



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Graham Walton
graham.walton@bromley.gov.uk

DIRECT LINE: 020 8461 7743

FAX: 020 8290 0608

DATE: 25 November 2010

To: Members of the
AUDIT SUB-COMMITTEE

Councillor Michael Tickner (Chairman)
Councillor Lydia Buttinger (Vice-Chairman)
Councillors Reg Adams, Nicholas Bennett J.P., Simon Fawthrop, Julian Grainger and Stephen Wells

A meeting of the Audit Sub-Committee will be held at Bromley Civic Centre on
MONDAY 6 DECEMBER 2010 AT 7.30 PM

MARK BOWEN
Director of Legal, Democratic and
Customer Services.

Copies of the documents referred to below can be obtained from
www.bromley.gov.uk/meetings

A G E N D A

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

2 DECLARATIONS OF INTEREST

3 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

To hear questions received in writing by the Legal, Democratic and Customer Services Department by 5pm on Tuesday 30th November 2010 and to respond.

4 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 16TH SEPTEMBER 2010 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION (Pages 5 - 10)

5 MATTERS OUTSTANDING FROM THE LAST MEETING

Issue & Date	Summary	Action Being Taken	By	Estimated Completion
Officers' Expenses Minute 5(a), 16/9/10	Sub-Committee requested that a note be circulated adding the costs and numbers for each of the entitlements.	See Internal Audit Progress Report.	Deputy Chief Internal Auditor	December 2010

Use of Cash Payments across the Council Minute 19 (a) 16/9/10	Sub-Committee requested a further progress report, and that the Head of Corporate Procurement attend the meeting.	See Internal Audit Progress Report – the Head of Corporate Procurement has been invited to attend.	Head of Corporate Procurement	December 2010
Debtors Minute 19 (b) 16/9/10	Sub-Committee requested further information to be submitted in the next report to E&R PDS Committee.	See Revenue Services Monitoring Report to Executive and Resources PDS Committee on 1 st December 2010.	Deputy Chief Internal Auditor	December 2010
Previous Priority One Recommendations Minute 19 (d) 16/9/10	Sub-Committee suggested that in future the report highlight recommendations where there was a risk of fraud.	An extra column has been provided in the Internal Audit Progress Report.	Deputy Chief Internal Auditor	December 2010
FMSiS Assessment of Secondary School Minute 19 (f) 16/9/10	Sub-Committee suggested that CYP PDS Committee be asked to request that all Internal Audit reports are considered at a full meeting of the school's governing body.	Report to CYP PDS on 30 th November 2010	Democratic Services Manager	November 2010
Housing Benefit Update Minute 19 (g) 16/9/10	Sub-Committee requested a further update at the next meeting.	See Internal Audit Progress Report.	Deputy Chief Internal Auditor	December 2010
Waivers Minute 19 (h) 16/9/10	Sub-Committee commented that Waivers should be scrutinised by PDS Councillors and that more information should be provided in the "reason" column.	Future lists of Waivers will provide the additional level of information as requested.	Deputy Chief Internal Auditor	December 2010

Partnership Working Minute 19 (j) 16/9/10	Sub-Committee requested that the Executive examine the possibilities for further joint working.	Opportunities for partnership working are being considered.	Assistant Director: Audit & Technical	December 2010
Risk Management Minute 19 (l) 16/9/10	Sub-Committee suggested that the one page guide to risk management be offered to other Councils.	The document has been circulated to appropriate officer networks.	Deputy Chief Internal Auditor	December 2010
Internal Audit and Value for Money Reporting Minute 20 16/9/10	Report referred to (a) I&E Sub-Committee, (b) Development Control Committee and Renewal & Recreation PDS Committee (re Building Control), and (c) Adult and Community PDS Committee (re Homecare)	(a) I&E Sub-Committee endorsed the approach to VfM reporting at their meeting on 13 th October 2010. (b) Development Control Committee to consider on 23 rd November and Renewal and Recreation PDS Committee to consider on 7 th December. (c) Adult and Community PDS Committee to consider on 25 th January 2011.	Democratic Services Manager	January 2011

6 EXTERNAL AUDIT REPORTS (A) 2009/10 REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) (B) 2009/10 ANNUAL AUDIT LETTER (Pages 11 - 14)

This report is also due to be considered by the Executive on 8th December 2010. The accompanying documents, the 2009/10 report to those charged with governance and the 2009/10 Annual Audit Letter, are being circulated under separate cover.

7 CODE OF CORPORATE GOVERNANCE (Pages 15 - 32)

8 INTERNAL AUDIT PROGRESS REPORT (Pages 33 - 66)

3.1 Outstanding Matters

- 3.2 Use of Cash Payments across the Council
- 3.14 Previous Priority One Recommendations
- 3.17 Progress and new issues since the last meeting
- 3.23 Value for Money (VfM)

3.26 Current Matters

- 3.27 New Priority One Recommendations
- 3.44 Officer expenses
- 3.47 Housing Benefit Update
- 3.50 Publicity of Housing Benefit cases
- 3.57 Housing Benefit - future proposals
- 3.67 Partnership Working
- 3.77 Risk Management

9 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

The Chairman to move that the Press and public be excluded during consideration of the item of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

	<u>Items of Business</u>	<u>Schedule 12A Description</u>
10	EXEMPT MINUTES OF THE MEETING HELD ON 16TH SEPTEMBER 2010 (Pages 67 - 70)	Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
11	INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS REPORT (Pages 71 - 92)	Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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AUDIT SUB-COMMITTEE

Minutes of the meeting held on 16 September 2010

Present:

Councillor Michael Tickner (Chairman)
Councillor Lydia Buttinger (Vice-Chairman)
Councillor Reg Adams, Councillor Nicholas Bennett J.P., ,
Councillor Simon Fawthrop, Councillor Julian Grainger and
Councillor Stephen Wells

13 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

14 DECLARATIONS OF INTEREST

Councillors Nicholas Bennett, Julian Grainger and Stephen Wells declared personal interests in relation to the Local Government Pension Scheme and as local authority appointed school governors. Councillor Bennett declared in particular his membership of the governing body of Langley Park School for Girls.

During consideration of the Internal Audit Progress Report, in relation to Debtors, Councillor Simon Fawthrop declared a personal interest as the employee of a utilities company.

15 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 10TH JUNE 2010 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

RESOLVED that the minutes of the meeting on 10th June 2010 be confirmed.

16 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

17 MATTERS OUTSTANDING FROM THE LAST MEETING

The following outstanding matters were discussed –

(a) Officers' Expenses (Minute 5 (a), 10th June 2010)

Members requested that a note be circulated on costs and numbers for each of the entitlements.

(b) Transition Team (Minute 45, 23rd March 2010)

The Committee discussed how other Committees could be made more aware of this Sub-Committee's concerns when matters were referred to them. As well as making reference reports more detailed and specific, it was suggested that the Chairman or Internal Audit staff could attend the meeting to assist with the report.

(c) Children's Centres (Minute 7, 16th June 2010)

The suggestion of a working group on Children's Centres had been raised with the Children and Young People PDS Committee; the Committee had decided not to set up a working group, but it would be receiving a full report at its next meeting on 19th October.

18 PRESENTATION BY THE CHAIRMAN

The Chairman made a presentation of a bouquet of flowers to Hilary Hudson, Head of Student Welfare, Children and Young People Services, whose vigilance had sparked an investigation which led to the uncovering of the fraudulent activities of an asylum seeker who had illegally claimed more than £700,000 in benefits. The fraud had initially come to light following an application for a student loan.

The Sub-Committee were informed that, as the administration of student finance was transferring from local authorities to Student England in March, there was a concern that the local knowledge and expertise that had led to these offences being discovered would be lost. Members also commented that more should be done to raise awareness of fraud issues amongst key staff groups.

RESOLVED that

(1) the Sub-Committee's thanks to Hilary Hudson be recorded.

(2) The Chairman write to the Secretary of State and Student England to raise the Sub-Committee's concerns about the increased risk of such frauds going undetected in future.

19 INTERNAL AUDIT PROGRESS REPORT
Report DR 10080

The Sub-Committee considered a report updating them on recent internal audit activity across the Council. The report included an update on matters outstanding from the last meeting and information on implementing previous priority one recommendations. The following matters were raised in particular.

(a) Use of Cash Payments across the Council

Members received an update on the programme to reduce cash usage across the Council. An additional sheet was tabled showing petty cash and purchasing card usage by month combined into one graph.

RESOLVED that a further progress report be submitted, and the Head of Corporate Procurement be requested to attend the meeting.

(b) Debtors

The Sub-Committee was informed that the debt recovery rate was 96% by value to 13th September 2010. Officers were seeking to recover the debt and minimise write-offs. Much of the outstanding debt related to utility works, and in particular to Thames Water. An arbitration process was in place for these debts.

Outstanding debts were submitted to Executive and Resources PDS Committee through the regular Exchequer Services contract monitoring report, and it was proposed that further information be provided in the next report and copied to this Sub-Committee. Councillor Julian Grainger requested additional details about the outstanding debts, and these would be provided to him.

(Councillor Simon Fawthrop declared a personal interest during consideration of this item as he was employed by a utilities company.)

RESOLVED that further information be supplied in the report to Executive and Resources PDS Committee and copied to this Sub-Committee.

(c) Annual Audit Report

The Annual Audit report had been amended in line with the Committee's suggestions at the last meeting, and one further change was suggested.

RESOLVED that the word "ascertaining" in the third bullet point in section 3, Objectives of Internal Audit, in the Internal Audit Terms of reference be replaced with the word "evaluating".

(d) Previous Priority One Recommendations

The sub-Committee noted the latest list of outstanding priority one recommendations. It was suggested that the report could in future highlight recommendations where there was a particular risk of fraud.

(e) Progress and new issues since the last meeting

Officers were hoping to streamline the targets.

(f) FMSiS Assessment of Secondary School

The Sub-Committee were updated on two priority one recommendations relating to a secondary school. Members emphasised the importance of Internal Audit reports being considered by the full governing body, and local authority governors being briefed where necessary so that they could represent the views of the Council effectively.

RESOLVED that the Children and Young People PDS Committee be requested to ensure that all Internal Audit reports are considered at a full meeting of the school's governing body.

(g) Housing Benefit Update

Brendan Costello, Head of Internal Audit and anti-fraud at the London Borough of Greenwich, attended the meeting and reported on the successful work of the anti-fraud partnership between Bromley and Greenwich. He explained that three sanctions were available where housing benefit fraud was uncovered – prosecution, formal caution and administrative penalty (the latter two did not result in a criminal record, but the offence would be listed on council and Department of Work and Pensions registers.) It was confirmed that press releases were issued for every successful prosecution.

RESOLVED that a further update be submitted to the next meeting.

(h) Waivers

The Sub-Committee examined the waivers of the Contract Procedure Rules set out in Appendix P. Members commented that these waivers should be scrutinised by PDS Councillors, and it was also suggested that more information should be provided in the “reason” column in the appendix.

(i) Benchmarking

The Sub-Committee noted the outcome of a recent Cipfa benchmarking exercise which showed that Bromley's costs compared very favourably with other boroughs across London.

(j) Partnership Working

Officers reported that they were looking to extend the successful partnership with Greenwich. Members considered that partnership working should be explored more widely and it was suggested that this issue should be referred to the Executive for consideration.

RESOLVED that the Executive be requested to examine the possibilities for further joint working with other authorities.

(k) Audit Commission

The full implications of the Government's decision to abolish the audit commission were not yet known, but it was stated that Councils would be able to appoint their own external auditors from 2012/13 onwards.

(l) Risk Management

A one page "Instant Guide to Risk Management" had been developed by the Council's Risk manager and was set out at appendix V. The Sub-Committee welcomed this document and asked that the author be thanked.

RESOLVED that the one page guide to risk management be commended and offered to other Councils.

20 INTERNAL AUDIT AND VALUE FOR MONEY REPORTING
Report DR10076

The Sub-Committee had received reports on Value for Money (VfM) reporting at its previous meetings on 23rd March and 10th June 2010, and had called for these to be referred to the Improvement and Efficiency Sub-Committee. The Sub-Committee received a further update covering the work carried out in two pilot areas (Building Control and Homecare), benchmarking sites, the practicality of using this data and referral to the Organisational Improvement Team.

The report suggested a number of ways that VfM could be achieved; these were listed at paragraph 3.6, and Members proposed that a further point could be added to this list – asking fundamental questions, and seeking radically different ways of providing services. The Sub-Committee emphasised the importance of enabling managers to review their services; Internal Audit would be working with the Organisational Improvement Team to ensure that guidance would be available for this.

