



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Graham Walton  
[graham.walton@bromley.gov.uk](mailto:graham.walton@bromley.gov.uk)

DIRECT LINE: 020 8461 7743

FAX: 020 8290 0608

DATE: 28 May 2013

To: Members of the  
**AUDIT SUB-COMMITTEE**

Councillor Neil Reddin FCCA (Chairman)  
Councillor Simon Fawthrop (Vice-Chairman)  
Councillors Reg Adams, Nicholas Bennett J.P.,  
Julian Grainger, Will Harmer and Stephen Wells

A meeting of the Audit Sub-Committee will be held at Bromley Civic Centre on  
**THURSDAY 6 JUNE 2013 AT 7.00 PM**

MARK BOWEN  
Director of Corporate Services

*Copies of the documents referred to below can be obtained from*  
[www.bromley.gov.uk/meetings](http://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**

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Friday 31<sup>st</sup> May 2013.

**4 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 13TH MARCH 2013 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION (Pages 3 - 8)**

**5 MATTERS OUTSTANDING FROM THE LAST MEETING (Pages 9 - 14)**

**6 ANNUAL AUDIT REPORT (Pages 15 - 44)**

**7 INTERNAL AUDIT PROGRESS REPORT (Pages 45 - 88)**

**8 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>
<b>9 EXEMPT MINUTES OF THE MEETING HELD ON 13TH MARCH 2013</b> (Pages 89 - 94)	Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
<b>10 ANNUAL INTERNAL AUDIT FRAUD REPORT</b> (Pages 95 - 106)	Information relating to any individual. Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
<b>11 INTERNAL AUDIT FRAUD &amp; INVESTIGATION REPORT</b> (Pages 107 - 130)	Information relating to any individual. Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

.....

## AUDIT SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 13 March 2013

### Present:

Councillor Neil Reddin FCCA (Chairman)  
Councillor Simon Fawthrop (Vice-Chairman)  
Councillors Nicholas Bennett J.P., Will Harmer and  
Stephen Wells

### Also Present:

Councillor Peter Fookes

#### **25 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Reg Adams and Ruth Bennett.

#### **26 DECLARATIONS OF INTEREST**

Councillor Simon Fawthrop declared an interest during consideration of the Annual Internal Audit Plan 2013/14 (minute 34) as his daughter was involved in the Duke of Edinburgh award scheme at the Phoenix Centre.

#### **27 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

No questions had been received.

#### **28 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 14th NOVEMBER 2012 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION**

**RESOLVED** that the minutes of the meeting held on 14<sup>th</sup> November 2012, excluding exempt information, be confirmed.

#### **29 MATTERS ARISING** Report RES13050

The Sub-Committee noted the summary of matters arising from previous meetings. Further details were available in the Internal Audit Progress Reports.

**30 EXTERNAL AUDIT- ANNUAL GRANT CERTIFICATION REPORT**  
Report CEO1217

The Sub-Committee considered the External Auditor's report on the annual grant certification for 2011/12. Janet Dawson and Matthew Williams from PricewaterhouseCoopers LLP attended the meeting to present this and the following reports and answer questions. They confirmed that the reference to a duplicate payment for Non-HRA housing benefits was a one-off error. Checking of Housing and Council Tax Benefits was based on sampling, following an approach prescribed by the Audit Commission.

**RESOLVED that the Grant Certification report be noted.**

**31 EXTERNAL AUDIT - ANNUAL AUDIT PLAN 2012-13**  
Report CEO1216

The Sub-Committee reviewed the External Auditor's annual plan arrangements for 2012-13. These were very similar to previous years. Janet Dawson outlined some of the significant risks that had been identified, including valuation of investment properties – a Member commented that with internet shopping putting pressure on traditional retail it would be useful to have a view on this. Ms Dawson commented that they would need to take specialist advice on this, but would be looking for rigorous process. In response to a question about public health, she confirmed that they would look at the preparations for public health transferring fully to Council control.

**RESOLVED that the External Auditor's arrangements for the Annual Audit Plan 2012-13 be noted and the proposed de minimis level of £500,000 for reporting of differences and misstatements to committee be approved.**

**32 EXTERNAL AUDIT - ANNUAL AUDIT FEE LETTER**  
Report CEO1218

The Sub-Committee received a report on the Annual Audit fee. This had reduced significantly as the recharge to the Audit Commission had now been removed.

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

**33 INTERNAL AUDIT PROGRESS REPORT**  
Report CEO1214

The Sub-Committee considered a summary of recent internal audit activity, and commented as follows.

**(a) Priority One Recommendations** - Debtors: An analysis of debts over a year old was provided in Appendix B. Many of these debts were for invoices

under dispute. The Head of Internal Audit was assured that adequate action was being taken, and there would be an audit on debtors in 2013/14.

**(b) Audit Activity and Resources** - The establishment of the Internal Audit Team was now up to 6.4 fte posts, still amongst the lowest in London, but enabling an increase in planned audit days. The Team had lost contracts with two academies, but taken on two new schools. Councillor Wells stated that it was expected that there would be more withdrawals, largely on cost grounds.

**(c) Waivers** - Details of waivers approved from September 2012 to February 2013 were set out in Appendix C. The Council would be inheriting a number of public health contracts in April 2013, many of which expired in March 2014. There was concern about a sexual health services contract that allowed claims for Bromley residents from anywhere in the country, and a special audit of this was being carried out. Other public health contracts would be targeted in the annual audit plan. Training on Bromley's financial regulations and contract procedure rules was being provided for public health staff.

A Member sought information on the Renewal and Recreation waiver of £870,000 relating to an affordable housing payment in lieu; it was confirmed that this concerned Opportunity Site K, and a report on this matter had been considered at the special Executive meeting earlier in the evening.

Information was requested on the payment of £139,000 to Peopletoo for a Council wide management review. It was explained that this was part of an allocation of £300,000 agreed by the Executive – a further report was being prepared for the Executive's next meeting in April.

The Vice-Chairman sought further information by email on the following waivers –

- Bromley Link - £144,000
- Specialist statutory assessments for people with visual impairments - £99,000
- Specialist 4x4 winter maintenance vehicle £153,000

**(d) Future of Public Audit/Audit Committees** - The Government had not amended the draft Local Audit Bill requiring local authorities to have non-elected members for appointing external auditors. The Chairman agreed to write to the Secretary of State, Eric Pickles MP, on this point and to invite him or one of his Team to attend a meeting of the Sub-Committee.

**(e) Housing Benefits** -It was explained that the swings in housing benefit fraud cases were partly due to the bi-annual National Fraud Initiative. The most recent benchmarking comparisons across London were from about a year ago.

**(f) Training – Financial Regulations and Contract Procedure Rules** - 350 officers had attended the mandatory training sessions; the next stage was a web-based training package. This was being piloted and would be rolled out after Easter.

**(g) Risk Management** - The Risk Register was currently being reviewed. The impact of academy status was included in the Corporate Risk Register. It was confirmed that closure audits would be carried out for all schools leaving the Council's control.

The Council's staffing attrition rate was about 10% per annum, although this tended to be higher in children's social work, and the rate would have been distorted by the effect of the scale of redundancies in recent years. It was suggested that the Council should be more creative in allowing staff to reduce their hours and new staff to start on reduced hours – it was confirmed that there were arrangements in place for flexible retirement. Members commented that the Risk Register was still too general and did not do enough to put financial values against the risks.

### **34 ANNUAL INTERNAL AUDIT PLAN 2013/14** Report CEO1213

The Sub-Committee considered the Internal Audit Plan for 2013/14. The Plan targeted all major systems, changes in legislation, issues highlighted by Directors, and issues that had been problem areas in the recent past, such as capital projects, building maintenance, Parks and Green Spaces and the Behaviour Service. Additional contingency time had been allocated for anti-fraud work, and the Chief Executive had agreed that extra funding would be available to bring in assistance from Deloitte if necessary. The Council would also have to carry out an audit of Troubled Families Grant.

Members noted that an audit of IT procurement was planned – this was largely about physical equipment, rather than software. All IT purchasing and licensing was being centralised through the IT Division. The cumulative spend reports now required would help to identify unnecessary spending in this area.

The Sub-Committee noted that an audit of gifts and hospitality and declaration of interests was planned and commented that this should include Councillor's declarations. All Members were urged to ensure that their declarations were up to date. A Member drew a link between contracts and hospitality and expressed concern that officers were benefitting from lunches being provided for them.

(Councillor Simon Fawthrop declared an interest during consideration of this report as his daughter was involved in the Duke of Edinburgh award scheme at the Phoenix Centre.)

**RESOLVED that the Internal Audit Plan for 2013/14 be noted.**

**35 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 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

**36 EXEMPT MINUTES OF THE MEETING HELD ON 14TH NOVEMBER 2012**

The exempt minutes of the meeting held on 14<sup>th</sup> November 2012 were confirmed.

**37 Internal Audit Fraud and Investigation Progress Report**

The Sub-Committee considered a report updating them on progress with anti-fraud and investigation work.

