Committee will, subject to receipt of a written request from Members for such a dispensation, clarify, for the avoidance of any doubt, Members' ability to participate in and vote at Council and committee meetings on certain matters as part of the Council's decision-making process.

8. APPENDICES and BACKGROUND PAPERS

- Section 33 of the Localism Act 2011.
- Section 106 of the Local Government Finance Act 1992.
- Various reports to the former Standards Committee and Audit, Governance and Standards Committee.

**AUDIT, GOVERNANCE
AND STANDARDS COMMITTEE**29th July

2021

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor David Thain, Portfolio Holder for Finance and Enabling	
Lead Director / Head of Service	Claire Felton, Head of Legal, Equalities and Democratic Services	July 2021
Financial Services	N/A	
Legal Services	Clare Flanagan, Principal Solicitor	July 2021
Policy Team (if equalities implications apply)	N/A	
Climate Change Officer (if climate change implications apply)	N/A	

REDDITCH DISTRICT COUNCIL**Audit, Governance and
Standards Committee
2021****29 July****Report title: Annual RIPA Update**

Relevant Portfolio Holder	Councillor D. Thain
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Report Author	Job Title: Clare Flanagan Contact email:clare.flanagan@bromsgroveandredditch.gov.uk Contact Tel: 01527 534112
Wards Affected	All
Ward Councillor(s) consulted	n/a
Relevant Strategic Purpose(s)	n/a
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS**The Committee is asked to RESOLVE that:-****2.1 the Council's RIPA Policy as updated and reviewed, be endorsed; and****2.2 the update on RIPA activity, described in this report, be noted.****NOTE** Members are requested to read and review the Council's policy electronically. No hard copy is available as previously, as a precaution against the spread of infection.**2. BACKGROUND**

2.1 The Regulation of Investigatory Powers Act 2000 ["RIPA"] gave local authorities powers to conduct covert surveillance under certain circumstances. The Act also regulates the use 'Covert Human Intelligence Sources' ["CHIS"] and obtaining certain Communications Data.

2.2 The revised Code of Practice for Covert Surveillance and Property Interference, 2018, at paragraph 4.47, advised that elected members should, at least on an annual basis, review the RIPA policy and the authority's use of the Act. This report is published in compliance with that requirement.

Audit, Governance and Standards Committee 2021

29 July

- 2.3 Local Authority powers are at the lower end of the scale and changes in legislation since the Act was originally introduced, have resulted in further restrictions on their use:
- the use of surveillance restricted to criminal investigations;
 - the Protection of Freedoms Act 2012 required local authorities to get approval from the Magistrates Court for any proposed surveillance; and
 - the threshold for the level of crime being investigated was raised to include only 'serious crime' (as defined).
- 2.4 The regime is overseen by the Investigatory Powers Commissioner's Office, and includes inspections of organisations by an Inspector appointed by the Commissioner, usually about every three years.
- 2.5 Any organisation which has investigatory powers under RIPA is required to have in place a Policy governing all aspects of the regime, including the need for updating and officer training, regardless of whether the powers are exercised. The Council's Policy is regularly updated to comply with any changes in the legislation, guidance and codes of practice which apply to the regime. Changes are notified to the Council by an external RIPA expert, who also provides training and advice on RIPA issues.
- 2.6 From the outset, the Council's use of RIPA powers was always low. There were a number of reasons for this: A rigid process has to be followed to establish that a proposed surveillance activity is both "necessary" and "proportionate"; a senior officer has to evaluate the proposal against a number of criteria, and would then have to be referred to the Magistrates Court to be confirmed. If approved, there would have been major resource implications for any authorised surveillance to have been undertaken.
- 2.7 Since the changes introduced in 2012 as described in 2.3 above, the Council has not exercised its powers under RIPA at all. The Surveillance Commissioner has noted that in recent years authorities like ours have granted far fewer RIPA authorisations and some have granted none at all.
- 2.8 At the time of the Council's last physical inspection, in 2015, RIPA powers had not been exercised by the Council since 2012. In 2018, a further three years on, during which no RIPA activity had been undertaken, the Surveillance Commissioner conducted a remote, light-touch review.

**Audit, Governance and
Standards Committee
2021****29 July**

- 2.9 It is not possible for the Council to 'opt out' of the RIPA regime, which means that although we have not used these powers for years, we are still required by the Commissioner to keep our officers briefed on it, aware of its potential use and in the completion of applications and their approval. Corporate officer meetings are held every six months as part of the oversight and management of the regime and we can access the support of the external expert referred to at 2.5 above, when necessary.
- 2.10 The Council is a member of the National Anti-Fraud Network [NAFN], which is hosted by Thameside MBC and which provides data and intelligence services under the RIPA regime to public sector organisations in relation to fraud investigations. Over 90% of local authorities are members of NAFN. Membership enables the Council to avail of its expertise, without having to have our own staff for the purpose.

3. FINANCIAL IMPLICATIONS

- 3.1 None as a direct result of this report.

4. LEGAL IMPLICATIONS

- 4.1 The Council has not exercised its powers under RIPA since the last report to members in July 2020.
- 4.2 The only amendment made to the Policy has been the appointment of the Executive Director of Resources and s151 Officer, James Howse, as the Council's 'Senior Responsible Officer' for the RIPA regime, on taking up his appointment on 1 March 2021.

5. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purpose**

- 5.1 'An Effective and Sustainable Council'

Climate Change Implications

- 5.2 None

**Audit, Governance and
Standards Committee
2021****29 July**

6. OTHER IMPLICATIONS**Equalities and Diversity Implications**

6.1 There are no direct implications arising out of this report.

Operational Implications

6.2 Only as outlined in the report

7. RISK MANAGEMENT

7.1 The Council is required to comply with the statutory provisions and guidance governing the RIPA regime and any recommendation made by the Inspector on behalf of the Commissioner.

Officers need to be aware of the RIPA powers so that there is no risk of surveillance or CHIS activity being undertaken without the correct approvals being in place.

8. APPENDICES

None

BACKGROUND PAPERS

The Council's RIPA Policy

Audit, Governance and Standards Committee 2021

29 July

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr D. Thain	21.06.2021
Lead Director / Head of Service	Claire Felton	21.06.2021
Financial Services	James Howse	21.06.2021
Legal Services	Clare Flanagan	Report author
Policy Team (if equalities implications apply)	n/a	
Climate Change Officer (if climate change implications apply)	n/a	

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Audit Governance and Standards Committee 2021

29 July

Grant Thornton – Certification Work Report 2019/20

Relevant Portfolio Holder	Councillor David Thain
Portfolio Holder Consulted	N/A
Relevant Head of Service	Chris Forrester – Head of Finance and Customer Services
Report Author	Job Title: Head of Finance and Customer Services Contact email: chris.forrester@bromsgroveandredditch.gov.uk
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	An effective and sustainable council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Committee RESOLVE that:-

- 1) The letter 2019/20 is noted

2. BACKGROUND

3. FINANCIAL IMPLICATIONS

- 3.1 The base fee for the grant work was £24k, based on the 2016/17 fees. Due to the additional work required, the fee has been varied to £28k.

4. LEGAL IMPLICATIONS

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

5. STRATEGIC PURPOSES - IMPLICATIONS

Finding somewhere to live

Audit Governance and Standards Committee 2021

29 July

-
- 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 2019/20 relating to over £15m 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 the workbooks were of good quality and they agreed with officer testing conclusions.

Climate Change Implications

- 5.2 None

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no implications arising from this report.

7. RISK MANAGEMENT

- 7.1 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.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Grant Thornton Certification letter

Audit Governance and Standards Committee

2021

29 July

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor David Thain	
Lead Director / Head of Service	James Howse	July 2021
Financial Services	Chris Forrester – Report Author	July 2021
Legal Services		
Policy Team (if equalities implications apply)	N/A	
Climate Change Officer (if climate change implications apply)	N/A	

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28 June 2021

Dear James

Certification work for Redditch Borough Council for year ended 31 March 2020

We have been appointed by Redditch Borough Council ('the Council') to certify the Housing Benefit subsidy claim submitted by the Council to the Department for Work and Pensions (DWP). 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. This timeline was extended in 2019/20 due to the impact of the Covid-19 pandemic.

We have certified the Housing Benefit subsidy claim for the financial year 2019/20 relating to subsidy claimed of £15.8 million. Further details are set out in Appendix A.

We identified a number of issues from our certification work which we wish to highlight for your attention. There were eleven sets of additional testing arising from the findings from the previous year. We also found errors in four new areas during our testing in 2019/20 which required additional testing.

Officers again completed the initial testing using the standard workbooks supplied by the DWP. We are pleased to be able to report that the workbook completion was to a 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 calculated / entered
- incorrect application of some allowances
- incorrect rent figures being used
- State Retirement Pension uplift incorrectly applied

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

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

The fee of £24,000 agreed for 2019/20 was based on the final 2016/17 fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. Owing to the additional work required this year due to additional errors we are proposing to vary the fee to £28,000.