RESOLVED that

(1) The report on Internal Audit's VfM approach to the case studies be noted and the suggested methodology to be adopted be agreed, including the scoring rating and the referral process to the Organisational Improvement Team.

(2) It is noted that Internal Audit are currently reviewing the wider remit issues around VFM work and will report back as appropriate.

(3) The reporting requirements to this Sub-Committee on VfM work undertaken for audits completed be agreed.

(4) The VfM control matrix be amended with the addition of a row for the name or source of the benchmark.

(5) The pilot VfM work on Building Control be referred to the Development Control Committee and the Renewal and Recreation Committee for consideration.

(6) The pilot VfM work on Home Care be referred to the Adult and Community PDS Committee for consideration.

21 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

RESOLVED that the press and public be excluded during consideration of the items of business referred to in the following Minutes as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the press and public were present there would be disclosure to them of exempt information.

The following summaries refer to matters involving exempt information.

22 EXEMPT MINUTES OF THE MEETING HELD ON 10TH JUNE 2010

The exempt minutes of the meeting held on 10th June 2010 were confirmed.

23 INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS REPORT
Report DR10087

The Sub-Committee considered details of recent internal audit activity across the Council and updates on matters raised at the previous meeting.

24 ANNUAL INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS REPORT
Report DR10075

The Sub-Committee received a report on anti-fraud activity for 2009/10.

The Meeting ended at 11.00 pm

Chairman

Report No.
DR10108

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Executive
Audit Sub Committee

Date: 8th December 2010
6th December 2010

Decision Type: Non-Urgent Non-Executive Non-Key

Title: EXTERNAL AUDIT REPORTS
-2009/10 Report to those charged with
governance (ISA 260)
-2009/10 Annual Audit Letter

Contact Officer: Mark Gibson, Assistant Director Resources (Audit and Technical)
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Paul Dale, Deputy Chief Executive and Director of Resources

Ward: All

1. Reason for report

Our external auditors, PwC, prepare the ISA 260 report to satisfy the requirements of (ISA (UK&I) 260) - Communication of audit matters with those charged with governance. This attached report summarises the results of the External audit work undertaken for the 2009/10 audit. It sets out:

- Matters arising from their audit of the financial statements, including the pension fund accounts, which they are required to report to you under the Audit Commission's Code of Audit Practice and International Standard on Auditing (UK & Ireland) 260 - "Communication of audit matters with those charged with governance"
- The results of their work under the Code of Audit Practice, to support the Value for Money conclusion
- Any changes to the audit plan(s) presented to you in November 2009
- An audit fee update.

The auditors have also prepared the Annual Audit Letter to provide a high level summary is accessible for members and other interested stakeholders. The matters reported in their Annual Audit Letter are those that they consider are the most significant for the Authority and a summary of the key recommendations that they have made can be found in Appendix A of the letter attached.

2. RECOMMENDATION(S)

Members are asked to note both reports.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: Estimated cost The external audit fee arrangements are set annually by the Audit Commission. The fee is calculated using a fee scale that takes into account the work required to deliver the requirements set out in the Audit Commission's Code of Practice and is adjusted along a range based on the external auditor's assessment of risk at a particular authority.
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: External Audit fees
 4. Total current budget for this head: £286,000
 5. Source of funding: General Fund
-

Staff

1. Number of staff (current and additional): n/a
 2. If from existing staff resources, number of staff hours: n/a
-

Legal

1. Legal Requirement: Statutory requirement. The external audit framework for local government is set out in the Audit Commission Act 1998. As part of this framework the Audit Commission has established a Code of Practice, which sets out the requirements of external auditors. These requirements, along with the International Standards on Auditing cover what information should be reported to 'those charged with governance'
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All stakeholders
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

ISA 260 Report

Our external auditors, PwC, prepare this report to satisfy the requirements of (ISA (UK&I) 260) - Communication of audit matters with those charged with governance. This report summarises the results of their 2009/10 audit. It sets out:

- Matters arising from their audit of the financial statements, including the pension fund accounts, which they are required to report to you under the Audit Commission's Code of Audit Practice and International Standard on Auditing (UK & Ireland) 260 - "Communication of audit matters with those charged with governance"
- The results of their work under the Code of Audit Practice, to support the Value for Money conclusion
- Any changes to the audit plan(s) presented to you in November 2009
- An audit fee update.

Annual Audit Letter

PwC have also prepared the above letter to provide a high level summary of the results of the 2009/10 audit work that has been undertaken at the London Borough of Bromley, that is accessible for members and other interested stakeholders.

The matters reported in their Annual Audit Letter are those that they consider are the most significant for the Authority and a summary of the key recommendations that they have made can be found in Appendix A of the letter attached.

FINANCIAL IMPLICATIONS

The external audit fee arrangements are set annually by the Audit Commission. The fee is calculated using a fee scale that takes into account the work required to deliver the requirements set out in the Audit Commission's Code of Practice and is adjusted along a range based on the external auditor's assessment of risk at a particular authority. The fee is negotiated each year.

LEGAL IMPLICATIONS

The external audit framework for local government is set out in the Audit Commission Act 1998. As part of this framework the Audit Commission has established a Code of Practice, which sets out the requirements of external auditors. These requirements, along with the International Standards on Auditing cover what information should be reported to 'those charged with governance'

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	

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Agenda Item 7

Report No.
DRDR10103

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Standards Committee
Audit Sub-Committee

Date: January 2011 (date to be confirmed)
6th December 2010

Decision Type: Non-Urgent Non-Executive Non-Key

Title: CODE OF CORPORATE GOVERNANCE

Contact Officer: Mark Gibson, Assistant Director Resources (Audit and Technical)
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Paul Dale, Director of Resources and Deputy Chief Executive

Ward: N/A

1. Reason for report
 2. The revised Code of Corporate Governance has been drafted by officers and is issued for consultation with the Standards Committee and the Audit Sub-Committee.
 3. The revised Code incorporates the additional governance requirements resulting from CIPFA's *Statement on the Role of the Chief Financial Officer in Local Government (2010)*. It also provides a framework for ensuring that the Annual Governance Statement reflects compliance with the CFO Statement.
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4. RECOMMENDATION(S)

- 3.1. That the Committee considers the revised code for adoption by the Council.

Corporate Policy

1. Policy Status: Existing policy. The Standards Committee is responsible for Member conduct and ethical governance in Bromley.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: No cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: £N/A
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement. The Standards Committee and standards system are requirements of the Local Government Act 2000, as amended by subsequent legislation, most recently by the Local Government & Public Involvement in Health Act 2007.
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The Code of Corporate Governance has the potential to impact on any person who has contact with a Member of Bromley Council and the overall perception of the Council.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1. Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.
- 3.2. Bromley Council, as a public organisation, is committed to ensuring the highest possible standards of governance in order to fulfil the four key roles of a local authority:
 1. To engage in effective partnerships and provide leadership for and with the community.
 2. To ensure the delivery of high quality local services whether directly or in partnership or by commissioning.
 3. To perform a stewardship role which protects the interests of local people and makes the best use of resources.
 4. To develop citizenship and local democracy.
- 3.3. The existing Code of Corporate Governance, approved by Full Council in April 2009, is in accordance with the *Delivering Good Governance in Local Government: Framework* issued in 2007 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE).

The Framework sets out six core principles for good governance:

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
 2. Members and Officers working together to achieve a common purpose with clearly defined function and roles
 3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risks
 5. Developing the capacity and capability of Members and Officers to be effective
 6. Engaging with local people and other stakeholders to ensure robust public accountability
- 3.4. In June 2009, CIPFA launched its *Statement on the Role of the Chief Financial Officer in Public Service Organisations*. The Statement supports CIPFA's work to strengthen governance and financial management across the public services. The Statement sets out five principles that define the core activities and behaviours that belong to the role of CFO and the governance requirements needed to support them.

The CFO in a public service organisation:

- is a key member of the leadership team, helping it develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risk are fully considered, and alignment with the organisation's financial strategy
- must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively

To deliver these responsibilities the CFO:

- must lead and direct a finance function that is resourced to be fit for purpose
 - must be professionally qualified and suitably experienced
- 3.5. CIPFA recommends that organisations should use the Statement as a framework to benchmark their existing arrangements, and that they should report publicly on compliance to demonstrate commitment to good practice in both governance and financial management. CIPFA also recommends that organisations should report publicly where their arrangements do not conform with the compliance framework, explaining the reasons for this, and how they deliver the same impact as those in the Statement.
- 3.6. CIPFA's *Statement on the Role of the Chief Financial Officer in Local Government (2010)* applies the principles and roles set out in the public services Statement to local government. The CFO in local government is not only bound by professional standards but also by specific legislative responsibilities. Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a CFO to have responsibility for those arrangements. In Bromley this is the Director of Resources.
- 3.7. The recommendations of the Statement are expected to be consolidated into the CIPFA / SOLACE *Delivering Good Governance in Local Government: Framework* over the next year. In the interim CIPFA has issued an Application Note setting out how the additional governance requirements should be reflected in an authority's Code of Corporate Governance. We have amended the current Code of Corporate Governance accordingly by highlighting these additional governance requirements.
- 3.8. The Code now consists of four parts:
1. An introduction which has been amended to include reference to the new requirements
 2. The Code itself
 3. A glossary
 4. An appendix showing the key policies and processes that underpin the Council's compliance with the Code (Appendix A)
- 3.9. In addition the Application Note recommends a voluntary 'comply or explain' approach in the Annual Governance Statement. In undertaking this year's AGS review we were able to confirm that Bromley's financial management arrangements conform with the governance requirements of the Statement. In brief the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to other members.

In addition no other significant governance issues were identified during the review.

- 3.10. In their *2009/10 Report to those charged with governance*, presented to General Purposes and Licensing Committee on 27 September 2010, the external auditors PwC reported that 'Following the government announcement that Comprehensive Area Assessment (CAA) is to be abolished, all work on Use of Resources for CAA ceased at the end of May. Therefore, we have not completed this work as planned, however, we are able to confirm that the findings from the work completed before the announcement showed continued strong performance in the areas where the Council was previously assessed as performing well.' In addition they

commented that 'A number of areas of good practice were identified, including the impact that the Council's Standards Committee has on the wider governance arrangements ...'

In the previous 2009 Use of Resources assessment Bromley scored a 3 - 'performing well' for the theme 'Governing the Business - does the organisation promote and demonstrate the principles and values of good governance?'

3.11. Recently Internal Audit undertook a *Review of Corporate Governance Audit for 2010/11*. As part of this audit they selected 2 of the 6 core principles to review the evidence supporting their compliance:

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risks

The review of evidence supporting these principles was satisfactory. Overall, the conclusion of this audit was that full assurance can be placed on the effectiveness of the overall controls.

4. LEGAL IMPLICATIONS

4.1 There are no specific legal requirements for preparing a Code of Corporate Governance. However, the Accounts and Audit (Amendment) (England) Regulations 2006 S.I. 564 require Members to conduct a review of the internal controls within the organisation and the Code forms part of the evidence to support this review.

Non-Applicable Sections:	Policy/Financial/Personnel
Background Documents: (Access Contact Officer)	CIPFA / SOLACE publications: Delivering Good Governance in Local Government: Framework Statement on the Role of the Chief Financial Officer in Local Government (2010) Application Note to Delivering Good Governance in Local Government: a Framework

Introduction:

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, provide leadership to their communities.

Effective corporate governance and the capacity to lead and manage change are essential to meet the ever increasing challenges for the public sector. Good governance is important to all involved in local government and a key responsibility of the Chief Executive, the Leader of the Council and other statutory governance Chief Officers.

Bromley Council recognises that:

- Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users.
- Good governance enables an authority to pursue its vision effectively, as well as underpinning that vision with appropriate mechanisms for control and management of risk.
- All authorities should aim to meet the standards of the best and governance arrangements should not only be sound, but also be seen to be sound.

The Council's corporate governance framework is based upon guidance issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) in 2007 and recommended as best practice.

The CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework identifies four key roles of a local authority:

1. To engage in effective partnerships and provide leadership for and with the community
2. To ensure the delivery of high quality local services whether directly or in partnership or by commissioning
3. To perform a stewardship role which protects the interests of local people and makes the best use of resources
4. To develop citizenship and local democracy

The framework is based upon the following six core principles of good governance:

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
2. Members and Officers working together to achieve a common purpose with clearly defined function and roles
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
5. Developing the capacity and capability of Members and Officers to be effective
6. Engaging with local people and other stakeholders to ensure robust public accountability

The six core principles each have a number of supporting principles with associated requirements and the attached Code of Corporate Governance sets out how the Council aims to meet these requirements.