The Meeting ended at 8.56 pm

Chairman

This page is left intentionally blank



# Agenda Item 5

Report No.  
RES13094

London Borough of Bromley

PART ONE - PUBLIC

---

**Decision Maker:**     **AUDIT SUB-COMMITTEE**

**Date:**                 **6<sup>th</sup> June 2013**

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

**Title:**                 **MATTERS ARISING**

**Contact Officer:**     Graham Walton, Democratic Services Manager  
Tel: 0208 461 7743     E-mail: graham.walton@bromley.gov.uk

**Chief Officer:**         Mark Bowen, Director of Corporate Services

**Ward:**                 N/A

---

1.    Reason for report

1.1   To update the Sub-Committee on progress with matters arising from previous meetings. Five matters from the last two meetings are covered, three of which have been completed. Two of the actions relate to part 2 matters and details are in the part 2 report.

---

2.    **RECOMMENDATION(S)**

**To note progress on matters arising from previous meetings.**

### Corporate Policy

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

### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Democratic Services
  4. Total current budget for this head: £363,070
  5. Source of funding: 2013/14 Revenue Budget
- 

### Staff

1. Number of staff (current and additional): 10 (8.55fte)
  2. If from existing staff resources, number of staff hours: Monitoring the matters arising takes a few hours between meetings.
- 

### Legal

1. Legal Requirement: None:
  2. Call-in: Not Applicable: This report does not involve an executive decision.
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of members of the Sub-Committee.
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not applicable

### 3. COMMENTARY

- 3.1 Attached is a schedule of matters outstanding from previous meetings of the Audit Sub-Committee with a note of progress made. Most of these issues are taken up in more detail in the progress reports on this agenda (parts 1 and 2). Once an outstanding matter has been completed it will be removed from the schedule.

<b>Non-Applicable Sections:</b>	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	Previous minutes of Audit Sub-Committee

## Appendix 1

<b>Issue &amp; Date</b>	<b>Summary</b>	<b>Action being taken ...</b>	<b>By</b>	<b>Estimated Completion</b>
Internal Audit Fraud and Investigation Progress Report  Minute 23/1 (Part 2)  14 <sup>th</sup> November 2012	Various matters related to –  (i) The Behaviour Service  (ii) Primary School	(i) Actions reported in March 2013  (ii) Reported in March 2013	Head of Internal Audit	Completed March 2013
Internal Audit Progress Report – Waivers  Minute 33  13 <sup>th</sup> March 2013	Vice-Chairman sought further information on the following waivers:  (i) Bromley Link £144k; (ii) Specialist statutory assessments for People with Visual Impairments £99k; (iii) specialist 4x4 winter maintenance vehicle.	Further information was supplied by email to Members on 28/3/13	Head of Internal Audit	Completed March 2013
Internal Audit Progress Report – Future of Audit Committees  Minute 33  13 <sup>th</sup> March 2013	Chairman to write to the Secretary of State about non-elected members and to invite him to a Sub-Committee meeting.	In progress	Chairman	June 2013
Internal Audit Progress Report – Risk Register  Minute 33  13 <sup>th</sup> March 2013	Members commented that the Risk Register was still too general and did not do enough to put financial values against risk.	See Internal Audit Progress Report for update	Head of Internal Audit	June 2013

<b>Issue &amp; Date</b>	<b>Summary</b>	<b>Action being taken ...</b>	<b>By</b>	<b>Estimated Completion</b>
<p>Internal Audit Fraud and Investigation Progress Report: Single Person Discount</p> <p>Minute 37/1 (Part 2)</p> <p>13<sup>th</sup> March 2013</p>	<p>Chairman suggested that a press release be issued</p>	<p>Press release published in April 2013 – see Internal Audit Progress Report</p>	<p>Head of Internal Audit</p>	<p>Completed April 2013</p>

This page is left intentionally blank

# Agenda Item 6

Report No.  
CEO 1220

London Borough of Bromley

PART ONE - PUBLIC

---

**Decision Maker:**       **AUDIT SUB-COMMITTEE**

**Date:**                   **Thursday 6 June 2013**

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

**Title:**                   **ANNUAL AUDIT REPORT**

**Contact Officer:**       Luis Remedios, Head of Audit  
Tel: 020 8313 4886   E-mail: luis.remedios@bromley.gov.uk

**Chief Officer:**        Chief Executive

**Ward:**                   (All Wards);

---

1.   Reason for report

The annual report of audit activity in 2012/13 is for Member information and is also intended to assist the Council in meeting the accountability requirements of the Accounts and Audit Regulations. Part of the overall arrangements requires the Chief Executive and the Leader to sign an annual governance statement. Included in this report are highlights of the performance of the Internal Audit function, a summary of the audits undertaken and an opinion on the overall adequacy and effectiveness of the organisation's internal control environment based on this work and the Annual Governance Statement. Members should note that the schools are now included within this report but there is an annual fraud report elsewhere on this agenda.

---

2.   **RECOMMENDATION(S)**

**Members are asked to note the report and approve the Draft Annual Governance Statement.**

### Corporate Policy

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

### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Internal Audit
  4. Total current budget for this head: £552K including £250K net cost for the fraud partnership
  5. Source of funding: General fund, Admin subsidy, Admin penalties, Legal cost recoveries, Provision of sold services to academies
- 

### Staff

1. Number of staff (current and additional): 6.4 FTE including 0.5 FTE to cover risk management
  2. If from existing staff resources, number of staff hours: 208 days per quarter
- 

### Legal

1. Legal Requirement: Statutory Requirement:
  2. Call-in: Not Applicable:
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 150 including Chief Officers, Head Teachers and Governors
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable



### 3. COMMENTARY

- 3.1 The annual report is for Member information and is also intended to assist the Council in meeting the accountability requirements of the Accounts and Audit Regulations 2011. Part of the overall arrangements requires the Chief Executive and the Leader to sign an annual governance statement. This will be put before Members as part of the statutory accounts. Included in this report are highlights of the performance and achievements of the Internal Audit Division, a summary of the audits undertaken and associated opinions along with a statement on the overall adequacy and effectiveness of the organisation's internal control environment based on this work.
- 3.2 Internal Audit's main objective remains as ' assisting management and Members in minimising risks, maintaining high standards and continuously improving service delivery through independent appraisal, review and advice.' We have carried this out in 2012/13 by;
- **independently reviewing, appraising and providing assurance** on the systems of control throughout the Authority
  - ascertaining the **extent of compliance** with procedures, policies, regulations and legislation
  - facilitating good practice in **managing risks**
  - **working in partnership** with the external auditors and other external providers
  - **identifying fraud** and carrying out investigations
  - **running mandatory training sessions for** officers in financial regulations, contract procedure rules and fraud awareness.
- 3.3 Key aspects of our reviews looked at the controls in place and assess these and the associated risks if these controls are not in place or are not being fully followed. Essentially Internal Audit has ensured that the controls operate in an orderly and efficient manner, statutory and management requirements are complied with, assets are safeguarded, completeness and accuracy of records are secured and identified weaknesses are corrected when something has gone wrong. We have also considered the balance of controls against the cost of implementation and where the controls are regarded as over burdensome this will be acknowledged.
- 3.4 The purpose of the 2012/13 Internal Audit Plan was to:
- § Optimise the use of audit resources available, given that these are significantly limited
  - § Identify the key risks facing the Council in achieving its objectives and determine the corresponding level of audit resources
  - § Ensure effective audit coverage and a mechanism to provide Members, and senior managers with an overall opinion on the auditable areas and the overall control environment
  - § Add value and support senior management in providing effective control and identifying opportunities for improvement
  - § Support the Finance Director in fulfilling obligations as the Council's nominated Section 151 Officer
  - § Deliver an Internal Audit service that meets the requirements of the Accounts & Audit Regulations and the Code of Practice.
  - § Carry out major investigative work and adopt the lessons learnt by utilising these in other audits particularly in relation to cumulative spend
  - § Provide adequate assurances on our audit work so that our external auditors can place reliance on our work thus saving on audit fees.

- 3.5 Internal Audit has striven to satisfy our customers through our business processes which make sure we have set challenging targets and standards for all audit staff through agreed objectives. We review and appraise the achievement of these objectives throughout the year. The overriding theme is the annual audit planning and work programme agreed each year. Although our aim has been to complete the 2012/13 plan, this has been subject to adjustment for unexpected levels of unplanned activity including fraud and investigative work and a shortfall in staffing resources. Internal Audit resources in 2012/13 were significantly reduced as two of our principal auditors had left the authority and their posts were vacant for 8 months. However, we had dedicated 2 FTE's to carry out sold services internal audit work to the Royal Borough of Greenwich and the academies. With the loss of the two auditors we terminated our sold service work with the Royal Borough of Greenwich. We appointed a part time redeployee with audit experience in March 2013 to redress some of the shortfall and made use of Deloittes through our framework agreement with the LB Croydon to carry out some audits in 2012/13. Going forward we now have 4.9 FTE's plus an element of the Head of Audit time to service the Bromley Internal Audit plan in 2013-14.
- 3.6 Internal Audit work and outputs have been reviewed by External Audit who are able to conclude that Internal Audit were providing a satisfactory service and were able to place reliance on our work.
- 3.7 Internal Audit have completed the high risk audit reviews scheduled in 2012/13 and received positive feedback from the client departments with an overall average of over 4 out of 5 for the audit satisfaction surveys. Overall, after allowing for a number of audits that were either postponed or cancelled due to management requests/ organisational change, we have completed over 90% of the plan against the annual performance indicator requirement of 90% - the remainder of planned audits, 10 in total is work in progress. This has been achieved despite the partial reduction in staff resources in 2011/12 and the substantial number of days spent on fraud and investigations. We have had no issues with audits being completed within budgeted time. However, with the amount of time that we have had to dedicate to fraud and investigations, there has been slippage in the audit plan necessitating the commissioning of Deloittes to complete 7 of our planned audits and in addition elapsed times in completing audits. The summary of progress and other audit activity is shown in Appendix A.. See paragraph 3.11 below for further information.