Yours sincerely



Grant Thornton UK LLP

Appendix A**Findings from certification of housing benefits subsidy claim****Table A - Details of amendments and qualifications**

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£15,758,457	Yes	(£1,187)	Yes	See below

Findings from certification of housing benefits subsidy claim**Workbook completion**

DWP 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 again of high 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.

Initial testing

Our initial testing of 60 cases identified eight errors. These mainly related to incorrect entry of earnings, incorrect rent figures and incorrect uplift of the State Retirement Pension. The nature of the errors meant that we had to conduct testing in four additional areas, not covered by the testing arising from prior year 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 ten areas (nine last year). In four of those areas no errors were found and hence no additional testing will be required on these for 2020/21.

Amount of testing and errors found

The table below shows the number of cases tested and the number of errors found in recent years.

Year	Cases tested	Errors found	% error rate
2016/17	409	28	7
2017/18	458	35	8
2018/19	489	63	13
2019/20	679	38	6

DWP provided a global extension for submitting reports from 30 November 2020 to 31 January 2021. Officers agreed a number of further extensions, to 30 June 2021. We submitted our report to DWP on 16 June 2021.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

2020/21 INTERNAL AUDIT ANNUAL REPORT AND AUDIT OPINION

Relevant Portfolio Holder	Councillor David Thain
Portfolio Holder Consulted	No
Relevant Head of Service	Chris Forrester ~ Head of Finance and Customer Services
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 2020/21 Internal Audit Annual Report for the period 1st April 2020 to 31st March 2021 along with the Audit Opinion and Commentary.

2. RECOMMENDATIONS

2.1 **The Committee is asked to RESOLVE that the report be noted.**

3. KEY ISSUES

Financial Implications

3.1 None as a direct result of this report.

Legal Implications

3.2 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2018 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”.

Service/Operational Implications

3.3 Appendix 1 shows during 2020/2021 there were 232 productive audit days used to deliver the revised plan.

3.4 Appendix 2 provides a breakdown of the audits completed including the overall assurance as well as confirmation of follow up audits undertaken during the year.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- 3.5 Appendix 3 provides the 2020-21 audit opinion and commentary.
- 3.6 Appendix 4 provides a copy of the Internal Audit Charter for WIASS.
- 3.7 Appendix 5 provides a copy of the quality assurance improvement programme (QAIP).
- 3.8 **Dashboard:**
- | | |
|--|----------------------------|
| Target total of reviews for revised delivery: | 16 (minimum) |
| Actual reviews delivered: | 16 |
| Reviews finalised to date for 2020/21: | 16 |
| Reviews currently awaiting final sign off: | 0 |
| Assurance of 'moderate' or above: | 11 |
| (where assurance has been reported) | |
| Assurance of 'limited' or below: | 0 |
| Reviews requiring audit work completion: | 0 |
| Number of 'High' Priority recommendations reported for year: | 4 |
| Productivity: | 62% (against targeted 74%) |
| Plan delivery | 91% |
| Feedback for Service | Good |
- 3.9 The Worcestershire Internal Audit Shared Service (WIASS) has achieved and delivered the 2020/2021 revised internal audit plan.
- 3.10 The Internal Audit Plan was risk based (assessing audit and assurance factors, materiality risk, impact of failure, system risk, resource risk, fraud risk, and external risk) and reported to the Audit, Governance and Standards Committee for approval on 27th July 2020. It included:
- a number of core systems which were designed to suitably assist the external auditor to reach their 'opinion' and other corporate systems for example governance and
 - a number of operational systems, for example, St David's House, Orb, Contract Management, Use of Agency and Consultants, were looked at to maintain and improve control systems and risk management processes or reinforce oversight of such systems.
- 3.11 In accordance with best practice the plan is subject to review each year to ensure that identified changes, for example, external influences, risk assessment, process re-engineering and transformation are taken into consideration within the annual plan.
- 3.12 The purpose of the 2020/21 Annual Plan was to aid the effectiveness of the Internal Audit function and ensure that:

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- Internal Audit assisted the Authority in meeting its objectives by reviewing the high risk areas, systems and processes,
- The audit plan delivery was monitored, appropriate action taken and performance reports issued on a regular basis,
- The key financial systems are reviewed annually, enabling the Authority's external auditors to place reliance on the work completed by Internal Audit,
- An opinion can be formed on the adequacy of the Authority's system of internal control (reported in Appendix 3), which feeds into the Annual Governance Statement which is presented with the statement of accounts.

COVID-19 Pandemic Impact 2019/20

- 3.13 2020/21 was a very difficult and challenging year with unprecedented change due to the Covid-19 pandemic and the need to work remotely. The 2020/21 revised plan reflected the delayed start due to the COVID-19 pandemic restrictions and the need for the Service to provide support in other areas during the first lockdown. Continuing demand on resource after the initial lockdown was required to assist a Partner with the processing of business grants as well as maintaining critical service provision with secondment of staff. This impacted on the ability of the shared service to deliver the original audit plan agreed by Members and saw plan adjustments for all Partners to match available resource. The impact of restrictions of the COVID-19 lockdowns on the plan were closely managed throughout the year. The plan for 2020/21 remained very flexible. The core financial areas of the business along with several systems reviews were undertaken and reported on. Variations to the plan were agreed with the Head of Finance and Customer Services and the s151 Officer in post at the time.

Resource Management.

- 3.14 The Service carefully managed its resource and worked with partners to deliver the revised audit programme for Redditch Borough Council for 2020/21 with regular updates of progress reported before Committee. The s151 Officer was kept briefed during the year regarding overall progress and was instrumental in the plan variance along with enhancing the process to achieve quicker management sign off. There was also regular reporting to both SMT and CMT.
- 3.15 During 2020/21, audit reviews totalled 16 and full audit reports were provided before Committee containing the Auditors opinion on the effectiveness of the controls operating within those areas and an action plan containing recommendations to address the identified control weaknesses.

**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021

- 3.16 Based on the audits performed in accordance with the revised audit plan the Worcestershire Internal Audit Shared Services Manager has concluded that, on the whole, the internal control arrangements during 2020/21 effectively managed the principal risks identified in the revised audit plan but there continues to be pockets of risk within the organisation where mitigation work is continuing.

**Annual Governance Statement ~ Assurance Checklist Statements
2020/21**

- 3.17 It is the responsibility of management to maintain the Authority's internal control framework and ensure that controls are being complied with.
- 3.18 In order to ascertain management's view on this and in order to identify any areas where current or emerging risks in relation to internal controls may exist, all Fourth Tier Managers were asked to complete an internal control checklist covering Strategic and Operational, Human Resources, Corporate Procedure Documents, Service Specific Procedures, Risk Management and Anti Fraud, Performance Management and Data Quality, Inventories and independent recommendations from outside bodies including audit.
- 3.19 Officers were required to acknowledge their responsibilities for establishing and maintaining adequate and effective systems of internal control in the services for which they are responsible and confirmed that those controls were operating effectively except where reported otherwise.
- 3.20 A review of the returned statements indicates that although work continues to strengthen some control requirements it is considered that those areas identified do not present a significant and material risk at this time. The areas identified in the statements will be considered as part of the audit programme.

Work of interest to the External Auditor

- 3.21 To try to reduce duplication of effort we understand the importance of working with the External Auditors. The audit plan is shared with the external auditors for information. The results of the work that we perform on seven systems audits will be of direct interest to External Audit. Audit reports are passed to the external auditor on request for their information.

**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021**External Work**

- 3.22 The work to deliver the ICT work for Worcestershire County Council audit contract was completed during 2020/21 with a reduced number of days. This contract has a further two years to run.

Follow Up Audits

- 3.23 A summary of audit follow ups for the year is provided as part of Appendix 2. This area of work is undertaken to ensure that potential risks to the authority are mitigated. The outcome of this work is reported on an exception basis. There have been no exceptions reported to the Committee during 2020/21. Follow ups, and any exceptions, will continue to be reported but the number of additional visits to ensure points are satisfied is continuing to decrease compared with the previous years. From April 2020 onwards the full report was presented before Committee rather than a summary position to aid context and transparency.

Quality Measures

- 3.24 Managers are asked to provide feedback regarding systems audits that have taken place by completing a questionnaire. At the conclusion of each audit a feedback questionnaire is sent to the Responsible Manager and an analysis of those returned along with anecdotal evidence during the year shows a very high satisfaction with the audit product – see Appendix 2.
- 3.25 To further assist the Committee with their assurance of the overall delivery the Worcestershire Internal Audit Shared Service conforms to Public Sector Internal Audit Standards as amended. All staff work to a given methodology and have access to the internal audit reference material and charter which are updated regularly to reflect the requirements of the standards and the changing environment that WIASS is auditing in. A copy of the Audit Charter is included at Appendix 4 for information.

