

# Notice of Meeting

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## Governance and Ethics Committee

**Monday, 15th April, 2019 at 5.00 pm**  
in Council Chamber Council Offices  
Market Street Newbury

**Note:** The Council broadcasts some of its meetings on the internet, known as webcasting. If this meeting is webcasted, please note that any speakers addressing this meeting could be filmed. If you are speaking at a meeting and do not wish to be filmed, please notify the Chairman before the meeting takes place. Please note however that you will be audio-recorded.

Date of despatch of Agenda: Tuesday, 9 April 2019

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Andy Day/Moira Fraser/Stephen Chard on (01635) 519459/519045/519462

e-mail: [andy.day@westberks.gov.uk](mailto:andy.day@westberks.gov.uk) / [moira.fraser@westberks.gov.uk](mailto:moira.fraser@westberks.gov.uk) / [stephen.chard@westberks.gov.uk](mailto:stephen.chard@westberks.gov.uk)



WestBerkshire  
C O U N C I L

**Agenda - Governance and Ethics Committee to be held on Monday, 15 April 2019**  
*(continued)*

Further information and Minutes are also available on the Council's website at [www.westberks.gov.uk](http://www.westberks.gov.uk)

**Agenda - Governance and Ethics Committee to be held on Monday, 15 April 2019**  
(continued)

**To:** Councillors Steve Ardagh-Walter, Jeff Beck (Vice-Chairman), Jeff Brooks, Paul Bryant, Keith Chopping (Chairman), Jason Collis, Barry Dickens, Jane Langford, Geoff Mayes, Anthony Pick and Quentin Webb

**Substitutes:** Councillors Graham Bridgman, Sheila Ellison and Alan Macro

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## Agenda

<b>Part I</b>	<b>Page No.</b>
1 <b>Apologies</b> To receive apologies for inability to attend the meeting (if any).	
2 <b>Minutes</b> To approve as a correct record the Minutes of the meeting of this Committee held on 26 November 2018.	1 - 4
3 <b>Declarations of Interest</b> To remind Members of the need to record the existence and nature of any personal, disclosable pecuniary or other registrable interests in items on the agenda, in accordance with the Members' <a href="#">Code of Conduct</a> .	
4 <b>Forward Plan</b> <i>Purpose: To consider the Forward Plan for the next 12 months.</i>	5 - 8

## Standards Matters

5 <b>Monitoring Officer's Annual Report to the Governance and Ethics Committee - 2018/19 Year End (C3424)</b> <i>Purpose: To provide an update on local and national issues relating to ethical standards and to bring to the attention of Members any complaints or other problems within West Berkshire.</i>	9 - 40
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## Audit Matters

6 <b>Internal Audit Plan Progress Report for Quarter Three (GE3629)</b> <i>Purpose: To update the Committee on the outcome of Internal Audit work carried out during quarter three of 2018-19.</i>	41 - 54
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**Agenda - Governance and Ethics Committee to be held on Monday, 15 April 2019**  
(continued)

- 7      **External Audit Plan Provided by Grant Thornton for the Audit of Financial Year 2018/19 (GE3427)**      55 - 78  
*Purpose: To provide Members with a copy of the external audit plan from Grant Thornton for the Financial Year ending 31<sup>st</sup> March 2019 which sets out an overview of the scope and timing of the annual statutory audit of the Council's financial statements and value for money arrangements.*
- 8      **Internal Audit Plan 2019-2022 (GE3426)**      79 - 122  
*Purpose: To set out the proposed Internal Audit work for the three year period covering 2019/2020 to 2021/2022.*

**Part II**

**RECOMMENDATION:** That members of the press and public be excluded from the meeting during consideration of the following items as it is likely that there would be disclosure of exempt information of the description contained in the paragraphs of Schedule 12A of the Local Government Act 1972 specified in brackets in the heading of each item.

- 9      **Report from the Deputy Monitoring Officer in Respect of NPC15/18 (GE3706)**      123 - 146  
*Purpose: To bring to the attention of the Governance and Ethics Committee a failure by a parish councillor to adhere to the agreed outcome of an assessment of a complaint.*

Andy Day  
Head of Strategic Support

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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

## **GOVERNANCE AND ETHICS COMMITTEE**

### **MINUTES OF THE MEETING HELD ON MONDAY, 26 NOVEMBER 2018**

**Councillors Present:** Jeff Beck (Vice-Chairman), Paul Bryant, Keith Chopping (Chairman), James Cole, Barry Dickens, Geoff Mayes, Anthony Pick and Quentin Webb

**Also Present:** Sarah Clarke (Acting Head of Legal Services), Lesley Flannigan (Finance Manager: Financial Reporting), Julie Gillhespey (Audit Manager) and Andy Walker (Head of Finance and Property), Jo Reeves (Principal Policy Officer)

**Apologies for inability to attend the meeting:** Councillor Steve Ardagh-Walter, Councillor Jeff Brooks and Jane Langford

#### **PART I**

#### **18 Minutes**

The Minutes of the meetings held on 30 July 2018, 08 August 2018 (special) and 29 October (special) were approved as a true and correct record and signed by the Chairman subject to the inclusion of the following amendments:

**Minutes from the meeting held on 30 July 2018, Page 7:** The meeting recorded as being on 16 April 2019 would actually be held on 15 April 2019.

**Minutes from the meeting held on 8 August 2018, Page 12:** Remove the 's' from 'Mr Thomas Tunney in addressing the Committee raised the following points'.

#### **Matters Arising**

Councillor Quentin Webb noted that weak audit follow ups, as discussed in the previous meeting, were included in the Internal Audit Update Report (Agenda Item 7).

#### **19 Declarations of Interest**

There were no declarations of interest received.

#### **20 Forward Plan**

The Committee considered the Governance and Ethics Committee Forward Plan (Agenda Item 4).

**RESOLVED** that the Governance and Ethics Committee Forward Plan be noted.

#### **21 Financial Statements 2017/18 - Annual Audit Letter (GE3360)**

The Committee considered a report (Agenda Item 5) which included the Final Annual Audit Letter 2017/18 from KPMG. The audit letter summarised the outcome from their audit work at West Berkshire Council in relation to the 2017/18 audit year.

It was noted that Value for Money was given an unqualified conclusion and KPMG issued an unqualified opinion on the Council's financial statements on 31<sup>st</sup> July 2018.

The Committee requested that their thanks be recorded and passed on to all in the Finance Service whose hard work had ensured the Council's strong results.

**RESOLVED** that the Annual Audit letter be noted.

**22 External Auditors - Audit Progress Report and Sector Update (GE3661)**

The Committee considered a report (Agenda Item 6) from Grant Thornton on progress in delivering their responsibilities as the Council's new external auditors and a sector update. This was an introductory paper from the new auditors.

David Johnson, Engagement Manager for Grant Thornton, introduced the report to the Committee. He explained that he had already held meetings with the Council's Chief Executive and the Finance Team to explore future areas of attention. The process followed would be largely similar to the previous auditors, KPMG. As part of their service, Grant Thornton would hold workshops for the Finance Service and the next would be held in February.

Councillor Anthony Pick noted the information regarding the Vibrant Economy Index contained within the Sector Update section of the report. He asked whether the index was able to measure the impact of the Council's policies around promoting a strong local economy. David Johnson advised that the measure was more geared to reflect the impact of the economy of social mobility.

Councillor Webb enquired whether Grant Thornton would undertake any analysis of KPMG's processes. David Johnson advised that they would be informed by KPMG's work but would look at things themselves in order to learn the Council's process.

Councillor Bryant noted that the value for money opinion would be informed by seeing whether the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. He asked whether that meant that Grant Thornton would recommend areas where specific services could be made more efficient. David Johnson advised that they would be looking to ensure appropriate governance arrangements were in place and that the Council was directing the use of resources properly.

Councillor Keith Chopping asked whether a reactive audit process would be used. David Johnson advised that they would get ahead of the curve where possible.

**RESOLVED** that the Audit Progress Report and Sector Update be noted.

**23 Internal Audit Update Report (GE3628)**

The Committee considered a report (Agenda Item 7) which updated on the outcome of Internal Audit work carried out during quarters one and two of 2018/19.

The report concluded that no significant/fundamental weaknesses had been identified in the Council's internal control framework through the work carried out by Internal Audit during the first two quarters of 2018/19. Progress against the plan was slow during the second quarter due to a Senior Auditor post becoming vacant, and also because there was unplanned work that Internal Audit was requested to undertake which needed to be prioritised over planned work.

Councillor Keith Chopping enquired upon whether the team was now fully staffed. Julie Gillhespy advised that an experienced Senior Auditor was appointed in mid-September.

Councillor James Cole asked whether the team was adequately resourced. Julie Gillhespy expressed the view that she would prefer to have one more member of staff.

Councillor Anthony Pick asked how the weak result of a school audit would be followed up. Julie Gillhespy advised that there would be a follow up in six months, as with the systems audit. Geoff Mayes asked whether the weak audit was due to finances. Julie Gillhespy advised that it was due to weak financial governance.

## **GOVERNANCE AND ETHICS COMMITTEE - 26 NOVEMBER 2018 - MINUTES**

Councillor Paul Bryant asked whether academies were audited by the Council, Julie Gillhespey advised that they were not.

Councillor James Cole sought more information on procurement cards. Julie Gillhespey advised that a 'weak' result was identified because services were not complying with the financial controls. A range of recommendations would be taken forward. It was likely that staff within the services did not understand the requirements, rather than there being deliberate non-compliance. Individual findings had been issued to services. Councillor Chopping requested a further update on the matter at the next meeting in February 2019.

Andy Walker offered reassurance that the Finance and Governance officer group were aware of the situation and would consider withdrawal of the procurement card as a sanction. It was hoped the situation could be resolved through training.

Councillor Beck requested an update regarding the modelling of the Adult Social Care budget. Julie Gillhespey advised that the Chief Executive was authoring a forthcoming report on the matter. Councillor Graham Bridgman, Executive Member for Adult Social Care, advised the Committee that the process was ongoing to correct the modelling. It was known how the modelling error was caused, but not why there had been omissions from the model in the first place. Some elements of the forecast overspend in Adult Social Care could not have been predicted. The new modelling regime should be an improvement.

Councillor Pick asked what degree of risk the council was under through the procurement card issue. Julie Gillhespey advised that the cards had a transaction and monthly spend limit. Around £90k was spent per year via the cards. The primary risk was reputational.

In relation to the audit for contract letting, Councillor Cole sought assurance that it would be recompleted following the change to the Council's Rules of Procedure. Julie Gillhespey advised that even when reviewed, there was more scope for the matter to be weak as the matter was devolved to services and therefore more people were involved.

**RESOLVED that the content of the report be noted.**

### **24 Amendments to the Constitution (GE3260)**

The Committee considered a report (Agenda Item 8) which proposed a number of amendments to Parts 2, 3, 10, 11 and 13 of the Council's Constitution. The main changes to the Constitution were set out in the report but they were mainly general tidying up and an increase to delegated authority.

Sarah Clarke introduce the report to the Committee. She particularly highlighted that the Social Media Protocol for Councillors (the Protocol) was overdue an update as the deadline of December 2016 had long passed. She thanked a working group for their support including Councillors Bridgman, Cole, and Doherty, plus Martin Dunscombe the Communications Manager. Councillor Bridgman had subsequently circulated a 'clean' version to the Committee members. Comments had been submitted by Councillor Macro and the Protocol would be further amended to ensure the use of 'blog' and 'post' were consistent. A general clause would be added to enable the evolving language around social media to be covered. Regarding Councillor Macro's point regarding racist, homophobic and transphobic content, Sarah Clarke advised the Committee that the Council's Equality Policy sufficiently covered the matter. Finally regarding Councillor Macro's point about the use of Council equipment, the Council's IT Policy was applicable.

Councillor Bridgman advised that he had edited the Protocol to take into account Councillor Macro's comments, minus those which Sarah Clarke had identifies were sufficiently covered by other policies. He wished to draw the Committee's attention to a slight difference to the Councillor's Code of Conduct that the meaning of Capacity, where

## GOVERNANCE AND ETHICS COMMITTEE - 26 NOVEMBER 2018 - MINUTES

capitalised in the Protocol, included such circumstances where a councillor might be reasonably perceived to be acting their capacity as a Councillor.

Councillor Cole stated that he was happy with the proposed changes.

Sarah Clarke advised that Martin Dunscombe would provide Members with training on how to maximise the use of social media following the elections in May 2019.

Turning to the other proposed changes to the constitution, Councillor Chopping queried whether £5k was a sufficient reward for officers whose ideas had saved the Council £1m. Sarah Clarke advised that the proposal related to new income generation and not savings. Councillor Pick stated that in his experience the size of the reward had little bearing on the scale of the benefit achieved.

**RESOLVED that the following items be recommended to Full Council for approval subject to the inclusion of the amendments agreed at the meeting :**

- **The amendments to the Articles of the Constitution which are detailed in Appendix D of the report.**
- **The amendments to the Scheme of Delegation which are shown fully in Appendix E of the report.**
- **The amendments to the Financial Rules of Procedure at Part 10 of the Constitution, as detailed in Appendix F of the report.**
- **The amendments to the Contracts Rules of Procedure at Part 11 of the Constitution, as detailed in Appendix G of the report.**
- **The amendments to the Social Media Protocol for Councillors at Part 13 of the Constitution, as shown at Appendix H of the report.**

### 25 Exclusion of Press and Public

**RESOLVED that** members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the [Local Government \(Access to Information\)\(Variation\) Order 2006](#). [Rule 8.10.4 of the Constitution also refers.](#)

### 26 Strategic Risk - Key Issues Q2 2018/19 (GE3639)

*(Paragraph 3 – information relating to the financial/business affairs of a particular person)*

The Committee considered an exempt report (Agenda Item 10) concerning the Strategic Risk Key Issues Q2 2018/19.

**RESOLVED that** the report be noted.

*(The meeting commenced at 5.00 pm and closed at 6.26 pm)*

**CHAIRMAN** .....

**Date of Signature** .....



## Governance and Ethics Committee Forward Plan June 2019 – April 2020

No.	Ref No	Item	Purpose	Lead Officer	Lead Member	Governance/Audit/Ethics
<b>17 June 2019</b>						
1.	GE3639	Risk Management Update Report Q2 2018/19	To provide an update with progress.	Catalin Bogos	Corporate Services	Audit
2.	GE3436	Internal Audit Plan 2019/20	To outline the proposed internal audit work programme for the next three years.	Julie Gilhespey	Corporate Services	Audit
<b>29 July 2019</b>						
3.	GE3624	West Berkshire Council Financial Statements 2018/19 including external auditor's Opinion.	To provide Members with the final copy of the Council's Financial Statements	Andy Walker	Finance, Transformation and Economic Development	Audit
4.	GE3625	Internal Audit Annual Assurance Report 2018/19	The Public Sector Internal Audit Standards (PSIAS) require the Audit Manager to make a formal annual report to those charged with governance within the Council.	Julie Gilhespey	Corporate Services	Audit
5.	GE3626	Planned Audit Fee for 2019/20	To note the contents of the audit fee letter.	Lesley Flannigan	Chairman of Governance and Ethics Committee	Audit
6.	GE3627	Annual Governance Statement	To allow the committee to review the Annual Governance Statement before it is signed by the Leader and Chief Executive	Andy Walker	Corporate Services	Governance
<b>02 September 2019</b>						
7.		No items to date				

No.	Ref No	Item	Purpose	Lead Officer	Lead Member	Governance/Audit/Ethics
8.						
<b>25 November 2019</b>						
9.	C3260	Amendments to the Constitution	To review and amend sections of the Scheme of Delegation in light of legislative changes and current practice.	Sarah Clarke	Corporate Services	Governance
10.	GE3637	Financial Statements 2018/19 - Annual Audit Letter	To provide Members with the Final Annual Audit Letter 2018/19 from <i>external auditor</i> . <i>The audit letter summarises the outcome from their audit work at West Berkshire Council in relation to the 2018/19 audit year.</i>	Lesley Flannigan	Finance, Transformation and Economic Development	Audit
11.	GE3638	Internal Audit – Interim Report 2019-20	To update the Committee on the outcome of internal audit work.	Julie Gilhespey	Corporate Services	Audit
<b>03 February 2020</b>						
12.	GE3691	Risk Management Update Report Q2 2019/20	To update the Committee on Council risks.	Catalin Bogos	Corporate Services	Audit
<b>20 April 2020</b>						
13.	GE3686	Amendments to the Constitution – Scheme of Delegation	To review and amend sections of the Scheme of Delegation in light of legislative changes and current practice.	Sarah Clarke	Corporate Services	Governance
14.	GE3687	Monitoring Officer's Annual Report to the Governance and	To provide an update on local and national issues relating to ethical	Sarah Clarke	Corporate Services	Ethics

No.	Ref No	Item	Purpose	Lead Officer	Lead Member	Governance/Audit/Ethics
		Ethics Committee –2019/20 Year End	standards and to bring to the attention of the Committee any complaints or other problems within West Berkshire.			
15.	GE3688	Internal Audit Plan 2020/21	To outline the proposed internal audit work programme for the next three years	Julie Gilhespey	Corporate Services	Audit
16.	GE3689	External Audit Plan 2020-21	To provide Members with a copy of the External Audit Plan for 2020-21	Julie Gilhespey	Corporate Services	Audit
17.	GE3690	Internal Audit – Interim Report 2019-20	To update the Committee on the outcome of internal audit work.	Julie Gilhespey	Corporate Services	Audit

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## Monitoring Officer's Annual Report to the Governance and Ethics Committee – 2018/19 Year End - Summary Report

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**Committee considering report:** Council on 21 May 2019

**Portfolio Member:** Councillor Dominic Boeck

**Date Head of Service agreed report (for Corporate Board)** 19 February 2019

**Date Portfolio Member agreed report:**

**Report Author:** Sarah Clarke

**Forward Plan Ref:** C3424

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### 1. Purpose of the Report

- 1.1 To provide an update on local and national issues relating to ethical standards and to bring to the attention of Members any complaints or other problems within West Berkshire.
- 1.2 To present the Annual Governance and Ethics Report to Full Council.

### 2. Recommendation

- 2.1 Members are requested to note the content of the report.
- 2.2 The report to be circulated to all Parish/Town Councils in the District for information.

### 3. Implications

- 3.1 **Financial:** There are no financial issues arising from this report. However the costs associated with external investigations may lead to a budget pressure.
- 3.2 **Policy:** Revised policy and changes to processes adopted at Council in May 2012 and reviewed in December 2013 and September 2016.
- 3.3 **Personnel:** There are no personnel issues associated with this report
- 3.4 **Legal:** There are no legal issues arising from this report. The matters covered by this report are generally requirements of the Local Government Act 2000 in so far as appropriate and the Localism Act 2011 and its supporting regulations.
- 3.5 **Risk Management:** The benefits of this process are the maintenance of the Council's credibility and good governance by a high standard of ethical behaviour. The threats are the loss of credibility of the Council if standards fall. Adherence to the

requirements of the Code of Conduct also reduce the risk of the Council's decisions being subject to legal challenge.