### 3.8 Audit activity

Please refer to Appendix A

#### **Audit Activity key points in 2012/13**

**Planned audits-** please refer to appendix A for audits carried out in 2012/13. This constitutes our main area of activity.

**Risk Management** – The risk registers play a key part in the Annual Governance process both corporate and departmental risk registers are maintained. The risks are reported through to the Audit Sub committee and the corporate risks are reported through to the Risk Management group and senior management.

**Customer Service** – We have received good customer feedback achieving an average score of over 4 out 5 in our audit surveys.

**Planning** - A key part of the audit planning process was consultation with senior officers, referral to previous audit reports and use of a risk methodology assessment form. This was completed for the 2013-14 plan.

**Sold Services** – the partnership with the Royal Borough of Greenwich for benefit fraud has continued to be highly effective both prosecuting and acting

as a deterrent to public sector fraud. This is expanded upon in the Annual Fraud report elsewhere on this agenda. In addition the partnership has been extended to include some corporate anti fraud work on a needs basis. We have ceased to provide audit services to the RB Greenwich. The shortfall in income of £75k is more than offset by the two vacancies created by staff joining the RB Greenwich. In 2012-13 we also carried out a number of responsible officer roles at academies that had generated about £23k but with 12 academies now using our services. This has resulted in a surplus of about £8K.

**Partnership Working** – we continue to achieve closer links with other local authorities and public bodies to ensure our ability to work collaboratively. We also work with the London Audit Group and Kent Audit Group on developmental and training activities and have productive working relationships with the external auditor which helps to reduce the audit fee as they are able to place reliance on our work.

### **Benefits Delivered**

**Effective Control** – our work continues to be instrumental in ensuring the Council has high standards of control and probity.

**Risk Management** – the Council has a robust framework for identification and management of risks, reducing likelihood of failure of service delivery. This is continually reviewed through the Risk Management Group and reported to Audit Sub Committee.

**Recommendations for Improvement**-Agreed actions for improvement are recognised and implemented. All priority one recommendations are reported to Members and followed up.

**Advice**- professional advice is given on new initiatives and ways of working. We have installed updated financial regulations and procedures as part of the managers' toolkit that has been approved by full council, undertaken training and awareness courses in financial regulations and contract procedure rules for over 350 officers.

**Assurances**-assurance provided to management by internal audit reviews. We also play a lead role in producing and coordinating the statutory Annual Governance Statement.

**Efficiencies**- our review activity enables us to offer advice to managers regarding opportunities to improve efficiency, examples include, data matching opportunities, identifying overpayments, identifying duplication and potential for better use of technology

**Audit Efficiency** – we will continue to streamline our own processes, for example, continue to use electronic working papers, continued use of self assessment for schools and use the functionality of the integrated database capturing audit and risk issues

**Fraud and Investigations**- we have provided substantial input into investigations into fraud and malpractice totalling XXX days.

Internal Audit has provided 925 audit days in 2012-13 including fraud and sold services (1,453 days for 2011-12) to the departments through reviews, investigations and financial support and advice. As well as mainstream audit activity Internal Audit has spent time on investigating fraud and irregularities, managing the fraud partnership, giving advice and guidance, development of the financial regulations that is elsewhere on this agenda and updated the anti fraud and corruption protocol, attendance at departmental and corporate working groups, representing the Council at external meetings, servicing this committee, and leading and participating in data matching exercises including the National Fraud Initiative.

**Summary of Audit Days provided to the departments.**

	<b>2011-12</b>	<b>2012-13</b>
<b>Departments</b>	<b>Audit days</b>	<b>Audit days</b>
Corporate Services	435	230
ECS -Children	261	212
ECS-Adult and Community	82	109
Environment	133	46
Recreation and Renewal	128	63
Public Health	0	10
Fraud Work	144	128
Academies- sold services	32	77
RB Greenwich –sold services	238	50
	<b>1,453</b>	<b>925</b>

It should be noted that the departmental figures include 158 days spent on six major investigations.

- 3.9 All audits arising from the approved plan have resulted in a formal report to management. Each audit has agreed terms of reference and is conducted according to the CIPFA audit code of practice and Bromley's standard audit documentation guidance. All final reports are agreed with the client prior to release and are followed up systematically in the following financial year unless there are priority one recommendations which are followed up within six months. In addition, all audit reports include an opinion based on our findings.
- 3.10 Throughout the year Internal Audit have reported all priority one recommendations i.e. those that are significant and require urgent management attention. These reports are contained in the respective progress reports. The reason for the specific summary reports to Members are that all of these reports contain a recommendation which Internal Audit believe to be a risk to the service, system, function or establishment which needs to be addressed. The level of priority ones and the nature of any fundamental areas of weakness will determine the overall opinion given.
- 3.11 Over 2012/13 we issued 14 priority one recommendations –however 7 were in relation to one major investigation that was reported in the November 2012 cycle of this committee and also Education PDS in March 2013 (3 of the 7 are considered to have been implemented). Outside of this investigation there were 7 priority one recommendations raised in respect of Children's Social Care payments (now implemented), Print and Design Studio investigation (now implemented), Primary School audit (to be followed up in 2013/14), Direct Payments (currently being followed up) and re recommendation on Rent Accounts. The current priority one list is attached to the Progress Report elsewhere on this agenda. The only 2011/12 priority one recommendations still showing as outstanding are Parks and Greenspace and Direct payments which are currently being followed up. The only priority one brought forward from 2012/13 that is considered as being not implemented relates to Emergency Accommodation and Rent Accounts and relates to rent arrears. See Appendix B for a summary of Priority 1 activity.
- 3.12 As in the previous year we have adopted a similar approach issuing assurances for our audits. Following an Internal Audit and after consultation with management, auditors form an overall opinion on the extent that actual controls in existence provide reasonable assurance that significant risks are being managed. They grade the control system accordingly. Full assurance is rare regarding internal control systems, because no matter how sophisticated they are, it will

not be possible to prevent or detect all errors or irregularities. The opinions given are graded accordingly in the table below.

Assurance Level	Definition
Full Assurance	There is a sound system of control designed to achieve all the objectives tested.
Substantial Assurance	While there is a basically sound system and procedures in place, there are weaknesses, which put some of these objectives at risk. It is possible to give substantial assurance even in circumstances where there may be a priority one recommendation that is not considered to be a fundamental control system weakness. Fundamental control systems are considered to be crucial to the overall integrity of the system under review. Examples would include no regular bank reconciliation, non-compliance with legislation, substantial lack of documentation to support expenditure, inaccurate and untimely reporting to management, material income losses and material inaccurate data collection or recording.
Limited Assurance	Weaknesses in the system of controls and procedures are such as to put the objectives at risk. This opinion is given in circumstances where there are priority one recommendations considered to be fundamental control system weaknesses and/or several priority two recommendations relating to control and procedural weaknesses.
No Assurance	Control is generally weak leaving the systems and procedures open to significant error or abuse. There will be a number of fundamental control weaknesses highlighted.

- 3.13 Where Internal Audit have provided no assurance or there has been a significant number of priority one recommendations, based on the review and testing undertaken, a full management response has been presented at the Audit Sub Committee. In addition responsible officers are called to account for the reasons for the weaknesses and giving Members assurance of their management actions agreed with Internal Audit. These actions are then followed up and reported within a six month timescale. It has been agreed that responsible officers will be required to attend the meetings where satisfactory action has not been taken. This system is working satisfactorily as evidenced by the decreasing numbers of priority one recommendations.
- 3.14 Over the past year there have been three major investigations all reported to this committee- Behaviour Services; North Block; Castlecombe Children and Family Centre. A further investigation following an audit of Parks and Greenspace was substantially completed in 2011/12 however, required our assistance with the management investigation that over lapped into 2012/13. These investigations and other fraud work have taken a considerable amount of time some 286 days in 2012/13. Lessons learnt in relation to officer awareness of financial regulations and the contract procedure rules, cumulative spend data and procurement for services have been taken into account with mandatory training of some 350 officers, updating and clarification of the financial regulations/contract procedure rules and informing the audit plan for 2013/14.
- 3.15 A listing of completed audits is given in Appendix A. The opinion details are given for each audit. Recommendations have been made in all reports and these are normally categorised as areas requiring immediate management attention as priority one, those that do not represent good practice as a priority two or finally suggestions for improvement at a priority three.
- 3.16 The summary of audit work undertaken resulted in 105 reports including 30 schools. Of the completed audits 45 were classified with substantial assurance, 10 with limited assurances and no nil assurances issued in the year. The remainder were follow up reports, investigation reports, pre academy school closure audits and work in progress audits where we do not give an opinion. Overall 240 improvement recommendations including re recommendations have

been made in the year comprising of 14 priority ones, 191 priority twos and 35 priority threes. 58 recommendations are in respect of schools.