Independence and Safeguards

- 3.26 Worcestershire Internal Audit Shared Service activity is organisationally independent. Internal Audit reports to the s151 Officer but has a direct and unrestricted access to senior management and the Chair of the Audit, Governance and Standards Committee.
- 3.27 Further quality control measures embedded in the service include individual audit reviews and regular Client Officer feedback. Staff work to a given methodology and have access to the internal audit reference

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

material and Charter which have been updated to reflect the requirements of the standards. The Charter is included as part of this report at Appendix 4. Where WIASS assisted with the preparation of areas of work such as risk management there were clear safeguards in place to ensure independence was not compromised. Safeguards include review within the audit service by an independent person to those who have completed the work as well as independent scrutiny by the Executive Director of Resources. Audit Committee can also challenge the reported findings and the minutes would record this.

- 3.28 The Client Officer Group which is the management board for the Service is made up of partner s151 Officers. They meet on a regular basis and consider the performance of the Shared Service including progress against the Service Plan as well as actively promoting the continuous improvement of the Service. Further improvement has been identified through the self assessment process which was carried out in August 2020 and a quality assurance improvement plan (QAIP) was formulated with implementation commencing during the year. This is reported for information at Appendix 5.

Risk Management

- 3.29 Heads of Service periodically provide Risk Management updates before the Audit Committee for consideration along with verbal updates from the Head of Finance and Customer Services to provide assurance. Development of the risk management system continues under the Directorship of the Executive Director of Resources.

Assurance Sources

- 3.30 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 seek to place reliance on such work thus reducing the internal audit coverage as required.

Other Operational Work

- 3.31 Work is continuing in respect of the National Fraud Initiative (NFI) exercise. Appropriate action is being taken and work is progressing to identify any potentially fraudulent activity for example overpayment for housing benefits, income support, etc. The last significant data extract was December 2020 and the results continue to be worked on. A further data upload took place in January 2021 for single person discount and Election data. A further upload of data is scheduled for

**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021

December 2021. WIASS continue with a coordinating role regarding this process.

Customer / Equalities and Diversity Implications

3.32 There are no implications arising out of this report.

4. RISK MANAGEMENT

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

- Non-compliance with statutory requirements

5. APPENDICES

Appendix 1	Delivery against plan 2020/21
Appendix 2	Audits completed with Assurance 2020/21 and audit follow up work
Appendix 3	Audit Opinion and Commentary
Appendix 4	Internal Audit Charter
Appendix 5	Quality Assurance Improvement Plan (QAIP)

6. BACKGROUND PAPERS

None

7. KEY

N/a

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021**APPENDIX 1****Delivery against Internal Audit Plan for 2020/21**
1st April 2020 to 31st March 2021

Audit Area	2020/21 ORIGINAL PLAN DAYS	2020/21 REVISED PLAN DAYS	2020/21 ACTUAL DAYS USED
Core Financial Systems (see note 1)	90	90	81
Corporate Audits (see note 3)	78	42	42
Other Systems Audits (see note 2 and 3)	178	68	74
SUB TOTAL	346	200	197
Audit Management Meetings	20	20	20
Corporate Meetings / Reading	9	9	5
Annual Plans, Reports and Audit Committee Support (See note 3)	25	25	10
SUB TOTAL	54	54	35
TOTAL (See note 3)	400	254	232

Note:

Days are rounded to the nearest whole.

Note 1: Core Financial Systems were audited using a rolling programme during the year in order to provide a larger sample to maximise the assurance provided for Annual Governance Statement and Statement of Accounts.

Note 2: Budgets contained in this area include draw down/contingency budgets which by their nature may or may not be used e.g. fraud and special investigations, consultancy and advisory.

Note 3: The variation in planned days to actual days was due to a combination of factors including the Covid-19 lockdown, a revised plan requirement, plan deferral and to engage with the new Executive Director of Resources.

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021**PERFORMANCE INDICATORS 2020/21**

The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2020/21. Other key performance indicators link to overall governance requirements of Redditch Borough Council e.g. KPI 4 to KPI 6.

	KPI	Trend/Target requirement	2019/20 End of Year Position	2020/21 End of Year Position	Frequency of Reporting
Operational					
1	No. of audits achieved during the year	Per target	Target = 20 (minimum) Delivered = 28	Revised Plan Target = 16 Delivered = 16	When Audit Committee convene
2	Percentage of Plan delivered	>90% of agreed annual plan	91%	91%	When Audit Committee convene
3	Service productivity	Positive direction year on year (Annual target 74%)	81%	62%	When Audit Committee convene
Monitoring & Governance					
4	No. of 'high' priority recommendations	Downward (minimal)	12	4	When Audit Committee convene
5	No. of moderate or below assurances	Downward (minimal)	11	6	When Audit Committee convene
6	'Follow Up' results (2017/18 onwards)	Management action plan implementation date exceeded (<5%)	0	0	When Audit Committee convene
Customer Satisfaction					
7	No. of customers who assess the service as 'excellent'	Upward (increasing)	6x issued 3x returned 'excellent'	5x issued 2x returned: 1x 'excellent' 1x 'good'	When Audit Committee convene

WIASS conforms to the Public Sector Internal Audit Standards as amended.

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021**Appendix 2****Audit Opinion Summary Analysis ~
Audits completed during financial year 2020/2021:**

Audit Report / Title	Final Report issued	Assurance
Treasury Management	8 th February 2021	Significant
Debtors	8 th February 2021	Significant
Benefits	5 th March 2021	Significant
Creditors	27 th April 2021	Significant
St David's House (Full Review)	30 th April 2021	Significant
Orb	27 th August 2020	Moderate
Health and Safety	15 th March 2021	Moderate
Council Tax	1 st April 2021	Moderate
National Non-Domestic Rates	1 st April 2021	Moderate
Payroll	27 th April 2021	Moderate
Main Ledger	27 th April 2021	Moderate
Contract Management	20 th October 2020	Critical Friend
Risk Management	16 th June 2021	Critical Friend
Use of Agency and Consultants	4 th March 2021	Critical Friend
St David's House (Hybrid Review)	29 th September 2020	N/a
Disabled Facilities Grants	October 2020	N/a
Follow Up Audits:		
Audit Area	Latest Date for Follow Up	Position
Shop Mobility 18/19	July 2020	Satisfied
Cemetery and Crematorium 19/20	June 2020	Satisfied
Health and Safety 19/20	February 2020	Partially Satisfied
On/Off Street Parking 18/19	May 2020	Satisfied
Compliments and Complaints 19/20	October 2020	Partially Satisfied
All core financial audits	Quarter 3 and 4	Financials Satisfied. Revs and Bens Partially Satisfied.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

Summary of 2020/21 Audit Assurance Levels.

2020/21	Number of Audits	Assurance	Overall % (Rounded)
From 16 audits	0	Full	0%
	5	Significant	31%
	6	Moderate	38%
	0	Limited	0%
	0	No	0%
	0	To be confirmed	0%
	5	Critical Review / hybrid / N/a	31%

Client Feedback Analysis ~ IA Reporting

Feedback is sought after the issue of the final audit report either verbally or via a feedback questionnaire. Sometimes this is reported back verbally rather than in the written form. The feedback is used to assess the effectiveness of internal audit and to help improve and enhance the internal audit function. Feedback during the 2020/21 financial year has been received indicating that:

- the auditee was happy with the process and format of the audits. This continues to be further developed.
- anecdotal evidence indicates a high satisfaction rate with the audit product from the data received.

Comments received included:

- Communication was good, Audit were mindful of the pressures we had in relation to system conversion, resourcing and working off site and were able to adapt to these.
- Audit went smoothly and [Auditor] was professional at all times, and patient where we had to delay responses.
- With staff leaving and things changing rapidly, [Auditor] was very helpful and supportive with any issues or challenges that were made with the audit report and went the extra mile to guide us through the processes.

Overall Conclusions:

- The 2020/21 Internal Audit Plan as originally agreed by the Audit Committee on the 27th July 2020. The plan was revised during the year and has been delivered.
- 69% of the audits undertaken for 2020/21 which have received an assurance allocated returned an assurance of 'moderate' or above.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- Clients are satisfied with the audit process and service from the data received.
- Independent assurance has been brought before the Committee for consideration in respect of the finalised audits throughout 2020/21.
- To assist the Committee to draw further assurance from the work that Internal Audit undertakes clear reference is contained in the final audit report to identify whether a direct link exists to corporate priorities and the risk register entry in connection with the audited service provision. This information has been, and will continue to be, reported to the Committee as part of the reporting in 2021/22.
- On-going dialogue will be maintained with the s151 Officer and the Client Officer Group. The Client Officer Group for the Internal Audit Shared Service comprises all the partners' s151 Officers whom actively encourage the on-going development of the service.