3.6 **Property:** There are no property issues associated with this report

3.7 **Other:** A diminution in standards of behaviour by elected Members could have a significant reputational impact on the Council

#### 4. Other options considered

4.1 Not to produce the report. There is no legal obligation to produce this report, so not doing so would be an option. However, it is considered that an annual report provides a good overview of work being undertaken, and may assist in identifying any significant problems or developing trends. This overview is also helpful in ensuring full transparency regarding complaints. Not producing this report is therefore not recommended as an option.

## Executive Summary

### 5. Introduction / Background

5.1 Following the enactment of the Localism Act 2011 a number of changes were made to the Standards Regime. As part of the governance arrangements adopted by West Berkshire Council, it was agreed that the Monitoring Officer would produce an annual report for the Governance and Ethics Committee and that it would be presented to Full Council at the Annual meeting. The report would also be circulated to all Town and Parish Councils.

5.2 The key issues identified in the report are:

- One dispensation was granted during 2018/19
- During 2018/19, 22 formal complaints were received by the Monitoring Officer. Of these complaints, 20 were about parish councillors, 1 related to a co-opted councillor and 1 complaint was about a district councillor. This was an increase on the number of complaints received in the previous year 2017/18, when 16 complaints were received.
- No further action was taken on 14 of the complaints following the initial assessment. Of the remainder, 3 complaints were withdrawn, 2 complaints were referred for investigation and one complaint is still being processed and informal resolution was sought in two cases.
- Following 2 matters that were referred for investigation, changes were made to the Social Media Protocol for Members and the Member Development Programme.
- The Committee on Standards in Public Life have published their report on Ethical Standards in Local Government on 30<sup>th</sup> January 2019. Legislative changes would be required to enact all of the proposals in that Report.
- The amount of gifts and hospitality received by officers is broadly similar to last year although the total number of items recorded by Members has improved significantly over the past 12 months.

### 6. Proposal

6.1 Members are asked to note the content of the report and agree that it should be circulated to all Town and Parish Councils for information.

### 7. Conclusion

7.1 Although there are a relatively high number of complaints, these are limited to related matters at a very small number parishes. It is of note that only two matters were referred for investigation to date.

7.2 It is the opinion of the Monitoring Officer that standards of conduct at all levels across the district remain high, which is to be commended.

## 8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Supporting Information
- 8.4 Appendix D – Members Register of Gifts and Hospitality
- 8.5 Appendix E – Officers Register of Gifts and Hospitality

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### Corporate Board's recommendation:

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## Appendix A

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Legal
Team:	
Lead Officer:	Sarah Clarke
Title of Project/System:	Governance of the Code of Conduct
Date of Assessment:	15 February 2019

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p>Note – sensitive personal data is described as “data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”</p>	<input type="checkbox"/>	X <input type="checkbox"/>
<p><b>Will you be processing data on a large scale?</b></p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	X <input type="checkbox"/>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	X <input type="checkbox"/>
<p><b>Will any decisions be automated?</b></p> <p>Note – does your system or process involve circumstances where an individual's input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	X
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	X
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	X
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	X

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**

## Appendix B

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Council to make:</b>	None. This is a report on work undertaken.
<b>Summary of relevant legislation:</b>	Localism Act 2011 – Requirement to maintain high standards of conduct
<b>Does the proposed decision conflict with any of the Council’s key strategy priorities?</b>	No
<b>Name of assessor:</b>	Sarah Clarke
<b>Date of assessment:</b>	15 February 2019

Is this a:		Is this:	
Policy	No	New or proposed	No
Strategy	No	Already exists and is being reviewed	Yes
Function	No	Is changing	No
Service	No		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	To review local arrangements for the regulation and governance of ethical conduct.
<b>Objectives:</b>	To maintain high standards of ethical conduct.
<b>Outcomes:</b>	High standards of conduct achieved in all aspects of conduct.
<b>Benefits:</b>	High levels of trust and confidence in decisions being taken by the Council.

<b>2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b>		
(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this</b>
Age	None	
Disability	None	

Gender Reassignment	None	
Marriage and Civil Partnership	None	
Pregnancy and Maternity	None	
Race	None	
Religion or Belief	None	
Sex	None	
Sexual Orientation	None	
<b>Further Comments relating to the item:</b>		

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
<b>Please provide an explanation for your answer: There is no decision for the Council to take.</b>	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
<b>Please provide an explanation for your answer: There is no decision for the Council to take.</b>	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name: Sarah Clarke

Date: 15/02/19

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.

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# Monitoring Officer's Annual Report to the Governance and Ethics Committee – 2018/19 Year End – Supporting Information

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## 1. Introduction/Background

- 1.1 The Localism Act 2011 was enacted on 15th November 2011 and it made fundamental changes to the system of regulation of the standards of conduct for elected and co-opted members of Councils and Parish Councils.
- 1.2 In order to ensure that the process was working effectively locally it was agreed that the Monitoring Officer would produce an annual report which would be presented to the Governance and Ethics Committee. The report would set out the number and nature of complaints received and inform Members of any other activity that was taking place around the Code of Conduct regime. It would also provide a means of updating the Committee on the progress of investigations.
- 1.3 It was also agreed that the report would be presented to Full Council at the Annual meeting and that it would be circulated to all Town and Parish Councils. This report also includes a look forward to the forthcoming Municipal Year.

## 2. Governance Arrangements

- 2.1 The Governance and Ethics Committee is currently comprised of ten members (eight District Councillors appointed on a proportional basis and two co-opted non-voting Parish/Town Councillors). The decrease in the total number of Councillors from 52 to 43 following the May 2019 elections might result in a change to the number of District Councillors appointed to this Committee in the future. The number of Councillors appointed to each of the Council's Committees will be agreed at the 21 May 2019 Council meeting.
- 2.2 The Monitoring Officer is authorised to appoint three Independent Persons who are used on a rotational basis on the Initial Assessment Panel and Advisory Panel. The Advisory Panel currently comprises 8 Members: 2 from the administration, 2 from the main opposition party, 2 parish/town councillors and 2 independent persons. These appointments may also be revised after the May 2019 elections.
- 2.3 A revised Code of Conduct was adopted in September 2016. The Code and Governance arrangements are supported by a number of documents including:
  - Terms of Reference for the Governance and Ethics Committee and Advisory Panel;
  - Gifts and Hospitality Protocol;
  - Complaints procedures for breaches of the Code of Conduct;
  - Dispensations procedure;
  - Social Media Protocol.

### 3. Independent Persons

- 3.1 Under Section 28 of the Localism Act 2011 the Council has to ensure it has appointed at least one Independent Person who is consulted before any decision is made to investigate an allegation against any Member of the Council or any Parish Councillor. It was agreed at the Full Council meeting on the 27 September 2012 that the Independent Person may be consulted directly either by the person who has made the complaint or the person the complaint has been made about. Three Independent Persons have therefore been appointed in order to ensure that a conflict situation does not arise.
- 3.2 James Rees, Mike Wall and Lindsey Appleton were appointed as the Council's Independent Persons for the 2018/19 Municipal Year. All three Independent Persons have agreed to remain as Independent Persons for the 2019/20 Municipal Year.
- 3.3 A person is not considered to be "independent" if:-
- (i) They are or have been, within the last five years, an elected or co-opted Member or officer of the Council or of any Parish Councils within this area. This also applies to committees or sub-committees of the various Councils.
  - (ii) They are a relative or close friend of a current elected, or co-opted, Member or officer of the Council or any Parish Council within its area, or any elected or co-opted member of any committee or sub-committee.
  - (iii) The definition of relative includes the candidate's spouse, civil partner, grandparent, child etc.
- 3.4 In addition The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 require provisions to be made relating to the potential dismissal or disciplining of the Head of Paid Service, Monitoring Officer or Section 151 Officer. A panel needs to be set up to advise on matters relating to the dismissal of these Officers. The Act requires at least two Independent Persons who have been appointed under section 28(7) of the Localism Act 2011 to be appointed to the panel. The role of the Independent Persons therefore includes the requirement of this legislation.
- 3.5 The Council is asked to recognise the significant contribution of the Independent Persons and thank them for their ongoing contributions.

### 4. Governance and Ethics Committee

- 4.1 The overall purpose of the Governance and Ethics Committee is to provide effective challenge across the Council and independent assurance on the risk management and governance framework and associated internal control environment to members and the public, independently of the Executive. The Governance and Ethics Committee is also responsible for receiving the annual Audit Letter and for signing off the Council's final accounts.
- 4.2 The Committee is also charged with promoting and maintaining high standards of conduct throughout the Council. They promote, educate and support Councillors (both District and Parish) in following the highest standards of conduct and ensuring that those standards are fully owned locally. The roles and functions of the



Governance and Ethics Committee are set out in paragraph 2.8.4 of the Constitution (Part 2 Articles of the Constitution).

4.3 At the conclusion of 2018/19 the Governance and Ethics Committee comprised the following Members:

- (1) Steve Ardagh-Walter (Conservative)
- (2) Jeff Beck (*Vice-Chairman*) (Conservative)
- (3) Paul Bryant (Conservative)
- (4) Keith Chopping (*Chairman*) (Conservative)
- (5) Jason Collis (Conservative)
- (6) Anthony Pick (Conservative)
- (7) Quentin Webb (Conservative)
- (8) Jeff Brooks (Liberal Democrat)
- (9) Sheila Ellison (Substitute) (Conservative)
- (10) Graham Bridgman (Substitute) (Conservative)
- (11) Alan Macro (Substitute) (Liberal Democrat)

4.4 The Governance and Ethics Committee has a special responsibility regarding the 56 Town and Parish Councils within the District. It is responsible for ensuring that high standards of conduct are met within the parishes and that all Parish and Town Councillors are aware of their responsibilities under their Codes of Conduct.

4.5 The District Councillors are therefore supported on the Governance and Ethics Committee by two co-opted Parish Councillors who are appointed in a non-voting capacity. Ideally two substitutes are also appointed to this Committee. During 2018/19 the Governance and Ethics Committee included the following Parish Councillors:

- (1) Barry Dickens (co-opted non-voting Parish Councillor)
- (2) Geoff Mayes (co-opted non-voting Parish Councillor)
- (3) Jane Langford (substitute co-opted non-voting Parish Councillor)

\* There was one vacancy for a substitute co-opted non-voting Parish Councillor on the Committee.

4.6 The Council is asked to recognise the contribution of the Parish Councillors and thank them for their contributions.

4.7 Following the May 2019 election all parishes will be contacted to see if they would like to nominate parish councillors to sit on this Committee or the Advisory Panel. Training will be provided to any new parish councillors that are appointed to either the Governance and Ethics Committee or the Advisory Panel.

## 5. Advisory Panel

5.1 The Advisory Panel is responsible for dealing with complaints where evidence of a breach of the Code has been investigated by an independent investigator. The

Advisory Panel considers the investigators report and its considerations are reported to the Governance and Ethics Committee which makes the formal decision in respect of allegations which have been investigated where it is considered that a breach of the relevant code of conduct has occurred.

5.2 The District Councillors on the Advisory Panel are representatives of both the main political groups within the Council and are not appointed in accordance with the proportionality rules. During 2018/19 the Advisory Panel comprised the following District Councillors:

- Adrian Edwards (Conservative)
- Marigold Jaques (Conservative)
- Mollie Lock (Liberal Democrat)
- Alan Macro (Liberal Democrat)

5.3 During the 2018/19 Municipal Year the following Parish Councillors were appointed to the Advisory Panel:

- Tony Renouf
- Bruce Laurie

\*There were two vacancies for substitute Parish Councillors on this panel.

5.4 The Council is asked to recognise the Parish Councillors' contributions to the Panel and to thank them for that contribution.

## **6. The Monitoring Officer**

6.1 The Monitoring Officer is a statutory post and in West Berkshire rests with the Head of Legal Services. The Monitoring Officer (Sarah Clarke) in 2018/19 was supported by three deputies (Andy Day, Leigh Hogan and Shiraz Sheikh). The Monitoring Officer has a key role in promoting and maintaining standards of conduct. The Monitoring Officer acts as legal adviser to the Governance and Ethics Committee and Advisory Panel.

6.2 The Monitoring Officer also carries out the following functions:

- reporting on contraventions or likely contraventions of any enactment or rule of law and reporting on any maladministration or injustice where the Ombudsman has carried out an investigation;
- establishing and maintaining registers of Members' interests and gifts and hospitality;
- maintaining, reviewing and monitoring the Constitution;
- advising Members and Parish Councillors on interpretation of the Code of Conduct;
- conducting or appointing an external investigator to look into allegations of misconduct;
- performing ethical framework functions in relation to Parish Councils;
- acting as the proper officer for access to information;

- undertaking an initial assessment , in consultation with the Independent Person, when complaints relating to alleged breach of the Code of Conduct are received;
- making arrangements for relevant matters to be considered by the Governance and Ethics Committee and Advisory Panel;
- advising whether Executive decisions are within the policy framework; and
- advising on vices issues and maladministration, and in consultation with the Section 151 Officer financial impropriety, probity, and budget and policy issues to all Members.

## **7. The Work of the Committee 2018 – 2019**

7.1 During the 2018/19 Municipal Year the work undertaken by the Committee included:

- (1) Consideration of the monitoring cycle for both internal and external audit.
- (2) The Committee reviewed the report of an external review of internal audit.
- (3) The Committee signed off the 2017/18 Financial Statements including the Annual Governance Statements and the final audit letter from the previous external auditors KPMG. The Committee is looking forward to working with the newly appointed auditors Grant Thornton over the forthcoming year.

7.2 One of the functions of the Governance and Ethics Committee is to oversee the Council's Constitution. During the 2018/19 Year the Committee discussed and recommended changes to the following elements of the Constitution:

- (1) Part 2 (Articles of the Constitution)
- (2) Part 3 (Scheme of Delegation)
- (3) Part 10 (Finance Rules of Procedure)
- (4) Part 11 (Contract Rules of Procedure)
- (5) Social Media Protocols for both Officers and Members as set out in Part 13 (Codes & Protocols)

7.3 The Monitoring Officer, under delegated authority, had previously granted a dispensation to all West Berkshire Councillors to speak and vote on any items pertaining to Council Tax. This dispensation will remain in place until May 2019. Councillor Jeff Brooks was appointed to the Council during the 2018/19 Municipal Year and he too applied for and was granted this dispensation. No other dispensations were granted during this period.

## **8. Register of Interests**

8.1 All elected Members of West Berkshire Council have completed and submitted their Register of Interest forms. District Councillors are reminded to review their interests on a regular basis and Parish Councils are reminded via their Clerks to complete and return Declarations of Interest forms to the Monitoring Officer in order that compliance with the Localism Act 2011 is maintained.

## 9. Local Assessment of Complaints

### Matters outstanding from 2017/18

- 9.1 Three complaints were received on the 26<sup>th</sup> and 28<sup>th</sup> March 2018 which was too late for the outcome of those complaints to be included in last year's report. There was also one matter outstanding that had been referred for investigation. In the interests of transparency, details of these complaints are therefore included within this report.
- 9.2 Following the initial assessment of the three complaints referred to above, it was determined by the Monitoring Officer in consultation with the Independent Person, that no further action needed to be taken.
- 9.3 The matter that had been referred to investigation related to a complaint against a parish councillor (NPC1/18). When this complaint and the investigators report were considered by the Governance and Ethics Committee, it was determined that there had been a breach of the relevant Code of Conduct.

### Quarter 1 – 2018/19

- 9.4 During this period, seven formal complaints were received by the Monitoring Officer.
- 9.5 One of the these complaints (NDC2/18) pertained to a District Councillor, five related to Parish Councillors (NPC6/18, NPC7/18, NPC8/18, NPC9/18 and NPC10/18) and one related to a co-optee (CoP1/18). This was the first complaint received about a person co-opted onto West Berkshire Council, however this complaint was later withdrawn.
- 9.6 NDC2/18 was investigated, but no further action was taken on three of the complaints and informal resolution was sought in respect of NPC8/18 and NPC9/18.

### Quarter 2 – 2018/19

- 9.7 During Quarter 2 of 2018/19 five formal complaints were received by the Monitoring Officer.
- 9.8 All five complaints related to Parish Councillors (NPC11/18, NPC12/18, NPC13/18, NPC14/18 and NPC15/18).
- 9.9 Following the initial assessment of these complaints it was determined by the Monitoring Officer, in consultation with the Independent Person, that in the case of NPC13/18 and NPC14/18 no breach had been identified and that no further action needed to be taken.
- 9.10 The complainant in respect of complaint NPC11/18 and NPC12/18 had requested that their identity be kept confidential. The Monitoring Officer in consultation with the Independent Person considered the request and concluded that in these cases the complainant's confidentiality should not be withheld and the complainant therefore withdrew their complaint.
- 9.11 It was agreed that complaint NPC15/18 should be investigated. Complaint NDC2/18, which had been the subject of an investigation, was considered by the Advisory Panel in July 2018 and they concurred with the investigator's conclusion that a breach of the Code of Conduct had occurred. The matter was therefore

referred to the Governance and Ethics Committee (August 2018) who agreed that West Berkshire Council's Code of Conduct had been breached.

Quarter 3 - 2018/19

- 9.12 In this period, nine formal complaints were received by the Monitoring Officer
- 9.13 Eight of the complaints listed under NPC16/18 pertained to the same event. The complaints were assessed individually and it was deemed that no breach of the Code of Conduct had occurred. NPC17/18 also pertained to a parish councillor and again the Assessment Panel concluded that no breach of the parish's Code of Conduct had transpired and that no further action needed to be taken.
- 9.14 The Advisory Panel and the Governance and Ethics Committee met in October to consider NPC1/18. Unusually the Committee meeting took place in private due to the sensitive nature of some of the information detailed within the investigators report. The Committee determined that a breach of the Code of Conduct had occurred.

Quarter 4 - 2018/19

- 9.15 One complaint has been received by the Monitoring Officer. (NPC1/19). The complainant has asked that the complaint be suspended pending the outcome of other legal proceedings.

**10. Year on Year Comparison of Complaints**

- 10.1 Table 1 – The Number of District and Parish Councillor Complaints received 2010/11 to 2018/19

	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
<b>District Councillors</b>	4	5	8	2	2	16	0	1	1
<b>Parish Councillors</b>	5	6	10	5	7	10	3	15	20
<b>Co-Optees</b>	0	0	0	0	0	0	0	0	1
<b>Total</b>	9	11	18	7	9	26	3	16	22

- 10.2 The number of complaints received during 2018/19 represented an increase from the previous year, when 16 complaints were received. The figure also represented a significant increase on the average of 13 complaints per annum over the past ten years. It should be noted however that 8 of the complaints pertained to the same incident.
- 10.3 Table 2 shows that, of the complaints received to date in the vast number of cases (77%) either the complaint was withdrawn or no further action was taken on the complaint. Two complaints were referred for investigation and as is shown in Table 3. In one case the investigator and then the Governance and Ethics Committee agreed that a breach of the Code of Conduct had occurred. The other matter referred for investigation is the subject of a separate report being presented to this Committee. The number of complaints investigated has remained relatively static at around two complaints per annum.

10.4 It is also of note that in addition to the fact that eight of the complaints related to a single incident, two parishes had been the subject of five and four complaints respectively.

10.5 Although the increase in the number of complaints was not hugely significant, the time and resources required to determine and manage these complaints should not be under estimated. This is particularly the case when an investigation takes place into a potential breach of a code of conduct, which can be a lengthy process involving multiple parties.