### **3.17 Schools**

- 3.18 Due to a lack of staffing resources, schools converting to academy status and the abolition of the Financial Management Standard in Schools (FMSiS) our schools audit programme has been restricted to 22 schools including one secondary school, follow up work and closure audits of those schools converting to academy status. These are detailed in Appendix A.
- 3.19 The Internal Audit programme reviewed controls around processes categorised as Governance Arrangements, Financial Management Information, Primary Accounting Documentation (the tests in this area include, payments, income, payroll and school meals) and Assets. We have continued to use self assessment methodology combined with some audit testing to audit the primary schools. Self assessment has not only saved on audit days but also has the advantage of active input from the schools.
- 3.20 The schedule in paragraph 3.30 gives a breakdown of type of recommendations made in respect of our school audits. The main recommendations for schools relate to primary accounting records which include non raising of orders, lack of evidence of quotes, odd instances of missing invoices, recommendations in respect of income including school meals, petty cash issues, outcomes from payroll testing, bank reconciliations, contracts register and voluntary fund. A small number of recommendations have been made in respect of asset control, governance arrangements (finance committee governor minutes; pecuniary interests) and financial management information (reporting to governors; budget monitoring; reporting to Bromley).
- 3.21 Internal Audit has proactively sold services to Academies and during 2012/13 have been appointed to the role of Responsible Officer at a total of 12 schools (5 secondary and 7 primary academies). This is expected to generate income of £23K and a surplus of £8K for 2012/13.
- 3.22 With the abolition of FMSiS schools are required to submit a School Financial Value Standard (SFVS) and all Bromley schools are required to complete this by March 2013. The SFVS have been received by the Schools Finance Team and in 2013/14 Internal Audit is expected to follow up those where a school audit is due.

### **3.23 Annual Governance Statement**

- 3.24 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process which is designed to identify and prioritise the risks to the achievement of Bromley's policies, aims and objectives. It also evaluates the likelihood of those risks being realised and the impact should they be realised as well as managing them efficiently, effectively and economically. The main issues in 2011/12 were lack of supporting documents, supervisory issues and insufficient accounting records. The main issues in 2012/13 relate to breach of financial regulations and contract procedure rules; lack of supporting documents; no or outdated procedures; supervisory/monitoring issues; and primary accounting records in relation to schools expanded upon in paragraph 3.19. The severity of each of these needs to be seen in the context of whether it was a priority one, two or three recommendation or not but it does give a broad picture of where improvements can be made
- 3.25 The scope of internal control spans the whole range of the Council's activities, encompassing policies, processes, tasks, behaviours and other aspects of the organisation. It is the means devised by management to promote, direct, restrain and check upon its various activities to ensure the Council is competently managed and its business is undertaken in an orderly

manner in accordance with its objectives and policies. Each Chief Officer reviews the effectiveness of the system of internal control and risk management processes based on a list of key controls expected to be in place. Where measures are required to enhance the adequacy of existing internal controls actions are agreed. Because of the emphasis on risk within this process the individual departmental statements have been co-ordinated by the Risk Management Group that meets approximately every two months.

3.26 In conclusion, my overall opinion on the control environment based on the internal testing and reviews undertaken is that I am able to place overall reliance on the internal controls identified and where there have been significant issues highlighted provide assurance that corrective management action has been or will be taken to mitigate the risks. Over the past year there have been investigations that highlighted a number of weakness but specifically in officers' understanding of financial regulations and contract procedure rules. These have been addressed by mandatory training of over 350 officers involved in the finances of this authority. This process is to be further augmented by the launch of a web based training package in financial regulations and contract procedure rules that is mandatory for any officers involved in the finances of this authority . I can confirm that adequate action plans have been agreed for all areas of identified weakness and Internal Audit will continue to apply close scrutiny to ensure that all current priority control weaknesses are addressed by management. This assurance process constitutes part of the Annual Governance Statement which is attached to this report.

3.27. In summary the process used for determining the annual governance statement follows proper practice as guided by CIPFA and is a combination of assurances derived from:

- The adequacy and effectiveness of the management review processes
- Outcomes from the formal risk assessment and evaluation ( risk register)
- Relevant self-assessments of key service areas within the directorate
- Internal audit reports and results from follow ups regarding implementation of recommendations
- Outcomes from reviews of services by other bodies including Inspectorates, external auditors etc.

3.28 The Annual Governance Statement is attached as Appendix C.

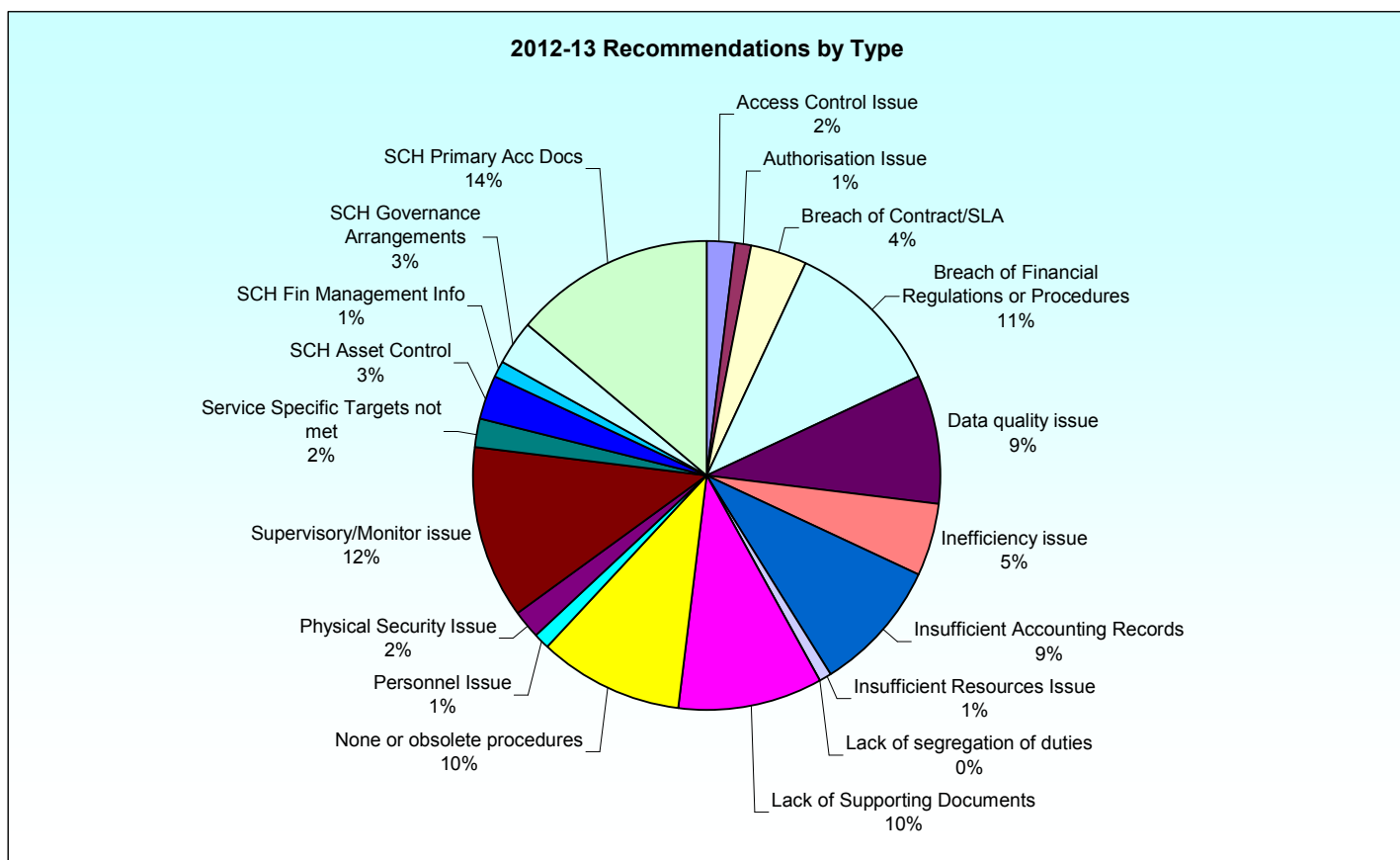
### 3.29 **Classification of Recommendations**

Typical control issues highlighted in the audit reports fall under the following broad categories;

- Organisational – the controls that provide the framework under which the system of other controls can operate effectively and efficiently.
- Financial – the system of controls that ensures the accuracy and adequacy of financial records and also safeguards the organisation against possible financial loss due to fraud or error.
- Operational – the system of controls that ensures the efficiency and effectiveness of operations, ensures the organisation's objectives are met (and services delivered) and also safeguards the organisation against any reputational damage or other loss.
- Compliance controls – the system of controls that ensure that the organisation complies with all relevant legislation, best practice guidance and internal policies with respect to the conduct of the business.