**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021**Appendix 3****Audit Opinion and Commentary 2020/21**

Internal Audit: Redditch Borough Council has a responsibility for maintaining an adequate and effective internal audit function is set out in the Accounts and Audit (England) Regulations 2018.

Due to the global COVID-19 pandemic, 2020/21 was a very challenging year regarding governance. Changes in the way services needed to be delivered and staff deployed saw a move from traditional office-based working to remote working. This created many challenges with a move to an almost total reliance on back-office ICT solutions for those staff having to work from home. Appropriate and proportionate remote access to files and systems was a necessity to ensure the services could continue to be delivered during the national lockdowns experienced during 2020/21.

1. Overall Governance Conclusion

- 1.1 Based on the audits performed in accordance with the revised plan, the Head of Internal Audit Shared Service has concluded that the internal control arrangements during 2020/21 effectively managed the principal risks in a number of areas, but not all, and can be reasonably relied upon to ensure that the Council's corporate objectives have been met in the main. However, risk remains present which could jeopardise this in the future regarding certain areas e.g. financial and emerging risks will need to be identified and managed. Close monitoring of deployed measures is set to continue but the need to reduce the overall risk and work towards a better and sustainable approach beyond 2020/21 will be critical to create better transparency, expectation and accountability. This will be necessary to ensure the Borough can continue to manage risk effectively and, ensure the development and deployment of a sound control environment where there is the potential for emerging risk.

2. Risk Management Conclusion

- 2.1 The Head of Internal Audit can confirm the further development of the formal risk management system is set to continue in the organisation under the direction of the Executive Director of Resources and Head of Finance and Customer Services with a view to achieving a better embedded approach in the future. This area was relaunched last year with a new strategic view and was reported before committee. Further work is due to take place in the coming months to establish a clear direction for the Authority. An action plan will map the requirements and allow progress and assurance to be reported before Members in the future. Risk management is present in some form in Services but is not corporately coordinated to allow for a holistic view of risk at present.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

3. Audit Opinion

- 3.1 The internal audit of Redditch Borough Council's systems and operations during 2020/21 was conducted in accordance with the Internal Audit Annual plan which was approved by the Audit, Governance and Standards Committee on 27th July 2020. This required a significant and subsequent revision due to the impact of the global pandemic.
- 3.2 The Internal Audit function was set up as a shared service in 2010/11 and hosted by Worcester City for 5 district councils and increased to 6 partners with the inclusion of Hereford and Worcester Fire and Rescue Authority from April 2016. The shared service conforms to CIPFA guidance and the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and objectively reviews on a continuous basis the extent to which the internal control environment supports and promotes the achievement of the Council's objectives and contributes to the proper, economic and effective use of resources.
- 3.3 The Internal Audit Plan for 2020/2021 was risk based (assessing audit and assurance factors, materiality risk, impact of failure, system risk, resource risk, fraud risk, and external risk). It included:
- a number of core systems which were designed to suitably assist the external auditor to reach their 'opinion' and other corporate systems for example governance, and,
 - a number of operational systems, for example, compliments and complaints, safeguarding, planning applications, bereavement services were looked at to maintain and improve control systems and risk management processes or reinforce oversight of such systems.
- 3.4 The 2020/21 internal audit plan was heavily revised due to the COVID-19 global pandemic. The revised plan was delivered in full providing sufficient coverage for the Head of Internal Audit Shared Service to form an overall audit opinion.
- 3.5 At the time of writing this opinion in relation to the 16 reviews undertaken, all have been finalised.
- 3.6 There is a clear understanding and commitment that further work is required to embed risk management throughout the organisation with an action plan being formulated by the Head of Finance and Customer Services.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- 3.7 As part of the process of assessing the Council's control environment, senior officers within the Council are required to complete an annual "Internal Control Assurance Statement" to confirm that the controls in the areas for which they are responsible are operating effectively. Officers were required to acknowledge their responsibilities for establishing and maintaining adequate and effective systems of internal control in the services for which they are responsible and confirming that those controls were operating effectively except where reported otherwise. There were some key themes identified specifically in some of the returns which will be picked up directly with management including a lack of awareness regarding a handbook and a requirement to update antifraud and corruption procedures. No areas of significant risk have been identified in addition to those already identified in the audit work completed.
- 3.8 Any concerns raised by managers will be assessed and addressed by the Corporate Management Team.
- 3.9 11 of the completed audits have been allocated an audit assurance of either 'moderate' or above meaning that there is generally a sound system of internal control in place, no significant control issues have been encountered and no material losses have been identified. Any assurance provided is limited to the few areas of the system where controls are in place and are operating effectively. The two critical friend reviews that were undertaken did not provide an overall assurance but did report on potential lessons learnt. It is difficult to draw a comparison with the previous year results and corporate position due to the impact the pandemic had.
- 3.10 WIASS can conclude that no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance based on the audits performed in accordance with the approved plan and the scoping therein.

Andy Bromage
Head of Internal Audit Shared Service
Worcestershire Internal Audit Shared Service
July 2021

**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021

Worcestershire Internal Audit Shared Service (WIASS)

Internal Audit Charter

Redditch Borough Council

Definitions

1. Management refers to the Chief Executive, Executive Directors, Heads of Service and Service Managers
2. Board refers to the Audit, Governance & Standards Committee

This Charter was last reviewed by the Audit, Governance and Standards Committee on the 27th July 2020.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

1. Introduction

Purpose

- 1.1 The purpose of this charter is to define what Internal Audit is and explain its purpose, role and responsibilities.

Provision of Internal Audit Services

- 1.2 WIASS covers five district authorities Wychavon, Malvern Hills, Bromsgrove, Redditch and Worcester and one Fire Service, Hereford and Worcester Fire and Rescue Authority. WIASS will provide internal audit services to third parties under contractual arrangements.

Worcester City Council hosts the Shared Service provision under an on-going Administrative Collaborative Agreement. It is governed by a Client Officer Group (COG) which is made up of the district and Fire Service s151 officers each having an 'equal say'. The Client Officer Group meets approximately 4 times a year.

- 1.3 For line management matters internal audit will report to the Corporate Director of Resources (s151 Officer within Worcester City Council) and the Monitoring Officer in their prolonged absence.

2. Mission and Definition

- 2.1 Mission:

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

Additional information can be found on the local intranet site:

<https://staffroom.worcester.gov.uk/internal-audit>

- 2.2 Definition:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bring a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3. Scope and Authority of Internal Audit Work

- 3.1 Under the Accounts and Audit Regulations 2015 No. 234 Part 2 Regulation 5:

(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

processes, taking into account public sector internal auditing standards or guidance.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—

(a) make available such documents and records; and

(b) supply such information and explanations;

as are considered necessary by those conducting the internal audit.

(3) In this regulation "documents and records" includes information recorded in an electronic form.

To aid compliance with Regulation 5 of the Accounts and Audit Regulations 2018 as amended, the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 details that "Internal Audit should work in partnership with management to improve the control environment and assist the organisation in achieving its objectives".

Internal Audit work should be planned, controlled and recorded in order to determine priorities, establish and achieve objectives.

3.2 In the course of their reviews internal audit staff, under the direction of the Head of Service, shall have authority in all partner organisations to:-

- at all reasonable times after taking account of audit requirements, enter on any partners' premises or land;
- have access to, and where internal audit deem necessary take into their possession, any records, documents and correspondence relating to any matter that is the subject of an audit;
- require and receive such explanations as may be considered necessary from any officer of the Partner regardless of their position;
- require any officer of the Partner to produce forthwith cash, stores or any other property under their control.

for the Partner in which the internal audit service is being provided.

3.3 Internal Audit work will normally include, but is not restricted to:

- review and assess the soundness, adequacy, integrity and reliability of financial and non-financial management and performance systems, and quality of data;
- reviewing the means of safeguarding assets;
- examine, evaluate and report on compliance with legislation, plans, policies, procedures, laws and regulations;
- promote and assist the Partner in the effective use of resources

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the Partner and recommend arrangements to address weaknesses as appropriate;
- advise upon the control and risk implications of new systems or other organisational changes.
- provide a 'critical friend' to assist services to achieve value for money
- undertake independent investigations into allegations of fraud and irregularity in accordance with the Partner's policies and procedures and relevant legislation
- at the specific request of management¹, internal audit may provide consultancy services provided:
 - the internal auditors independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined and management¹ have made proper provision for resources within the annual plan
 - management understands that the work being undertaken is not internal audit work.

3.4 IA's remit extends across the entire control environment of the organisation and is not limited to certain aspects or elements.