Bromley Council is committed to applying these principles and is satisfied that it already has a well established and robust Constitution and other good governance documents and arrangements in place. Bromley's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decision making is efficient, transparent and accountable to local people. Some of the procedures are required by law such as the Code of Conduct for Councillors, while others are a matter for the Council. The key policies and processes that underpin the Council's compliance with these principles are set out in Appendix A.

The Constitution Improvement Working Group was established in 2008 to look at proposals to improve the Constitution of the Council. Since then the Working Group has produced three reports: 'Proposals for Full Council – November 2008' that suggested ways to make it more relevant to the interests and concerns of our residents; 'Proposals for Executive Decision Making and Scrutiny – January 2009' which recommended reforms to the Portfolio Holder meeting process and as a result the need for more than 40 meetings was eliminated by improving the pre-scrutiny arrangements in the Policy Development and Scrutiny committee meetings. In their third report 'Proposals for Reform of Leadership, Executive and other functions – October 2009', the Working Group made a number of proposals to ensure that the Council's Constitution met the requirements of the Local Government and Public Involvement in Health Act 2007, these included greater powers and a four year term for the Leader of the Council.

The Code of Corporate Governance also incorporates the additional governance requirements resulting from CIPFA's 'Statement on the Role of the Chief Financial Officer in Local Government (2010)'. CIPFA's Statement sets out five principles that define the core activities and behaviours that belong to the role of the Chief Financial Officer (CFO) and the governance requirements needed to support them.

The CFO in a local authority:

1. is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest
2. must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy
3. must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively

To deliver these responsibilities the CFO:

4. must lead and direct a finance function that is resourced to be fit for purpose
5. must be professionally qualified and suitably experienced

We confirm that Bromley's financial management arrangements conform with the governance requirements of CIPFA's statement. The Director of Resources has the role of Chief Finance Officer.

Annual Governance Review

The Council conducts an annual review of its governance arrangements, including the system of internal control. The purpose of the review is to provide assurance from a number of sources including Members, Chief Officers, internal and external audit, other review agencies and inspectorates that corporate governance arrangements are adequate and operating effectively; or where gaps are revealed, action is planned that will ensure effective governance in future.

The outcome of the review is published in the Annual Governance Statement which forms part of the Annual Report and Statement of Accounts

October 2010

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.	
Supporting Principles:	The Council will:
Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users	develop and promote the Council's purpose and vision
	review on a regular basis the Council's vision for the local area and its implications for the Council's governance arrangements
	ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners
	publish an annual report on a timely basis to communicate the Council's activities and achievements, its financial position and performance
Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available
	put in place effective arrangements to identify and deal with failure in service delivery
Ensuring that the Council makes the best use of resources and that tax payers and service users receive excellent value for money	decide how value for money is to be measured and makes sure that the Council or partnership has the information needed to review value for money and performance effectively
	measure the sustainability impact of policies, plans and decisions
	ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the Council meets its policy and service objectives and provides effective stewardship of public money and value for money in its use
	ensure that the Council maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance maintained and takes corrective action when necessary
	ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles.	
Supporting Principles:	The Council will:
Ensuring effective leadership throughout the Council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the Council's approach towards putting this into practice
	set out a clear statement of the respective roles and responsibilities of other Council Members, Members generally, senior officers and of the leadership team and its members individually
	ensure that the Chief Finance Officer (CFO) reports directly to the Chief Executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact
Ensuring that a constructive working relationship exists between Council Members and Officers and that the responsibilities of Members and Officers are carried out to a high standard	determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for the collective decision of the Council, taking account of relevant legislation, and ensure that it is monitored and updated when required
	make the Chief Executive (and Head of Paid Service) responsible and accountable to the Council for all aspects of corporate and operational management
	develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained
	make the Director of Resources (and Chief Finance Officer and Section 151 Officer) responsible to the Council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control
	appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the Role of the CFO in Local Government and ensure that they are properly understood throughout the authority
	ensure that the Council's governance arrangements allow the CFO direct access to the Chief Executive and to other leadership team members
	ensure that the CFO: <ul style="list-style-type: none"> • leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively • has a line of professional accountability for finance staff throughout the organisation
	ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance

	<p>ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role</p>
	<p>make the Director of Legal, Democratic and Customer Services (and Monitoring Officer) responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with</p>
	<p>ensure that Chief Officers contribute to the overall leadership of the Council, and work collectively on the strategic management of the Council and the co-ordination of Council-wide initiatives and projects to develop cross service policies through regular meetings of the Chief Officers' Executive</p>
<p>Ensuring relationships between the Council, its partners and the public are clear so that each knows what to expect of the other</p>	<p>develop protocols to ensure effective communication between Members and Officers in their respective roles</p>
	<p>set out the terms and conditions for the remuneration of Members and Officers and an effective structure for managing the process, including an effective remuneration panel</p>
	<p>ensure that effective mechanisms exist to monitor service delivery</p>
	<p>ensure that the Council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</p>
	<p>establish a medium term business and financial planning process to deliver strategic objectives including:</p> <ul style="list-style-type: none"> • a medium term financial strategy to ensure sustainable finances • a robust annual budget process that ensures financial balance • a monitoring process that enables this to be delivered <p>ensure that these are subject to regular review to confirm the continuing relevance of assumptions used</p>
	<p>when working in partnership:</p> <ul style="list-style-type: none"> • ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council • ensure that there is clarity about the legal status of the partnership • ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 3: Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.	
Supporting Principles:	The Council will:
Ensuring Council Members and Officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	ensure that the Council’s leadership sets a tone for the organisation by creating a climate of openness, support and respect
	ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols
	put in place arrangements to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and puts in place appropriate processes to ensure that they continue to operate in practice
Ensuring that the organisational values are put into practice and are effective	develop and maintain shared values including leadership values both for the Council and staff reflecting public expectations, and communicate these with Members, staff, the community and partners.
	put in place arrangements to ensure that procedures, operations, systems and processes including those for financial administration, financial control and protection of the authority’s resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice
	develop and maintain an effective Standards Committee
	use it’s shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Council
	in pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values will be demonstrated by partners’ behaviour both individually and collectively

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.	
Supporting Principles:	The Council will:
Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Council's performance overall and that of any organisation for which it is responsible
	ensure an effective internal audit function is resourced and maintained
	develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
	put in place arrangements to safeguard Members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice
	develop and maintain an effective Audit Committee which is independent of the executive and scrutiny functions
	ensure that the Council's governance arrangements allow the CFO direct access to the Audit Committee and external audit
	put in place effective, transparent and accessible arrangements for dealing with complaints
Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	ensure that those making decisions whether for the Council or a partnership are provided with information that is fit for the purpose - relevant, timely and gives clear explanations of technical issues and their implications
	ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately
	ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority
	ensure the Council's governance arrangements allow the CFO to bring influence to bear on all material decisions
	ensure that advice is provided on the levels of reserves and balances in line with good practice guidance (Local Authority Accounting Panel Bulletin 77 – Local Authority Reserves and Balances)
Ensuring that an effective risk management system is in place	ensure that risk management is embedded into the culture of the Council, with Members and managers at all levels recognising that risk management is part of their job
	ensure the Council's arrangements for financial and internal control and for managing risk are addressed in annual governance reports

	<p>ensure the Council puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes</p>
<p>Using their legal powers to the full benefit of the citizens and communities in their area</p>	<p>ensure that effective arrangements for whistle blowing are in place to which Officers, staff and all those contracting with or appointed by the Council have access</p>
	<p>actively recognise the limits of lawful activity placed on the Council by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the community</p>
	<p>recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on Councils by public law</p>
	<p>observe all specific legislative requirements placed upon the Council, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into its procedures and decision making processes</p>

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 5: Developing the capacity and capability of Members and Officers to be effective.	
Supporting Principles:	The Council will:
Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles	provide induction programmes tailored to individual needs and opportunities for Members and Officers to update their knowledge on a regular basis
	ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council
	ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role
	review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised
	provide the finance function with the resources, expertise and systems necessary to perform its role effectively
Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	assess the skills required by Members and Officers and make a commitment to develop those skills to enable roles to be carried out effectively
	embed financial competencies in person specifications and appraisals
	ensure that Members' roles and responsibilities for monitoring financial performance / budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities
	develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed
	ensure that effective arrangements are put in place for reviewing the performance of the Council as a whole and of individual Members and agreeing an action plan which might, for example, aim to address any training or development needs
Encouraging new talent for membership of the Council so that the best use can be made of individuals' skills and resources in balancing continuity and renewal	ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council
	ensure that career structures are in place for Members and Officers to encourage participation and development

BROMLEY – CODE OF CORPORATE GOVERNANCE

Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.	
Supporting Principles:	The Council will:
Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships	make clear to itself, all staff and the community to whom it is accountable and for what
	consider those institutional stakeholders to whom the Council is accountable and assess the effectiveness of the relationships and any changes required
	produce an annual report on the activity of the scrutiny function
Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Council, in partnership or by commissioning	ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively
	hold all formal councillor or partnership meetings in public unless there are good reasons for confidentiality
	ensure that arrangements are in place to enable the Council to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and will establish explicit processes for dealing with these competing demands
	establish a clear policy on the types of issues it will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result
	on an annual basis, publish a performance plan giving information on the Council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period
	ensure that the Council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so
Making best use of human resources by taking an active and planned approach to meet responsibility to staff	develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

BROMLEY - CODE OF CORPORATE GOVERNANCE

GLOSSARY OF TERMS	
TERM	DEFINITION
Chief Executive	The Council's Head of the Paid Service, and chief policy adviser. The Chief Executive heads the Chief Officer's Executive, which is the officer managerial board including all the departmental Chief Officers.
Chief Finance Officer	The Chief Finance Officer is responsible for the administration of the financial affairs of the Council. In Bromley this is the Director of Resources.
Chief Officers	Chief Officers have a strategic role, advising Members on their areas of particular expertise, and contributing to the overall leadership of the Council; and also a managerial role, ensuring that the services they are responsible for focus on delivering excellent customer service, and making the most effective use of departmental resources to achieve that goal.
CIPFA	The Chartered Institute of Public Finance and Accountancy is one of the leading professional accountancy bodies in the UK and the only one which specialises in the public sector. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards.
Constitution	Sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decision making is efficient, transparent and accountable to local people. Some of the procedures are required by law such as the Code of Conduct for Councillors, while others are a matter for the Council to decide.
Head of Paid Service	Every Council must designate one of its officers as its Head of Paid Service. They are responsible for the staffing of the authority; ensuring that the work of officers is effectively co-ordinated and making sure the organisation runs efficiently. In Bromley this is the Chief Executive.
Members	Locally elected councillors.
Monitoring Officer	Every Council must designate one of its officers as its Monitoring Officer. They are responsible for ensuring the lawfulness and fairness of Council decision making, compliance with Codes and Protocols, and promoting good governance and high ethical standards. In Bromley this is the Director of Legal, Democratic and Customer Services.
Officers	Paid council employees.
Section 151 Officer	Every Council must designate one of its officers as its Section 151 Officer. They are responsible for the proper administration of the organisation's financial affairs, preparing the Council's statement of accounts in accordance with proper practices, keeping proper accounting records and taking reasonable steps to prevent and detect fraud. In Bromley this is the Director of Resources.
SOLACE	The Society of Local Authority Chief Executives and Senior Managers is the representative body for senior strategic managers working in the public sector. The Society promotes public sector management excellence and provides professional development for its Members who come from all areas of the public sector.