3.30 The classification of recommendations is shown in detail below:

Recommendation Category	% of all recommendations		
	2010-11	2011-12	2012-13
Access Control Issue	1%	2%	2%
Authorisation Issue	4%	3%	1%
Breach of Contract/SLA	4%	2%	4%
<b>Breach of Financial Regulations or Procedures</b>	6%	7%	11%
Data quality issue	5%	5%	9%
Inefficiency issue	5%	5%	5%
<b>Insufficient Accounting Records</b>	12%	10%	9%
Insufficient Resources Issue	2%	1%	1%
Lack of segregation of duties	1%	1%	0%
<b>Lack of Supporting Documents</b>	20%	10%	10%
<b>None or obsolete procedures</b>	14%	4%	10%
Personnel Issue	2%	2%	1%
Physical Security Issue	4%	3%	2%
<b>Supervisory/Monitor issue</b>	19%	20%	12%
Service Specific Targets not met	1%	2%	2%
SCH Asset Control	N/A	3%	3%
SCH Fin Management Info	N/A	2%	1%
SCH Governance Arrangements	N/A	3%	3%
SCH Primary Acc Docs	N/A	15%	14%





**4. POLICY IMPLICATIONS**

None

**5. FINANCIAL IMPLICATIONS**

Some of the internal audit findings may have financial implications.

**6. LEGAL IMPLICATIONS**

Internal Audit is a statutory function under the requirements of the Accounts and Audit Regulations 2011.

**7. PERSONNEL IMPLICATIONS**

None

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	[Title of document and date]

This page is left intentionally blank

Appendix A-Summary of Audit Activity 2012-13

Dept	Audit	Year	Overall Opinion	P1	P2	P3	P1*	P2*	P3*
ECS/Adult	ACS/007/01/2012 - Domiciliary Care Service Audit for 2012-13	2012/2013	Substantial assurance	0	2	1	0	0	0
ECS/Adult	ACS/009/01/2011.bf - Procurement & Contract Compliance Audit for 2011-12	2012/2013	Not applicable. Audit not done in 2012/13						
ECS/Adult	ACS/021/01/2012 - Housing Initiatives Audit for 2012-13	2012/2013	Draft report						
ECS/Adult	ACS/023/01/2012 - Learning Disabilities Audit for 2012-13	2012/2013	Draft report						
ECS/Adult	ACS/024/01/2012 - Mental Health Audit for 2012-13	2012/2013	In progress						
ECS/Adult	ACS/026/01/2012 - Direct Payments Audit for 2012-13	2012/2013	Limited assurance	1	4	4	0	1	1
ECS/Adult	ACS/027/01/2012 - Supported Living Audit for 2012-13	2012/2013	In progress						
ECS/Adult	ACS/029/01/2011bf - Care Link Follow-Up Audit 2011-12	2012/2013	Completed- Opinion not applicable	0	5	0	0	0	0
ECS/Adult	ACS/046/01/2012 - Residential & Nursing Care Audit for 2012-13	2012/2013	In progress						
ECS/Adult	ACS/055/01/2011.bf - Drug Action Team Audit for 2011-12	2012/2013	Substantial assurance	0	3	0	0	1	0
ECS/Adult	ACS/068/01/2011.bf - Rent Accounts Audit for 2011-12	2012/2013	Limited assurance	1	3	3	0	0	0
ECS/Adult	ACS/085/01/2011.bf - Personal Budgets Audit for 2011-12	2012/2013	Substantial assurance	0	6	0	0	0	0
ECS/Adult	ACS/091/01/2011.bf - Care Services charging Audit for 2011-12	2012/2013	Substantial assurance	0	4	1	0	0	0
ECS/Adult	ECS/003/01/2012 - Investigation -EDC Closure Audit for 2012-13	2012/2013	In progress						
ECS/Adult	ECS/004/01/2012 - ACS Care Management Investigation for 2012-13	2012/2013	In progress						
CX	CX/034/01/2012 - Election Expenses Audit - Follow-Up for 2012-13	2012/2013	Completed- opinion not applicable	0	0	0	0	6	0
CX	CX/044/01/2011.bf - Single Status Follow-up Audit for 2011-12	2012/2013	Completed- opinion not applicable	0	0	0	0	1	0
CX	CX/048/01/2012 - Money Laundering Policy - Follow-Up Audit for 2012-13	2012/2013	Completed -Opinion not applicable	0	0	0	0	0	0
CX	CX/050/01/2012 - Information Requests Follow-up Audit for 2012-13	2012/2013	Completed- opinion not applicable	0	0	0	0	1	0
CX	CX/051/01/2012 - Communications Follow-Up Audit for 2012-13	2012/2013	Completed -Opinion not applicable	0	0	0	0	0	0
ECS/CYP	CYP/004/01/2011.bf - Youth Support Programme Audit for 2011-12	2012/2013	Substantial assurance	0	2	0	0	0	0
ECS/CYP	CYP/005/01/2011.bf - Safeguarding children Audit for 2011-12	2012/2013	Substantial assurance	0	2	0	0	0	0
ECS/CYP	CYP/006/01/2012 - Children's Safeguarding and Quality Assurance Follow-up Audit for 2012-13	2012/2013	Not applicable	0	0	0	0	0	0
ECS/CYP	CYP/017/01/2012 - Children's Social Care Payments Audit for 2012-13	2012/2013	Limited assurance	1	6	0	0	0	0
ECS/CYP	CYP/024/01/2012 - Behaviour Support Services Investigation for 2012-13	2012/2013	Not applicable	7	1	0	0	0	0
ECS/CYP	CYP/025/01/2012 - SEN and Inclusion Audit for 2012-13	2012/2013	Substantial assurance	0	2	1	0	0	0
ECS/CYP	CYP/038/01/2012 - Castlecombe Children and Family Centre Investigation 2012-13	2012/2013	Completed- Not applicable [ Report Only]	0	0	0	0	0	0
ECS/CYP	CYP/P01/01/2012 - Alexandra Infant School Audit for 2012-13	2012/2013	Substantial assurance	0	1	0	0	0	0
ECS/CYP	CYP/P02/01/2012 - Alexandra Junior School Follow-up Audit for 2012-13	2012/2013	Completed - opinion not applicable	0	0	0	0	1	0
ECS/CYP	CYP/P09/01/2012 - Bromley Road Infant School Audit for 2012-13	2012/2013	Substantial assurance	0	4	0	0	0	0
ECS/CYP	CYP/P15/01/2012 - Clare House Primary Audit for 2012-13	2012/2013	Limited assurance	0	9	0	0	0	0
ECS/CYP	CYP/P16/01/2012 - Crofton Infant School [Closing Pre-Academy] Audit for 2012-13	2012/2013	Not applicable [ Report Only]						
ECS/CYP	CYP/P28/01/2011.bf - Hawes Down Junior School Audit for 2011-12	2012/2013	Substantial assurance	0	0	1	0	0	0
ECS/CYP	CYP/P30/01/2012 - Highfield Infants School Audit for 2012-13	2012/2013	Substantial assurance	0	4	1	0	0	0