4. Responsibility of Management¹ and of Internal Audit.

- 4.1 At all times internal audit will operate in accordance with the partner's Constitution and legal requirements and all internal audit staff will adhere to recognised Professional Standards and Codes of Conduct and Ethics e.g. the Institute of Internal Auditors' and/or CIPFA as well as the Partner's Codes of Conduct and Anti-Fraud and Corruption Policies.
- 4.2 It is the responsibility of Management to put in place adequate controls to ensure systems meet their objectives and that they are notified without delay of any instances where systems are failing to operate properly. However, where there has been, or there are grounds to suspect that there is risk of a serious breakdown in a significant system, the Head of Service should be informed of the problem and any counter measures already in hand or proposed, as quickly as possible, in order that the Head of Internal Audit Shared Service can decide whether audit involvement is needed.
- 4.3 Similarly, it is the responsibility of Management to put in place adequate controls to prevent and detect fraud, irregularities, waste of resource, etc. Internal Audit will assist Management to effectively manage these risks. However, no level of controls can guarantee that fraud and the like will not occur even when the controls are performed diligently with due

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

professional care. As a consequence all cases of actual or suspected fraud should be reported to the Head of Internal Audit Shared Service forthwith. The Head of Internal Audit Shared Service will then decide the course of action to be taken with due regard to the Partner's Constitution, e.g. Whistleblower's Charter, Stopping Fraud and Corruption Strategy, etc.

- 4.4 Any officer of a partner organisation who has genuine concerns at raising a suspected instance of fraud or malpractice through their normal reporting channels can raise the matter under the Partner's Whistleblower's Charter directly with any of the persons named in the policy document, including the Head of Internal Audit Shared Service. Head of Internal Audit Shared Service will then pursue the matter in accordance with the provisions of the policy document.
- 4.5 Internal audit is not responsible for any of the activities which it audits. WIASS will not assume responsibility for the design, installation, operation or control of procedures. However, should any partner/client contract for specialist services within an area then the WIASS staff member assigned will not be asked to review any aspect of the work undertaken until two years have passed from the completion of the assignment.
- 4.6 The Head of Internal Audit Shared Service will ensure that the relevant Head of Service and/or Section 151 Officer is briefed on any matter coming to the attention of internal audit, either through a review or otherwise, that could have a material impact on the finances, create an unacceptable risk or be fraudulent for the Partner as quickly as possible, and will ensure the appropriate Officer of the Authority e.g. Director, Monitoring Officer is regularly briefed on the progress of audits having a corporate aspect. Matters involving fraud or malpractice are to be reported in line with the anti-fraud and corruption policy. The most appropriate action/engagement of the relevant Head of Service will be determined by the HoWIASS depending on the circumstances.
- 4.7 In order to (1) maintain a broad skills base within Internal Audit and (2) maximise the ability of the team to offset the cost of providing the internal audit function to the Partner, the strategic plan will include a commitment that internal audit obtains income to the Partner from external work either from partnership working and/or selling its expertise. Such activities will be governed by targets set out in the Collaborative Administrative Agreement and will be approved and reported on to the Client Officer Group.

5. Planning and Reporting

- 5.1 To meet the objectives above, the Head of Internal Audit Shared Service shall:-

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- a) prior to the beginning of each financial year, following consultation with Management¹ and after taking into account comments from Members arising from the reporting process set out below, provide the Committee with:
- a risk based audit plan forecasting which of the Partner's activities are due to receive audit attention in the next 12 months. The risk based plan will take into consideration a number of risk factors including corporate risk register, service risk register, local knowledge, corporate promises or objectives, key strategic documents e.g. five year plan and any external audit guidance. Where there is a potential difference between strategy/plan and resource this is reported to the Board²;
 - a detailed operational plan using a risk based assessment methodology showing how/what resources will be required/allocated in the coming financial year in order to meet the requirements of the Partners strategic plans. The Plans will be flexible and include a small contingency contained as part of the consultancy budget to allow for changes in priorities, emerging risks, ad hoc projects, fraud and irregularity, etc. The Head of Internal Audit Shared Service will bring to the attention of the s151 Officer if this budget is depleted so an additional contingency can be agreed. 'Consultancy', for the purposes of WIASS activity, is defined as work that is of a specialist nature and commissioned/requested in regard to an area of work activity within a service area that is in addition to the agreed partners audit plan. The work can be financial or governance based and the output will provide management¹ with challenges to consider depending on its nature. The approach to the assignment can be flexible but follow a similar path in regard to the methodology.
- b) during the course and at the close of each financial year provide the Board² with:
- quarterly progress reports on actual progress compared to the plan and performance indicators. Such reports to highlight serious problems, either affecting the implementation of the plan, or, in the take up of audit recommendations;
 - an annual report summarising the overall results for the year compared to the plan and pointing out any matters that will impact on internal audit's ability to meet the requirements in the strategic plan;
- c) during the course and close of each full systems/risk audit provide the client manager¹ with:

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- a copy of an audit brief and audit information request setting out the objectives and scope of the audit prior to commencement of the audit and a confirmation of resource requirements for the audit.
 - draft recommendations, which will be discussed with the responsible manager¹ prior to sending the draft audit report. The manager¹ is responsible for confirming the accuracy of the audit findings and is invited to discuss the report during the 'clearance' meeting prior to the issue of the draft report.
 - an audit report containing an overview of the quality of the control system, an opinion as to the level of system assurance and detailed findings and recommendations including priority. 'Assurance', for WIASS purposes, is defined as the determination of an overall outcome against a predetermined criteria leading to an applied level giving an overall summary for the work audited.
- d) shortly after the close of each financial year provide for the purposes of the Annual Governance Statement:
- an annual audit opinion of the Partner's system of controls based on the audit work performed during the year in accordance with the plans at 5.1(a) above and reported in accordance with 5.1(b) and (c) above and on the assurance methodology adopted, and, a statement of conformance with the Public Sector Internal Audit Standards and the results of quality assurance and improvement programme.

5.2 Expectations of Clients:

Managers and staff should co-operate with the Auditors, and responses should be made to draft reports as outlined at 3 above. Responses should include an action plan, dates for action and responsibility where actions are delegated. The final 'High' and 'Medium' recommendations will be reported to the Board².

- 5.3 Audit reports will be drawn up following the internal audit report framework. A matrix type report displaying audit findings, risks and recommendations along with a column for management comments, as per 5.1(c), will be provided to management¹. The report will also contain an introduction and priority categories for each of the recommendations. A covering report will be attached to the matrix providing details of the partner organisation, circulation, audit scope and objectives, an audit opinion, an executive summary and an audit assurance rating as well as a clear indication of what action is required by management.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- 5.4 Upon completion of audits, the audit exceptions will be discussed with the relevant line manager and will form the basis of the draft audit reports. The draft audit reports are issued to the relevant line managers for them to confirm the accuracy of the audit findings and content. Managers are invited to contact the Auditor if they wish to discuss the report and asked to show their response in the form of an action plan to each recommendation on the draft report. For accepted recommendations, dates for action or implementation are recorded. The managers' responses are recorded in the final reports that are issued to the appropriate Management¹ officers as deemed relevant for the audit.
- 5.5 In accordance with professional standards, after three/six months from the date of issue of the final report, follow-up audits are undertaken to ensure that the agreed recommendations and action plans have been implemented, or, are in the process of being implemented. A formal follow up procedure / methodology is used to follow up audit reports and reported on an exceptions basis.
- 5.6 Internal Audit works to the reporting quality standards of:
- draft audit reports to be issued within 5 working days of the clearance meeting;
 - management responses received within 10 working days;
 - final audit reports to be issued within 5 working days of the final discussions of the draft audit report and receipt of management responses;
 - final reports to be followed-up initially within 3 to 6 months of the date issue of the final audit report depending on the recommendation priority and residual risk, to ensure that the accepted recommendations due for implementation have been established.
- 5.7 Escalation for late or non return of audit reports will be instigated when after two requests the reports have not been provided by management. The escalation will commence with the s151 Officer being informed of the late return. If the report remains outstanding then the Board² will be informed of the inaction with a view to them calling in the Officer to justify the late return.

6. 7 Principles of Public Life and how WIASS interprets and applies them.

[1. Selflessness](#) - protecting the public purse and ensuring all actions taken are solely in the public interest.

[2. Integrity](#) - completely independent and above undue bias or influence in the work that we do.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

3. Objectivity – demonstrate impartiality and fairness in all aspects of our work and when reporting uses only the best evidence without discrimination or bias.

4. Accountability – provide transparency and assurance holding people to account in regard to decisions and actions and provide assurance to those in governance roles.

5. Openness – to promote and ensure through good governance that decisions are taken in an open and transparent manner and no information is withheld from the public unless there are clear and lawful reasons for so doing

6. Honesty – to provide independent assurance to those in governance of confirmation of truthfulness

7. Leadership – through the audit work actively promotes and robustly supports the principles and shows a willingness to challenge poor behaviour wherever it occurs.