10.6 Table 2 - Action Taken on Complaints received 2010/11 to 2018/19.

	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
<b>No Further Action</b>	<b>3</b>	<b>6</b>	<b>11</b>	<b>3</b>	<b>2</b>	<b>21</b>	<b>1</b>	<b>13</b>	<b>14</b>
<b>Other Action</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>2</b>
<b>Investigation</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Withdrawn/ not progressed</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>3</b>
<b>Outcome Awaited</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>9</b>	<b>11</b>	<b>18</b>	<b>7</b>	<b>9</b>	<b>26</b>	<b>3</b>	<b>16</b>	<b>22</b>

10.7 Table 3 - Outcome of Items Investigated 2010/11 to 2018/19.

	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
<b>Breach</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>No Breach</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Outcome awaited</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>

## 11. Learning Points Arising from Complaints

11.1 Following the complaints that have been considered over the past year, changes have been made to the Council's Social Media Protocol and the Member Development Programme.

11.2 One complaint also resulted in recommendations being made by the Advisory Panel regarding potential penalties, which raised questions about the process because the Advisory Panel do not have the benefit of hearing mitigation that may be put forward by the subject member prior to making their recommendation.

11.3 In accordance with s28 of the Localism Act 2011, the Council must consult the Independent Person prior to making a decision in respect of any allegation that it has decided to investigate. The Independent Person therefore sits on the Advisory Panel to ensure compliance with that legislative requirement.



- 11.4 An alternative to the current procedure would be to have the Independent Person sit as part of the Governance and Ethics Committee which receives the investigators report.
- 11.5 It is considered that the current process is adequate and it is therefore not proposed to make any changes at this time.

## **12. Gifts and Hospitality**

- 12.1 The Gifts and Hospitality Protocol is incorporated into the Members Code of Conduct and is set out in Appendix H to Part 13 of the Constitution (Codes and Protocols).
- 12.2 Officers are also subject to restrictions on those Gifts and Hospitality that are deemed to be acceptable under the Officers' Code of Conduct, which is set out in Part 13 of the Constitution. Like Members, Officers are required to declare gifts or hospitality received.
- 12.3 The intention of the rules governing Gifts and Hospitality is to ensure that the Council can demonstrate that no undue influence has been applied or could be said to have been applied by any service user, supplier or anyone else dealing with the Council and its stewardship of public funds. The rules therefore set out the obligations imposed on Members and Officers to declare relevant gifts and hospitality which have been offered to or received by them.
- 12.4 It should be noted that in addition to the risk that there could be a perception of impropriety, the acceptance of a gift or hospitality could amount to an offence under the Bribery Act 2010.
- 12.5 The Bribery Act 2010 creates a number of offences where a gift or other benefit is given or offered, which may amount to an offence of bribing another person, and/or of being bribed. Therefore, if Members or Officers are offered a 'gift' or other benefit by a third party, this could amount to an offence not just by the person offering the gift, but also by the Member or Officer concerned and by the Council. It is important to note that offences under this legislation can be committed by a person offering a gift or reward, even if the gift is not accepted.
- 12.6 In view of the above, it is very important that both Officers and Members understand the potentially serious implications of accepting gifts when it is not appropriate to do so. This important issue was therefore one of the session items at the Senior Management Seminar which took place at Shaw House in June 2018.
- 12.7 A copy of the general register detailing Gifts and Hospitality declared by Members during 2018/19 is attached at Appendix D to this report.
- 12.8 There is a significant improvement on the number of declarations of gifts and hospitality received by Members increasing from 16 in 2017/18 to 59 in 2018/19.
- 12.9 The items declared by Members related almost exclusively to hospitality and attendance at events. Members of the Executive declared 24 individual items, the Chairman and Vice Chairman of Council declared 27 individual items, and the remaining 8 items related to declarations made by 5 other members. This may signify that gifts and hospitality are still not being declared on a uniform basis.

12.10 A copy of the register detailing Gifts and Hospitality declared by Officers for 2017/18 is attached at Appendix E to this report. Officers recorded a total of 79 declarations of gifts & hospitality, which can be broken down by directorate as follows:

- Communities – 28 (3 refused)
- Economy & Environment – 31 (4 refused)
- Resources – 20 (3 refused)

12.11 The types of matters recorded in the Register of Gifts & Hospitality varies significantly. Of the items declared that included an estimate of value, these ranged from between £2 and £300.

12.12 There was a significant variance in the value of gifts being rejected which ranged from £6 for a bacon sandwich to £300 for a rugby match at Twickenham.

12.13 The total number of declarations made by officers has increased by 15 from the total of 64 declared during 2017/18. This is not considered to be a significant number and may have resulted from increased awareness of the need to report.

12.14 What is evident however is that officers are still accepting gifts in circumstances where they should have been rejected. This matter will be raised with Heads of Service to ensure that officers are aware of the rules regarding gifts and hospitality.

### **13. The Committee on Standards in Public Life**

13.1 The Committee on Standards in Public Life published its report and recommendations on ethical standards in local government on the 30 January 2019 following a year-long review and wide consultation. Key recommendations include:

- a new power for local authorities to suspend councillors without allowances for up to six months
- revised rules on declaring interests, gifts and hospitality
- local authorities retain ownership of their own Codes of Conduct
- a right of appeal for suspended councillors to the Local Government Ombudsman
- a strengthened role for the Independent Person
- greater transparency about the number and nature of Code complaints.

13.2 The Governance and Ethics Committee will be asked to consider these recommendation and approve any changes which are required as a result of legislative changes.

### **14. Conclusion**

14.1 Although there has been a rise in the number of complaints over the past year, it is considered that overall standards of ethical behaviour by Members at all levels across the district remain good. As stated in the report, a number of complaints that were received in 2018/19 originated from the same instance or parish council, so the potential problems highlighted by the process is lower than the number of complaints received.

14.2 The number of complaints referred for investigation remains low and is relevant when considering the overall position.



- 14.3 Members at all levels also continue to seek the advice of the Monitoring Officer prior to engaging in activities which could give rise to difficulties under their respective Code of Conducts. That such advice is sought from the Monitoring Officer demonstrates an awareness amongst Members of the obligations placed upon them, and a desire to adhere to the relevant ethical standards.
- 14.4 Work will be undertaken as outlined in the report to ensure that standards of ethical conduct by all of those operating within the public sector remain high.
- 14.5 Overall, it is considered that the standards of ethical behaviour locally across West Berkshire at both District and Parish level are good and this achievement should be noted.

## 15. Consultation and Engagement

Andy Day, Andy Walker, Moira Fraser, Shiraz Sheikh, Leigh Hogan, Julie Gillhespy.

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### Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim:

**MEC – Become an even more effective Council**

The proposals contained in this report will help to achieve the following Council Strategy priority:

**MEC1 – Become an even more effective Council**

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### Officer details:

Name: Sarah Clarke  
Job Title: Head of Legal Services  
Tel No: 01635 519596  
E-mail Address: sarah.clarke@westberks.gov.uk

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Date	Name	Event Description	Activity	Approx £25	Yes	Requested MO advise. MO Approved.
03.04.18	Jeanette Clifford	Masterplanning Community Workshop for Grazeley at Wokefield Park	Lunch and coffee		Yes	Requested MO advise. MO Approved.
11.04.18	Jeff Beck	Newbury Rotarians 09/04/18 accompanied the Mayor of Newbury (David Fenn) to a Dinner and Meeting, held at Donnington Valley Hotel, Newbury	Sausage, Mash, Cabbage and Onion Gravy, Syrup Sponge and Custard, Gin and Tonic plus Cup of Tea	£20	Yes	
30.04.18	Jeff Beck	Town Mayor of Thatcham's Civic Reception. Thatcham Town Council 29/04/18	Meat and Drinks	Approx £25	Yes	
06.05.18	Anthony Pick	Reception at the Museum to introduce their "Hoards" exhibition	Each received a glass of wine and some snacks		Yes	
10.05.18	Graham Jones	A guest of Cratus (a local government / business think tank) at Donnington Valley Hotel	Dinner	Approx £50	Yes	MO approved
10.05.18	Peter Argyle	Open Studios as Vice-Chairman	Canapes and drinks		Yes	Attended as V-C of Council
11.05.18	Anthony Chadley	A guest of Cratus (a local government / business think tank) at Donnington Valley Hotel	Dinner	Approx £50	Yes	MO approved
11.05.18	James Fredrickson	A guest of Cratus (a local government / business think tank) at Donnington Valley Hotel	Dinner	Approx £50	Yes	MO approved
14.05.18	Jeanette Clifford	Parking and Property Event, provided by Parking Review to Patrol Members	Attendance	Normal price £350 + VAT, look free place	Yes	
17.05.18	Jeanette Clifford	Invitation and hospitality from Hughes Hotel Group to the opening of the Oxford Street Kitchen	Hospitality	£25	Yes	
17.05.18	Lynne Doherty	Invitation and hospitality from Hughes Hotel Group to the opening of the Oxford Street Kitchen	Hospitality	£25	Yes	
22.05.18	Peter Argyle	Foster Conference	Coffee		Yes	Vice-Chairman
23.05.18	Jeanette Clifford	Oxford to Cambridge Expressway Stakeholder Conference on behalf of the leader	Hospitality	£25	Yes	
24.05.18	Jeanette Clifford	Back Heathrow Councillors' dinner	Dinner	£25+	Yes	MO Approved
10.05.18	Peter Argyle	Open Studios	Canapes and drinks		Yes	Vice-Chairman
22.05.18	Peter Argyle	Foster Conference	Coffee		Yes	Vice-Chairman
07.06.18	Tony Linden	Back Heathrow Councillors' dinner	Dinner	£25-	Yes	MO Approved
02.06.18	Hilary Cole	Com Exchange circus event			No	
09.06.18	Hilary Cole	Mabel Luke opening			Yes	
21.06.18	Hilary Cole	Cocktail party at Denison barracks			Yes	
30.06.18	Hilary Cole	Greenham Control tower event			Yes	
11.06.18	Jeanette Clifford	International Business Festival	VIP Guest Pass to Smart Cities at the International Business Festival		Yes	
01.06.18	Peter Argyle	TV Kings Awards	Buffet supper		Yes	Vice-Chairman
05.06.18	Peter Argyle	Volunteer Event	Snacks		Yes	Vice-Chairman
08.06.18	Peter Argyle	Mabel Luke Opening	Lunch and drinks		Yes	Vice-Chairman
15.06.18	Peter Argyle	Hungerford Library	Drinks		Yes	Vice-Chairman
21.06.18	Peter Argyle	Beating Retreat	Canapes and drinks		Yes	Vice-Chairman
23.06.18	Peter Argyle	Battle of Newbury	£5 entrance ticket		Yes	Vice-Chairman
26.06.18	Dominic Boeck	NHS 70th Birthday Summer Ball Invitation	£90 (Guests (2 people) of Dr Bahla reception drinks, 3 course dinner, wine, dancing)		Yes	MO approved
15.07.18	Jeanette Clifford	A reception hosted by PATROL at the Houses of Parliament	Drinks and canapes	£25	Yes	
15.07.18	Jeanette Clifford	The Institute of Civil Engineers awards dinner as a guest of Balfour Beatty	Dinner	£100	Yes	Head of SS approved
17.07.18	Peter Argyle	Newbury College Buffet	Lunch		Yes	
30.07.18	Jeff Beck	Thatcham Town Council as Escort to the Town Mayor of Thatcham, attended a Performance of Confusions by Kennet Amateur Theatrical Society at Upper Bucklebury Memorial Hall	Ploughman's Meal	£7.00	Yes	

03.09.2018	Adrian Edwards	To visit Newbury Golf Club on 20 September				No	Refused as it may be an attempt to persuade me to consider their proposals out of committee which will compromise my decision at a subsequent planning meeting.
03.09.2018	Hilary Cole	To visit Newbury Golf Club on 20 September				No	As above
03.09.2018	Paul Bryant	To visit Newbury Golf Club on 20 September				No	As above
06.09.18	Peter Argyle	Aldershot Army event as Vice-Chairman of Council	Buffet lunch			Yes	Vice-Chairman
17.09.18	Jeanette Clifford	Invitation Ginsters inaugural pasty store opening event	half a pasty and a glass of wine			Yes	Vice-Chairman
19.09.18	Peter Argyle	RAF Welford event	Buffet lunch			Yes	Vice-Chairman
26.09.18	Peter Argyle	Fairclough event	Coffee			Yes	Vice-Chairman
22.10.18	Peter Argyle	Berkshire Maestros event	£11 concert ticket			Yes	Vice-Chairman
24.10.18	Peter Argyle	Readibus AGM	Coffee and snacks			Yes	Vice-Chairman
08.11.18	Peter Argyle	CCB AGM	Coffee			Yes	Vice-Chairman
08.11.18	Peter Argyle	WW1 Exhibition	Wine			Yes	Vice-Chairman
10.11.18	Peter Argyle	Servicemen memorial unveiling in Thatcham	Coffee			Yes	Vice-Chairman
10.11.18	Peter Argyle	Beenham wind concert	£10 ticket and wine			Yes	Vice-Chairman
15.11.18	Peter Argyle	Newbury Town Council WW1 talk	2 x £5 tickets and wine			Yes	Vice-Chairman
19.11.19	Peter Argyle	Reception and briefing for the Army Engagement Team at Newbury Racecourse	Light refreshments			Yes	Vice-Chairman
19.11.18	Hilary Cole	Reception and briefing for the Army Engagement Team at Newbury Racecourse	Tea and coffee on arrival and sandwiches and soft drinks afterwards - only had one soft drink.		£15 approx	Yes	
01.12.18	Graham Jones	Roundtable discussion as part of Small Business Saturday at 'The Newbury' pub in Newbury	Hot drink and a breakfast roll		Approx £7.50	Yes	
01.12.18	Hilary Cole	Roundtable discussion as part of Small Business Saturday at 'The Newbury' pub in Newbury	Hot drink and a breakfast roll		Approx £10	Yes	
01.12.18	Graham Bridgman	Roundtable discussion as part of Small Business Saturday at 'The Newbury' pub in Newbury	Hot drink and a breakfast roll		Approx £7.50	Yes	
01.12.18	Carol Jackson-Doerge	Roundtable discussion as part of Small Business Saturday at 'The Newbury' pub in Newbury	Hot drink and a breakfast roll		Approx £7.50	Yes	
05.12.18	Peter Argyle	Kennet School concert	Ticket and wine			Yes	Vice-Chairman
09.12.18	Peter Argyle	Thatcham Town Council Carol concert	Wine			Yes	Vice-Chairman
12.12.18	Peter Argyle	Memorial service at Greenham Common	Light refreshments			Yes	Vice-Chairman
14.12.19	Peter Argyle	Kennet School play	Ticket and wine			Yes	Vice-Chairman
20.12.18	Graham Jones	Visit to the Newbury Royal Mail Sorting Office	Royal Mail pack of presentation stamps		Approx £10	Yes	Accepted but given to Chief Executive's PA for sale keeping - to be used as a prize in the future.
16.2.19	Jeff Beck	Get Berkshire Active Awards Ceremony - Hilton Hotel, Reading as guest of the Town Mayor of Thatcham	Sit down meat and drinks		Approx £34	Yes	

**Officers' Register of Interests, Gifts & Hospitality**

**1.4.2018 - 31.3.2019**

No.	Date of declaration	Job title	Team	Details	Received from	Value	Accepted?
1407	23.04.2018	Network Manager	Resources	Unsolicited mailed marketing material – Airzooka	interroute	Approx £16	Yes
1408	09.05.18	Member Services Officer	Strategic Support	1. Flowers 2. Jo Malone perfume	Chairman Cllr Quentin Webb		Yes
1409	18.05.18	Chartered Legal Executive – Governance & Environment	Legal Services	A box of chocolates	Service User		Yes
1410	17.05.18	Economic Development Officer	Development and Planning Service	1 x iced coffee	Gergana Ilieva, Manager of Regus (Theale and Newbury)	£2.40	Yes
1411	07.06.18	Fraud Victim Support Officer	Public Protection Partnership Trading Standards	bottle of wine	Service user		Yes
1412	22.06.18	Public Transport Officer	Transport Services Team	Invitation to attend Open House event with BBQ at Streetdrone autonomous vehicles workshop in Oxford on evening of 21/06/2018	Mike Potts / Mark Preston, Preston EV / Streetdrone	£10.00	Yes
1413	26.06.18	Project Engineer	Transport Services Team	School of Computing and Engineering Dinner	University of West London	Over £25	Yes
1414	28.06.18	Projects Manager	Transport Services Team	Attend the ceremony (Institution of Civil Engineers industry award ) and been offered accommodation	Balfour Beatty	A table for 10 would cost £1000, so it is £100 per head.	Yes/No
1415	11.07.18	Senior Transport Services Officer	Transport Services Team	2 x boxes of cookies.	Service user	£8.00	Yes
1416	19.07.18	Supervising Social Worker	Family Placement Team	a punnet of strawberries	Service user	£2.00	Yes
1417	31.07.18	HR Manager	Human Resources	1 bottle of Chardonnay	Rod King Chair of Governors, Cold Ash St Marks Primary	£7.00	Yes

No.	Date of declaration	Job title	Team	Details	Received from	Value	Accepted?
1418	31.07.18	Placement support worker	Children services	Small box of Heroes chocolates	Service user	£3.00	Yes
1419	23.08.18	Occupational Therapist	MI, Reablement, Reviews and Sensory Needs	Chocolates	Client	£5.00	Yes
1420	07.08.18	Projects Manager	Transport Services Team	A bacon sandwich	MTP Consultants	£6.00	No
1421	04.09.2018	Animal Warden	Residential Team	a bottle of wine (Chardonnay)	Client		Yes
1422		Principal Engineer	Traffic Management & Road Safety	Invite for two senior management to attend rugby at Twickenham for the Harlequins vs Bath Match including hospitality.	Match Tech Staff Agency	£300.00	No
1423	12.09.2018	Payroll Manager	Human Resources	A Cadburys gift pack containing Milk Tray, Roses, Heros and a bar of Dairy Milk	Patrick Mitchell at Francis Baily School	£15.00	Yes
1424	13.09.2018	Project Engineer	Project Management	Selected to become one of the InnovateUK's independent assessor for a £216M funding competition	InnovateUK		Yes
1425	19.09.2018	Animal Health officer	Public Protection Partnership	a 5 year Members membership to the Newbury & District Agricultural Society	Newbury & District Agricultural Society	£30.00	Yes
1426	20.09.2018	Group Executive - Conservative	Strategic Support	invited by the BID to attend a lunch at The Newbury on Thursday to discuss the establishment of the Newbury West Berkshire CIC. Lunch	BID	Approx £20	Yes
1427	10.10.18	Deputyship Officer	Adult Social Care	6 bottles of Prosecco. Accepted and shared with the team - one bottle each.	Lansley Estate Agents	Approx £72	Yes
1428	17.10.18	Transport Officer	Transport and Countryside	Bottle of red wine.	Grateful iCollege Parent	Approx £10	Yes