Appendix A-Summary of Audit Activity 2012-13

ECS/CYP	CYP/P31/01/2011.bf - Highfield Junior Audit for 2011-12	2012/2013	Substantial assurance	0	1	0	0	0	0
ECS/CYP	CYP/P32/01/2012 - Hillside Primary School [Closing Pre-Academy] Audit for 2012-13	2012/2013	Completed- not applicable [ Report Only]	0	0	0	0	0	0
ECS/CYP	CYP/P34/01/2012 - James Dixon Primary Audit for 2012-13	2012/2013	Substantial assurance	0	1	0	0	0	0
ECS/CYP	CYP/P35/01/2011.bf - Keston CE Primary Audit for 2011-12	2012/2013	Substantial assurance	0	1	0	0	0	0
ECS/CYP	CYP/P38/01/2011.bf - Manor Oak Primary Audit for 2011-12	2012/2013	Substantial assurance	0	1	1	0	0	0
ECS/CYP	CYP/P47/01/2012 - Perry Hall Primary School Audit for 2012-13	2012/2013	Limited assurance	2	4	1	0	0	0
ECS/CYP	CYP/P53/01/2011.bf - Raglan Primary Audit for 2011-12	2012/2013	Substantial assurance	0	0	1	0	0	0
ECS/CYP	CYP/P56/01/2011.bf - St Anthony's RC Primary Audit for 2011-12	2012/2013	Substantial assurance	0	0	1	0	0	0
ECS/CYP	CYP/P57/01/2011.bf - St George's, Bickley, CE Primary Audit for 2011-12	2012/2013	Substantial assurance	0	0	1	0	0	0
ECS/CYP	CYP/P59/01/2011.bf - St John's CE Primary School Audit for 2011-12	2012/2013	Substantial assurance	0	1	1	0	0	0
ECS/CYP	CYP/P62/01/2012 - St Mary Cray Primary Audit for 2012-13	2012/2013	Substantial assurance	0	2	0	0	0	0
ECS/CYP	CYP/P64/01/2011.bf - St Paul's Cray CE Primary Audit for 2011-12	2012/2013	Substantial assurance	0	4	2	0	0	0
ECS/CYP	CYP/P65/01/2012 - St Peter and St Paul Catholic Audit for 2012-13	2012/2013	Substantial assurance	0	4	0	0	0	0
ECS/CYP	CYP/P66/01/2011.bf - St Philomena's RC Primary Audit for 2011-12	2012/2013	Substantial assurance	0	0	0	0	0	0
ECS/CYP	CYP/P68/01/2011.bf - Scotts Park Primary Audit for 2011-12	2012/2013	Substantial assurance	0	0	1	0	0	0
ECS/CYP	CYP/P73/01/2012 - Tubbenden Primary Pre Academy Audit for 2012-13	2012/2013	Not applicable [ Report Only]						
ECS/CYP	CYP/P74/01/2012 - Unicorn Primary School Audit for 2012-13	2012/2013	Substantial assurance	0	3	0	0	0	0
ECS/CYP	CYP/P76/01/2012 - Warren Road Primary School Audit for 2012-13	2012/2013	Substantial assurance	0	0	0	0	0	0
ECS/CYP	CYP/P78/01/2011.bf - Worsley Bridge Junior School Audit for 2011-12	2012/2013	Substantial assurance	0	4	0	0	0	0
ECS/CYP	CYP/S16/01/2012 - St Olave's and St Saviour's Audit for 2012-13	2012/2013	Draft Report						
ECS/CYP	CYP/S17/01/2012 - The Priory School [Closing Pre-Academy] Audit for 2012-13	2012/2013	Not applicable [ Report Only]						
ECS/CYP	CYP_030_01_2012 - Early Years Audit for 2012-13	2012/2013	Substantial assurance	0	3	1	0	0	0
ECS/CYP	CYP_P71_01_2012 - The Highway Primary School Audit for 2012-13	2012/2013	Substantial assurance	0	4	0	0	0	0
ECH	PUH/002/01/2012 - Public Health Transition Audit for 2012-13	2012/2013	Substantial assurance	0	5	0	0	0	0
ENV	ENV/003/01/2012 - Waste management Audit for 2012-13	2012/2013	In progress						
ENV	ENV/004/01/2011.bf - Car Parking Income Deloitte's Audit for 2011-12	2012/2013	Substantial assurance	0	3	1	0	0	0

Appendix A-Summary of Audit Activity 2012-13

ENV	ENV/004/01/2012 - PCN Parking Audit for 2012-13	2012/2013	Substantial assurance	0	2	0	0	0	0
ENV	ENV/004/02/2012 - Car Parking- Income-multi-storey and on street Audit for 2012-13	2012/2013	Substantial assurance	0	0	1	0	2	0
ENV	ENV/005/01/2012 - CRC Emissions Audit for 2012-13	2012/2013	Substantial assurance	0	5	3	0	0	0
ENV	ES/025/01/2012 - Highways Maintenance Audit for 2012-13	2012/2013	In progress						
ENV	ES/045/01/2012 - Parks and Greenspace Audit & Investigation for 2012-13	2012/2013	Follow up work into audit-In progress	0	0	0	0	0	0
R&R	R&R/001/01/2012 - Libraries Audit for 2012-13	2012/2013	Limited assurance	0	7	0	0	2	0
R&R	R&R/001/01/2012. - Libraries investigation for 2012-13	2012/2013	Report -opinion not applicable	0	1	0	0	0	0
R&R	R&R/011/01/2012 - North Block Overspend Investigation for 2012-13	2012/2013	Not applicable [ Report Only]						
R&R	R&R/011/02/2012 - Property Management Audit for 2012-13	2012/2013	In progress						
R&R	R&R/012/01/2012 - Building Maintenance and Capital Projects Audit for 2012-13	2012/2013	In progress						
R&R	R&R/014/01/2012 - Investigation Blue Circle for 2012-13	2012/2013	Final Report-opinion not applicable		4	1			
R&R	R&R/052/01/2012 - Adult Education College Audit for 2012-13	2012/2013	Substantial assurance	0	2	0	0	0	0
R&R	R&R/C01/04/2012 - R&R CDM ETf Investigation for 2012-13	2012/2013	Not applicable-1 outstanding P1 followed up	0	0	0	0	0	0
RD	RD/002/01/2012 - Cash & Banking- Cashiers Audit for 2012-13	2012/2013	Substantial assurance	0	1	0	0	0	0
RD	RD/003/01/2012 - Council Tax Audit for 2012-13	2012/2013	Substantial assurance	0	4	0	0	2	0
RD	RD/004/01/2011.bf - HBens-CTBens-Fraud Audit for 2011-12	2012/2013	Limited assurance	0	5	0	0	2	0
RD	RD/004/01/2012 - HBens-CTBens-Fraud Audit for 2012-13	2012/2013	Substantial assurance	0	0	2	0	1	0
RD	RD/005/01/2012 - Debtors-Income Audit for 2012-13	2012/2013	Substantial assurance	0	2	0	0	3	0
RD	RD/006/01/2012 - NNDR Audit for 2012-13	2012/2013	Substantial assurance	0	2	0	0	0	0
RD	RD/007/01/2012 - Payroll-Expenses Audit for 2012-13	2012/2013	Draft Report						
RD	RD/009/01/2011.bf - Creditors Audit for 2011-12	2012/2013	Limited assurance	0	3	0	0	3	0
RD	RD/009/01/2012 - Creditors Audit for 2012-13	2012/2013	Substantial assurance	0	4	0	0	0	0
RD	RD/014/01/2012 - Treasury Management Audit for 2012-13	2012/2013	Substantial assurance	0	2	0	0	0	0
RD	RD/016/01/2011.bf - Main A-C System Audit for 2011-12	2012/2013	Substantial assurance	0	2	0	0	0	0

Appendix A-Summary of Audit Activity 2012-13

RD	RD/016/01/2012 - Main A-C System Audit for 2012-13	2012/2013	In progress						
RD	RD/017/01/2012 - Revenue Budget Control Audit for 2012-13	2012/2013	Substantial assurance	0	1	0	0	0	0
RD	RD/019/01/2012 - VAT Follow-up Audit for 2012-13	2012/2013	Completed- opinion not applicable	0	0	0	0	0	0
RD	RD/051/01/2012 - Software Licence Management for 2012-13	2012/2013	Limited assurance	0	3	0	0	0	0
RD	RD/055/01/2011.bf - Contracts Register Audit for 2011-12	2012/2013	Limited assurance	0	2	0	0	0	0
RD	RD/055/02/2012 - Procurement Audit for 2012-13	2012/2013	In progress						
RD	RD/055/03/2012 - Procurement [Purchasing Cards] Follow-up Audit for 2012-13	2012/2013	Completed- opinion not applicable	0	0	0	0	0	0
RD	RD/067/01/2012 - Care First IT System for 2012-13	2012/2013	Substantial assurance	0	1	0	0	0	0
RD	RD/087/01/2012 - Cumulative Spend Review 2012-13 Commissioned by management	2012/2013	Not applicable [ Report Only]	0	2	0	0	0	0
RD	RD/095/02/2012 - Data Security Audit for 2012-13	2012/2013	Put back to 2013-14						
RD	RD/096/01/2011.bf - Disaster Recovery follow up Audit for 2011-12	2012/2013	Completed- opinion not applicable	0	0	0	0	0	0
RD	RD/098/01/2012 - Site Security Follow-up Audit for 2012-13	2012/2013	Completed- opinion not applicable	0	0	0	0	0	0
RD	RD/100/01/2012 - Modern.gov Audit for 2012-13	2012/2013	Substantial assurance	0	1	1	0	0	0
RD	RD/101/01/2012 - Legal Costs Follow-up Audit for 2012-13	2012/2013	Completed-Not applicable	0	0	0	0	0	0
RD	RD/103/01/2012 - Malware Protection Follow-up Audit for 2012-13	2012/2013	Completed-Not applicable	0	0	0	0	0	0
RD	RD/105/01/2012 - Contract Management Follow up Audit for 2012-13	2012/2013	Completed- Opinion not applicable	0	0	0	0	0	0
RD	RD/111/01/2012 - Investigation-Print and Design Studio for 2012-13	2012/2013	Final Report - Opinion not applicable	2	3	0	0	0	0
RD	RD/501/01/2012 - Bribery & Corruption Audit for 2012-13	2012/2013	In progress						
RD	RD/L38/01/2011.bf - Customer Contact Centre Audit for 2011-12	2012/2013	Substantial assurance	0	3	1	0	2	0
RD	RD/L38/01/2012 - Customer Contact Centre Follow-up Audit for 2012-13	2012/2013	Completed - Opinion - not applicable	0	0	0	0	0	1
RD	RD/104/01/2012 - Pensions Audit for 2012-13	2012/2013	Substantial assurance	0	2	1	0	0	0
				14	163	33	0	28	2