For further information on the principles of public life:

<https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

7. Core Principles for Professional Practice and how WIASS interprets and applies them.

1. Demonstrates integrity:

WIASS works independently, without influence or undue bias. The audit plan is created so that there are no conflicts of interest between the officer and the audit. Potential conflicts of interest are formally checked annually with all members of the WIASS team. Areas of risk for WIASS are identified and mitigated. Potential areas of risk include, but are not limited to, auditors re-auditing Risk Management, NFI, and Regulatory Services in consecutive years and Services that they have transferred from. Officers that have conflicts of interest, or if they are / have been working in the area of audit, will not undertake any audits in the conflicting area for a minimum of three years, safeguarding the officers and WIASS' integrity. Further protection is in place by using randomly selected testing samples and a series of independent review stages. All audit working papers, reports and findings are reviewed and if necessary challenged before being issued to the client by either the Head of Service or Team Leader.

2. Demonstrates competence and due professional care:

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

All reports are reviewed and signed off by either the WIASS Head of Service or Team Leader both of which are highly qualified and governed by professional institution standards. Regular 1-2-1 meetings are held with each officer to ensure progress and personal development. An "open door" culture is adopted throughout WIASS allowing all team members to ask for assistance advice and support at any time. Training (both in-house and external) is available and is provided should it be deemed relevant and appropriate by Head of Worcestershire Internal Audit Shared Service (HoWIASS) / Team Leader.

3. Is objective and free from undue influence:
Independence and safeguarding is a key element of internal audit provision. All WIASS staff are vetted via the Basic Disclosure Check, as well as making a Declaration of Interest on an annual basis declaring any potential conflicts of interest with upcoming audit programme and the partners that WIASS work with. No auditor, who has transferred from a Service, will audit that Service for a minimum of three years. The Service is organisationally independent for all Partners. Although the HoWIASS reports directly to the s151 Officers of the Partner organisations the role has direct and unrestricted access to the senior management team and Committee Chair. The Client Officer Group, who governs the Service, meets on a quarterly basis and is made up of the Partner s151 Officers. They each have an equal vote and consider the strategic direction of the Service as well as progress and performance. Further independence and safeguard checks are reported throughout this Charter in the form of checks, actions and process.
4. Aligns with the strategies, objectives, and risks of the organisation:
The audit plan and its content is discussed with Management¹ and s151 Officers to ensure that risks are identified; appropriate processes, systems and strategies are tested and that areas of risk are monitored and mitigated. Corporate and service risk registers are used along with corporate knowledge and the promises and objectives. Five year plans are also considered as part of the risk profiling and plan definition.
5. Is appropriately positioned and adequately resourced:
As a shared service, WIASS is hosted by Worcester City Council, but audit allocations ensure a presence in all authorities that it serves across the year. Resources are monitored and tracked throughout the annual audit plan, with forecasting used as often as possible to prevent resources becoming too stretched resulting in reduced coverage. WIASS is governed by a Client Officer Group made up from the Partner s151 Officers but also has direct access to Management¹ and the Board² Chairs. Delegated powers are used should there be any resourcing issues.
6. Demonstrates quality and continuous improvement:

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

Continuous monitoring of the teams performance via trackers is conducted. Quarterly and annual reports are issued to committee and board members demonstrating trends in productivity and value. Individual reviews via 1-2-1 meetings are held monthly with the Team Leader and include personal development plans for all team members. Improvements and changes will also be made using external assessment as well as internally generated client feedback forms. A self assessment will be completed each municipal year to further provide assurance of quality and improvement. The Service is working with partners to ensure that it continues to provide a 'fit for purpose' Service by developing techniques that will complement requirements, continue to add value and work in a changing environment e.g. critical friend reviews. There is a continuous desire to ensure that the Service changes and adopts best practice methods as identified by the professional institutions e.g. IIA, CIPFA.

7. Communicates effectively:

Various forms of communication are adopted (verbal, written, diagram / graph) throughout the review process by all members of the WIASS team. Continued monitoring and improvements to the methodology are conducted, making the report and testing documents clearer for all users. Findings are discussed verbally with management¹ prior to the issue of a formal report. Reports are issued to Officers and Committee¹ on a regular basis.

8. Provides risk-based assurance:

The audit plans are risk based with reviews being classified from high to low risk. The review scope is risk based which drives the review without creating restrictions on the areas covered. All findings are rated high, medium or low risk. Risks associated with the findings are linked directly to the recommendation and the management action to mitigate it. The review risk is combined to create the overall assurance level of the audit, which will be presented to the client with explanation and reasoning in the form of a report.

9. Is insightful, proactive and future-focused:

Insightful – where possible WIASS officers with relevant background experience will be assigned to conduct audits in similar fields. Continued monitoring of current "audit and fraud affairs" is distributed to all WIASS team members. A sharing of knowledge is encouraged in the Service and pre-engagement research. Identification of best practice is shared amongst the authorities. Reports identify areas that are working well as well as those that require improvement. Reviews look for efficiencies and better ways of working.

Proactive – scoping meetings are held for all audits allowing for changes to the audit scope in line with changes in service delivery and legislation

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

between annual planning and audits starting. There is also an ability to vary the plan should an emerging risk present itself using delegated powers so the audit service can be proactive in providing assurance to those in governance. Consultancy days are built into the plans to allow for pre implementation of new system/process advice.

Future-focused – The Service will scan the horizon for risks and issues that are emerging. Networking using, for example, the Midlands Audit Group is used to help inform the audit plans and consultancy assignments to provide information to the partners before it becomes a potential issue for them. Monitoring of the next generation initiatives from Central Government and having a team of auditors aware of the potential risks and impact along with environmental control issues will assist in adding value for our partners.

10. Promotes organisational improvement:

Ethics and culture are key aspects to organisation improvement. WIASS reviews consider ethical and cultural aspects and the potential impact and associated risk. Liaison with s151 Officers, Senior Management Teams and governance boards where applicable to promote continuous organisational development. Audit Reports are issued to management¹ to ensure oversight of the organisation and areas of concern including common themes are looked at and improved on. High and Medium priority findings are followed up after a 3 or 6 month period respectively using an established methodology to ensure that potential risks are being mitigated and there is continuous improvement. Findings will be followed up until such time that they are satisfied. Follow up on findings will be documented and reported to Management, Heads of Service and or the appropriate s151 to give assurance of action and risk mitigation.

For further information please reference:

<https://na.theiia.org/standards-guidance/mandatory-guidance/Pages/Core-Principles-for-the-Professional-Practice-of-Internal-Auditing.aspx>

8. External Relationships

8.1 The main contacts are with:

- Institute of Internal Auditors
- External Auditors
- Local Authorities in the Worcestershire area
- Local Authorities in the Midlands area
- Organisations within the Exeter Benchmarking Group

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

- CIPFA (publishers of the systems based auditing control matrices written by Exeter IA section)
- National Fraud Initiative via DCLG and Cabinet Office

but may include other external parties as necessary.

- 8.2 Assurance will be accepted and reported from 3rd parties as long as WIASS can rely on their work, and they are suitably qualified to carry out the assessment. The relevance of the work will also be a consideration in using a 3rd party certification e.g. IT integrity testing.
- 8.3 Where work is undertaken on a contractual basis assurance will be provided to 3rd parties outside of the partnership as appropriately agreed. The methodology applied to audit 3rd party organisations will be the same as the methodology used for the members of the partnership. All of the safeguards used to protect the integrity of the audits carried out for the partnership will be extended to 3rd parties as well and appropriate reporting protocols established as part of any contractual agreement. These will be established as part of the engagement with a clearly identified engagement officer and requirements. No contract will be entered into if it is considered that the independence or integrity of the Service will be compromised. If, during the delivery of a contract, it becomes apparent that there is undue influence being brought to bare and/or that the actions of the client is undermining the ethos of internal audit the HoWIASS will inform the Client Officer Group without delay so a strategic decision can be made to avoid any potential reputational damage or compromised independence. Any assurances provided to 3rd Parties will be based on the established internal methodology and the defined definitions of the different levels and priorities.

Notes

- a) In the absence of the Head of Internal Audit Shared Service all provisions relating to him/her above will apply to the relevant Team Leader in accordance with the duties allocated by the Head of Internal Audit Shared Service.