No.	Date of declaration	Job title	Team	Details	Received from	Value	Accepted?
1429	23.10.18	Economic Development Officer	Development and Planning	Buffet lunch for the team. (Won a competition for a buffet lunch from the Monkey Tree by having business card drawn out of jar.)	Monkey Tree café	Approx £30	Yes
1430	28.10.18	Intervention Worker	Children and Family Services	Plant received from a family she worked with.	Family Shelley worked with	Approx £5-10	Yes
1431	8.11.18	Advisory Teacher	Education Services	Flowers	Laura Street, SENCO from Parsons Down	Approx £25-30	Yes
1432	28.11.18	Intervention Worker	Children and Family Services	2 boxes of biscuits for Shelley and a student social worker	A family	Approx £7.50 per box	Yes
1433	21.11.18		Adult Social Care	£50 cash	Father of a deceased client	£50	Advised not to accept
1434	3.12.18	Supervising Social Worker	Children and Family Services	Large selection box for Laura and her family.	A foster carer that Laura regularly works with.	Approx £7-8	Yes
1435	3.12.18	Economic Development Officer	Development and Planning	Roundtable discussion at The Newbury Pub as part of 'Small Business Saturday' - hot drink and breakfast roll.	The Newbury Pub	£7.50 per head	Yes
1436	3.12.18	Planning and Transport Policy Manager	Development and Planning	Roundtable discussion at The Newbury Pub as part of 'Small Business Saturday' - cup of tea	The Newbury Pub	£3	Yes
1437	3.12.18	Public Relations Officer	Development and Planning	Roundtable discussion at The Newbury Pub as part of 'Small Business Saturday' - hot drink and breakfast roll.	The Newbury Pub	£7.50 per head	Yes
1438	7.12.18	Planning and Transport Policy Manager	Development and Planning	As part of Neighbourhood Development Planning process had a pot of tea from the Swan Public House in Compton paid for by Compton Parish Council	Compton Parish Council	£5.00	

No.	Date of declaration	Job title	Team	Details	Received from	Value	Accepted?
1439	7.12.18	Senior Planning Officer	Development and Planning	As part of Neighbourhood Development Planning process had a pot of tea from the Swan Public House in Compton paid for by Compton Parish Council	Compton Parish Council	£5.00	
1440	6.12.18	Waste Team	Transport and Countryside	Christmas lunch as part of routine monthly contract meeting. Value in total £150	Veolia	Total value - £150 - cost per head £37.50	Yes
1441	10.12.18	Economic Development Officer	Development and Planning	Coffee, sandwiches, small portion of fruit offered as part of a lunch time Chamber of Commerce meeting.	Chamber of Commerce	£6	Yes
1442	13.12.18	Parking Office Team Leader	Transport and Countryside	2 x boxes of chocolates 6 x pens 6 x small note pads	One of contractors, Bristow and Sutor	Chocs - £8 Pens - £1 Notepads £1	Yes on behalf of the parking team
1443	14.12.18	Revenue and Benefits Manager	Finance	2 bottles of wine and 2 boxes of chocolates	Document Despatch Ltd	£20	Yes - see notes
1444	14.12.18	Social Care Practitioner	Adult Social Care	Small wrapped gift left by a clients mother - donator said value was £5.	Clients mother	£5	Yes
1445	5.12.18	Culture and Libraries Manager	Public Protection, Culture	Request from Kennet Radio for Paul to do a 2 hour show once a month on local arts and history. A voluntary, non paid role - see email in folder	Kennet Radio	None	Yes
1446	6.12.18	Project Engineer	Transport and Countryside	Declaring that she is a Professional Reviewer for the Institution of Civil Engineers in her own time. Over night accommodation is provided - see email	Institution of Civil Engineers	Unknown	
1447	14.12.18	Planning Officer	Development and Planning	Gift of flowers with glass vase. See email in the folder from Bob Dray	Mr and Mrs Hammond - planning applicants	£10-15	Yes



No.	Date of declaration	Job title	Team	Details	Received from	Value	Accepted?
1448	17.12.18	Housing Grants and Loans Supervisor	Development and Planning	6 trays of Ferrero Rocher chocolates given to the Housing Grants and Loans Team via Technical Officer - Simon Howe	S&J Building Services	£60	Yes
1449	18.12.18	Deprivation of Liberty Officer	Adult Social Care	Sweetland box of handmade Mediterranean pastries	External section 12 Doctor, Dr Hawa	£15	No
1450	14.12.18	Support Services Officer	Strategic Support	Box of Malteser Truffles	Newbury Office Supplies	£5	Yes
1451	18.12.18	Early Years Data, Information and Funding Officer	Early Years	Box of chocolates as appreciation of the work/support that has recently been done with them with regards to an Ofsted Inpection	Early Years Provider - Woodlands	£8	Yes
1452	19.12.18		Strategic Support	Tub of Quality Street	Cllr Adrian Edwards	£5	Yes
1453	19.12.18	Principal Policy Officer	Strategic Support	The Voice of Disability Event organised by Healthwatch - received a cup of tea and a buffet lunch.	Healthwatch	£3	Yes
1454	19.12.18	Land Charges Officers	Strategic Support	Bottle of red wine each	Gardner and Leader	£6 per bottle	Yes
1455	20.12.18	Social Worker	Children's Services	One bottle of Prosecco and and small box of chocolates from one foster carer. One orchid plant and hand cream from another foster carer. Both from foster carers that NF had been supervising for the last year.	Foster carers who NF had been supervising for the last year.	Less than £10 per gift	Yes
1456	20.12.18	Care Quality Officers in Commissioning Team	Commissioning Team	Bottle of white wine each	Gracewell Care Home	£6 per bottle	Yes

No.	Date of declaration	Job title	Team	Details	Received from	Value	Accepted?
1457	20.12.18	Highways Contract and Claims Officer	Transport and Countryside	Bottle of pink gin and some bottles of tonic and lunch at Bills Swiss chocolates	Neil Finch at Volker Highways Steve Wells at Volker Highways	£20 for gin and £20 for lunch £8 for chocs	Yes
1458	13.12.18	Facilities Officer	Finance and Property	Bottle? From Bishops, cleaning material supplier to the Council	Bishops	£5	Yes but passed to Clare Ockwell for the Christmas raffle
1459	20.12.18	Facilities Officer	Finance and Property	Bottle of red wine and whiskey - from BTU, the Council's mechanical maintenance contractor	BTU	£30	Yes, left in reception
1460	20.12.18	Maintenance and Project delivery Manager	Finance and Property	Bottle of red wine and cognac - from BTU, the Council's mechanical maintenance contractor	BTU	£30	Yes, left in reception
1461	20.12.18	Local Land Charges Officers	Strategic Support	A bottle of Prosecco each	PSG	£8 per bottle	Yes
1462	27.12.18	Members Services Officer	Strategic Support	Gift box from L'Occitane	Cllr Carol Jackson-Doerge, Chairwoman of Council	£15	Yes
1463	27.12.18	Policy Officer	Strategic Support	Gift box from L'Occitane	Cllr Carol Jackson-Doerge, Chairwoman of Council	£15	Yes
1464	27.12.18	Occupational Therapist	Adult Social Care	Bottle of red wine	Service User	Less than £10	Yes
1465	27.12.18	Customer Services Adviser	Customer Services and ITC	Small box of M&S chocolates	Gulab Singh, Service user	£5	Yes
1466	27.12.18	Supervising Social Worker	Family Placement Team	1 bottle of white wine 1 box of Ferrero Rocher chocs	Foster carer Foster carer	less than £5 £5.50 or £10	Yes



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## Internal Audit Plan Progress Report for Quarter Three – Summary Report

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**Committee considering report:** Governance and Ethics Committee on 15 April 2019

**Portfolio Member:** Councillor Dominic Boeck

**Date Portfolio Member agreed report:** 14 March 2019

**Report Author:** Julie Gillhespey (Audit Manager)

**Forward Plan Ref:** GE3629

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### 1. Purpose of the Report

- 1.1 To update the Committee on the outcome of Internal Audit work carried out during quarter three of 2018-19.
- 1.2 The Public Sector Internal Audit Standards (PSIAS), as adapted by CIPFA's "Local Government Application Note", require the Audit Manager to provide periodic updates to senior officers and members on performance against the Audit Plan. As stated in the Council's approved Internal Audit Charter quarterly updates are required to be presented to Committee. Due to the timing of the committee meetings the first update report provides an update for quarters one and two of the 2018-19 Audit Plan.
- 1.3 The periodic reports aim to provide a progress update against the work in the Audit Plan together with highlighting any emerging significant issues/risks that are of concern.

### 2. Recommendation

- 2.1 To note the content of the report.

### 3. Implications

- 3.1 **Financial:** None
- 3.2 **Policy:** None
- 3.3 **Personnel:** None
- 3.4 **Legal:** None
- 3.5 **Risk Management:** None
- 3.6 **Property:** None
- 3.7 **Other:** None

**4. Other options considered**

4.1 None, the PSIAS require periodic updates to be provided on progress Audit Plan.

## Executive Summary

### 5. Introduction / Background

5.1 A summary of the Internal Audit work that is in progress is set out in Appendix C. Details of completed work is set out in Appendix D.

5.2 The following table summarises the results of the audit work where an opinion was given.

Type	Very weak	Weak	Satisfactory	Well Controlled	Very Well Controlled
Key Financial Systems					1
Other Systems					
Schools/other establishments			2	2	

5.3 For this reporting period there were no completed central audits that had an opinion of weak or very weak.

5.4 There were two completed Follow-up reviews, both of which had a satisfactory opinion regarding progress on implementing agreed recommendations.

5.5 At the Governance and Ethics Committee in April 2018 the Audit Manager gave a presentation regarding delays with audit work progressing together with suggestions to try and improve the situation. As stated in the update for quarters one and two these improvements have not yet been able to take full effect because of the following:-

- a) A senior auditor post became vacant in the summer, as a result the Audit Manager and remaining senior auditor then needed to take on the work not yet completed by this post. The senior auditor vacancy was recruited to with the new person commencing mid-September, this has improved the team's projected productivity levels for the financial year.
- b) There was a trainee in the auditor post, so the workload of this post was equivalent of 50-70% of an experienced auditor.
- c) A request was made for the team to carry out an investigation, with a large proportion of the work being undertaken by the Audit Manager.
- d) A significant risk came to light corporately in July with the unforeseen projected overspend within Adult Social Care. The Audit Manager and one of the Senior Auditors has assisted with this piece of work.
- e) It is estimated that the unplanned audits/projects requests undertaken this year will account for approximately 45% of the Audit Manager's available time. This

level of unplanned work for the Audit Manager has resulted in delays in being able to review and progress audits undertaken by the team.

## 6. Proposal

6.1 Note the results of the work carried out.

## 7. Conclusions

7.1 No significant/fundamental weaknesses were identified in the Council's internal control framework through the work carried out by Internal Audit during the third quarter of 2018/19.

7.2 As reported for quarters one and two progress against the plan has been slow due to a senior auditor post becoming vacant, and also because there has been a number of unplanned audits/projects that the Audit Manager has been heavily involved in.

## 8. Appendices

8.1 Appendix A – Data Protection Impact Assessment

8.2 Appendix B – Equalities Impact Assessment

8.3 Appendix C – Current Audit Work

8.4 Appendix D – Completed Audit Work

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### Corporate Board's recommendation:

Report to proceed to Operations Board for consideration.

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## Appendix A

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	
Service:	
Team:	
Lead Officer:	
Title of Project/System:	
Date of Assessment:	

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will you be processing data on a large scale?</b></p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will any decisions be automated?</b></p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	<input type="checkbox"/>

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**

## Appendix B

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	
<b>Summary of relevant legislation:</b>	
<b>Does the proposed decision conflict with any of the Council’s key strategy priorities?</b>	
<b>Name of assessor:</b>	
<b>Date of assessment:</b>	

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>Yes/No</b>	<b>New or proposed</b>	<b>Yes/No</b>
<b>Strategy</b>	<b>Yes/No</b>	<b>Already exists and is being reviewed</b>	<b>Yes/No</b>
<b>Function</b>	<b>Yes/No</b>	<b>Is changing</b>	<b>Yes/No</b>
<b>Service</b>	<b>Yes/No</b>		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	
<b>Objectives:</b>	
<b>Outcomes:</b>	
<b>Benefits:</b>	

<b>2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b>  (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this</b>
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
<b>Further Comments relating to the item:</b>		

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>Yes/No</b>
Please provide an explanation for your answer:	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>Yes/No</b>
Please provide an explanation for your answer:	

If your answers to question 2 have identified potential adverse impacts and you have answered ‘yes’ to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name:

Date:

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.

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**1) COMPLETED AUDITS**

Directorate/Service	Audit Title	Date Audit finalised	Overall Opinion
<b>Resources</b>			
Finance & Property	Bank Reconciliation	08/10/18	Very Well Controlled
<b>Communities</b>			
Education Service	Castlegate	29/10/18	Satisfactory
Education Service	Beenham Primary	29/11/18	Satisfactory
Education Service	Thatcham Park Primary	24/10/18	Well Controlled
Education Service	The Downsway Primary	29/11/18	Well Controlled
<b>Economy and Environment</b>			

**NOTE**

The overall opinion is derived from the number/significance of recommendations together with using professional judgement. The Auditor's judgement takes into account the depth of coverage of the review (which could result in more issues being identified) together with the size/complexity of the system being reviewed.

**2) COMPLETED FOLLOW UPS**

<b><u>Directorate/ Service</u></b>	<b><u>Audit Title</u></b>	<b><u>Date follow up finalised</u></b>	<b><u>Overall Opinion - Report</u></b>	<b><u>Opinion - Implementation progress</u></b>
<b>Economy and Environment</b>				
Transport and Countryside	Home to School Transport	08/10/18	Weak	Satisfactory
<b>Communities</b>				
Children and Family Services	Special Guardianship/Child Arrangement Orders	07/01/19	Weak	Satisfactory



**1) CURRENT AUDITS**

<b>Directorate – Corporate / Service</b>	<b>Audit Title</b>	<b>Current Position of Work</b>	<b>Audit Plan Year</b>
Corporate	National Fraud Initiative	Commencing the next national exercise	2018/19
Corporate	Property Investment	Background	2018/19
<b>Resources</b>			
Finance and Property	Procurement Cards	Main report – being drafted	2017/18
Finance/Strategic Support	Business Improvement Levy	Being Reviewed	2017/18
Finance and Property	Treasury Management	Main report – being drafted	2018/19
Human Resources	Apprenticeship Levy	Draft Issued	2017/18
Human Resources	Payroll	Testing	2018/19
Commissioning	Contract Management	Testing	2018/19
<b>Communities</b>			
Education	Education Capital Programme	Draft Issued	2017/18
Adult Social Care	Better Care Fund	Testing	2017/18
Adult Social Care	Purchase of Care - Residential	Ready for Review	2017/18
Children and Families	Turnaround Families Grant Claim work	Ongoing	2018/19
Children and Families	Unaccompanied Asylum Seeking Children	Ready for Review	2018/19
Education Service	i-College	Draft issued	2018/19
<b>Economy and Environment</b>			
Development and Planning	S106	Ready for Review	2018/19
Development and Planning	CIL	Ready for Review	2018/19
Transport and Countryside	Public Transport	Testing	2018/19

Public Protection and Culture	Environmental Health Shared Service – Licensing	Background	2018/19
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**2) CURRENT ADVISORY REVIEWS/OTHER WORK**

<b>Directorate/Service</b>	<b>Audit Title</b>	<b>Current position of work</b>
Corporate	Assistance with reviewing the ASC projected budget overspend position	Almost complete
Adult Social Care	Conflict of Interest Query	Almost complete

**3) CURRENT FOLLOW-UPS**

<b>Directorate/Service</b>	<b>Audit title</b>
<b>Resources</b>	
Finance and Property	Property Database
Finance and Property	Asset Management Strategy (due to the Property Team working on other corporate priorities a postponement has been agreed with the HoS. The work will be rescheduled for January 2019).
<b>Communities</b>	
<b>Economy and Environment</b>	

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## External Audit Plan Provided by Grant Thornton for the Audit of Financial Year 2018/19.

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**Committee considering report:** Governance and Ethics Committee on 15 April 2019

**Portfolio Member:** Councillor Anthony Chadley

**Date Portfolio Member agreed report:** 14 March 2019

**Report Author:** Lesley Flannigan

**Forward Plan Ref:** GE3427

---

### 1. Purpose of the Report

1.1 The purpose of the report is to provide members with a copy of the external audit plan from Grant Thornton for the Financial Year ending 31<sup>st</sup> March 2019. This plan gives an overview of the scope and timing of the annual statutory audit of the Council's financial statements and value for money arrangements.

### 2. Recommendation

2.1 None, report is to note.

### 3. Implications

3.1 **Financial:** n/a

3.2 **Policy:** n/a

3.3 **Personnel:** n/a

3.4 **Legal:** n/a

3.5 **Risk Management:**  
n/a

3.6 **Property:** n/a

3.7 **Other:** n/a

### 4. Other options considered

4.1 Not applicable

## Executive Summary

### 5. Introduction / Background

- 5.1 The scope of the plan is set in accordance with the Code of Audit Practice issued by the National Audit Office (NAO) and International Standards on Auditing. Grant Thornton are responsible for expressing an opinion on:
- (1) The Financial Statements that have been prepared by management with the oversight of those charged with Governance and
  - (2) Value for money arrangements in place at the Council for securing economy, efficiency and effectiveness in the Council's use of resources.
- 5.2 Grant Thornton's has scoped the audit plan in accordance with a risk methodology focused on:
- (1) Management override of controls
  - (2) Valuation of pension fund net liability
  - (3) Valuation of property, plant and equipment.
- 5.3 The materiality level for the total of errors within the financial statements has been determined at £5.04 million. This equates to 1.5% of the Council's prior year gross expenditure for the year. The purpose of setting a materiality level is to reduce the risk that the aggregate total of uncorrected misstatements could be material to the financial statements.
- 5.4 Grant Thornton will also be assessing the Council's arrangements to secure value for money with particular emphasis on Financial Resilience and have requested a Going Concern assessment from the Council agreed by the s151 Officer (Head of Finance and Property). The Going Concern Assessment will be produced by the Council post completion of the draft 2018/19 Financial Statements.

### 6. Proposal

- 6.1 None, report is to note.

### 7. Conclusion

- 7.1 Grant Thornton an ISA 260 report on completion of the audit which will be communicated to Corporate Board and the Governance & Ethics Committee.

### 8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment  
Appendix B – Equality Impact Assessment  
Appendix C – External Audit Plan for 2018/19.