Report Number/Date	Title	Opinion	No. of Priority One's	Details of Recommendation	Implemented	Responsible Officer	Comments	Risk of fraud or loss
RD/005/01/2009	Review of debtors b/fwd	Limited Assurance	1	Inadequate procedures in place to manage and recover aged debt effectively.	Implemented	Exchequer Manager & Head Of Revenues & Bens.	Following detailed analysis of debts over a year old it was considered that there was ongoing action such as management involvement in cases of dispute, legal action, pending legal action, cases with bailiffs, charges placed on properties to warrant a down grade to priority two. However, this issue will be followed up in 2013-14 as part of annual debtor audit.	High
ACS/068/01/2009	Emergency Accommodation & Rent Accounts b/fwd	Nil Assurance	1	Rent arrears	In progress	Head of Revenues & Benefits/ Exchequer Manager	One outstanding recommendation on rent arrears has been assessed as still outstanding and will be followed up in 2013-14.	High
LD/001/01/2010	Out of Hours Site Security b/fwd	Limited Assurance	1	Inadequate control over building access cards.	Implemented	Assistant Director Audit and Technical Facilities & Support Services Manager		High
CYP/024/01/2011	Pupil Referral Unit 2011-12 b/fwd	Limited Assurance	1	Part 2	Subsumed in Behaviour Services Audit	Head of Access and Admissions	This issue was included within the Behaviour Services Audit Investigation	High
R&R/Inv/2011	CDM 2007 2011-12b/fwd	N/A	9	Part 2- Investigation matter	Implemented	Director R&R	Expanded in Part 2-Referred to E&R PDS and Executive- effectively 8 out of the 9 recommendations have been implemented - the outstanding recommendation related to sale of the project which has been completed. See Annual Fraud and Investigation report on this agenda.	High
ENV/004/02/2011	Car Parking, penalty charge notices Audit for 2011-12 b/fwd	Limited Assurance	1	The proportion of PCNs waived for Parking fines increased substantially from 2008-09 to 2010-11 from £10,235 to £429,124. It was also noted that there was a corresponding decrease in the proportion of PCNs written off during that time. Given the substantial amount of debt now being waived rather than going through write off procedure, we recommended that it needed a formally agreed procedure.	Implemented	Head of Parking	Approved Procedure now in place. Audit testing showed that this was being complied with.	High
Env/006/01/2011	Parks & Greenspaces 2011-12 b/fwd	Nil Assurance	8	Part 2- Investigation matter	In progress	Director Env	Expanded in Part 2 -Annual Fraud and Investigation Report. The recommendations are currently being followed up.	High
CYP/017/01/2012	Children's Social Care Payments	Limited Assurance	1	In total audit have been made aware of at least £69,707 overpayments that have arisen for a number of reasons and there is no guarantee that this list is exhaustive.	Implemented	Deputy Exchequer Manager/Payments Team leader  Group Manager Children's Commissioning	As reported to this committee in March 2013 there was sufficient action demonstrated in respect of both recovery and prevention of further incidences of overpayments.	High
RD/111/01/2012	Print and Design Studio Investigation	NA	2	Part 2	Implemented	Audit/ Facilities & Support Services Manager	Expanded in Part 2 under Annual Fraud and Investigation report	High
CYP/047/01/2012	Primary School	Limited Assurance	2	20 payments were selected from a report extracted from the schools financial system. Audit testing identified weaknesses in ordering goods and services, obtaining detailed invoices as per school financial regulations and inadequate checks being carried out prior to invoice payment The last Petty Cash Reconciliation was carried out 25/9/12 which included entries since 5/7/11 however there was no supporting documentation for the £678.47 payments made for this period of time.	In progress	Head teacher	To be followed up in 2013-14 under Annual Fraud and Investigation report	High
CYP/024/01/2012	Behaviour Services	N/A	7	Part 2	In progress	Assistant Director ECH	Expanded in Part 2-As reported to this committee in March 2013, 3 of the priority ones were considered to have been implemented	High
ACS/026/01/2012	Direct Payments	Limited Assurance	1	The monitoring spreadsheet used to monitor clients receiving direct payments was examined. Of the 506 clients receiving payments in the first quarter 2011, it was identified that at 15/6/12 monitoring had not been received for 53 clients. By the end of the audit, twenty four had been chased up and sixteen direct payments had ended. Thirteen cases remain outstanding with no information received, twelve of these are for children receiving direct payments, where the service is happy to continue to paying direct payments despite a lack of monitoring information.  The spreadsheet included client P4287 where complete monitoring had not been received since January 2011 and queries around large cash withdrawals had not been answered. (Total payments to the 53 clients from April 2011 to June 2012 was £245,880.96, payments to the 12 clients where information is outstanding is £90,593.77).	In progress	Exchequer Manager/The Heads of Service for Adults and Children's Social Care	See progress report of this agenda.	High

This page is left intentionally blank



# ANNUAL GOVERNANCE STATEMENT

---

## Scope of Responsibility

The London Borough of Bromley is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Bromley also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Bromley is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Bromley has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at [www.bromley.gov.uk](http://www.bromley.gov.uk) or can be obtained from Chief Executives, Bromley Civic Centre, Stockwell Close, Bromley BR1 3UH. This statement explains how Bromley has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

## The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Bromley's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Bromley for the year ended 31 March 2013 and up to the date of approval of the annual report and statement of accounts.

## The Governance Framework

The following summarises the key elements of the systems and processes that comprise Bromley's governance arrangements based upon the 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:**

Building a Better Bromley and being seen as excellent in the eyes of local people remains our vision.

Building a Better Bromley provides the framework for improving the economic, social and environmental well-being and health of people who live and work in Bromley. It sets the direction and policies which other plans should help to deliver and is shared across the Council in our specific Portfolio messages and Divisional plans.

Underpinning this vision are our eight Foundation Strategies covering Asset Management;

---

## ANNUAL GOVERNANCE STATEMENT

---

Communications; Customer Service; Finance; Human Resources; ICT; Performance Management; and Procurement. These strategies work together to deliver our vision and govern what we do. They ensure we have a clear understanding of our aims in these key areas of our business and how we will achieve these aims.

Our Corporate Operating Principles which act as an operational model for our organisation define us as a value for money, high performance and customer focused council. The Organisational Improvement Programme Board, chaired by the Chief Executive, is responsible for the successful delivery of a portfolio of projects to drive through improvements and efficiencies right across the council.

Our Portfolio Plans which reflect our Building a Better Bromley objectives set out the priorities and key actions for the year and are performance led using a range of national and local indicators.

With substantial additional savings to be made over the next 4 years and uncertainty about government funding after 2015-16 the financial situation continues to drive the future direction and work of the Council. In order to secure further financial savings 5 corporate workstreams have been developed to drive forward this work:

- Baseline Review ‘What’ services we deliver:

During the year Chief Officers, Assistant Directors and staff have produced baseline reviews of 70 Council services. These reviews have looked in detail at what a service looks like, what it currently costs and what is the minimum service in law the service has to deliver. Chief Officers also considered the level of services/standards required to reduce potential risk, mitigate community/individual service user impact and help deliver our Building a Better Bromley priorities.

- ‘How’ we deliver our services:

The Council has identified an ambitious vision as a commissioning authority, determining who is best placed to deliver high quality services based on local priorities and value for money. Bromley has a successful history of externalising services to both the private and third sector. The main delivery models being considered are:

- Direct provision
- Outsourced to the private sector
- Shared services
- Voluntary/third sector provider
- Social enterprise/community-based mutual
- Local authority trading company

We will shortly be producing a 5 year commissioning strategy which will include prioritisation and packaging of services, estimated financial benefit for various delivery models and an implementation plan. This workstream will also pick up on the work of the corporate procurement group to ensure we are procuring smartly and driving value from our existing suppliers.

- Sustainable income opportunities/economic growth:

Officers are currently investigating ways in which the authority could potentially maximise income from the various ‘incentives’ put in place by the coalition government. As part of this work a comprehensive review of the Council’s asset portfolio is also be undertaken with a view to rationalising in order to generate capital receipts and facilitate new investment opportunities.

# ANNUAL GOVERNANCE STATEMENT

---

- Significant financial variables:

This workstream, which is being lead by the Director of Finance, is concerned with managing issues that have the potential to have a significant negative impact on the council's finances.

- Organisational implications:

This workstream will consider the consequences of the other four workstreams for the organisation. For example:

- What does moving further towards a commissioning authority mean for the future structure and governance of the organisation?
- What skills will the organisation require and do we currently have them? Do we know?
- Do we have sufficient business change and transformation capacity to manage the transition? If not, how will we resource any implementation activity?

Governance will be provided by a Commissioning Board to monitor progress, challenge and make recommendations to the Executive.

As part of our structural changes there will now be three directorates: Chief Executives (bringing together corporate support services, finance, regeneration and transformation); Education, Care and Health Services (including Public Health); Environment and Community Services (including library and leisure services and Town Centre management)

## **2) Members and officers working together to achieve a common purpose with clearly defined functions and roles:**

Member/Officer roles are defined in the Constitution which sets out how the Council operates, how decisions are made and the procedures followed to ensure that decision making is efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose. This is supplemented by a Member/Officer protocol which governs the relationship between them.