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE & STANDARDS
COMMITTEE**29th July 2021

Version Control:	Date of Change	Action	Updated by
1.0	2 nd March 2012	Charter for WIASS	AB
2.0	9 th August 2012	Update to Charter	AB
3.0	23 rd April 2013	Update to Charter re. International Standards	AB
4.0	21 st Janaury2016	Update to Charter re. legislative requirements & title changes	AB
5.0	1 st July 2016	Update re. titles and definition of 'consultancy' and 'assurance'.	AB
6.0	April 2017	Full review in line with Standards	HT
7.0	May 2017	COG suggestion: Update of H&WFRS name to reflect legal entity & 'Council's' to 'Partners'.	HT
8.0	June/July 2018	External Assessment recommendations: Update to Mission & Definition Inclusion of 3.4, IA remit Update to 4.6 regarding HIASS responsibility on briefing Inclusion of 5.7, escalation for late and non return audit reports Inclusion of 6 – Principle of Public Life Inclusion of 7 – Core Principles of Public Practice Inclusion of 8.2, assurance from 3 rd Parties Inclusion of 8.3, assurance to 3 rd Parties	HG, AB, HT
9.0	June 2021	Review of Charter	AB

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

Appendix 5

Quality Assurance Improvement Plan for 2020/21 onwards.

Action Number	Area for Action and Standards Reference	Outcome Required	Action	Lead person	Target Date for completion	Date of Completion	Latest Position
1	1000	Updated Charter and Partner approval.	To review and update as appropriate, and present to COG and Partner Committees for approval.	Head of Internal Audit & Team Leader	Sep-21 (Annual Reports)	Ongoing	Presented to Committee July 2021
2	1210.A1 - Training Requirements	Professional qualifications to be obtained.	Auditors to enhance their skills and qualifications through professional study e.g. IIA	Auditors	2023/24	Ongoing	March 2021: An Auditor is undertaking IIA training.
3	2420 - Timely Completion of Review Stages	Improvement in issuing the 'Draft Report' to the agreed date as set out in the Brief. To make improvements in the monitoring of the management response after the issue of a Draft Report.	Monitor the issue of Draft Reports and the receipt of management response during the financial year taking appropriate and timely action where the target dates are stressed.	Auditors	Mar-22	Ongoing	March 2021: Extended deadline due to the impact of the pandemic and the new normal. Ongoing monitored
4	2500.A1 - Follow Up	More efficient and timely follow up regarding reported management action plans.	To review and enhance the follow up process, and monitor progress to reduce potential slippage.	Audit Team Leader	Sept-22	Ongoing	March 2021: Extended deadline due to the impact of the pandemic and the new normal Being monitored and discussed as 1:2:1s
5	2010.A1 - Annual Risk Assessments	More effective implementation of Annual Risk Assessments into the annual planning and use within individual audits.	To review the current process of using the annual risk assessments and how inclusion into annual planning and audit planning can be improved.	Head of Internal Audit / Audit Team Leader	Nov-20	Complete 30 th November 2020	All office risk assessments have been reviewed. Risk assessments have been drafted for COVID associated office risks when visiting Partner

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

29th July 2021

							offices. Home risk assessments have been completed. Actions identified have been completed.
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REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**Date: 29th July 2021**THE 2021/22 INTERNAL AUDIT PLAN REPORT OF THE HEAD OF INTERNAL AUDIT SHARED SERVICE, WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE.**

Relevant Portfolio Holder	Councillor David Thain
Portfolio Holder Consulted	No
Relevant Head of Service	Chris Forrester – Head of Finance and Customer Services
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 Redditch Borough Council Draft Internal Audit Operational Plan for 2021/22
- the key performance indicators for the Worcestershire Internal Audit Shared Service for 2021/22.

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to approve the Audit Plan subject to any comments / proposed changes.**
- 2.2 **The Committee is asked to approve the Key Performance Indicators.**

3. KEY ISSUES**Financial Implications**

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

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**Date: 29th July 2021Legal Implications

- 3.2 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2018 to “maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control”.

To aid compliance with the regulation, the Institute of Internal Auditors Public Sector Internal Audit Standards (as amended) details that “Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes”.

Service / Operational Implications

- 3.3 Internal Audit Aims and Objectives

The aims and objectives of the Worcestershire Internal Audit Shared Service are to:

- examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the council and recommend arrangements to address weaknesses as appropriate;
- examine, evaluate and report on arrangements to ensure compliance with legislation and the council's objectives, policies and procedures;
- examine, evaluate and report on procedures to check that the council's assets and interests are adequately protected and effectively managed;
- undertake independent investigations into allegations of fraud and irregularity in accordance with council policies and procedures and relevant legislation; and
- advise upon the control and risk implications of new systems or other organisational changes e.g. transformation.

- 3.4 Formulation of Annual Plan

WIASS operates an Internal Audit Charter which sets out the standards to which it operates for this Council. The Internal Audit Plan for 2021/22, which is included at **Appendix 1**, is a risk based plan which takes into account the adequacy of the council's risk management, performance management, other assurance

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE****Date: 29th July 2021**

processes as well as organisational objectives and priorities. It has been based upon the risk priorities per the corporate and service risk registers. Large spend budget areas have also been considered, and, direct association has been made to the organisational objectives and priorities. The Internal Audit Plan for 2021/22 has been agreed with the s151 Officer and has been considered by Senior Management Team and is brought before Committee in draft form. It has been formulated with the aim to ensure Redditch Borough Council meet it's strategic purposes, delivers it's promises and has been directly linked the various aspects to identify the 'golden thread' regarding to the objectives and risk identification to Service delivery. It was brought before the Audit, Governance and Standards Committee in draft format as the involvement of the Committee 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. The plan also reflects the impact the pandemic had during 2020/21 including some rolled forward reviews as well as the potential risks regarding the new normal along with the implementation of the new system. Three Housing reviews have been included in the plan. Further follow up work continues in this area to evidence the Management updates regarding the previous HRA reviews. A view will be formed whether these reviews need to remain in the plan in their current form depending on whether further actions are necessary or a refocus can take place as the action plans have been satisfied. Internal audit is working with the Head of Environmental and Property Services and the Housing Property Services Manager to decide this. Worcestershire Internal Audit Shared Service will also provide limited (i.e. 10 days) audit coverage for Rubicon Leisure.

We recognise there are other review functions providing other sources of assurance, both internally and externally, (e.g. ICT Public Service Network assurance testing) 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.

To try to reduce duplication of effort we understand the importance of working with the External Auditors. The audit plan is available to the external auditors for information.

By bringing a draft plan of work before the Audit, Governance and Standards Committee which was been formulated with the aim to ensure Redditch Borough Council meets it's strategic purposes it allowed Members to have a positive input into the audit work programme for 2021/22 and make suggestions as to where

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**Date: 29th July 2021

they feel audit resources may be required under direction of the s151 Officer. It is planned that a regular review before Senior Management Team will take place to ensure the audit plan remains risk focussed and any required changes can be considered.

3.5 Resource Allocation

The Internal Audit Plan for 2021/22 has been based upon a resource allocation of 385 chargeable days, a resource allocation which has been agreed with the council's s151 officer. A summary of the days as well as the detailed plan provision has been included at **Appendix 1**. Although all areas have been considered an assessment has been made whether to include in the plan based on the overall risk and governance profile. Areas that are considered to have a 'high' priority will be targeted first regarding the plan delivery. The Head of Internal Audit Shared Service is confident that, with this resource allocation, he can provide management, external audit and those charged with governance with the assurances and coverage that they require over the system of internal control, annual governance statement and statement of accounts. The 385 day allocation is based on transactional type system audits.

Due to the changing internal environment, ongoing transformation and more linked up and shared service working between Redditch Borough Council and Bromsgrove District Council the plan has been organised in a smarter way to exploit the efficiencies that this type of working provides. Although the audit areas will have an allocation of audit days the reviews will continue to be more cross cutting than before and will encompass the different service perspectives that the Services need to deliver (e.g. the customer journey impacts on the majority of service areas so the audit review will consider this). All or part of the budgeted days will be used on a flexible basis but be reflective of the risk exposure the result being better corporate coverage and ownership of the audit outcomes.

Due to both external and internal audit findings the financial systems have been included as audit areas as it is considered certain risks remain in these areas. It is hoped that in time a 'watching brief' approach can be adopted when there is a confidence in the new financial system, an embedded process of control and anti fraud measures thus leading to a reduction in the allocated days. However, during 2021/22 this will not be the case due to a planned change in system. Operational support days are included to give a little flexibility and contingency in the plan e.g. consultancy but are necessary to support the delivery of the plan as a whole.

The Internal Audit Plan for 2021/22 is set out at **Appendix 1**.

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**Date: 29th July 20213.6 Monitoring and reporting of performance against the Plan

Operational progress against the Internal Audit Plan for 2021/22 will be closely monitored by the Head of the Internal Shared Service and will be reported to the Shared Service's Client Officer Group, (which comprises the s151 officers from client organisations), and, to the Audit, Governance and Standards Committee on a quarterly basis.

The success or otherwise of the Internal Audit Shared Service will be determined by the outturn against performance indicators which have been developed for the service and management. These have been agreed with the council's s151 officer and are included at **Appendix 2** for 2021/22. It is envisaged that these will be revised during the year in conjunction with the s151 Officer.

Customer / Equalities and Diversity Implications

There are no implications arising out of this report.