## Appendix A

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Finance and Property
Service:	Accountancy
Team:	Financial Reporting
Lead Officer:	Lesley Flannigan
Title of Project/System:	External Audit Plan
Date of Assessment:	22.02.19

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be processing data on a large scale?</b></p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will any decisions be automated?</b></p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**

## Appendix B

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	To note the External Auditors proposed audit plan for financial year 2018/19
<b>Summary of relevant legislation:</b>	CIPFA code of practice and accounting standards
<b>Does the proposed decision conflict with any of the Council’s key strategy priorities?</b>	Not applicable
<b>Name of assessor:</b>	Lesley Flannigan
<b>Date of assessment:</b>	22.2.19

Is this a:		Is this:	
Policy	No	New or proposed	No
Strategy	No	Already exists and is being reviewed	No
Function	Yes	Is changing	No
Service	No		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	Compliance with external guidance
<b>Objectives:</b>	External Audit opinion on the 2018/19 financial statements
<b>Outcomes:</b>	As above
<b>Benefits:</b>	As above

<b>2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b> (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age	Not applicable	Not applicable
Disability	Not applicable	Not applicable
Gender	Not applicable	Not applicable



Reassignment		
Marriage and Civil Partnership	Not applicable	Not applicable
Pregnancy and Maternity	Not applicable	Not applicable
Race	Not applicable	Not applicable
Religion or Belief	Not applicable	Not applicable
Sex	Not applicable	Not applicable
Sexual Orientation	Not applicable	Not applicable
<b>Further Comments relating to the item:</b>		

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	

If your answers to question 2 have identified potential adverse impacts and you have answered ‘yes’ to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	Not applicable
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name: Lesley Flannigan

Date:22.2.19

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website

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# External Audit Plan

*Year ending 31 March 2019*

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# Contents



## Your key Grant Thornton team members are:

Barrie Morris

Engagement Lead

T: 0117 305 7708

E: barrie.morris@uk.gt.com

David Johnson

Engagement Manager

T: 0117 305 7727

E: david.a.johnson@uk.gt.com

Liam Royle

In Charge Accountant

T: 0117 305 7687

E: liam.c.royle@uk.gt.com

## Section

1. Introduction & headlines
2. Key matters impacting our audit
3. Significant risks identified
4. Other matters
5. Materiality
6. Value for Money arrangements
7. Audit logistics, team & fees
8. Early Close
9. Independence & non-audit services

## Appendices

- A. Audit Approach

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

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# Introduction & headlines

## Purpose

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

## Respective responsibilities

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

## Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the:

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

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

Our audit approach is based on a thorough understanding of the Authority's business and is risk based. We will be using our new audit methodology and tool, LEAP, for the 2018/19 audit. It will enable us to be more responsive to changes that may occur in your organisation.

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## Significant risks

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

- The revenue cycle includes fraudulent transactions (this is rebutted, please see page 5)
- Management override of controls
- Valuation of pension fund net liability
- Valuation of property, plant and equipment

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

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## Materiality

We have determined planning materiality to be £5.04m (PY £3.6m) for the Authority, which equates to 1.5% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £252k (PY £180k).

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## Value for Money arrangements

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

- Financial resilience

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## Audit logistics

Our interim visit will take place in February and our final visit will take place in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report. Our audit approach is detailed in Appendix A.

Our fee for the audit will be £74,423 (PY: £96,653) for the Authority, subject to the Authority meeting our requirements set out on page 12

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## Independence

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

# Key matters impacting our audit

## Factors

### The wider economy and political uncertainty

Local Government funding continues to be stretched with increasing cost pressures and demand from residents. For West Berkshire Council at Month 9 are forecasting an overspend of £0.25m against a net revenue budget of £119.4m after use of risk reserves (£812k) and the risk provision (£500K). There continues to be increased pressure on the Council in demand led areas and specifically in adult social care which has been exacerbated by the closure of a number of care homes in the year. The Council has a number of mitigation strategies in place and continues to explore further savings options.

At a national level, the government continues its negotiation with the EU over Brexit, and future arrangements remain clouded in uncertainty (update as appropriate). The Authority will need to ensure that it is prepared for all outcomes, including in terms of any impact on contracts, on service delivery and on its support for local people and businesses.

### Changes to the CIPFA 2018/19 Accounting Code

The most significant changes relate to the adoption of:

- IFRS 9 Financial Instruments which impacts on the classification and measurement of financial assets and introduces a new impairment model.
- IFRS 15 Revenue from Contracts with Customers which introduces a five step approach to revenue recognition.

Our initial discussions with officers suggest that this will have a non material impact on the accounts, however we have requested a specific working paper demonstrating how the impact of each standard has been considered.

### Joint Venture with Sovereign Housing Authority

The Council are considering options for creating a joint venture with Sovereign Housing Authority as a means to provide both revenue for the Council and to address housing needs within the area. This will require a number of considerations as to how the joint venture will be formed and the requirements to comply with accounting standards.

The agreement would involve the Council disposing the land to the joint venture and would provide a loan for the purchase. The buildings will be stock for the joint venture and the Council will be 50% owners.

### Court ruling on Newbury Development

A recent court ruling has overturned a 2016 ruling in regards to public contract rules over the appointment of St Mowden Developments to carry out a mixed-use regeneration scheme on a former industrial site in the area.

This will lead to a delay in one of the Council's key investment strategies and may lead to a delay in receipt of revenue

## Our response

- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will consider whether your financial position leads to material uncertainty about the going concern of the Authority and will review related disclosures in the financial statements.

- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code.
- We have invited members of your Finance Team to our Local Government Chief Accountant Workshop, due to take place on 7 February 2019 in Bristol.

- We will review the processes put in place to ensure that the Council has fully complied with accounting regulations for the joint venture. We will continue to hold discussions with Senior Management to ensure all issues are identified as early as possible and that appropriate support is provided.
- We will consider the procurement processes put in place by the Council to ensure that these comply with national and EU regulations.

# Significant risks identified

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

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

# Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<b>Valuation of property, plant and equipment</b>	<p>The Council revalues its land and buildings on an rolling basis, with assets revalued at least every five years, to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will undertake:</p> <ul style="list-style-type: none"> <li>• Review of management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work</li> <li>• Consideration of the competence, expertise and objectivity of any management experts used.</li> <li>• Discussions with the valuer about the basis on which the valuation is carried out and challenge of the key assumptions.</li> <li>• Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding.</li> <li>• Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register</li> <li>• Evaluation of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.</li> </ul>
<b>Valuation of pension fund net liability</b>	<p>The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement</li> <li>• Evaluate the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out</li> <li>• Undertake procedures to confirm the reasonableness of the actuarial assumptions made.</li> <li>• Check the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary</li> </ul>



# Other matters

## Other work

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

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

## Other material balances and transactions

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

## Going concern

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

# Materiality

## The concept of materiality

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

## Materiality for planning purposes

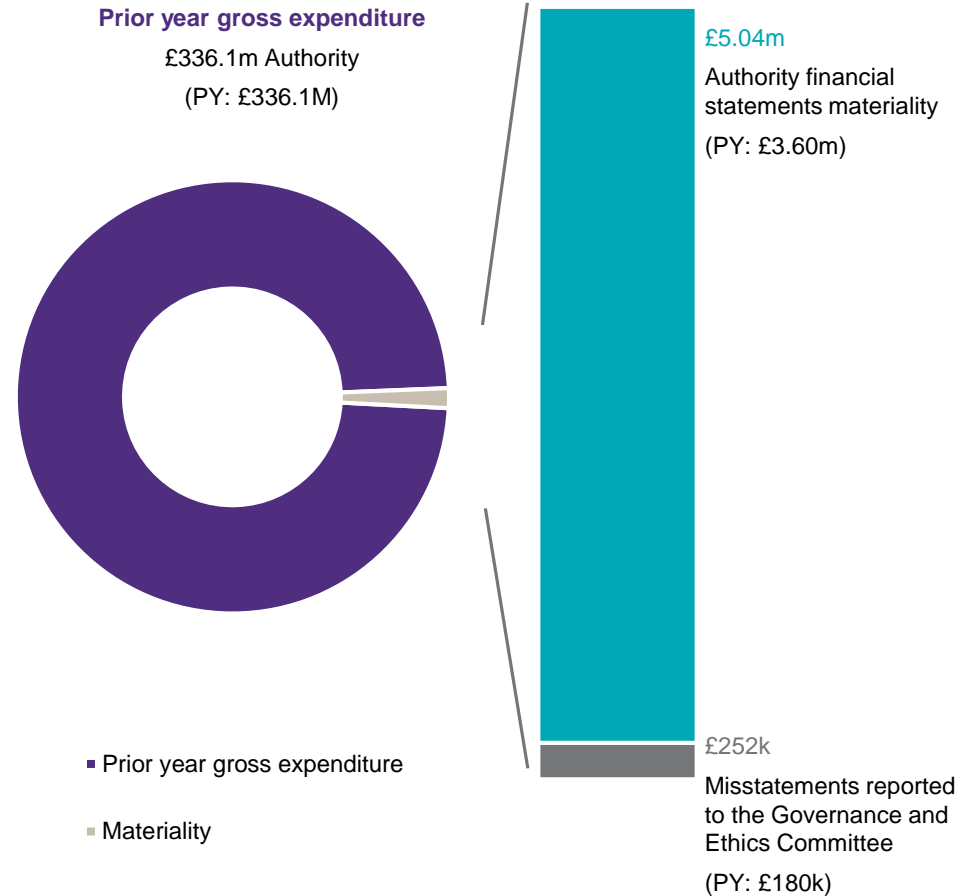
We have determined financial statement materiality based on a proportion of the gross expenditure of the Authority for the financial year. In the prior year the same benchmark was used. Materiality at the planning stage of our audit is £5.04m (PY £3.60m) for the Authority, which equates to 1.5% of your prior year gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision which we have determined to be £20,000 for Senior officer remuneration.

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

## Matters we will report to the Governance and Ethics Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £252k (PY £180k).

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



# Value for Money arrangements

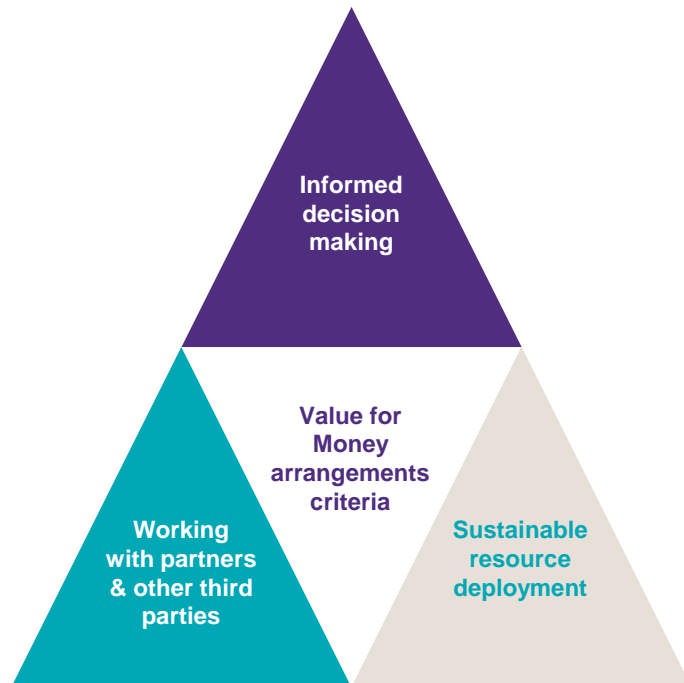
## Background to our VFM approach

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

The guidance identifies one single criterion for auditors to evaluate:

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

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



## Significant VFM risks

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



### Financial Sustainability

The Council has set a revenue budget for 2018/19 of £119.4m which includes a savings and income programme of £5.2m. At month 9 the Council is forecasting a £0.25m overspend after the use of the risk reserve (£812k) and the risk provision (£500k). This figure includes a number of mitigation strategies which includes in year reduction of expenditure and looks to address the key areas of overspend.

The main driver of the forecast overspend is the Communities Directorate which is forecasting an overspend of £2.8m of which £2.1m relates to Adult Social Care. The demand led service continues to face further pressures with the recent closure of a number of care homes and an increasing number of the elderly population becoming eligible for Council support.

The original budget included risk reserves of which £1.3m could be used to mitigate further any overspend and at the same time there is a £768k risk management reserve. The Council has yet to decide whether to utilise these reserves and is looking to reduce the overspend through other means such as reduction of expenditure.

As noted in the Medium Term Financial Plan the Council's costs grow each year as a result of inflation, salary increases and changes to pension contributions. Added to this the increased demand and new responsibilities in adult social care and the forecast levels of funding means that the Council would be facing a funding gap of £23m by 2020/21 before considering Council Tax increases or savings plans

There is a risk that the Council will be unable to mitigate the overspend against the budget and in particular Adult Social Care. This could lead to further pressure on the 2019/20 budget.

We will review the controls the Authority has in place to ensure financial resilience. We will review the assumptions within the budget, the Medium Term Financial Plan and the savings and income generation programme, to ensure that these are realistic and achievable.

# Audit logistics, team & fees



Page 72



## Barrie Morris, Engagement Lead

Barrie leads or relationship with you and takes overall responsibility for the delivery of a high quality audit, meeting the highest professional standards and adding value to the Council



## David Johnson, Audit Manager

David plans, manages and leads the delivery of the audit, is your key point of contact for your finance team and is your first point of contact for discussing any issues



## Liam Royle, Audit Incharge

Liam's role is to assist in planning, managing and delivering the audit fieldwork, ensuring the audit is delivered effectively, efficiently and supervises and co-ordinates the on-site audit team

## Audit fees

The planned audit fees are £74,423 (PY: £96,653) for the financial statements audit completed under the Code, which are inline with the scale fee published by PSAA. In setting your fee, we have assumed that the scope of the audit, and the Authority and its activities, do not significantly change.

## Our requirements

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

# Early close

## Meeting the 31 July audit timeframe

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

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

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

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

## Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 10). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

## Our requirements

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

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

In return, we will ensure that:

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

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# Independence & non-audit services

## Auditor independence

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

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

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

## Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. No other services were identified

## Non-audit services provided prior to appointment

Ethical Standards require us to draw your attention to relevant information on recent non-audit / additional services before we were appointed as auditor. No non-audit services were provided prior to our appointment

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# Appendices

## A. Audit Approach

# Audit approach

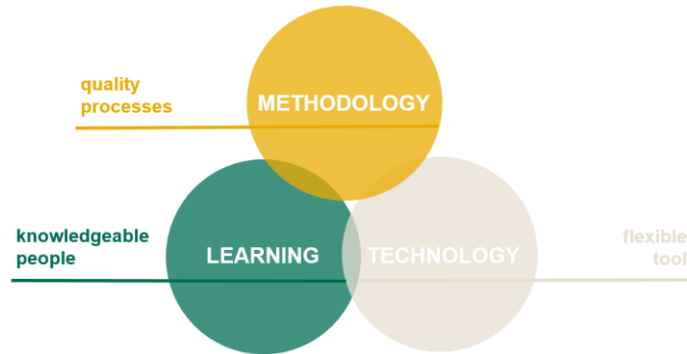
## Use of audit, data interrogation and analytics software

### LEAP



Audit software

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



### Appian



Business process management

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

### IDEA



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

### Inflo



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



#### REQUEST & SHARE

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



#### ASSESS & SCOPE

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



#### VERIFY & REVIEW

- Automate sampling requests
- Download automated work papers



#### INTERROGATE & EVALUATE

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



#### FOCUS & ASSURE

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



#### INSIGHTS

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





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## Internal Audit Plan 2019-2022 – Summary Report

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<b>Committee considering report:</b>	Governance and Ethics Committee on 15 April 2019 Operations Board on 14 March 2019
<b>Portfolio Member:</b>	Councillor Dominic Boeck
<b>Date Portfolio Member agreed report:</b>	14 March 2019
<b>Report Author:</b>	Julie Gillhespey (Audit Manager)
<b>Forward Plan Ref:</b>	GE3426

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### 1. Purpose of the Report

- 1.1 This report sets out the proposed Internal Audit work for the three year period covering 2019/2020 to 2021/2022.

### 2. Recommendation

- 2.1 That the Governance and Ethics Committee discuss and approve the Proposed Audit Plan, the Internal Audit Charter and the Internal Audit Reporting Protocol.

### 3. Implications

- 3.1 **Financial:** None
- 3.2 **Policy:** None
- 3.3 **Personnel:** None
- 3.4 **Legal:** None
- 3.5 **Risk Management:** Internal Audit work helps to improve risk management processes by identifying weaknesses in systems and controls and making recommendations to provide mitigation and improve service delivery processes.
- 3.6 **Property:** None
- 3.7 **Other:** None

### 4. Other options considered

- 4.1 None, the Public Sector Internal Audit Standards (PSIAS) require the Council's Audit Plan and Internal Audit Charter to be approved by the Governance and Ethics Committee.

## Executive Summary

### 5. Introduction / Background

- 5.1 The purpose of this report is to set out a risk based plan of work for Internal Audit (IA) that will provide assurance to the Governance and Ethics Committee on the operation of the Council's internal control framework and support the Committee's review of the Annual Governance Statement.
- 5.2 The objectives for IA are set out in West Berkshire Council's Internal Audit Charter. This document is reviewed and refreshed each year where appropriate. This year the amendments are a result of the recommendations made in the external assessment report. The revised Charter is attached at Appendix D.
- 5.3 The work programme for IA for the period 2019-2022 is attached at Appendix E. The plan analyses the different areas of Council activity that IA have assessed as needing to be audited.
- 5.4 The work of IA forms the basis of the opinion given by the Audit Manager on the Council's internal control framework. The work of IA is regulated by the PSIAS, these set out the standards and methods that should be applied in carrying out audit work. At an operational level there is an Audit Manual which sets out in detail how work is to be undertaken, recorded and managed. In addition, an Audit Reporting Protocol sets out the communication process for each audit.
- 5.5 There have been a few changes made to the Reporting Protocol, one to remove the requirement for consultation with the portfolio holder, this stage never resulted in any changes to the draft report and extends the consultation period. The second change is the removal of the requirement to include Head of Service comments/progress update in the Audit Plan update reports. It was felt that including comments at this stage was not adding anything to the update report. The amended IA Reporting Protocol is at Appendix F.
- 5.6 The Audit Team consists of four posts; the Audit Manager and three senior auditors. One of the posts was at an auditor level, when it became vacant in January a request was made to have the post re-designated as a senior auditor. This has recently been approved and the post is now being recruited to.
- 5.7 The risk categorisation is used to determine a reasonable baseline for the frequency of coverage. The reduction of the team over the last few years to four members of staff has resulted in a longer timeframe between audit reviews. The current approximate frequencies used are:-

Risk Level	Frequency (years)
High	5
Medium	7
Low	10
Schools	6

5.8 This frequency has been used to put together the proposed three year Audit Plan. The last page of Appendix E shows the total number of planned days compared with the total number of audit days available (calculated using the number of auditors), although the planned days for next year can be met, this is not the case for the following two years, where there is a shortfall in resource available compared with the planned work. If there is no change in the number of auditors this will therefore result in the frequencies needing to be revisited and extended.

## **6. Proposal**

6.1 That the Governance and Ethics Committee approve the planned work programme for IA, together with the content of the revised Internal Audit Charter and Reporting Protocol.

## **7. Conclusion**

7.1 This report sets out the proposed work for IA over the next three years. In order for an informed decision to be made regarding the work programme, this report sets out the role of IA together with supporting information as to how the plan is compiled.

## **8. Appendices**

8.1 Appendix A - Data Protection Impact Assessment

8.2 Appendix B - Equalities Impact Assessment

8.3 Appendix C - Supporting Information

8.4 Appendix D - Internal Audit Charter

8.5 Appendix E - Draft Audit Plan

8.6 Appendix F - Internal Audit Reporting Protocol

## Appendix A

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	
Service:	
Team:	
Lead Officer:	
Title of Project/System:	
Date of Assessment:	

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will you be processing data on a large scale?</b></p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will any decisions be automated?</b></p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	<input type="checkbox"/>

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**

## Appendix B

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?



Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	
<b>Summary of relevant legislation:</b>	
<b>Does the proposed decision conflict with any of the Council’s key strategy priorities?</b>	
<b>Name of assessor:</b>	
<b>Date of assessment:</b>	

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>Yes/No</b>	<b>New or proposed</b>	<b>Yes/No</b>
<b>Strategy</b>	<b>Yes/No</b>	<b>Already exists and is being reviewed</b>	<b>Yes/No</b>
<b>Function</b>	<b>Yes/No</b>	<b>Is changing</b>	<b>Yes/No</b>
<b>Service</b>	<b>Yes/No</b>		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	
<b>Objectives:</b>	
<b>Outcomes:</b>	
<b>Benefits:</b>	

<b>2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b>		
(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this</b>
Age		
Disability		
Gender Reassignment		
Marriage and Civil		

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
<b>Further Comments relating to the item:</b>		

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>Yes/No</b>
Please provide an explanation for your answer:	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>Yes/No</b>
Please provide an explanation for your answer:	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name:

Date:

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.

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# Internal Audit Plan 2019-2022– Supporting Information

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## 1. Introduction/Background

- 1.1 The purpose of this report is to set out a risk based plan of work for Internal Audit (IA) that will provide assurance to the Governance and Ethics Committee on the operation of the Council's internal control framework and support the Committee's review of the Annual Governance Statement.
- 1.2 The work of IA is regulated by the Public Sector Internal Audit Standards (PSIAS) which set out the following:-
- (1) Definition of Internal Auditing;
  - (2) Code of Ethics;
  - (3) International Standards for the professional practice of internal auditing (including interpretations and glossary).
- 1.3 The report covers the following points:-
- (1) Audit objectives and outcomes;
  - (2) How audit work is planned to ensure significant local and national issues are addressed;
  - (3) Basis for the opinion of the Audit Manager on the internal control framework;
  - (4) Methods of providing and resourcing the service.
- 1.4 The PSIAS provide the following definition of IA:

*"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"*

## 2. Supporting Information

- 2.1 The objectives for IA are set out in West Berkshire Council's Internal Audit Charter. This document is reviewed and refreshed each year where appropriate. This year the amendments are a result of the recommendations made in the external assessment report. Sections 3 and 9 are new as well as point 4.1. Point 5.4 has been amended to make it clear that the Audit Manager should have direct access to both the Chair of the Audit Committee as well as the Chief Executive. The revised Charter is attached at Appendix D.

2.2 The main outcomes from the work of IA are:

- (1) Audit reports produced at the conclusion of each audit, for the relevant Head of Service and Director.
- (2) Monitoring reports on progress with implementation of agreed audit recommendations.
- (3) An annual assurance report and an interim update report for Corporate Board and the Governance and Ethics Committee on the outcomes of IA work.

2.3 The work programme for IA for the period 2019-2022 is attached at Appendix E. The plan analyses the different areas of Council activity that IA have assessed as needing to be audited. The Plan is broken down by Corporate Audits, then by Head of Service. The information for each audit covers:-

- (1) The key risks involved in that area;
- (2) The level of risk associated with the subject, as assessed by IA;
- (3) The complexity of the audit;
- (4) The type of audit;
- (5) An initial estimate of the number of days that will be required to complete the audit, and the year in which the audit is planned;

2.4 The process of putting the plan together is extensive in terms of the documents and people who are consulted. The following identifies the key drivers:-

- (1) The views of stakeholders i.e. Heads of Service, Corporate Board, Operations Board, are key to identifying priorities for the team;
- (2) The Council Strategy is reviewed to ensure that audit resources are used to support the delivery of Council objectives;
- (3) The Council's risk registers. These are used to highlight areas where assurance is required for controls that are in place to significantly reduce levels of risk to the Council;
- (4) Results of previous audit, inspection and scrutiny work, by internal teams and external agencies, is considered;
- (5) Plans are made available to the Council's external auditor to ensure that there is no unnecessary duplication of effort.

2.5 The work programme is based on levels of risk. The risk registers are used to inform the level of risk where appropriate and this is supplemented by an audit view of risk. This takes account of:-

- (1) Results of risk self assessments;
- (2) Complexity/scale of system and processes / volume and value of transactions;
- (3) Fraud and corruption – e.g. the risk of fraud or corruption occurring;
- (4) Inherent risk – e.g. degree of change/instability/confidentiality of information;
- (5) IA knowledge of the control environment based on previous audit work.

2.6 The work of IA forms the basis of the opinion given by the Audit Manager on the Council's internal control framework. The work of IA is regulated by the PSIAS; these set out the standards and methods that should be applied in carrying out audit work. At an operational level there is an Audit Manual which sets out in detail how work is to be undertaken, recorded and managed.

2.7 In addition, an Audit Reporting Protocol is published to all Heads of Service setting out the communication process for each audit. There have been a few changes made to the Reporting Protocol as follows:-

- (1) removal of the requirement for consultation with the portfolio holder on the draft report. This stage typically adds a month onto our consultation stage. We occasionally receive queries regarding points of clarification, but no feedback that impacts on the content of the report. Therefore it was considered that this stage is not needed and removing it would speed up the process. This change will not impact on portfolio holder involvement as they would still be copied in on the final report, and we would be able to answer any clarification questions/meet with a portfolio holder to discuss the report if requested.
- (2) removal of the Head of Service comments/progress update in the Audit Plan update reports. Comments were requested for reports that were deemed weak or very weak. It was felt that including comments at this stage was not adding anything to the update report, as the client comments had already been included in the audit report and that a progress update would be carried out when IA undertake the formal Follow-up stage. The amended IA Reporting Protocol is at Appendix F.
- (3) amended 5.2 to make it clear that for unsatisfactory Follow-ups Heads of service will be required to provide details of remedial action, and that the Governance and Ethics may request Internal Audit to carry out a second stage Follow-up.

2.8 There are a number of key elements to the communication process that ensure the output from audit is fit for purpose:-

- (1) Consultation takes place at various stages of each audit with the service under review (terms of reference, rough and formal draft and final reports and action plans are all discussed and agreed with the service under review);

- (2) Audits are followed up, where appropriate, to ensure that agreed actions are implemented (method and approach to follow up work varies depending on the nature of the issues identified in the original audit);
- (3) All audit work is supervised/reviewed at key stages of the process, this is to ensure the scoping is appropriate and to check the accuracy, completeness and quality of the work undertaken (as per the Audit Manual standards);
- (4) The External Auditor relies on the work of IA, and will raise any concerns in their annual audit letter, to date no concerns have been raised.
- (5) An external review of the IA team is required every five years to ensure the team complies with the professional practices of Internal Audit as stated in the PSIAS.

2.9 The work produced by IA is designed to identify and provide remedial action for weaknesses in the internal control framework. Weaknesses that are identified are categorised according to their severity (fundamental, significant, moderate and minor).

2.10 Taken together, the above provides a sound basis for the Audit Manager to provide an annual opinion of the internal control framework of the Council.

2.11 The Audit Team consists of four staff; the Audit Manager and three senior auditors.

2.12 The risk categorisation is used to determine a reasonable baseline for the frequency of coverage. The reduction of the team over the last few years to four members of staff has resulted in a longer timeframe between audit reviews. The current frequencies used are:-

Risk Level	Frequency (years)
High	5
Medium	7
Low	10
Schools	6

2.13 This frequency has been used to put together the proposed three year Audit Plan. The last page of Appendix E shows the total number of planned days compared with the total number of audit days available (calculated using the number of auditors), although the planned days for next year can be met, this is not the case for the following two years, where there is a shortfall in resource available compared with the planned work. If there is no change in the number of auditors this will therefore result in the frequencies needing to be revisited and extended. As highlighted in my previous report the level of risk increases where there is a lack of coverage, as the previous audit opinion may no longer be relevant where there are changes to key personnel or processes. Also, the possible ‘deterrent factor’ can be lost where there is infrequent or no coverage.

### **3. Options for Consideration**

- 3.1 None, the Public Sector Internal Audit Standards (PSIAS) require the Council's Audit Plan and Internal Audit Charter to be approved by the Governance and Ethics Committee.

### **4. Proposals**

- 4.1 That the Governance and Ethics Committee approve the planned work programme for IA, together with the content of the revised Internal Audit Charter and Reporting Protocol.

### **5. Conclusion**

- 5.1 This report sets out the proposed work for IA over the next three years. In order for an informed decision to be made regarding the work programme, this report sets out the role of IA together with supporting information as to how the plan is compiled.

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## **AUDIT CHARTER**

### **1 Definition and Purpose of Internal Audit**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) provide the following definition of Internal Audit.

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

- 1.2 The PSIAS is mandatory for Internal Audit in local government, and Internal Audit is a statutory function as outlined in the Accounts and Audit Regulations 2015 which require each local authority to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices.
- 1.3 The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

### **2 Scope of Internal Audit Work**

- 2.1 The scope of Internal Audit activities encompasses, but is not limited to, objective examination of evidence for the purpose of providing independent assessments to the Governance and Ethics Committee and management on the adequacy and effectiveness of governance, risk management and control processes for the Council. Internal Audit assessments cover the following:-

- Risks relating to the achievement of the Council's strategic objectives are appropriately identified and managed.
- The level of compliance with procedures, policies, regulations and legislation.
- The results of operations and programmes are consistent with established goals and objectives.
- Operations and programmes have been established to enable compliance with policies, procedures, laws and regulations.
- A review of the value for money processes, systems and units within the Authority.
- Information and the means used to identify, measure, analyse and classify and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and appropriately protected.

- 2.2 Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.
- 2.3 The existence of an Internal Audit function does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in an efficient, secure and well ordered manner within the Authority.

### **3 Other Types of Audit Work**

- 3.1 As required under the Council's Ant-Fraud and Corruption Policy, Financial Rules of Procedure and HR Disciplinary Procedures, Internal Audit should be notified of any suspected cases of fraud/corruption. Internal Audit will be responsible for carrying out any investigations into such cases as deemed appropriate after consultation with the Council's S151 Officer (Head of Finance and Property) and Monitoring Officer (Head of Legal Services).
- 3.2 Internal Audit may carry out work of an advisory nature (consultancy work), where their expertise in control and risk mitigation has been requested by a service/client. The nature and scope of such work is intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility for the overall design and implementation. Examples include counsel, advice, facilitation and training.

### **4 Core Principles and Professional Practices of Internal Auditing**

- 4.1 The Core Principles, taken as a whole, articulate internal audit effectiveness. For an internal audit function to be considered effective, all Principles should be present and operating effectively:-
- Demonstrates integrity.
  - Demonstrates competence and due professional care.
  - Is objective and free from undue influence (independent).
  - Aligns with the strategies, objectives, and risks of the organisation.
  - Is appropriately positioned and adequately resourced.
  - Demonstrates quality and continuous improvement.
  - Communicates effectively.
  - Provides risk-based assurance.
  - Is insightful, proactive, and future-focused.

- Promotes organisational improvement.
- 4.2 Internal auditors in UK public sector organisations must conform to the Code of Ethics set out in the PSIAS. If individual internal auditors have membership of another professional body then he or she must also comply with the relevant requirements of that organisation.
- 4.3 Internal auditors who work in the public sector must also have regard to the Committee on Standards of Public Life's *Seven Principles of Public Life*.
- 4.4 The Internal Audit team will govern itself by ensuring adherence to the requirements of the PSIAS. The Audit team will regularly confirm compliance with the standards in reports to senior management and the Governance and Ethics Committee, and include a statement to this effect in each audit engagement report issued.

## **5 Authority**

- 5.1 Internal Audit sits within the Finance and Property Service and supports the statutory functions of the Head of Finance and Property. However, Internal Audit is also accountable to the Governance and Ethics Committee (the "Board" in PSIAS terms) for the delivery of assurance in relation to the Council's system of internal control.
- 5.2 The Audit Manager is the designated Chief Audit Executive in PSIAS terms. The Audit Manager reports functionally to the Governance and Ethics Committee, has a direct reporting line to the Head of Finance and Property, the Council's s151 Officer who is a full member of the Council's senior management team, Corporate Board.
- 5.3 To establish, maintain, and assure that the Council's Internal Audit Team has sufficient authority to fulfil its duties the Governance and Ethics Committee will:-
- a) Approve the Internal Audit Charter;
  - b) Approve the risk-based internal audit plan and level of resources;
  - c) Receive communications from the Audit Manager on the Internal Audit team's performance compared to the plan and any other related matters;
  - d) Make appropriate inquiries of management and the Audit Manager to determine whether there is inappropriate scope or resource limitations relating to audit work.
- 5.4 The Audit Manager will have direct access to the Governance and Ethics Committee Chairman and the Chief Executive.
- 5.5 The Governance and Ethics Committee authorises the Internal Audit team to:-

- a) Have full, free and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any audit, subject to accountability for confidentiality and safeguarding of records and information.
- b) Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- c) Obtain assistance from the necessary personnel of the Council, as well as other specialised services from within or outside of the Council in order to complete the audit engagement.

## **6 Independence and Objectivity**

- 6.1 Internal Audit as a function will remain independent of the Authority's operational activities, and its auditors will undertake no operational duties. Accordingly internal auditors will not implement internal controls, develop procedures, initiate or approve transactions external to Internal Audit, or engage in any other activity that may impair their judgement. This will allow auditors to perform duties in a manner which facilitates impartial and effective professional judgements and avoids conflict of interest.
- 6.2 The scope of Internal Audit allows for unrestricted coverage of the Authority's activities and access to all staff, records and assets deemed necessary in the course of the audit.
- 6.3 Accountability for the response to advice and recommendations made by Internal Audit lies with the management of the Authority. Management can accept and implement advice and recommendations provided or formally reject it. Internal Audit is not responsible for the implementation of recommendations or advice provided.
- 6.4 The Audit Manager will ensure that the Internal Audit team remains free from all conditions that threaten the ability of the internal auditors to carry out their responsibilities in an unbiased manner. The Audit Manager will confirm to the Governance and Ethics Committee at least annually the organisational independence of the Internal Audit team.
- 6.5 The Audit Manager will disclose to the Governance and Ethics Committee any interference and related implications in determining the scope of internal audit work, carrying out the audit or reporting the results.

## **7 Reporting**

- 7.1 All audit assignments will be the subject of a formal report written by the appropriate auditor. The report will include an 'opinion' on the adequacy of controls in the area that has been audited.
- 7.2 A follow-up review will be undertaken where the overall opinion of a report is 'Weak' or 'Very Weak'. Where a 'Satisfactory' opinion is given then a follow up may be carried out if felt necessary, by either management or internal audit. The follow up will ascertain whether actions stated by management in response to the audit report have been implemented in order to provide assurance that the control framework is now effective or flag up concerns where it is considered this is not the case.
- 7.3 Internal Audit will prepare quarterly reports for senior management and the Governance and Ethics Committee regarding:-
- a) The Internal Audit team's purpose, authority and responsibility;
  - b) The Internal Audit team's plan and performance relative to the plan;
  - c) The Internal Audit team's conformance with the PSIAS;
  - d) Significant risk exposures and control issues, including fraud risks, governance issues and other issues requiring attention;
  - e) Results of audit work;
  - f) Resource requirements;
  - g) Any response from management which is considered unacceptable compared with the associated risk.

## **8 Quality Assurance and Improvement of the Internal Audit Service**

- 8.1 The Internal Audit team will maintain a quality assurance and improvement programme that covers all aspects of Internal Audit work. The program will include an evaluation of the Internal Audit Team's conformance with the PSIAS. The program will also assess the efficiency and effectiveness of the Internal Audit Team and identify opportunities for improvement.
- 8.2 The Audit Manager will communicate to senior management and the Governance and Ethics Committee on the quality assurance and improvement programme. This will include the results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent Assessor from outside the Council.

## **9 Resourcing of the Internal Audit Team**

- 9.1 The Audit Manager is responsible for ensuring that the audit team is adequately resourced in order to be able to provide an informed annual opinion on the council's Internal Control framework.

## APPENDIX D

- 9.2 Where the Audit Manager has concerns over the level of audit resource this is formally flagged up with senior officers and members as part of submission of the draft Audit Plan for approval and progress monitoring reports.

Key risks to be covered	Complexity (Using Risk Assessment a scale of 1-4, 1 being least complex)	Risk Assessment Category	Appears on the Corporate Risk Register	Audit Type	Date last audited	2019-20	2020-21	2021-22	TOTAL Est Days 2019-2022
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**AUDIT PLAN RATIONALE**

- 1) Frequency of review is based on the overall risk rating and when the previous review was carried out.
- 2) Level of audit resource is dependent on complexity of the area to be reviewed and the level of assurance required for the risks identified.
- 3) Risk assessment factors taken into account when determining the risk category:- degree of instability/complexity of system/sensitivity of information/likelihood of fraud or corruption/previous audit control opinion.