CODE OF CORPORATE GOVERNANCE – CORE PRINCIPLES AND RELATED KEY POLICIES AND PROCESSES APPENDIX A

Core Principles Key Policies / Processes	Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	Members and Officers working together to achieve a common purpose with clearly defined functions and roles	Promoting the values for the authority and demonstrating , good governance, conduct and behaviour	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	Developing the capacity and capability of Members and Officers to be effective	Engaging with local people and other stakeholders to ensure robust public accountability
Annual Audit Letter			•	•		
Annual Governance Statement	•			•		
Annual Report and Statement of Accounts	•					•
Anti-Fraud and Corruption Strategy			•			
'Are we on track?' – performance monitoring	•	•			•	
BBB 2020 Vision	•	•				•
Building a Better Bromley	•	•			•	•
Capital Strategy	•					
Code of Conduct for Members			•	•		
Communications Strategy	•				•	•
Constitution		•		•		•
Contract Procedure Rules / Standing Orders	•		•	•		
Corporate Induction Process			•		•	
Corporate Operating Principles	•					
Customer Access Strategy					•	•
Customer Service Charter	•					
Equality Scheme			•		•	•
Executive and Resources PDS Committee Annual Report				•		•
Financial Regulations			•	•		
Financial Strategy	•	•	•			

CODE OF CORPORATE GOVERNANCE – CORE PRINCIPLES AND RELATED KEY POLICIES AND PROCESSES

Core Principles Key Policies / Processes	Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	Members and Officers working together to achieve a common purpose with clearly defined functions and roles	Promoting the values for the authority and demonstrating , good governance, conduct and behaviour	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks	Developing the capacity and capability of Members and Officers to be effective	Engaging with local people and other stakeholders to ensure robust public accountability
Forward Plan of Key Decisions	•			•		•
Foundation Strategies	•					
'Getting it Right' - complaints, compliments and suggestions	•	•		•		•
Gifts and Hospitality Code of Conduct			•			
Learning and Development			•	•	•	
Local Area Agreement	•	•				•
Local Development Framework	•					
Local Strategic Partnership Terms of Reference and Code of Conduct	•	•	•	•		
Member / Officer Protocol		•	•	•		
Performance Appraisal and Development Scheme	•				•	
Portfolio Plans	•					
Public Consultations / Meetings		•			•	•
'Raising Concerns' whistle blowing			•	•		•
Register of Interests			•	•		
Risk Management Strategy	•		•	•		
Scheme of Delegation		•	•			
Standards Committee Annual Report			•	•		
Treasury Management Strategy	•	•	•			

Report No.
DR 10100

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Audit Sub Committee**

Date: **6th December 2010**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **INTERNAL AUDIT PROGRESS REPORT**

Contact Officer: Luis Remedios, Deputy Chief Internal Auditor
Tel: 020 8313 4588 E-mail: luis.remedios@bromley.gov.uk

Chief Officer: Paul Dale, Director of Resouces and Deputy Chief Executive

Ward: All

1. Reason for report

This report informs Members of recent audit activity across the Council and provides updates on matters arising from the last Audit Sub Committee. It covers:-

3.1 Outstanding Matters

- 3.2 Use of Cash Payments across the Council
- 3.14 Previous Priority One Recommendations
- 3.17 Progress and new issues since the last meeting
- 3.23 Value for Money (VfM)

3.26 Current Matters

- 3.27 New Priority One Recommendations
 - 3.44 Officer expenses
 - 3.47 Housing Benefit Update
 - 3.50 Publicity of Housing Benefit cases
 - 3.57 Housing Benefit - future proposals
 - 3.67 Partnership Working
 - 3.77 Risk Management
-

2. **RECOMMENDATION(S)**

- a. **Note the report and comment upon matters arising from the internal audit progress report.**
- b. **Note the breakdown for officer expenses.**

- c. Note the continuing achievements of the counter fraud benefit partnership with Greenwich Council. (para 3.42)**
- d. Members to consider proposals for publicising to claimants the successes in prosecuting benefit fraud cases.**
- e. Members to consider the future government proposals for the investigation of benefit fraud and make representations if appropriate.**
- f. Note the success of partnership working with LB Greenwich and consider referral as a model for future such arrangements.**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £587,520 excluding the benefit fraud partnership costs but subject to reduction.
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): 10 FTE
 2. If from existing staff resources, number of staff hours: 380 days per quarter
-

Legal

1. Legal Requirement: Statutory requirement. Accounts and Audit Regs 2006
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 180 including Chief Officers, Head Teachers/Governors
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: None

3. COMMENTARY

3.1 Outstanding matters

3.2 Use of Cash Payments across the Council

3.3 Members requested a further update on the measures being taken to reduce cash usage across the Council by at least 50% over the next year. We had previously reported that petty cash expended across the Authority had reduced from £36K in August 2008 to an average of £27K in July 2010. This was partly due to the roll out of purchase cards which is still ongoing. Members had asked for further details of the purchase card roll out. This is expanded upon below. £317,200 related to CYP expenditure paid through the Area Offices. A substantial amount of the CYP expenditure related to Leaving Care clients

3.4 Purchase cards- The final report in September 2008 setting out the business case for introduction of purchase cards was based on the potential benefits, savings and efficiencies from its usage as opposed to the use of low value purchasing and petty cash. The report set out the optimum position for the use of purchase cards. The savings were summarised as follows:

The calculated savings (based on a conservative assessment) are £112.22K (was £120.72K) pa composed of £33.96K (was £36.46K) cashable and £76.27K (was £84.27K) pa non cashable. The main components of these savings are summarised in the following table.

	Cashable	Non Cashable
Low Value Purchasing	~£31.5K (<u>was £34K</u>)	~£69.53K (<u>was £75.5K</u>)
Savings Areas>	Invoice receipt & processing & payment processing	Requisition, approval, issue & goods receipt
Expenses/Petty Cash	~£2.5K	~£8.7K
Savings Areas>	Savings on cost of travel	Expenses/petty cash administration process savings

The above savings have been calculated from analysing that there is ~£2M (10,000 transactions) of low value spend less than £500 per transaction. These are appropriate for Purchase Card application in that they attract a disproportionate level of processing overhead. In addition there is ~£150K pa of expenses/petty cash claims of which an estimated 50% could be applied to purchasing cards thus reducing administration costs.

3.5 Purchase Cards - to date 77 purchase cards have been issued with a further 28 to be rolled out. The total spend to date is about £133k covering over 2,300 transactions. There has been a steady increase in usage with October 2010 showing £16,919 being spent covering 250 transactions.

3.6 This information is extracted from a set of data reports provided from Accounts Payable, who administer the system and which are also copied to Procurement and Audit for information and overview. The increasing usage reflects a steady increase in activity consistent with the initial project expectation and in line with the management/systems

controls put in place, with card issue being subject to the receipt of a business case by the proposed users manager, its endorsement by the Head of Finance in each service area and agreement by the Head of Procurement, before any card is issued.

- 3.7** All staff receiving a card, together with their managers, are trained before any transactions are completed and access to the card and management system is only allowed after staff have signed a form confirming their understanding of their responsibilities in its use.
- 3.8** The Card Management System is a web based application run in parallel with the banks transaction system which records all activity on the card, automatically posting transactions (via e-mail) to the responsible line manager for review and agreement that the transaction and cost having been properly incurred. The system automatically generates an audit trail of activity which is available for management / audit review and analysis and to which Internal Audit have direct access.
- 3.9** Pre paid cards – we had previously reported that payments made to Leaving Care clients accounted for £252K or 60% of cash usage. Following a tendering exercise it was expected that 140 cards could be issued to reduce the need for up to 3,300 cash transactions. Following training, organising bank accounts, order cards etc which could take 6 to 8 weeks it was expected that 36 cards could be rolled out initially to clients.
- 3.10** Further work has been undertaken within the Leaving Care Team and it is now proposed that we also utilise the Pre-Paid Cards for all young people in receipt of regular payments made through either the BACs system or cheque payments. This would potentially speed up these payments and reduce errors.
- 3.11** This means issuing around 55 personalised cards in the first phase of implementation. Contract negotiations are ongoing and Bromley is considering entering into a pan London agreement being proposed by Citi Bank which could potentially reduce the cost to us.
- 3.12** Management are also considering introducing pooled Oyster cards that would cut down on petty cash claims for travel as well as saving on costs.
- 3.13** We have yet to assess the extent to which the use of pre paid cards and purchase cards will have on petty cash expenditure and the continued use and number of petty cash imprests. We had reported in the last cycle that petty cash expenditure had fallen from an average peak of £36k in August 2008 to an average of £27k in July 2010. With pre paid cards still to be rolled out, that will further reduce monthly cash expenditure, however, it is too early to estimate the % reduction. It is likely that despite the reduction in cash usage due to use of purchase and pre paid cards, Oyster cards there will still be a need for some imprest accounts.
- 3.14** **Previous priority one recommendations**
- 3.15** The latest list of outstanding priority one recommendations is shown in Appendix A. Since our last report to Audit Sub Committee there has been ongoing activity by management to implement these. Appendix A currently shows 14 priority ones. At the last cycle we had reported 10 of which 3 have been implemented – ACS Care Management (1) Secondary School FMSiS (2). Expanded on in Appendix A.
- 3.16** **Debtors** a member of this committee was e-mailed a list of the largest debts together with the status of them. There is a current audit review of debtors indicating that the over a year old debts had increased to £1,687,568 as at the 31st October 2010 from a previously reported total of £1,275,337 as at the 31st January 2010. According to

information received from management, there is an indication that about £357,000 of the large debts over a year old may be under dispute. Other factors that have led to an increase in debt are residential care where charges are being placed on properties to protect our interests and amounts that have yet to be written off. An analysis of the current top 15 debts plus current status is shown as Appendix I. These 15 debts total £818,435.53. We have also analysed the debt of up to the end of September 2010 to department level - see appendix J. £916K of these debts relate to ACS directorate and excludes domiciliary care debts.

3.17 Progress and new issues since the last meeting

3.18 For the period April 2010 to October 2010 we issued 102 reports against this year's plan to either draft or final stage. These include full systems and probity audits, schools and follow up audits. This equates to approximately 60% of the audit plan which is slightly above expectation for the 7 month period. The performance indicator for completion of the audit plan is 90%. There are 17 audits where there is work in progress at the time of writing this report. In addition, 16 audits were completed to final stage in respect of the 2009/10 plan. The fraud partnership with LB Greenwich has also produced three reports following investigations that have been reported upon previously in Part 2.

3.19 89% of the audits have been completed within the agreed budgeted time allowed against a performance indicator requirement of 90%. The feedback from clients has been very positive with an average score of 4.3 out of 5 against the target of 3.

3.20 A target that has been partially met is the two month elapse time between commencement of field work and issue of draft report. The performance indicator requires that 95% of the audits should be completed within two months of commencement of fieldwork whereas we have achieved 90%. This is an improvement on the 88% reported in the last cycle of this committee. As reported previously, there are a number of reasons for this including awaiting information from clients, extending the original scope where there are major findings e.g. emergency accommodation and rent accounts and auditors being asked to carry out ad hoc work including investigations. This improvement reflects measures taken by Internal Audit management including close monitoring of audits in conjunction with the auditors.

3.21 The planned schools audits have all been achieved to date. We are rolling out our assisted audits programme for the secondary schools apart from the Priory which is subject to an assessment against the Financial Management Standard in Schools (FMSiS). Assisted audits require schools and colleges to assist in the audit process under the management of Internal Audit thereby increasing the auditees' perception of the audit process as well as saving on audit time. Two secondary schools Kemnal Technology College and Darrick Wood School will not be part of this process but are to be subject to a closure audit as they are converting to Academy Status. We have completed our closure audit for Kemnal Technology College and reported our findings. We have highlighted the pensions fund deficit as an area that was still outstanding. We have continued to attend the academy operations group and have offered the two schools our services to carry out internal audits for a reasonable fee. This has not been taken up as yet. The government have recently announced abolition of FMSiS to be replaced a simplified process.

3.22 In addition we have carried out two investigations at primary schools that are reported on in part 2 of the agenda.

3.23 Value for Money (VfM)

The Improvement and Efficiency Sub-Committee received the VfM report referred by Audit Sub-Committee. The report was endorsed by the committee with an added comment that whilst Internal Audit should remain focussed on its core business it was well placed to carry out VfM using this methodology. The sub-committee also noted the role of the Organisational Improvement Team where lower scores were achieved.

3.24 The VfM study on Building Control is due to go to Development Committee on the 23rd November and Renewal and Recreation PDS on the 7th December 2010. The VfM study for Homecare will go to ACS PDS in January 2011

3.25 We have analysed audits left to complete for the rest of the financial year and identified audits where we will use the approved methodology. This includes areas such as parking income, waste, street services, youth service, fostering and adoption, SEN transport, early years etc that will be discussed with management at pre audit meeting.