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 2021/22

Appendix 2 ~ Performance indicators 2021/22

6. BACKGROUND PAPERS

None

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Date: 29th July 2021

7. **KEY**

N/a

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**Date: 29th July 2021APPENDIX 1SUMMARY OF DETAILED PLAN

Planned Days	2021/22
Core Financial Systems	112
Corporate Work	76
Service Delivery incl. Other Operational Work	143
Sub Total	331
Audit management meetings	20
Corporate meetings / reading	9
Annual plans, reports & Committee support	25
Sub Total	54
Total Audit Days	385
Rubicon	10

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Date: 29th July 2021

2021/22 Internal Audit Plan

Audit Area	Corporate Link	Risk Register Reference	Plan Priority	Include in 2021/22 Plan	Original Resource 2020/21 Comparison	Proposed Resource 2021/22	Indicative Planned Qtr.
FINANCIAL							
Debtors (note 1)	Enabling	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	12	15	1 to 4
Main Ledger/Bank Rec. (note 1)	Enabling	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	16	20	1 to 4
Budget Monitoring (note 1)	Enabling	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	0	15	1 to 4
Creditors (note 1)	Enabling	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	12	15	1 to 4
Treasury Management (incl. strategic acquisitions and process) Light Touch (note 2)	Enabling	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	8	4	3
Council Tax	Enabling	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	8	8	3
Benefits (Transformation)	Enabling	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	10	10	3
NNDR	Enabling	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	8	8	3

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Date: 29th July 2021

Audit Area	Corporate Link	Risk Register Reference	Plan Priority	Include in 2021/22 Plan	Original Resource 2020/21 Comparison	Proposed Resource 2021/22	Indicative Planned Qtr.
Payroll	Enabling & Contractual Obligation	Lack of robust financial accounting and monitoring arrangement	Medium/ High	<input checked="" type="checkbox"/> *	16	17	3
Sub TOTAL					90	112	
CORPORATE							
IT Audit (Server patching and disaster recovery) (note 3)	Fundamental to strategic purpose delivery	N/a	Medium	<input checked="" type="checkbox"/> *	8	9	4
Risk Management (Critical Friend Support) (note 4)	Fundamental to strategic purpose delivery	S151 request	Medium	<input checked="" type="checkbox"/> *	6	6	2 to 4
Health and Safety (Training Documentation including Operations & action plan monitoring)	Fundamental to strategic purpose delivery	Non compliance with Health and Safety	Medium/ High	X	9	0	
GDPR - Document Retention Policies - Security of electronic data (note 6)	Fundamental to strategic purpose delivery	N/a	Medium	<input checked="" type="checkbox"/>	10	11	2
Procurement (note 5)	Fundamental to strategic purpose delivery	Potential area from 2018/19	Medium	<input checked="" type="checkbox"/> *	10	11	4
Use of Agency & Consultants	Fundamental to strategic purpose delivery	N/a	Medium	X	10	0	

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Date: 29th July 2021

Audit Area	Corporate Link	Risk Register Reference	Plan Priority	Include in 2021/22 Plan	Original Resource 2020/21 Comparison	Proposed Resource 2021/22	Indicative Planned Qtr.
Projects (note 3)	Fundamental to strategic purpose delivery	N/a	Medium	<input checked="" type="checkbox"/> *	15	16	2
Grants (Various)	Enabling	Lack of robust financial accounting and monitoring arrangement	High	<input checked="" type="checkbox"/>	0	20	2
Orb	Fundamental to strategic purpose delivery	N/a	High	X	10	0	
Disabled Facility Grants	Enabling	N/a	Medium	<input checked="" type="checkbox"/> *	0	3	2
Sub TOTAL					78	76	
SERVICE DELIVERY							
Community Service							
St David's House	Help me to live my life independently	HoS request	Low/Medium	X	15	0	
Environmental							
Refuse Service scalability (new builds) (Critical Friend) (note 3)	Keep my place safe and looking good	Enabling 24	Low/Medium	<input checked="" type="checkbox"/> *	9	10	4

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Date: 29th July 2021

Audit Area	Corporate Link	Risk Register Reference	Plan Priority	Include in 2021/22 Plan	Original Resource 2020/21 Comparison	Proposed Resource 2021/22	Indicative Planned Qtr.
Leisure and Culture - Rubicon							
Contract Management Arrangements	Provide good things for me to see, do and visit	Contractual requirement - SLA	High	X	15	0	
Housing							
Housing repair and maintenance (note 3)	Ensuring a sustainable council	Deputy Chief Executive request	High	<input checked="" type="checkbox"/>	20	25	4
Asbestos Regulation Compliance (note 3)	Keep my place safe and looking good	Hou 21	High	<input checked="" type="checkbox"/>	15	17	4
Annual Gas Inspection (note 3)	Keep my place safe and looking good	Hou 14	High	<input checked="" type="checkbox"/>	15	17	4
Sub TOTAL					89	69	
Other Operational Work							
Advisory, Consultancy & Contingency	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	35	20	
Fraud & Investigations incl. NFI	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	15	15	
Completion of prior year's audits	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	12	12	

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Date: 29th July 2021

Audit Area	Corporate Link	Risk Register Reference	Plan Priority	Include in 2021/22 Plan	Original Resource 2020/21 Comparison	Proposed Resource 2021/22	Indicative Planned Qtr.
Report Follow Up (all areas)	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	15	15	1 to 4
Statement of Internal Control	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	6	6	
Bus Operators Grant	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	6	6	
Sub TOTAL					89	74	
Audit Management Meetings	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	20	20	1 to 4
Corporate Meetings / Reading	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	9	9	
Annual Plans, Reports & Committee Support	Operational support	N/a	N/a	<input checked="" type="checkbox"/>	25	25	
Sub TOTAL					54	54	
TOTAL CHARGEABLE							
					400	385	
Rubicon Leisure	Arms Length LA Company	N/a	N/a		10	10	

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE****Date: 29th July 2021**Explanatory Notes:

*As part of the increasing joint and shared service working between Redditch Borough Council and Bromsgrove District Council the audit budgets and areas will feature in both internal audit plans and be consolidated to deliver a single piece of work covering both Councils. Where practically possible the days will be split equally between the plans. Weighting will, however, be applied if it is considered the focus of the work will major on one Council due to the risk profiling.

The customer journey will be considered overall as part of the service audits.

Note 1: New financial system therefore audit budget increase.

Note 2: Light touch due to improved processes.

Note 3: Rolled from 2020/21.

Note 4: Risk management relaunch reviewing ongoing progress against action plan and reporting.

Note 5: Rolled from 2020/21. Consultant outcome - reviewing action plan delivery.

Note 6: Previous audit was a 'limited' assurance outcome.

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**Date: 29th July 2021Appendix 2PERFORMANCE INDICATORS 2021/22

The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2021/22. Other key performance indicators link to overall governance requirements of Redditch Borough Council e.g. KPI 4. The position will be reported on a cumulative basis throughout the year.

	KPI	Trend/Target requirement	2021/22 Position (as at XXXXXXX)	Frequency of Reporting
Operational				
1	No. of audits achieved during the year	Target = Minimum of 15	Delivered = XX	When Audit Committee convene
2	Percentage of Plan delivered	>90% of agreed annual plan days	XX	When Audit Committee convene
3	Service productivity	Positive direction year on year (Annual average aspirational target 74%)	XX	When Audit Committee convene
Monitoring & Governance				
4	No. of 'high' priority recommendations	Downward (minimal)	XX <i>(previous year figure)</i>	When Audit Committee convene
5	No. of moderate or below assurances	Downward (minimal)	XX <i>(previous year figure)</i>	When Audit Committee convene
6	'Follow Up' results	Management action plan implementation date exceeded (<5%)	XX	When Audit Committee convene
Customer Satisfaction				
7	No. of customers who assess the service as 'excellent'	Upward (increasing)	XX	When Audit Committee convene

WIASS conforms to the Public Sector Internal Audit Standards (as amended).

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

Work Programme 2020-21

29th July 2021

- Monitoring Officer's Report
- RIPA Report 2021
- Dispensations Report
- Grant Thornton – Certification Letter 2019/2020
- Internal Audit Plan 2021/20
- Internal Audit Annual Report including Audit Opinion 2020/2021
- Corporate Governance and Risk Update
- Appointment of Risk Champion
- Committee Work Programme

28th October 2021

- Monitoring Officer's Report
- Internal Audit Progress Report
- External Audit Plan 2021/22
- Grant Thornton External Audit Progress Report and Sector Update
- Internal Audit Progress Report
- Financial Savings Monitoring Report
- HRA S151 Update
- Treasury, Capital, and Investments reports
- Treasury Management Strategy and Capital Strategy Report
- Treasury Report Update (6 monthly)
- Corporate Risk Register
- Review of the Role of Independent Member
- Committee Work Programme

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