**AUDIT TYPE - KEY**

- SR Strategic Risk
- AFW Anti Fraud Work
- KFS Key Financial System
- ACW Anti Corruption Work
- VFM Value for Money
- OR Operational Risk
- Sch Schools
- ADV Advisory

CRR - Used where the item appears on the Corporate Risk Register

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	<b>Key risks to be covered</b>	<b>Complexity (Using a scale of 1-4, 1 being least complex)</b>	<b>Risk Assessment Category</b>	<b>Appears on the Corporate Risk Register</b>	<b>Audit Type</b>	<b>Date last audited</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>TOTAL Est Days 2019-2022</b>
<b>Corporate Audits</b>										
<b>Audit No.</b>										
1	Mileage Claims - Compliance with Council procedures	a) Inaccurate/inappropriate claims resulting in theft/fraud	1	High	AFW	2013-14			20	20
2	Income collection - spot checks	a) Theft/Fraud	1	High	AFW	2014-15				0
3	Commercialisation Projects	a) Legality of operations not fully explored or validated b) Governance arrangements have not been clearly defined/established to monitor achievement of stated aims and objectives	4	High	SR	2018-19				0
4	Compilation and Monitoring of the Capital Programme	a) Ineffective project management - budgets exceeded/deadlines exceeded/outcome does not meet client needs b) Implementation and usage of PMM	4	High	SR	2012-13		20		20
5	IR35	a) Non compliance with legislation b) Inaccurate calculations could result in financial penalties and interest being incurred	3	High	SR	2017-18	15			15
6	Capital Programme - Education Services	a) Ineffective project management - budgets exceeded/deadlines exceeded/outcome does not meet client needs	4	High	OR	2018-19				0
7	Governance / Risk Management	a) Non compliance with Legal requirements b) Ineffective framework for AGS reporting c) Ineffective framework for overseeing the Council's governance rules i.e. the Constitution	3	Medium	SR	2007-08	20			20
8	NFI Investigation work	a) fraud by employees/residents	2	High	AFW	2017-18	25	25	25	75
9	GDPR	a) Non compliance with Data Protection Act b) Information not stored securely c) Personal information issued/sent to incorrect parties b) data could be amended/destroyed/sensitive data made public		High	CRR SR	2018-19				0
10	Telecommunications	a) Inappropriate use of equipment/ineffective monitoring of personal calls resulting in unnecessary expenditure being incurred possibility of Fraud/abuse b) There isn't a consistent approach when determining who can be allocated telecoms equipment, therefore assessing the need for Telecoms equipment	3	Medium	AFW	2017-18				0
11	Procurement cards	Ineffective monitoring of card usage resulting in inappropriate expenditure being incurred	2	High	AFW/SR	2018-19				0
12	Online Grant Applications	a) Fraudulent applications made b) Grant conditions not met resulting in repayment and/or criticism	2	Low	AFW	New			15	15
13	Grant Allocation/monitoring	a) Grants not awarded appropriately b) Grant allocations are not accurately recorded/effectively monitored.	2	Medium	SR	2006-07	15			15
14	Corporate Fraud Review	a) Council's approach to dealing with fraud does not meet the revised CIPFA guidance b) The Council is not being a pro-active as it could in deterring/highlighting fraud	2	Medium	AFW	2013-14		15		15
15	Archiving Council Records	a) Ineffective service provision b) Storage requirements not reviewed c) Unnecessary costs incurred	1	Low	OR	2014-15				0



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	<b>Key risks to be covered</b>	<b>Complexity (Using a scale of 1-4, 1 being least complex)</b>	<b>Risk Assessment Category</b>	<b>Appears on the Corporate Risk Register</b>	<b>Audit Type</b>	<b>Date last audited</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>TOTAL Est Days 2019-2022</b>	
16	Digitalisation Agenda	a) Self service options are not being fully considered/progressed b) Opportunities for efficiency savings/customer experience improvement are not being maximised c) Data security is not fully considered/tested as part of implementation.	4	High		SR/OR	New	25		25	
17	The People's Lottery	a) the scheme is not popular/not achieving the anticipated benefits b) Reputational risk if the scheme is not effectively and appropriately managed.	3	Medium		SR/OR	New		15	15	
18	Effectiveness of the Governance and Ethics Committee	a) The Committee does not operate in accordance with good practice (CIPFA Guidance) b) The Committee does not have adequate scope and responsibility to effectively oversee the Council's governance framework. c) The Committee is not provided with sufficient and timely information to be able to make informed decisions.		Medium			New	15		15	
19	Use of Social Media	a) The Council is unaware of its social presence and is unreactive/provides ad-hoc and inconsistent responses. b) Reputational Damage, unfavourable or confidential information released. C) Poor corporate image portrayed by employees/members.	3	High		SR	New		20	20	
	<b>total</b>							<b>115</b>	<b>95</b>	<b>60</b>	<b>270</b>

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	Key risks to be covered	Complexity (Using a scale of 1-4, 1 being least complex)	Risk Assessment Category	Appears on the Corporate Risk Register	Audit Type	Date last audited	2019-20	2020-21	2021-22	TOTAL Est Days 2019-2022
<b>Resources Directorate</b>										
<b>Head of Finance and Property</b>										
<b>Accountancy</b>										
1	General Ledger	a) Inaccurate information for management decisions b) Budgets exceeded c) Qualified accounts	2	High	KFS	2017-18			15	15
2	Fixed Asset Register	a) Non compliance with accounting standards b) Qualified Accounts	2	Medium	KFS	2010-11	15			15
3	Budget Monitoring	a) Inaccurate Information b) poor decision making	2	High	SR	2015-16			15	15
4	MTFS (to incorporate Business Rates estimating and profiling)	a) Council's financial targets are not realised b) Budget pressures c) Increases in Council Tax	4	High	SR	2013-14		15		15
5	Treasury Management	a) Inappropriate cashflow decisions - income not maximised b) Legislation/Internal polices not complied with	2	Medium	KFS	2018-19				0
6	Bank Reconciliation (cover Chaps payments)	a) Inappropriate transactions processed through the bank b) Inaccurate year end accounts c) Qualified opinion from External Auditors	2	Medium	OR	2017-18				0
7	VAT	a) Non compliance with Revenues & Customs requirements - financial penalties	2	Medium	OR	2013-14			15	15
<b>H&amp;S/Insurance/Risk Management</b>										
8	Insurance (claims management)	a) Inappropriate assessment of uninsured losses b) Inaccurate claims record for management information c) Ineffective claims management	2	Medium	SR	2015-16			15	15
9	Health and Safety	a) Non compliance with H&S Legislation - legal action/penalties	2	Low	SR	2012-13				0

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	<b>Key risks to be covered</b>	<b>Complexity (Using a scale of 1-4, 1 being least complex)</b>	<b>Risk Assessment Category</b>	<b>Appears on the Corporate Risk Register</b>	<b>Audit Type</b>	<b>Date last audited</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>TOTAL Est Days 2019-2022</b>
<b>Property</b>										<b>0</b>
10	Building Maintenance	a) Ineffective maintenance programme, b) Non compliance with legislation (internal, H&S, EU tendering policies)	3	Medium		OR	2014-15	15		<b>15</b>
11	Asset Management Strategy	a) Non compliance with legislation, b) Ineffective management of asset portfolio	2	High		SR	2016-17		15	<b>15</b>
12	Property Database - Assessment of implementation of phase 1	a) System does not meet the defined outcomes for phase 1 b) Data is not up-to-date/inaccurate which could lead to incomplete/inaccurate system reports and inappropriate management decisions.	2	High		OR	2015-16			<b>0</b>
13	Asset Project Management	a) Failure to deliver major projects on budget, timely manner, to meet need of clients, b) Non compliance with legislation	4	High		SR	2015-16		15	<b>15</b>
14	Commercial Rents	a) Non compliance with legislation, b) Loss of income/increased void periods, c) Misappropriation of leases	3	High		OR	2013-14	15		<b>15</b>
15	Facilities Management	a) Ineffective contract management which could result in lack of compliance with regulations b) Poor response to requests for service, resulting in staff Health and Safety issue.	3	Medium		OR	2011-12	15		<b>15</b>
<b>Exchequer</b>										<b>0</b>
16	Accounts Payable	a) Inappropriate/fraudulent payments b) budgets exceeded	2	High		KFS	2017-18		15	<b>15</b>
17	Accounts Receivable	a) Council's cash flow affected b) Income not maximised	2	High		KFS	2016-17	15		<b>15</b>
18	Car Loans & Car Leasing	a) Inaccurate payroll deductions b) Non compliance with Inland Revenue requirements	2	Low		OR	2013-14			<b>0</b>
19	Income Collection/Recording Processes	a) Inaccurate processing of income - affecting cash flow decisions b) Fraud/theft c) Accounts could be qualified	2	Medium		AFW	2016-17			<b>0</b>
<b>Revenues</b>										<b>0</b>
20	National Non-domestic Rates	a) Non compliance with legislation/local schemes for exemptions b) Income generation/collection not maximised c) Qualified accounts	3	High		KFS	2018-19			<b>0</b>
21	Council Tax	a) Non compliance with legislation/local schemes for reductions b) Income generation/collection not maximised c) Accounts qualified	3	High		KFS	2015-16	15		<b>15</b>
22	Council Tax Reduction Scheme	a) Non compliance with legislation/local schemes for reductions b) Income generation/collection not maximised	2	Medium		AFW	New	10		<b>10</b>
23	Business Improvement District Levy	a) Accounting arrangement do not comply with regulations b) The billing and collection processes are not effective	2	Medium		OR	2018-19			<b>0</b>
<b>Total</b>							<b>55</b>	<b>60</b>	<b>105</b>	<b>220</b>

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	<b>Key risks to be covered</b>	<b>Complexity (Using a scale of 1-4, 1 being least complex)</b>	<b>Risk Assessment Category</b>	<b>Appears on the Corporate Risk Register</b>	<b>Audit Type</b>	<b>Date last audited</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>TOTAL Est Days 2019-2022</b>
<b>Head of HR</b>										
1	Recruitment (process)	a) Delays in appointing staff - disruption to service delivery b) Non compliance with employment legislation c) DBS failure	2	Medium		AFW/SR	2012-13		15	15
2	Absence Management	a) Council's sickness policy not being adhered to b) Inaccurate information for performance management	2	Medium		SR	2011-12	15		15
3	Code of Conduct / HR Policies & Procedures	a) Staff not being managed consistently/to the Council's standards required standards b) New managers not being aware of the required standards and related procedures	1	Low		SR	2007-08			0
4	Staff Training and Development (Corporate and Professional Training - across whole Council)	a) Failure to develop staff in accordance with good practice b) Failure to inform new employees of legislation, key corporate policies and procedures they need to be aware of adhere to c) VFM/cost effectiveness not taken into account within services when making spending decisions	1	Low		SR	2014-15			0
5	Payroll	a) Ghost employees set up b) Inaccurate payments made c) Inaccurate deductions made	3	High		KFS	2018-19			0
6	Apprenticeship Levy/Use of the Apprenticeship Service	a) Non compliance with legislation b) Budgets do not reflect the increase in costs c) Payment calculations are not correct d) Apprenticeship levy paid is not used therefore funds are lost.	3	High		SR	2017-18		15	15
7	Disclosure and Barring Service	a) Vulnerable adults/children could be put at risk due to the Council Scheme not meeting the requirements of the national guidance and/or local processes have not been established to ensure that backgrounds check are undertaken/recorded and updated.	2	High		SR	2014-15	15		15
	<b>Total</b>						<b>15</b>	<b>30</b>	<b>15</b>	<b>60</b>
<b>Head of Legal Services</b>										
1	Legal Services	a) The collaborative agreement is not being effectively recorded/monitored b) Terms of the joint agreement are not being adhered to	2	Low		OR	2010-11			0
	<b>Total</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	<b>Key risks to be covered</b>	<b>Complexity (Using a scale of 1-4, 1 being least complex)</b>	<b>Risk Assessment Category</b>	<b>Appears on the Corporate Risk Register</b>	<b>Audit Type</b>	<b>Date last audited</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>TOTAL Est Days 2019-2022</b>
<b>Head of Strategic Support</b>										
1	Service Planning/targets and performance management	Service Delivery / intervention / legal obligations / performance indicators / linkages to Timelord	4	High		SR	2013-14		20	20
2	Equality Impact Assessments	a) Non compliance with national guidance b) Unaware of impact of changes in policy/decisions on local community c) lack of transparency/accountability d) Judicial review overturns decisions	3	Low		SR	2013-14			0
3	Members expenses	a) Inappropriate payments, b) Over payments on budgets, c) Non compliance with legislation/policies	1	Medium		OR	2014-15	15		15
4	Complaints / Code of Conduct	a) Ineffective policies and processes in place, b) Non compliance with policies/processes	3	Low		SR	2012-13			0
5	Freedom of Information	a) Non compliance with legislation b) No Standard approach for dealing with requests c) Adequate records not maintained of requests/responses	3	Medium		SR	2014-15		15	15
6	Management of the Internet/Intranet	a) Ineffective processes and procedures, b) Inappropriate information published - version control.	3	Medium		SR	2011-12		20	20
7	Electoral Services	a) Non compliance with legislation, b) Inappropriate entries on register, b) Incorrect payments/expenditure/charges	2	Medium		OR	2017-18			0
	<b>total</b>						<b>0</b>	<b>15</b>	<b>55</b>	<b>70</b>

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	<b>Key risks to be covered</b>	<b>Complexity (Using a scale of 1-4, 1 being least complex)</b>	<b>Risk Assessment Category</b>	<b>Appears on the Corporate Risk Register</b>	<b>Audit Type</b>	<b>Date last audited</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>TOTAL Est Days 2019-2022</b>
<b>Head of Customer Services and I.C.T.</b>										
1	I.T. Strategy	a) Does not meet changing needs of the organisation b) Progress not measured/monitored - objectives not achieved	3	Low		SR	2007-08		15	15
2	Software licences	a) Non compliance with legislation (software licences)	2	Low		OR	2003-04			0
3	Change Control Management	a) Inappropriate changes b) Changes do not meet the needs of users c) Changes not operationally effective	3	Medium		OR	2016-17			0
4	Project Management (I.T. Investment)	a) Systems do not meet business/user needs b) Escalation of costs/time to implement	3	High	CRR	SR	2006-07	20		20
5	Post Implementation Reviews (IT investment)	a) Systems do not meet business/user needs b) Escalation of costs/time to resolve system issues	3	Medium		SR	2013-14			0
6	Ensure continuous service (Disaster Recovery for I.T. Service)	a) Contingency plan not in place/not effective - service delivery affected	3	High		SR	2011-12		15	15
7	PSN Compliance Certificate	a) Non compliance with Government I.T. Security requirements b) Not able to access government data/share data with other government bodies	4	Low		SR	2010-11			0
8	Ensure systems security	a) Non compliance with Data Protection Act b) Unauthorised access to data b) data could be amended/destroyed/sensitive data made public	3	High	CRR	SR	2011-12	20		20
9	Manage problems and incidents (help desk)	a) Interruptions to service delivery b) Staff performance adversely affected	3	High		OR	2012-13		15	15
10	EDI (BACs)	a) Inaccurate/inappropriate electronic transactions	3	Low		OR	Not audited			0
11	Printing Service	a) Inefficient operations b) Delivery targets not met	2	Low		OR	2014-15			0
12	Business Continuity Planning	a)Flu / fire / flood / terrorism / service delivery	3	High		SR	2007-08		20	20
13	I.T. Asset Management	a) Loss of I.T. assets - increased cost on replacement equipment	3	Medium		OR	2007-08			20
14	Superfast Broadband Project	a) Ineffective Contract Management b) Key deliverables not being achieved/achieved as per contract c) External Funding may be withdrawn	4	Medium	CRR	OR	2014-15			0
<b>Total</b>							<b>40</b>	<b>50</b>	<b>35</b>	<b>125</b>

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Key risks to be covered		Complexity (Using a scale of 1-4, 1 being least complex)	Risk Assessment Category	Appears on the Corporate Risk Register	Audit Type	Date last audited	2019-20	2020-21	2021-22	TOTAL Est Days 2019-2022
<b>Head of Commissioning</b>										
1	Brokerage/Care Commissioning Placement Processes	a) Value for money not obtained when choosing external providers b) Care provision not formalised/not monitored - escalation of costs/ care standards not met	3	High	OR	2017/18			20	20
2	Contract Letting/Monitoring - Care Packages	a) Value for money not obtained when choosing external providers b) Care provision not formalised/not monitored - escalation of costs/ care standards not met b) Non compliance with EU legislation	3	High	OR	partial coverage in 2017-18		20		20
3	Contract letting - Other than Care Packages	a) Non-compliance with Contract rules of Procedure b) Non compliance with EU legislation (Remedies Directive) c) Value for money not obtained	3	Medium	ACW	2014-15			20	20
4	Contract monitoring - Other than Care Packages	a) Non-compliance with Contract rules of Procedure b) Contract spec not met c) Contract costs exceeded	3	Medium	SR	2018-19				0
<b>Total</b>							<b>0</b>	<b>20</b>	<b>40</b>	<b>60</b>

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	<b>Key risks to be covered</b>	<b>Complexity (Using a scale of 1-4, 1 being least complex)</b>	<b>Risk Assessment Category</b>	<b>Appears on the Corporate Risk Register</b>	<b>Audit Type</b>	<b>Date last audited</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>TOTAL Est Days 2019-2022</b>
<b>Communities Directorate</b>										
<b>Head of Adult Social Care</b>										
1	Better Care Fund	a) Ineffective governance/communication between parties b) Effectiveness of arrangement not monitored - objectives not achieved/budgets exceeded.	4	High	SR	2018-19				0
2	Care Act (Implementation of national eligibility criteria/carers assessments)	a) Care Act is not adhered to b) Assessments not undertaken timely/ care plans not put in place c) Client's/carers initial needs not met which could result in increased demand on services/budgets.	3	High	SR	New		20		20
3	Client Information and support covering services and providers	a) Care Act not adhered to b) Uninformed decisions/lack of choice on care support options which may lead to care plans not being achieved	3	Medium	OR	New		15		15
4	New Way of Working (the three key offers)	a) Care Act not adhered to b) Aims of the initiative are not met c) Processes are not sufficiently robust to achieve the stated aims		High	SR	New	20			20
5	Agency Staff	a) Inappropriate people could be appointed - risk to client b) Budgets could be exceeded c) Standards of service required not met	2	Medium	OR	2009-10		15		15
6	Assessment of Needs/Purchase of Care - (MH/LD)	a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent	3	Medium	OR	2008-9			15	15
7	Assessment of need /Purchase of Care - Respite	a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent	3	Medium	OR	2012-13			15	15
8	Carers' Assessments/payments	a) Care Act is not adhered to b) Assessments not undertaken timely/ care plans not put in place c) Carers initial needs not met which could result in increased demand on services/budgets.	3	Medium	OR	New	15			15



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9	Resource Centres (3)	Establishment reviews - key risks - budgetary control/appropriateness of expenditure	1	Low		OR	2013-14	6		6
10	Residential Homes - Elderly (4)	Establishment review - key risks - budgetary control/appropriateness of expenditure	1	Medium		OR	2010-11	6	6	12
11	Assessment of needs/Purchase of care - Home Care	a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent	3	Medium		OR	2006-07	20		20
12	Assessment/Purchase of Care - Residential/Nursing	a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent	2	Medium		OR	2017-18			0
13	Shared Lives - Placements and Payments	a) Scheme not effectively managed b) Incorrect/inappropriate payments, c) Overspends on budget	3	Medium		OR	New	20		20
14	O/T - Equipment - pooled budget	a) Ineffective governance/communication between parties b) Effectiveness of arrangement not monitored - objectives not achieved/budgets exceeded	2	Medium		OR	2011-12		15	15
15	Personal Budgets (Use of payment cards)	a) Legislation/internal procedures not adhered to b) Inappropriate care packages c) Budgets could be overspent	4	High		OR	2017-18		15	15
16	Personal Budgets - Direct Payments	a) Legislation/internal procedures not adhered to b) Inappropriate care packages c) Budgets could be overspent	3	High		OR	2013-14	15		15
17	Client Financial Assessments	a) Non compliance with legislation/Council's policy b) Inaccurate charges calculated c) Ineffective income collection/recovery procedures	3	High		OR	2017-18			0
18	Residents Property (Appointeeship/Deputyship)	a) Misappropriation of client property b) Inaccurate records of level/type of property held c) Non compliance with legislation	2	Medium		OR	2013-14		15	15
19	Deprivation of Liberty Safeguards	a) Legislation not adhered to b) Assessments inaccurate c) Supervision / review of contractors performing assessments inadequate	2	Medium	CRR	OR	New	15		15
<b>total</b>							<b>76</b>	<b>91</b>	<b>81</b>	<b>248</b>