3.26 Current Matters

3.27 New priority one recommendations

3.28 The table of new priority one recommendations is listed below:

Report Number	Title	Dept	No of Priority One's
CYP/P42/01/2010	FMSiS Assessment of a Primary School C	CYP	1
RD/096/01/2010	IT Disaster Recovery	RD	1
CYP/Inv/2010	Primary School A	CYP	1
CYP/Inv/2010	Primary School B	CYP	1
CYP/Inv/2010	Children's Centres	CYP	2
R&R/014/01/2010	Building Maintenance	R&R	1

3.29 FMSiS Assessment of Primary School C

3.30 The School had decided to change its payroll providers from a private firm that they had been using to the Authority's payroll provider, Liberata. It appeared that they had given adequate notice to the outgoing payroll provider but in the month of the transfer to Liberata i.e. June 2010, staff were paid by both the payroll providers. The outgoing payroll provider admitted the error that effectively resulted in an overpayment of £84,983 gross.

3.31 The school has to date recovered £66,584 including pension, tax and NI contributions, leaving an outstanding balance of £18,399 that they expect to recover by February 2011.

3.32 IT Disaster Recovery

3.33 The Internal Audit showed that there was no specific ICT Disaster Recovery Plan. Some aspects of disaster recovery are included within the Business Continuity Plan. A draft DR plan was produced but not adopted due to costing issues and also problems securing a disaster recovery contractor.

- 3.34** Recommendations from Operation Coldplay were that each service area's business continuity plan should incorporate disaster recovery arrangements and therefore the need to progress the corporate disaster recovery is vital. It was also found that although officers responsible for escalating problems up to disaster recovery are listed, the procedures for this to occur had not been produced. It was therefore recommended that a Disaster Recovery plan should be produced including staff responsibilities; contact details, hardware/software requirements, budget provisions, ordering, approval, monitoring. This document has been drafted and referred to Internal Audit for review and will be published on One Bromley by the end of December 2010. A further review will be undertaken when the new ICT contractor is appointed.
- 3.35 Primary Schools A and B**
- 3.36** There are two priority ones for the two schools that are covered in detail in part 2 of this agenda.
- 3.37 Children's Centres**
- 3.38** Two priority ones were made following an investigation that are expanded upon in part two of this agenda.
- 3.39 Building Maintenance**
- 3.40** Following correspondence between Internal Audit and the Senior Lawyer, it was confirmed that both the Performance Bond for £2.767m and Parent Company Guarantee (PCG) to be provided by the Contractor in respect of the Langley Park School for Boys - Building Schools for the Future contract (£27.7m), continue to remain outstanding even though the contractors are now on-site and payments made against the contract.
- 3.41** The announcement of the withdrawal in government funding for the 'Building Schools for the Future' initiative, clearly impacted in the need for expediency in completing the contract to secure the previously agreed funding of £35m.
- 3.42** Whilst management have accepted the recommendation it should be noted that it is not always possible to have an executed Bond or PCG in place prior to 'commencement of the works'. It has always been a requirement of the Invitation to Tender issued by the Property Division that Bonds for 10% of the construction value or a PCG are provided.
- 3.43** In this instance Management have confirmed that the Contractor has accepted that it should provide both a Bond and PCG but has been arguing about the wording thereof. The Council's Senior solicitor has addressed their points and is awaiting the executed document back from the holding company and surety.
- 3.44 Officer Expenses**
- 3.45** Members had wanted a breakdown of the amounts paid to officers in 2009/10 within each category e.g. mileage, essential car user allowances, car loans etc. Comparative figures are also given for a previous year in respect of department spends. These are shown in appendices E and F. These two appendices show the departmental breakdown and the other spreadsheet shows areas of high spend i.e. in excess of £4K with each department. For example, appendix E shows that £265,986 was paid to staff in ACS whereas appendix F shows £244,593 of this relates to the Care Services section. Similarly car loans show that £4,230 relates to CYP whereas appendix F shows that all of this relates to the Safeguarding and Social Care Section.

- 3.46** Comparison of amounts paid in 2009/10 to 2008/09 shows a decrease in certain categories such as business miles, mileage, lease miles, car loans, season ticket loans and subsistence code 3036.
- 3.47** **Housing Benefit Update**
- 3.48** Since the inception of the partnership in April 2002, through to October 2010, the Council has successfully prosecuted 259 claimants to date for benefit fraud; issued 225 court summonses; given 83 formal cautions; and administered 256 penalties. The full details and appendices on trends are shown in appendices B, C and D.
- 3.49** There are a few cases where the partnership is still in the process of recovering large fraudulent overpayments by confiscation of assets by use of Proceeds of Crime legislation.
- 3.50** **Publicity of successful Housing Benefit fraud cases**
- 3.51** The Chairman of this committee had asked about the feasibility of publicising our successes in prosecuting fraudsters and promoting an anti fraud culture with all benefit claimants.
- 3.52** All successfully prosecuted fraud cases are publicised by issue of a press release approved by the Chairman of this committee. The releases are normally e-mailed to the local press are also published on our website and the intranet. It has been noticed that unless the case is of interest e.g. the claimant gets a custodial sentence, the local press tend not to publicise the release thus leaving our website as the only avenue for publicity. The question raised is how best do we get our message across to current claimants that we successfully and vigorously prosecute fraudsters to protect public funds for the genuine cases.
- 3.53** There are two ways that we could approach this. The first is that we send out a message to all claimants stating our zero tolerance of fraud, our successes in identifying fraud e.g. publicising the fraud hotline, data matching, use of the fraud e-mail address, diligence of our assessing officers and working with other public authorities. We could also state the numbers that we have prosecuted to date; including publicising a case that was successfully prosecuted. The message could also stress the possibility of incurring a custodial sentence and that fraudulent claimants could end up with a criminal record.
- 3.54** The best way of taking this forward is sending out this message with the annual benefit letters that goes to all claimants in March 2011. Liberata have estimated that the additional cost of this based on current claimants would be £100 to insert with potentially £970 postage costs although it is difficult to predict if there are increased postage costs. The quote also assumes that Bromley will provide the A4 leaflet with the message.
- 3.55** The second approach would be sending out a similar message at the point of entry for new claimants. The issue here is to get the balance right to encourage claimants in genuine need to apply and at the same time discourage the potentially fraudulent claims.
- 3.56** In addition our whistle blowing advert publicising the confidential fraud hotline number will go out to all the council tax payers of the borough together with the 2011/12 council tax demands. This avenue has proved to be successful with 197 referrals from April 2009 to October 2010.

3.57 **Housing Benefit future proposals**

3.58 As part of the Comprehensive Spending Review, the government announced plans to overhaul the benefits and welfare system.

3.59 In a detailed report issued in October 2010 titled 'Tackling fraud and error' they have set out their proposals that will include a single integrated fraud investigation service.

Paragraph 15 of the report states that '

Where we cannot prevent fraud and error entering the welfare system, we must do all we can to identify and stop it as soon as possible. Under this element of the strategy we will drive efficiencies in our detection work through the **creation of a single, integrated fraud investigation service** which will investigate welfare fraud across DWP, HMRC and local authorities. As part of this initiative we will look to establish **dedicated units to focus resource and expertise on organised, tax credit and disability related fraud.**

3.60 The expected date for implementation is April 2013. The government have also published a white paper that will introduce a universal credit benefit that will include housing benefit. It appears that this will be phased in from April 2013 for new claimants and thereafter for existing claimants which will have a major impact on local authority administration of benefits.

3.61 It appears that council tax benefits will remain with the authority.

3.62 We are not certain at this stage if our fraud investigators at Greenwich will transfer over to the DWP or whether there will be a dedicated team within the integrated fraud investigation service that handles Bromley related benefit fraud.

3.63 The DWP will also be seeking to impose tougher penalties such as loss of benefits for a period of 4 weeks, for criminal intent to 3 months for a first conviction, 6 months for a second conviction to 3 years for a third conviction. There are also plans to make representations to the Sentencing Council for changing the guidelines to magistrates and judges to impose tougher sentences.

3.64 The heads of fraud/ heads of audit in the London Boroughs have expressed concern at the lack of consultation on these proposals. There was lack of awareness about the above mentioned report until it was published.

3.65 A particular concern for the boroughs and certainly the Bromley partnership has been the performance of the DWP in progressing joint cases compared to those that are prosecuted by our solicitors. We attach two appendices G and H that show major problems that we have encountered with the DWP. Appendix G shows that cases referred to the DWP can take over a year to first court appearance whereas those referred to our solicitors take a month or less. Appendix H also details a catalogue of problems for joint cases.

3.66 Our partnership agreement runs to March 2014. In the event that the service does transfer to the DWP in April 2013 we can terminate the agreement as at that date.

3.67 **Partnership Working**

3.68 We had reported previously our intention to work closely with the London Borough of Greenwich. With an expected 25% cut in the audit budget we have sought to minimise the effect on staffing resources by exploring partnership working with the London Borough of Greenwich. We are still in the process of formalising an

agreement but it is likely that we will be required to complete a number of audits in the year 2011/12 equating approximately to 300 days that will generate substantial income to this authority. We have already been requested to carry out 4 audits in this financial year by LB Greenwich which will have some impact on our plan but will generate income. Our plan for 2011/12 will be adjusted to take into account the partnership working. This may result in low and medium risk audit coverage in Bromley being either deferred or some covered through controlled self assessment. Our meetings with Greenwich have been positive with an acknowledgement that we can use our reporting format, documentation, Cipfa control matrices and online working papers to carry out Greenwich audits. Members will be updated on our progress.

- 3.69** **Fraud Partnership working update** - historically this partnership was formed in 2002 following a failing in house team that had been severely criticised by the then Benefit Fraud Inspectorate (BFI). The team had failed to carry out any successful prosecutions, was costing £193,600 at the point of its disbanding and did not represent value for money.
- 3.70** Since we entered into a partnership with the London Borough of Greenwich we have successfully prosecuted 259 people for fraud a few of which have received custodial sentences, issued 83 formal cautions and given 256 administration penalties. The partnership generated £782,000 in SAFE (Security Against Error and Fraud) money until this was withdrawn in March 2006. Since the inception of the partnership in April 2002 it is estimated that over £1million income has been generated in SAFE sanction reward monies, administrative penalties, legal costs awarded and administrative subsidies.
- 3.71** Overpayments have been identified by the partnership since its inception. For example in 2009/10 the partnership identified £804,125 in overpayments of which £285,784 has been recovered in the year. Fraudulent overpayments also attract a 40% rebate.
- 3.72** We have had two previous cases where about £70,000 was recovered from convicted fraudsters and there are a few other cases where we are trying to recover assets through confiscation proceedings.
- 3.73** In February 2010 we varied the benefit fraud partnership to include general fraud at no cost to the authority. Three investigations have been carried out by the fraud investigators that have resulted in a successful dismissal and prosecution of an employee and in another instance an arrest of a member of the public.
- 3.74** Inspections have rated counter fraud as being excellent. The partnership was deemed to be performing well in relation to sanctions achieved the last known researching exercise against other London authorities in 2009/10.
- 3.75** The partnership has undoubtedly been a success and represents good value for money. An important and critical element to the success has been a good working relationship that has been fostered with regular meetings to resolve any issues and the overriding joint objective to combat fraud in Bromley.
- 3.76** Another recent example of two Boroughs joining together to create efficiencies is the joint IT contract where the London Boroughs of Bromley and Lewisham have established one IT Services Provider to manage and provide the specified IT services covering, the support and maintenance of desktop, server, hardware and software environments, supporting all of the approved ICT applications. The provider would

also be required to manage and provide network services covering, the support and maintenance of the Council's networks, telephony and associated hardware. This has resulted in savings of 25% of current contract price, double what we would have achieved on our own.

3.77 Risk Management

3.78 Since the last update to this committee on current net risks there have not been any significant changes and therefore there is no update for this committee. We will provide an update for the next meeting in March 2011. The best practice note previously reported to this Committee, developed by the in house risk manager, has been widely shared as a model of keeping it simple with some clear guidance for managing risk.

4. POLICY IMPLICATIONS

None.

5. FINANCIAL IMPLICATIONS

Some of the findings identified in the audit reports mentioned above will have financial implications.

6. LEGAL IMPLICATIONS

None.