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<b>Head of Education</b>										
1	Secondary Schools	Review of key risks - budgetary control, income collection, control of assets, school governance	2		Sch	Annual Programme		8	8	16
2	Primary Schools	Review of key risks - budgetary control, income collection, control of assets, school governance	1		Sch	Annual Programme	56	56	56	168
3	Nursery Schools (2)	Review key risks: Compliance with legislation, accurate completion of grant claims	1		Sch	2016-17			6	6
4	Special Schools (2)	Review key risks: Compliance with legislation, budgetary control, control of assets,	1		Sch	2018-19				0
5	i-College	Review key risks: Budgetary control, appropriateness of expenditure	1		OR	2018-19		8		8
6	Family Hubs	a) Centres have not been set up in accordance with government guidelines b) governance arrangements between the Centre and key stakeholders have not	2		OR	New	10			10
7	Formula funding / DSG	a) Non compliance with legislation, b) Ineffective budget builds	2	Medium	OR	2009-10		15		15
8	School Census	a) Submission of incorrect returns, b) Inaccurate funding	1	Medium	OR	2012-13			15	15
9	Family Support Packages for Disabled Children (to include short breaks)	a) Non compliance with legislation, b) Inappropriate packages, c) Overspends on budgets	3	Medium	OR	2015-16		15		15
10	School Admissions Policy	a) Non compliance with legislation, b) Unsuitable school offers, c) Invalid admissions data	2	Medium	OR	2009-10		15		15
11	Home to School Transport Entitlement	a) Employment of inappropriate individuals, b) Misallocation of free transport,	2	Low	OR	2008-09				0
12	Nursery Provision - early years grant	Review key risks: Compliance with legislation, accurate completion of grant claims	1	Medium	OR	2018-19				0
13	After Schools Clubs	a) Non compliance with government targets/legislation, b) Misuse of grant funds, c) Activities are not effectively monitored	3	Low	OR	2007-08			15	15
14	Special Education Needs and Disability (SEND)	a) Not meeting requirements of the new legislation/guidance b) Expenditure may not be effectively monitored	3	Medium	CRR	OR	New	20		20
15	School Library and Museum Services (Joint arrangement)	a) Contract not effectively monitored b) Service not meeting client needs c) Value for money not obtained	2	Low	OR	2015-16				0
16	Adult Education	a) Non compliance with legislation, b) Non achievement of targets and standards, c) Overspends on budgets	2	Low	OR	Partially covered in 2018-19 (contract Man. audit)				0
17	School Meals Contract	Review of schools not in the contract a) Non compliance with legislation, b) Not meeting service user requirements, c) Contract not effectively monitored.	3	Medium	OR	2011-12		20		20
	<b>total</b>						<b>86</b>	<b>137</b>	<b>100</b>	<b>323</b>

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<b>Head of Children and Family Services</b>										
1	Castlegate	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	1	Low	OR	2018-19				0
2	Assessment of Need/Purchase of care - Residential	a) Non compliance with legislation, b) Inappropriate packages, c) Overspends on budgets	3	Medium	OR	2008-09	15			15
3	Assessment of needs/Purchasing Care - Respite	a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent	3	High	OR	2015/16				0
4	Personal Budgets/Direct Payments	a) Legislation/internal procedures not adhered to b) Inappropriate care packages c) Budgets could be overspent	3	High	OR	2016/17	15			15
5	Assessment & collection of client contributions	a) Non compliance with legislation, b) Incorrect assessments, c) Contributions not being requested	3	Low	OR	2011-12		15		15
6	Adoption - Recruitment, Placement and Allowances (Shared Service Arrangement)	a) Non compliance with legislation, b) Ineffective procedures to monitor the shared arrangement	3	Medium	OR	New			15	15
7	Guardianship/Residence Orders	a) Non compliance with legislation, b) Incorrect/inappropriate payments, c) Overspends on budget	2	Medium	OR	2017/18				0
8	Payment of Carers (foster carers)	a) Non compliance with legislation, b) Incorrect/inappropriate payments, c) Overspends on budget	2	Medium	OR	2012-13	15			15
9	S17 - Payment of Support Costs/Allowances	a) Non compliance with legislation, b) Incorrect/inappropriate payments, c) Overspends on budget	2	Medium	OR	2015-16				0
10	Child Care Lawyers (joint arrangement with Berkshire Authorities)	a) Incorrect submission of charges to WB, b) Ineffective communication with Children's services, c) Cases wrongly undertaken by WB, d) Costs incorrectly calculated	2	Medium	CRR	OR	2004-05			0
11	Unaccompanied Children - Asylum Seekers	a) Non compliance with legislation, b) Asylum seeks/care leavers are not adequately supported, c) Inadequate financial controls re payment of allowances/fraud.	3	Medium	OR	2018-19				0
12	Agency Staff	a) Non compliance with legislation, b) Inappropriate people recruited	2	Medium	OR	2008-09			15	15
13	Youth Centres (3)	Review of key risks: Budget monitoring, control of expenditure, collection of income, security of assets	1	Low	OR	2010-11				0
14	Offsite Activities - review of external provision of service	a) Non compliance with legislation, b) Poor risk assessment c) Inappropriate activities undertaken	1	Low	OR	2005-06		15		15
15	Supervision compliance checks	a) Non compliance with the Service's management processes b) ineffective performance management of staff and/or poor caseload monitoring and management	1	Medium	OR	2013-14				0
16	Social Worker Recruitment and Retention Package	a) The effectiveness of the package is not being reviewed to ensure that benefits are being realised as intended. b) The package is not cost effective.	2	Medium	OR	New	15			15

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16	Turnaround Families Programme a) Non compliance with requirements of the scheme b) Ineffective procedures to monitor and track outcomes c) Lack of evidence to validate grant payments	3	Medium	CRR	OR	2017-18	10	10	10	30
17	Child Protection Conferencing Processes a) Inappropriate arrangements in place, b) Non adherence to guidance, legislation.	2	Low		OR	2010-11				0
<b>total</b>							<b>70</b>	<b>40</b>	<b>40</b>	<b>150</b>
<b>Head of Public Health and Wellbeing</b>										
1	Public Health Unit a) Non compliance with legislation b) Ineffective joint working arrangements resulting in poor budgetary control and/or service provision.	3	Medium		OR	2015-16			20	20
<b>total</b>							<b>0</b>	<b>0</b>	<b>20</b>	<b>20</b>

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	Key risks to be covered	Complexity (Using a scale of 1-4, 1 being least complex)	Risk Assessment Category	Appears on the Corporate Risk Register	Audit Type	Date last audited	2019-20	2020-21	2021-22	TOTAL Est Days 2019-2022	
<b>Economy and Environment Directorate</b>											
<b>Head of Public Protection and Culture</b>											
	<b>Environmental Health/Trading Standards Joint Arrangement covering:-</b>	a) Non compliance with terms of the joint arrangement b) ineffective monitoring of quality of service provision and costs	3	Medium		OR	2018-19			0	
1	Contract Management					OR	2018-19				
2	Health and Safety					OR	2002-03				
3	Licensing					OR	2018-19			0	
4	Purchase/Disposal of samples					OR	2013-14				
5	Service requests for intervention					OR	2013-14				
6	Civil Contingencies					SR	2011-12	15		15	
7	Food Safety and Standards						2013-14				
8	Building Control Joint Arrangement	a) Non compliance with terms of the joint arrangement b) ineffective monitoring of quality of service provision and costs	2	Medium		OR	New	20		20	
9	Leisure Centre Management	a) Non compliance with legislation, b) Ineffective contract monitoring and management	3	Medium		OR	2017-18			0	
10	Museums (1)	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	1	Low		OR	2016-17			0	
11	Archaeology	a) Non compliance with legislation and government guidelines, b) Ineffective communication between services	2	Low		OR	2011-12			0	
12	Berkshire Archive Service	a) Non compliance with terms of the joint arrangement b) ineffective monitoring of quality of service provision and costs	2	Low		OR	2008-09			0	
13	Libraries Purchasing/stock control	a) Budgets overspent b) Inaccurate financial information for management decisions c) Stock may be misappropriated d) Purchasing arrangements are not cost effective	3	Medium		OR	2014-15		15	15	
14	Libraries Income	a) Loss of stock is not reimbursed, resulting in additional expenditure b) Income collection not maximised	3	Medium		OR	2010-11	15		15	
15	Shaw House	a) Facilities' use/income opportunities are not being maximised b) The facilities do not offer value for money c) Costs are not being effectively controlled	3	Low		OR	2016-17			0	
16	Registrars Service	a) Ineffective budgetary control, b) Insufficient control of income, c) Insufficient control of assets, d) Inappropriate expenditure	2	Low		OR	2014-15		15	15	
	<b>total</b>							<b>35</b>	<b>15</b>	<b>30</b>	<b>80</b>

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<b>Head of Streetcare and Transport</b>										
1	Structural Maintenance / Engineering	a) Non compliance with legislation, b) Ineffective maintenance programme	3	Low	OR	2012-13				0
2	Major Road Repairs (Projects)	a) Projects/schemes targets not met, b) Non compliance with internal policies, plans		Medium	OR	Not audited		20		20
3	Traffic Management	a) Projects/schemes targets not met, b) Non compliance with internal policies, plans	3	Low	OR	2013-14				0
4	Highway Term Contract (excluding major road projects)	a) Non compliance with H&S legislation, b) Ineffective contract monitoring, c) Non compliance with policies	2	High	OR	2011-12	20			20
5	Home to School Transport / CRB checks	a) Ineffective contract management resulting in poor quality of service/vfm not achieved/health and safety issues due to inappropriate drivers or vehicles being used b) Ineffective utilisation of transport capacity/route planning	3	Medium	OR	2016-17			20	20
6	Electrical (including Street Lighting)	a) Projects/schemes targets not met, b) Non compliance with internal policies, plans	2	Medium	OR	Not audited	15			15
7	Street Naming/numbering	a) Income not maximised, b) Misappropriation of funds	2	Low	OR	2004-05				0
8	Concessionary Fares / Bus Passes	a) Fraud/theft, b) Non compliance with regulations	2	Medium	OR	2014-15		15		15
9	Parking	a) Non compliance with legislation, b) Loss of income c) Fraud/theft	3	High	OR	2017-18			15	15
10	Fleet Management	a) inefficient or inappropriate use of vehicles b) Ineffective contract management c) health and safety issues re roadworthiness of vehicles	3	Medium	OR	2016-17				0
11	Public Transport	a) Ineffective contract management resulting in poor quality of service/vfm not achieved/health and safety issues due to inappropriate drivers or vehicles being used ) Income collection procedures are not robust resulting in fraud/loss of income.	2	Medium	OR	2017-18				0
12	Waste Management and disposal PFI	a) Ineffective contract management resulting in increased costs/service quality issues b) Recycling initiatives not being met	4	High	SR	2014-15		20		20
13	Grounds Maintenance/Tree Maintenance contract	a) Contract specification is not met b) Inappropriate/inaccurate payments could be made	2	Medium	OR	2010-11	15			15
14	Management of Parks and Commons Partnership Arrangement	a) Non compliance with terms of the joint arrangement/ineffective monitoring of service provision	2	Low	OR	New				0
15	Public Rights of Way	a) Non compliance with legislation regarding plans for improvement and maintenance of rights of way b) Not having a robust challenge for insurance claim relating to public rights of way.	2	Low	OR	New				0
	<b>total</b>						<b>50</b>	<b>55</b>	<b>35</b>	<b>140</b>

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	Key risks to be covered	Complexity (Using a scale of 1-4, 1 being least complex)	Risk Assessment Category	Appears on the Corporate Risk Register	Audit Type	Date last audited	2019-20	2020-21	2021-22	TOTAL Est Days 2019-2022
<b>Head of Development and Planning</b>										
1	Enforcement a) Planning Legislation is not adhered to b) Management information is not up-to-date/accurate	2	Low		OR	2010-11				0
2	Community Infrastructure Levy (CIL) a) Planning Legislation/local schemes are not adhered to b) Policy targets are not met c) Corruption d) Income is not maximised	4	High		OR	2018-19				0
3	S106 Obligations a) Planning Legislation is not adhered to b) Council's Planning Policy is not followed c) Ineffective monitoring of planning obligations	4	Medium		OR	2018-19				0
4	Common Housing Register / Advice a) Legislation is not adhered to b) Register not appropriately administered	2	Medium		OR	2009-10		15		15
5	Homelessness Prevention/Management a) Legislation not adhered to b) Accommodation is not obtained promptly/cost effectively c) Housing debts not appropriately managed	3	High		OR	2011-12		15		15
6	Purchase and utilisation of Council Properties a) Purchase and use of Council's own properties for Housing needs is not monitored/reviewed to ensure business case objectives have been met b) Value for money is not being achieved	3	Medium		SR	New	20			20
7	Renovation Grants/Disabled Facility Grants a) Grants not awarded in accordance with legislation/Council procedures b) Inappropriate payments made c) Records not up-to-date/accurate	2	Medium		OR	2015-16			15	15
	<b>total</b>						<b>20</b>	<b>30</b>	<b>15</b>	<b>65</b>
<b>Other audit work requested</b>										
	Birchwood Review						25			25
	Data Security Incident Review						10			10
	<b>total</b>						<b>35</b>	<b>0</b>	<b>0</b>	<b>35</b>

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Key risks to be covered

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<b>Other audit work (non service specific)</b>										
1	Preparation of the audit plan/school visit programme						10	10	10	30
2	Monitoring the audit plan/school visit programme						12	12	12	36
3	Liaison with Portfolio Members						4	4	4	12
4	Governance and Ethics Committee						5	5	5	15
5	Audit Follow-ups						30	30	30	90
6	Audit Advice						10	10	10	30
7	School advice						5	5	5	15
8	SFVS Monitoring						5	5	5	15
9	External Professional Liaison						5	5	5	15
	<b>Total</b>						<b>86</b>	<b>86</b>	<b>86</b>	<b>258</b>
	Contingencies						10	40	40	90
	<b>Total</b>						<b>10</b>	<b>40</b>	<b>40</b>	<b>90</b>
	<b>Planned Audit Days</b>						<b>693</b>	<b>764</b>	<b>757</b>	<b>2214</b>
	<b>Actual Staff Days Available</b>						<b>672</b>	<b>672</b>	<b>672</b>	<b>2016</b>



## **Appendix F – Internal Audit Reporting Protocol (Reviewed and revised February 2019)**

### **1 Purpose and Scope**

- 1.1 This document outlines the way internal audit will initiate, and report on work for the Council. This protocol relates only to Council Services, a separate protocol exists for Schools.
- 1.2 In terms of this protocol there are two types of audit work that will involve different approaches to reporting. These are:
  - Routine planned audits to provide assurance
  - Advisory work carried out at the request of the client
- 1.3 Two tables are attached which summarise the key elements of this protocol for each of the above.
- 1.4 The lead auditor is responsible to the Audit Manager for managing the audit in compliance with the “Public Sector Internal Audit Standards”. Responsibility for the content of the resulting audit report will remain with the relevant lead auditor and the Audit Manager.

### **2 Initiating work**

- 2.1 The following highlights the key stages for commencing Internal Audits.
- 2.2 Terms of reference will be issued for planned audit reviews that will set out the scope of the work to be carried out and confirm the reporting arrangements.

### **3 Reporting the results of Internal Audit work**

- 3.1 The reporting process planned work has three key stages:-  
Rough Draft Report;  
Draft Report;  
Final Report.
- 3.2 The rough draft will be issued to the relevant service manager to check the factual accuracy, and to obtain their initial observations.
- 3.3 The formal draft will be issued once the service manager is satisfied with the accuracy of the report. The circulation of the formal draft report will ensure that all relevant people have had an opportunity to comment on the content of the report, prior to it being finalised.
- 3.4 We request comments/observations from all recipients, however, we treat the relevant Head of Service/Unit Manager as the main client, and as such we require a response as to whether the recommendations are agreed or otherwise before the report is finalised. Where a recommendation is not agreed, we require the client’s reasoning for this, and this detail is included in the Action Plan (attached at the back of the report) for future reference.

## **Appendix F – Internal Audit Reporting Protocol (Reviewed and revised February 2019)**

- 3.5 Where, during an audit, a serious problem is discovered which requires immediate attention, it may be necessary to issue an interim report. The Audit Manager will contact the Head of Service to discuss any such issues prior to an interim report being issued. At a minimum any issues of concern will be raised at the point of identification. Some audit sections carry out a 'closure meeting/discussion at the end of the 'testing' stage of each audit to highlight the areas of weakness identified that will be included in the report. We do not do this, we use the 'rough draft report' as the basis of the initial discussion with managers, as this has been created after a thorough review process it ensures that the feedback is comprehensive and points are not missed.
- 3.6 The Terms of Reference for the audit give an indication of the timescales for issuing the rough draft report. This is for guidance only as there are numerous factors that can impact on us being able to meet these targets.

### **4 Follow Up of Audit Recommendations**

- 4.1 A follow up process is required in order to be able to give management/members assurance that the agreed action plans have been implemented. All audits with weak or very weak opinions will be followed up. Audits with a satisfactory opinion may be followed up if, in the opinion of internal audit or management, the weaknesses identified by the audit warrant a follow up.
- 4.2 A follow-up review is carried out roughly six months after the audit report was finalised.

### **5 Reporting to the Governance and Ethics Committee**

- 5.1 The Audit Manager will provide the Committee, on a quarterly basis with a report that will summarise the results of completed audits and follow up audits.
- 5.2 Where a follow up is classed as unsatisfactory a written comment from Internal Audit will be provided together with a response from the relevant Head of Service. In addition, the Head of Service will normally be asked to attend the Governance and Ethics Committee to outline the reasons for the failure to implement the agreed action plan and to provide plans on how they intend to improve the situation. Members of the Governance and Ethics Committee may request Internal Audit to carry out a second stage Follow-up where they are concerned about lack of progress.

### **6. Role of Portfolio Holders in the audit process**

- 6.1 Portfolio Holders are copied in on the proposed Terms of Reference for each engagement together with being copied in on the final version of the report.
- 6.2 The role of the Portfolio Holder in the audit process is to:

## **Appendix F – Internal Audit Reporting Protocol (Reviewed and revised February 2019)**

- Feed in any issues of concern at the start of the audit so that these can be considered by the auditor in scoping the review.
- Support the relevant Head of Service in considering weaknesses identified in the audit report together with the recommended actions.
- Support the Head of Service in implementing agreed action plans.

# 1 Audit Assurance Reviews

Client	Terms of reference	Rough Draft Report	Formal Draft Report	Final Report	Follow-up details
<b>S151 Officer (Head of Finance and Property)</b>	All cases		All cases for his service areas  Other services - where there are fundamental weaknesses identified	All cases	All cases
<b>Service / Unit Manager</b>	All cases	All cases	All cases	All cases	All cases
<b>Head of Service</b>	All cases	Only where serious issues relating to the service, i.e. fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written	All cases	All cases	All cases
<b>Corporate Director</b>	All cases		Where there are fundamental weaknesses in the service	All cases	All cases
<b>Chief Executive</b>	For his service areas		Only where serious issues relating to the service, i.e. fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written.  <b>The Audit Manager will decide on the necessity to issue a report at this level.</b>	Any report with fundamental weaknesses	Any report with fundamental weaknesses
<b>Service Portfolio Holder</b>	All cases			All cases	All cases
<b>Portfolio Holder for Internal Audit</b>	All cases			Depending on the preference of the portfolio holder	Depending on the preference of the portfolio holder

## 2 Advisory/VFM Reviews

(The approach will be agreed with the client prior to commencing a review, and to be noted in the terms of reference to provide clarity of how the findings are to be reported). Advisory reviews may arise from the need for advice on key controls in systems where the Service concerned is already aware that improvement is needed or where the systems are being changed by the service area, (eg a new ICT system is being implemented).

Client	Terms of Reference	Rough Draft Report	Formal Draft Report	Final Report
Line Manager	All cases	All cases	All cases	All cases
Head of Service	All cases		All cases	All cases
Corporate Director	All cases		Where there are fundamental weaknesses in the service	All cases
S151 Officer (Head of Finance)	All cases		All cases for his service  Other services - where there are fundamental weaknesses identified	All cases

Further escalation of the advisory / VFM reviews reporting to the Chief Executive and the relevant portfolio Member will depend upon the significance of issues / number of weaknesses identified and will be determined by the relevant auditor in consultation with the Audit Manager.

Due to the nature of the work an overall opinion will not be given for an advisory/VFM review. However, some of these reviews may warrant a follow-up audit, depending on the significance of the findings, where this is the case a progress categorisation will be given.

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