7. PERSONNEL IMPLICATIONS

None.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	http://www.dwp.gov.uk/docs/tackling-fraud-and-error.pdf

Report Number/Date	Title	Opinion	No. of Priority One's	Details of Recommendation	Implemented	Responsible Officer	Comments	Risk of fraud or loss
ACS/026/01/2009	Direct Payments Audit for 2009-10	Limited Assurance	1	Financial monitoring information in respect of clients receiving direct payments was not found to have been always submitted by clients. Monitoring information was not requested at regular intervals. Contents of the letters requesting information was found to be in need of review as well as the direct payments agreement.	In Progress	Head of Exchequer Services (assumed responsibility from Oct 2009)	To be followed up in 2010/11 Qtr 3 as part of the planned audit.	High
ENV/004/01/2009	Parking Income 2009-10	Limited Assurance	1	Prior to the commencement of audit testing, amounts collected for parking income recorded on the daily collection spreadsheet from LBB Cashiers had not been reconciled to cash collection reports from the Parkeon system and the amounts input onto Oracle since October 2009. This process has now been undertaken up to the current date, but any shortfalls identified from this period are still to be investigated. From a random sample of 25 cash collections examined, it was identified that one collection was not stated on the cash collection report from the Parkeon System due to a communication error between a machine and the Parkeon software. Reconciliations of parking income have not been extended to ensure that parking income banked on the Central Cashiers Collection Deposit Sheets tally to actual receipts of parking income received from the bank. Reconciliations of parking income received via credit card into LBB's account, have not been undertaken since credit card payments for parking fees have been received (from September 2009).	In progress	CCTV Enforcement & Contract Manager	An audit of parking income is currently in progress and management have confirmed that the reconciliation is completed for income collection for this period. Cash collections have highlighted a total of £19,161.76 additional income Apr 09 to May 10 which is unable to be reconciled which equates to 0.002% of income collected. The majority of additional income aligns itself to machines that have been unable to provide accurate income receipts. After consultation with Audit the reconciliation of every amount received against every amount posted (over 50,000 transactions) should be concentrated to a consistent random reconciliation of total amounts received, rather than every item received, which will be instigated from Jan 2011 with changes to the procedure manual. Cashiers will now provide from the AIMS system the total Parking income received for the week as stated in the cash collection sheets, which will be matched weekly. A report by the contractors is supplied detailing any machine not communicating, which is now an additional document requiring review on reconciliation.	High
RD/005/01/2009	Review of debtors	Limited Assurance	1	The aged debt analysis report, non domiciliary care as at 31 January 2010 identified that the outstanding debt owed to the authority over a year old amounts to £1,275,337, the previous audit reported this to be £1,210,973 as at 31 January 2009. In addition, the domiciliary care breakdown report shows a balance of £1,231,971 owed at 8 February 2009, with £4,019,790 of charges made up to 31 January 2010, £3,642,283 payments received and balance of £1,609,477.94 remaining. Furthermore, appropriate debt recovery actions had not been evidenced in all instances sampled and procedures need to be updated.	In progress	Head of Exchequer Services assumed responsibility in October 2009 & Interim Head Of Revenues & Bens.	Management accepted the recommendation. There is currently an audit of this area when this recommendation will be followed up. The largest debtor is William Verry Ltd for £108,890 that will be written off as the company are now in liquidation. There are 4 debts totalling £182,555 that relate to residential care where a charge has been placed on the property. Update as part of 10/11 debtors review - figures as at 31/10/10 for outstanding debts over a year old are as follows: Domiciliary Care £1,369,070 and Non Domiciliary Care £1,687,568.30. Non Domiciliary Care debts over a year old have increased by £412,231.30 since the previous internal audit review whereby an outstanding debt of £1,275,337 was reported as at 31/01/10. Debt recovery procedures have not yet been updated, awaiting go-live date of Oracle Advanced Collections, currently scheduled for early 2011. Bromley Exchequer Services Team has undertaken some work to analyse the top ten debts outstanding within each department.	High
ACS/068/01/2009	Emergency Accommodation & Rent Accounts	Nil Assurance	4	Part 2	In progress	Interim Head of Revenues & Benefits/ Exchequer Manager	Management have accepted the findings of this report and recommendations will be implemented. There is currently a management investigation into issues raised in the report. The recommendations of the report will be followed up in Qtr 4.	High

Report Number/Date	Title	Opinion	No. of Priority One's	Details of Recommendation	Implemented	Responsible Officer	Comments	Risk of fraud or loss
CYP/P42/01/2010	FMSiS assessment of Primary School C 2010-11	n/a to FMSiS	1	After the external assessment visit internal audit were made aware that Strictly Educational, the schools payroll provider up until 31st May 2010, had paid staff for the June pay run. The new contractor had correctly paid staff for the month of June too. Salary costs totalling £84,983.68 for June 2010 had been charged in error to the school's accounts from the previous payroll provider. The school are taking steps to recover the overpayment to staff (Strictly Educational had collected £8,152.70) and they are also seeking to recover pension, tax and NI contributions from Strictly Educational. Report recommendation was The school should continue to recover monies from staff and Strictly Education for payments related to the June 2010 pay run.	In progress	Head Teacher and Office/Finance Manager	Management Action Plan Comments - Bromley Legal Team supported our school with instructing Strictly to return the monies paid by staff straight to us. All staff have either paid the full amount back to our school account or have made arrangements with us to repay the money within 6 months. All monies to be repaid by February 2011. Internal Audit will obtain an update in February 2011. Update as of 4/11/10, the school have confirmed that £18,399 remains unpaid however there are arrangements in place to collect this by 31/02/11.	Medium
RD/096/01/2010	IT Disaster Recovery	Limited Assurance	1	It was identified that a specific ICT Disaster Recovery Plan has not been created, though some DR provisions are included within the Business Continuity Plan. A draft DR plan was created, though never adopted due to costing issues and problems securing a DR contractor. Recommendations from Operation Coldplay were that Service area's BCPs should accommodate Disaster Recovery (DR) arrangements for IT and that there is a need to progress corporate DR decisions. Additionally it was found that although Officers responsible for escalating problems up to disaster recovery are listed, the procedures for this to happen are not.	In progress	Contracts and Consultancy Manager & IT Technology Manager	A documented Disaster recovery plan should be created which will include specific actions to be taken, staff responsibilities and contact details, hardware/software requirements and budget provisions. Additionally it should include details of how work is ordered/approved/monitored in a DR scenario. Initial document has been drafted for review. Further review will be undertaken when new ICT Contractor is appointed and taken over the service.	Low
CYP/Inv/2010	Primary School A	N/A	1	Part 2	In Progress	Governing Body/HT	Change in governing body. See part 2.	Low
CYP/Inv/2010	Primary School B	N/A	1	Part 2	In Progress	HT	Part 2	High
CYP/Inv/2010	Childrens Centres	N/A	2	Part 2	In Progress	Asst Dir(Access & Inc.)	Part 2	High
R&R/014/01/2010	Building Maintenance	Limited Assurance	1	Following correspondence between Internal Audit and the Senior Lawyer, it was confirmed that both the Performance Bond for £2.767m and Parent Company Guarantee to be provided by the contractor in respect of the Langley Park School for Boys - Building Schools for the Future contract (£27.7m), continue to remain outstanding even though the contractors are now on-site and payments made against the contract. The announcement of the withdrawal in government funding for the 'Building Schools for the Future' initiative, clearly impacted in the need for expediency in completing the contract to secure the previously agreed funding of £35m.	In Progress	Head of Construction / Senior Solicitor	Management have accepted the recommendation and have confirmed that the Contractor has accepted that it should provide both a Bond and PCG but has been arguing about the wording thereof. The Council's Senior solicitor has addressed their points and is awaiting the executed document back from the holding company and surety.	High

2002/2003	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	200	28	21	73	24	26	36	112	15	11	31	41	618	
Confidential Hotline	18	5	4	6	1	1		4	1	4	10	7	61	
Interviews	8	8	14	17	7	7	9	9	14	6	9	6	114	
Claimant visits	19	12	26	36	33	17	20	20	10	16	6	15	230	
Prosecutions										1	1	1	3	£6,000
Court Summonses							1			2	2		5	£5,000
Admin Penalties							1		1				2	£2,000
Formal Cautions					1				1				2	£2,000
														£15,000

2003/2004	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	39	36	39	31	82	111	182	50	73	45	37	111	836	
Confidential Hotline	8	4	8	10	5	4	9	5	3	8	10	10	84	
Interviews	12	9	8	21	10	11	8	17	15	20	18	44	193	
Claimant visits	7	14	11	27	33	26	38	26	44	18	29	29	302	
Prosecutions		1		1	1	2	3			1	1		10	£20,000
Court Summonses	2	4	1	4	3	2			1	1			18	£21,600
Admin Penalties	3		1		1			1	1	2			9	£10,800
Formal Cautions	4	1	1			1	2	1		2	1	1	14	£16,800
														£69,200

2004/2005	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	27	70	61	69	35	49	57	55	14	32	44	67	580	
Confidential Hotline	10	7	8	12	12	7	11	9	3	4	10	11	104	
Interviews	8	8	11	13	21	35	24	27	17	25	16	26	231	
Claimant visits	20	18	19	12	12	23	17	21	8	18	1	7	176	
Prosecutions	3			3	3	1	1		1	1	1		14	£28,000
Court Summonses	2	4			6	2	1			9	2	4	30	£36,000
Admin Penalties	2		2	1		3				1			9	£10,800
Formal Cautions		4	2		1	2	1	3	1		2	1	17	£20,400
														£95,200

2005/2006	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	94	55	56	65	28	64	55	46	9	85	46	48	651	
Confidential Hotline	6	5	19	6	6	10	10	10	7	8	6	15	108	
Interviews	21	27	33	30	17	48	45	39	19	24	39	70	412	
Claimant visits	8	7	10	4	10	12	13	21	7	5	14	7	118	
Prosecutions	3	2	5	2	1	1	1	3	3	6	2		29	£58,000
Court Summonses	6	3	4	1	3	4	7	5	2	5	6	4	50	£60,000
Admin Penalties	1	2					2		3	1	1	1	11	£13,200
Formal Cautions	2	2	1	2		2	1			1	1		12	£14,400
														£145,600

2006/2007	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL	
Number of Cases	42	68	70	55	45	38	55	56	41	85	97	77	729	
Confidential Hotline	15	16	13	7	4	1	3	7		5	5	9	85	
Interviews	32	42	42	51	45	49	38	32	36	42	56	56	521	
Claimant Visits		25	11	10	10	2	2	11		12	1	2	86	
Prosecutions	2	1	3		9	2	4	4	6	4	3	2	40	£14,000
Court Summonses	3		4	4	1	4	6	1	5	4	5		37	£0
Admin Penalties	5	3	1	2	3	1	2	4	2	3	15		41	£2,400
Formal Cautions		1	2							1	2		6	£0
														£16,400

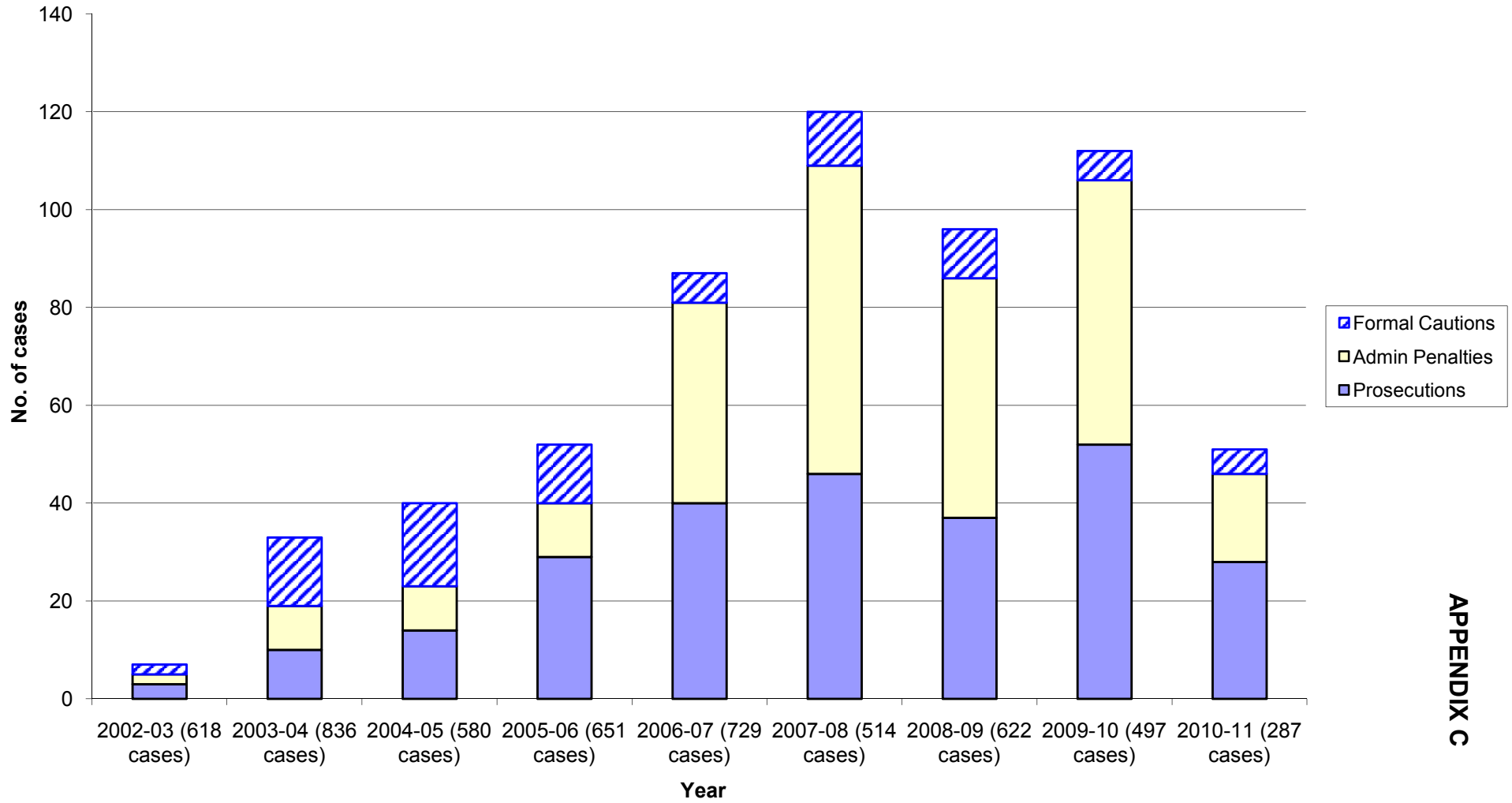
2007/2008	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	44	60	68	33	44	49	44	40	21	33	39	39	514
Confidential Hotline	7	12	4	10	3	10	8	10	9	21	13	10	117
Interviews	41	38	38	40	33	32	53	46	31	48	29	23	452
Claimant Visits	16	7	6	26	2	4	11	17	12	7	14	16	138
Prosecutions	8	3	7	4	2	7	2	4	3	5	1	0	46
Court Summonses	3	3	2	8		2		3	1	2	3	1	28
Admin Penalties	14	16	1	8	4	1	4	5	8	1	1		63
Formal Cautions	3	2		1				1	1	3			11

2008/2009	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	27	55	41	69	52	57	67	78	39	36	25	76	622
Confidential Hotline	11	8	9	3	13	19	10	13	7	12	10	9	124
Interviews	36	29	51	42	22	28	38	40	34	43	42	53	458
Claimant Visits	16	11	20	17	16	8	19	19	2	25	15	10	178
Prosecutions	6	2	3	8	6	3	2		3	1	3		37
Court Summonses	1		1	6		1	1	3	3	3	1	5	25
Admin Penalties	10	1	2	3	2	4	2	6	5	10	4		49
Formal Cautions	3	1		1		1	1		1	1	1		10

2009/2010	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	38	51	61	51	43	57	28	46	16	44	24	38	497
Confidential Hotline	11	18	12	3	13	18	5	11	5	11	4	10	121
Interviews	22	22	30	35	31	28	28	27	14	22	20	18	297
Claimant Visits	5	1	19	22	7	11	12		1	4	11	19	112
Prosecutions	8	2	9	1	5	8	5	1	5	2	6		52
Court Summonses	6	1	2	1		4	3	5			8	1	31
Admin Penalties	7	3	8	8	6	4	2	6	8	1	1		54
Formal Cautions	1			1			2		1	1			6

2010/2011	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	21	44	44	39	47	51	41						287
Confidential Hotline	5	10	9	9	13	15	15						76
Interviews	12	11	5	14	8	27	16						93
Claimant Visits	1	5	4		4	9	4						27
Prosecutions	6	3	3	3	6	4	3						28
Court Summonses	2		1		1								4
Admin Penalties	8	1	2	3		3	1						18
Formal Cautions	2			1	1	1							5

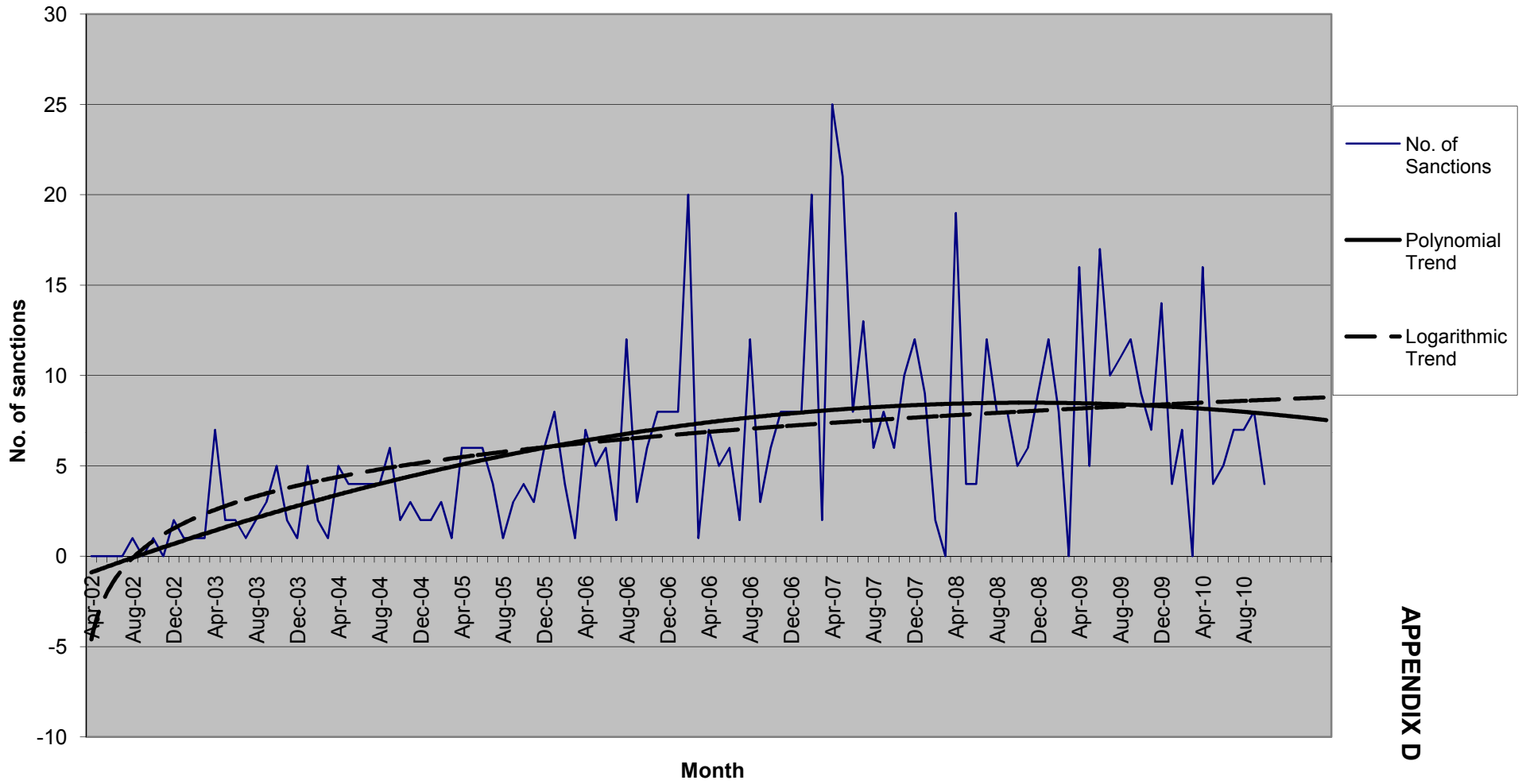
HB Sanctions - Annual Comparison



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Sanctions Trend

(NB: peaks and troughs are dependent on the court's allocation of cases to be heard.)



APPENDIX D

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Business Miles 3021

Dept	2007	2008	2009
Adult & Community Services	1,773.38	1,322.40	76.96
Chief Executive's	1,202.03	1,134.54	1,095.24
Children and Young People	26,963.45	27,407.47	23,240.67
Environmental Services	17,153.85	15,458.31	21,225.77
Renewal & Recreation	9,607.92	9,695.46	13,734.20
Resources	7,359.01	7,783.87	1,429.68
Grand Total	64,059.64	62,802.05	60,802.52

Car Loans 5015

Dept	2007	2008	2009
Adult & Community Services	7,327.10	6,200.10	
Chief Executives	1,413.84	1,413.84	1,413.84
Children & Young People	6,216.64	4,815.62	4,230.12
Environmental Services	1,923.70	1,697.35	3,175.72
Resources	2,853.74	2,440.16	
Renewal & Recreation			1,171.68
Grand Total	19,735.02	16,567.07	9,991.36

Mileage 3020

Dept	2007 Amount	2007 Miles	2008 Amount	2008 Miles	2009 Amount	2009 Miles
Other	3,149.97	7,181	3,941.97	8474		
Adult & Community Services	314,738.90	762,618	315,643.02	720213	265,986.53	592,406
Chief Executive's	2,168.49	5,130	1,982.26	4728	2,264.09	4,827
Children and Young People	165,467.52	414,938	156,921.45	375564	185,449.01	432,757
Councillors	146.30	331	27.20	58	251.50	456
Environmental Services	100,031.57	277,491	102,142.12	267996	118,943.60	304,666
Legal, Democratic and Customer Services	1,425.39	3,248	863.96	1923	631.76	1,350
Renewal & Recreation	32,408.53	84,327	30,194.15	73972	53,077.89	123,575
Resources	21,828.28	56,214	32,060.37	75613	5,129.69	12,498
Grand Total	641,364.95	1,611,478	643,776.50	1528541	631,734.07	1,472,534

Lease Miles 3025

Dept	2007 Amt	2007 miles	2008 Amt	2008 miles	2009 Amount	2009 Miles
Adult & Community Services	5,335.22	38,109	6,814.62	44252	4,155.03	28,010
Chief Executive's	133.77	956	92.22	579		
Children and Young People	10,002.02	71,468	9,887.30	63207	9,517.62	66,313
Environmental Services	1,439.45	10,282	1,411.91	8982	2,395.78	16,554
Legal, Democratic and Customer Services	13.72	98	-41.10	-368	21.98	157
Renewal & Recreation	1,514.38	10,817	1,689.46	10762	1,488.64	10,300
Resources	525.00	3,750	368.88	2342	132.16	914
Grand Total	18,963.56	135,478	20,223.29	129756	17,711.21	122,248

Lump Sum 3015

Dept	2007	2008	2009	No Officers 2009
Adult & Community Services	110,402.52	110,327.20	78,898.97	111
Chief Executive's	1,998.97	2,539.50	2,703.75	3
Children and Young People	91,709.45	97,308.44	97,373.54	132
Environmental Services	53,105.56	56,113.63	97,758.94	113
Renewal & Recreation	14,709.08	14,322.28	34,812.38	42
Resources	25,441.75	24,695.13	3,640.04	6
Grand Total	297,367.33	305,306.20	315,187.62	

Lump Sum Arrears 3090

Dept	2007	2008	2009
Adult & Community Services	9,727.08	10,398.02	6,514.07
Chief Executive's	110.18	417.00	14.25
Children and Young People	13,097.17	13,175.99	10,791.76
Environmental Services	576.16	2,502.10	2,146.75
Renewal & Recreation	111.00	552.65	1,003.85
Resources	73.58	510.14	152.79
Grand Total	23,695.17	27,555.90	20,623.47

Mileage Arrears 3091

Dept	2007	2008
Adult & Community Services	0.00	-42.10
Chief Executive's	0.00	0.00
Children and Young People	176.34	1,047.64
Environmental Services	0.00	236.68
Legal, Democratic and Customer Services	0.00	0.00
Renewal & Recreation	3,047.18	266.67
Resources	0.00	0.00
Grand Total	3,223.52	1,508.89

Misc Expenses 3030

Dept	2007	2008	2009
Other	218.15	9.70	
Adult & Community Services	8,070.01	12,378.56	8,233.51
Chief Executive's	365.65	277.68	206.90
Children and Young People	5,253.05	4,243.49	14,059.07
Councillors	3.00	104.95	
Environmental Services	613.83	597.74	987.89
Legal, Democratic and Customer Services	1,390.42	7.18	73.00
Renewal & Recreation	1,099.36	4,872.10	2,529.88
Resources	1,422.44	1,453.40	1,197.75
Grand Total	18,435.91	23,944.80	27,288.00

Post Entry Training 3031

Dept	2007	2008	2009
Adult & Community Services	0.00	-409.00	
Chief Executive's	0.00	0.00	
Children and Young People	619.00	-2,250.00	-4336.00
Environmental Services	0.00	-436.00	
Renewal & Recreation	-7,840.00	0.00	
Resources			54.60
Grand Total	-7,221.00	-3,095.00	-3,095.00

Removal Expenses 3032

Dept	2007	2008	2009
Adult & Community Services	0.00	2,000.00	-2,000.00
Chief Executive's	275.00	300.00	
Children and Young People	12,613.34	654.25	-4,000.00
Legal, Democratic and Customer Services	0.00	0.00	
Resources	0.00	0.00	
Grand Total	12,888.34	2,954.25	-6,000.00

Season Ticket Loans 2520

Dept	2007	2008	2009 No Officers	2009
Adult & Community Services	4,268.00	7,376.00		
Chief Executive's	11,448.00	4,096.00	6,200.00	2
Children and Young People	2,552.00	5,428.00	4,260.00	2
Environmental Services	6,120.00	9,564.00		
Legal, Democratic and Customer Services	0.00	2,948.00		
Resources	4,302.00	6,304.00	6,664.00	3
Grand Total	28,690.00	35,716.00	17,124.00	

Subsistence 3035

Dept	2007	2008	2009
Adult & Community Services	660.21	1,004.18	754.25
Chief Executive's	0.00	49.65	
Children and Young People	995.82	1,025.05	2,882.99
Environmental Services	18.10	6.95	215.82
Legal, Democratic and Customer Services	51.72	56.80	886.40
Renewal & Recreation	28.78	36.03	262.62
Resources	0.00	23.01	
Grand Total	1,754.63	2,201.67	5,002.08

Subsistence Rated 3036

Dept	2007	2008	2009
Adult & Community Services	722.32	386.04	180.15
Chief Executive's	317.04	366.86	62.88
Children and Young People	10,990.54	9,295.98	5,652.76
Environmental Services	693.34	317.54	392.37
Legal, Democratic and Customer Services	4,267.72	4,372.62	2,839.71
Renewal & Recreation	295.10	17.01	46.25
Resources			20.96
Grand Total	17,286.06	14,756.05	9,195.08

Taxable Travel 3010

Dept	2007	2008	2009
Adult & Community Services	124.75	139.98	47.31
Children and Young People	147.04	118.17	103.00
Environmental Services	9.72	29.52	78.08
Renewal & Recreation	500.04	151.79	
Grand Total	781.55	439.46	228.39

Telephone 3005

Dept	2007	2008	2009
Adult & Community Services	8,531.61	8,034.89	7,304.05
Children and Young People	1,065.31	1,208.33	1,036.04
Environmental Services	1,320.69	1,216.80	1,419.99
Legal, Democratic and Customer Services	109.23	4.30	4.00
Renewal & Recreation	357.48	357.48	598.70
Resources	238.32	238.32	
Grand Total	11,622.64	11,060.12	10,362.78

Travel Recompense 3011

Dept	2007	2008	2009
Other	55.80	0.00	
Adult & Community Services	10,223.94	9,148.17	3,885.83
Chief Executive's	301.05	457.60	353.50
Children and Young People	13,896.24	13,967.10	17,425.90
Councillors	174.20	413.50	64.20
Environmental Services	1,131.60	258.50	1,560.50
Legal, Democratic and Customer Services	483.88	268.95	200.30
Renewal & Recreation	3,791.43	2,249.95	1,819.70
Resources	338.20	956.00	195.20
Grand Total	30,396.34	27,719.77	25,505.13

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Business Miles 3021

2009/10	Amount	Miles
Access and Inclusion	18177.96	47558
Street Scene and Greenspace	15327.92	41333
Property Division	6997.92	16311
Planning Division	6736.28	31711
Learning and Achievement	4995.94	12957
Transportation and Highways	4415.43	15252

Car Loans 5015

2009/10	Amount
Safeguarding and Social Care	4230.12

Mileage 3020

2009/10	Amount	Miles
Care Services	244593.24	537913
Safeguarding and Social Care	89356.10	217456
Street Scene and Greenspace	69005.88	181373
Access and Inclusion	50084.50	111350
Learning and Achievement	35988.28	81948
Property Division	23257.18	53206
Transportation and Highways	22611.32	56122
Public Protection	21523.18	53641
Planning Division	16457.85	41835
Housing & Residential Services	11539.35	30156
Commissioning & Partnerships	9839.78	24304
Schools Payroll Service	9769.59	21467
Culture, Libraries and Leisure Division	9025.81	19420
Customer and Support Services	5803.22	13530
Adult Education	4337.05	9113
Financial Services and Procurement	4096.91	10308

Lease Miles 3025

2009/10	Amount	Miles
Safeguarding and Social Care	8343.92	58339

Lump Sum 3015

2009/10	Amount
Care Services	51618.41
Safeguarding and Social Care	46510.07
Street Scene and Greenspace	38529.50
Public Protection	35560.22
Access and Inclusion	29090.22
Learning and Achievement	21702.50
Property Division	21298.67
Transportation and Highways	19539.22
Housing & Residential Services	17475.09
Planning Division	10809.96

Lump Sum Arrears 3090

2009/10	Amount
Safeguarding and Social Care	6086.99
Access and Inclusion	4307.15

Misc Expenses 3030

2009/10	Amount
Safeguarding and Social Care	7720.79

Season Ticket Loans 2520**2009/10****Amount**

Financial Services and Procurement

6664.00

Human Resources Division

6200.00

Safeguarding and Social Care

4260.00

Subsistence Rated 3036**2009/10****Amount****Units**

Safeguarding and Social Care

4645.06

583

Telephone 3005**2009/10****Amount**

Care Services

6092.85

Travel Recompense 3011**2009/10****Amount**

Learning and Achievement

7989.60

Safeguarding and Social Care

5813.64

Appendix G

DWP JOINT INVESTIGATION CASES.

NAME	SENT TO DWP SOLS	1ST COURT APPEARANCE
Case A	04/12/08	19/03/10
Case B	11/07/08	09/12/09
Case C	26/02/09	19/03/10
Case C	23/03/09	25/06/10
Case D	12/03/09	03/02/10

LA CASES

NAME	SENT TO LEGAL	DATE SUMMONS ISSUED
Case E	24/05/10	01/06/10
Case F	13/04/10	27/05/10
Case G	05/03/10	26/03/10
Case H	26/01/10	08/02/10
Case I	26/01/10	08/02/10

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DWP Joint Cases Appendix H

These are various problems encountered with cases dealt with by DWP.

Case 1-

This was a joint investigation. It was alleged that customer was Living Together As Husband And Wife (LTAHAW) with the father of her children. Additionally it was alleged that she had been given over £100,000.00 by her partner and her mother. The evidence, including surveillance, strongly supported a Living Together.

The investigation commenced on 4th October 2005. Customer was interviewed under caution on 7th March 2006 and again on 2nd May 2006. As a result of these interviews the DWP decided to undertake a financial investigation on the customer. This was completed in December 2006.

The prosecution file was passed to the DWP on 23rd July 2007 for them to undertake the prosecution.

There was a long delay because initially the DWP reassessed the Income Support claim incorrectly and as a result the customer appealed the overpayment. This procedure dragged on because the DWP could not agree whether to reassess the IS claim on her finances or on Living Together.

In the end because of their delays the DWP gave up the case. We were informed that the DWP were no longer prosecuting on 21st May 2009 – almost 2 years after they said they were prosecuting. The total overpayment was over £48000.00.

Case 2

This was a Joint case. DWP made an L/T decision, however the DWP's file subsequently went to overpayments, was returned as customer was in receipt of IB credits and regardless of the work issue, overpayments would require an IB decision before they could process the overpayment.

The IB Decision maker (DM) contacted the DWP officer as there were two periods of IB to consider, the first, the IB DM stated she was not prepared to make a decision on, because there was no supporting documentation available to justify how the original DM had reached their conclusion to entitlement, she was not prepared to stand up in court to justify on someone else's behalf.

She therefore looked at the second period of IB and used the work details before finally determining that she was unable to make a decision.

The DWP officer asked the DM to provide a decision stating that IB was unaffected by LTAHAW so that an overpayment could be calculated. The DWP file was then referred to overpayments, whom came to the same conclusion, that they could only calculate based on the work element.

This case was closed with us as it has it would be unreasonable to offer a sanction two years after the Interview Under Caution (IUC).

Case 3- IUC 24/11/05. Notified on 04/04/07 could find no trace of file/decision so case closed.

DWP Joint Cases Appendix H

Case 4 – DWP lead joint investigation – IUC 23/02/06. Advised Jan 2008 No further action.

Case 5 – DWP lead joint investigation. Ad Pen agreed by both parties but customer visited at home and given Caution on DWP offences only.

Case 6 – DWP lead joint investigation. Agreed for prosecution by both parties. DWP then changed mind and offered Ad Pen on DWP offences only.

Case 7- Blue file sent to DWP on 07/04/08- reported that casepaper lost – then found and adjudication decision made on 08/10/09.

Case 8 – DWP lead Joint investigation- Blue file sent 16/08/06. adjudication decision made 05/11/08.

Case 9 –Blue file sent 19/11/07. Decision made 20/10/08. Appeal made 04/02/09 . Customer won appeal 03/08/09.

Case 10 - DWP lead joint investigation –IUC on 16/11/05 -1st Court appearance 12/06/07.

Case 11- DWP lead joint investigation – IUC 24/01/08. 1st Court appearance 19/03/10.

Case 12- IUC on 14/05/09 - Blue file sent 21/05/09 – Adjudication decision made 06/01/10.

Case 13- DWP advise of decision 09/09/08. HB overpayment and Witness Statement sent to DWP 07/11/08. DWP advise in Jan 2010 that no further action to be taken.

Case 14- DWP lead joint investigation- IUC 19/09/08. Sent to DWP Solicitors 05/11/08. Summons issued 01/09/09.

Case 15 – DWP lead joint investigation- Sent to DWP Solicitors 20/10/09. Summons issued 23/04/10.

Case 16- DWP lead joint investigation- Sent to DWP Solicitors20/10/09. Summons issued 10/05/10.

Case 17 – DWP lead joint investigation. IUC 11/12/08. Blue file sent 27/12/08. Decision made 22/07/09. DWP withdraw case 14/01/10.

Case 18 – Blue file sent 14/02/08. Decision made 23/04/09. Case closed by LA due to delay.

Case 19 Blue file sent 04/11/09/ Decision still awaited.

Case 20 DWP lead joint investigation. IUC 12/03/10. DWP decision still awaited.

Debts over 365 days at the 31 October 2010

Number of Debts	Type of Debt	Value of Debt	Recovery Stage
4	Residential Care	£183,831.87	Charge placed on property
1	Residential Care	£65,669.85	Summons
1	Residential Care	£45,135.29	Negotiation with family
1	Residential Care	£32,845.95	LBB applying to manage finances
1	Residential Care	£30,354.92	Awaiting probate
1	Residential Care	£30,817.08	With dept pre-summons approval
2	Thames Water	£147,165.80	Liaison/dispute resolution meeting being held. £188K is awaiting cancellation following legal opinion.
1	Bromley PCT	£71,511.38	Mixture summons stage and dispute with department
1	Raglan Primary School	£58,338.74	Dispute between school and department
1	Building enforcement	£43,874.41	Charge placed on property
1	Duplicate payment of invoice	£108,890.24	Debtor bankrupt. Awaiting write off
Total		£818,435.53	

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Total debt

As at 30/9/10

£ Volume of
 invoices

Invoices >1 year old

As at 30/9/10

ACS - Carelink	3,096.30	53
ACS - Dom Care	1,606.13	1
ACS - EH&TS	1,648.40	10
ACS - General	425,674.39	138
ACS - Libraries		
ACS - ILF	22,056.33	67
ACS - RESI	380,844.09	65
ACS Respite	81,184.73	34
Corp - General	302,255.50	181
Corp - Rents	44,491.98	39
CS - General	1,343.76	6
ELS - Genral	80,007.00	90
Utilities	105,824.72	193
EKLS - NRSWA	84.00	1
Payroll	30,613.98	22
R&R General	4,499.32	12
Other Public Sector Orgs	86,393.86	15
	1,571,624.49	927.00

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Agenda Item 10

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 11

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