The Council's decision making structure is divided between executive and non-executive matters. Executive duties are carried out by an Executive body of six Councillors with specific Portfolio responsibilities, chaired by the Leader of the Council. Non-executive duties are performed by the Development Control Committee and the General Purposes Committee. Six Policy Development and Scrutiny (PDS) Committees discharge the overview and scrutiny functions of the Local Government Act 2000.

The Leader appoints the Executive, and decides Portfolio Holder arrangements and responsibilities and agrees any formal delegation of various powers to the Council's Chief Officers and their staff.

During the year the Constitution Improvement Working Group produced its Fourth Report having considered issues arising from the Localism Act 2011 and other matters including options to revert to a committee system of governance, streamlining routine Portfolio Holder decisions and enhancing the role of full Council meetings. In accepting the majority of the recommendations contained in their report the full Council agreed to retain the existing Leader and Executive model.

The Director of Corporate Services (as Monitoring Officer) is responsible for ensuring the lawfulness and fairness of Council decision making, compliance with codes and protocols, and promoting good

---

## ANNUAL GOVERNANCE STATEMENT

---

governance and high ethical standards.

The Director of Finance (as Section 151 Officer) is responsible for the proper administration of the Council'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. Bromley's financial management arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2010)*. The Director of Finance performs the role of Chief Financial Officer.

Corporate leadership is provided by the Corporate Management Team, led by the Chief Executive (and Head of Paid Service) who is responsible and accountable to the Council for all aspects of corporate and operational management.

Internal Audit is responsible for conducting audits, using a risk based approach, to highlight any weaknesses throughout the Council. Bromley's assurance arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Head of Internal Audit (2010)*.

### **3) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour:**

Bromley has adopted a number of codes and protocols that govern both Member and officer activities which are communicated as part of the induction process and made available via the intranet. These include codes of conduct covering conflicts of interest and gifts and hospitality.

Although the Localism Act 2011 removed or changed a number of existing arrangements relating to the standards regime the Act still required authorities to promote and maintain high standards of conduct. It is mandatory that each local authority adopts a Code of Conduct dealing with the conduct that is expected of Councillors and co-opted members when acting in that capacity.

Following a review by the Constitution Improvement Working Group, full Council adopted a new Code of Conduct with effect from 1 July 2012 based on the model code produced by the Department of Communities and Local Government. The Code retains (i) the need to register all interests presently registered, (ii) to register any changes within 28 days and (iii) to register gifts and hospitality above the existing £25 threshold.

The Code of Conduct is consistent with the following principles:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty; and
- Leadership

The Council also agreed to retain a Standards Committee with new terms of reference. Whilst the Act removed the statutory basis for Independent members it did replace them with a new role - the Independent Person. They must be consulted by an authority before it makes a decision on an allegation of misconduct by a Councillor that it has decided to investigate or before it decides on action to be taken in respect of that Councillor. Three independent members of the 'old' Standards Committee have been appointed as Independent Persons under the Act for an interim period of up to one year.

---

## ANNUAL GOVERNANCE STATEMENT

---

The Council's confidential reporting code 'Raising Concerns' sets out how employees and contractors working for the Council on council premises can report their major concerns about any aspect of the Council's work including concerns about Members of the Council. This is designed to enable people to raise concerns without fear of victimisation, subsequent discrimination or disadvantage. The code is widely publicised via posters, internal newsletters, the intranet and on the Council's website.

Arrangements are in place for receiving and investigating complaints from the public under the Council's 'Getting it Right' procedures - how to complain, make a suggestion or pay a compliment about a council service. There are separate procedures in place for complaints about children's social care, social care and housing (including a guide for people with learning difficulties) and complaints about schools. Leaflets and forms are available from enquiry points and libraries. Information is also available on the Council's website. The Chief Executive and Director of Corporate Services monitor how complaints are handled within departments.

#### **4) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk:**

The Director of Corporate Services (as Monitoring Officer) reviews and updates the constitutional framework including Rules of Procedure and Standing Orders (which regulate meetings of the Council) and the Scheme of Delegation (which sets out formal delegation of various powers to the Council's Chief Officers and staff) on a regular basis reporting to full Council.

The Director of Finance (as Section 151 Officer) likewise reviews and updates Financial Regulations, Contract Procedure Rules and the Scheme of Delegation (so far as it relates to financial matters), which are incorporated into the Constitution. Financial Regulations are one of a set of management documents which collectively control and co-ordinate the financial affairs of the Council.

The scrutiny function provided by the six Policy Development and Scrutiny (PDS) Committees continues to provide constructive challenge leading to better and more robust decisions.

The Council's Risk Management Strategy is kept under review to reflect current procedures, guidance issued by CIPFA and best practice. This is overseen by the Risk Management Group, with representation at a senior level from each department, reporting to the Chief Executive and Audit Sub-Committee. Each departmental representative acts as risk champion for their area to disseminate risk management information and facilitate the identification and assessment of risks.

The Audit Sub-Committee is responsible for developing and reviewing all aspects of the Council's arrangements for audit including fraud and risk. The Committee is independent of the Executive and scrutiny functions.

Following a recommendation from our external auditors PricewaterhouseCoopers LLP the Chair of the Audit Sub-Committee and the Head of Audit carried out a review of the effectiveness of the Committee using a CIPFA checklist. The review confirmed the effectiveness of the Committee with very few action points.

We continue to operate a very successful Fraud Partnership with the London Borough of Greenwich building on our Anti-Fraud and Corruption Strategy. Outcomes are reported to Audit Sub-Committee.

The Bromley Borough Resilience Forum has a statutory duty to facilitate co-operation and information sharing at a borough level between agencies responsible for co-ordinating, planning and endorsing an effective emergency response and recovery to major events and incidents within the borough. The Forum

---

## ANNUAL GOVERNANCE STATEMENT

---

reports to the Safer Bromley Partnership Strategic Group.

Within the Council our procurement policy already requires Business Continuity plans to be part of any tendering process. We continue with our programme of table top exercises at a departmental level and in November 2012 one was undertaken by Environmental Services using external consultants testing a variety of scenarios which could potentially cause disruptions to their service delivery.

### **5) Developing the capacity and capability of Members and Officers to be effective:**

Corporate training provision is reviewed each year to ensure that the learning and development opportunities on offer reflect the key priorities of the organisation; supporting staff to develop a good mix of skills and knowledge so that they are able to perform effectively in their current job and are able to tackle the many changes facing local government.

Officer training needs are identified as part of the annual Performance and Appraisal Development Scheme and there is a comprehensive training programme for all staff. In parallel a 'Managers' Toolkit' site is maintained on the intranet to provide a depository of policies, procedures, guidance and tools enabling all managers across the Council to work more effectively and efficiently.

There are three main programmes; Training for All, Adult Care Services Training and Safeguarding and Social Care Training. Increasingly we are using web based self assessment training as this is more convenient and the effectiveness of the training can be monitored.

Specific training for Members targets key policy issues and areas of current interest. This is supported by a dedicated Member Development site on the intranet. In June the Director of Finance organised a Financial Seminar to keep Members informed of the general financial situation affecting the Council and the changes in local government finance and health provision.

IT training is delivered in partnership with Bromley Adult Education College.

Officers also have access to external workshops and seminars via our membership of organisations like CIPFA.

### **6) Engaging with local people and other stakeholders to ensure robust public accountability:**

We continue to review how we can improve our channels of communication with all sections of the community and other stakeholders. Increasingly Bromley is using social media sites like Twitter and Facebook to provide information and links to upcoming events. Besides the main Council website, Bromley MyLife is the adult social care website. It provides information and advice should someone need help due to illness, age or disability, enabling them to keep their independence.

Council meetings are held in public and agendas and report packs are made available in advance. Most meetings start at 7pm and there are some daytime meetings. There is a facility to set up daily email alerts on key words or topics.

The Council held four public meetings in November 2012 as part of the 2013/14 budget consultation under the title 'More tough choices - your council into the future'. Consultation papers were also sent to local business representatives for their views and comments including the 20 largest business ratepayers in the Borough. In addition, prior to finalising the schools budget the Children and Young People Portfolio Holder consulted Head Teachers, Governors and the Schools Forum.

## ANNUAL GOVERNANCE STATEMENT

---

Other consultations this year included a Health and Wellbeing survey of 11-18 year olds as part of the Public Health Report, and proposals to expand several schools. Departments also use surveys to ensure that services are being delivered efficiently and effectively.

The Council operates a Petition Scheme whereby any person who lives works or studies in the borough of Bromley can submit a petition. Once a petition has been validated a response will normally be sent back within 10 working days. All petition responses are published on the Council's website. The Council's own e-petition facility has been withdrawn as this had only been used once in two years and was no longer a statutory requirement.

Given the increasing numbers of Freedom of Information requests, an online form has been introduced to channel requests to the right departments so that enquiries can be dealt with as quickly and efficiently as possible. Previous requests and answers are now published on the Council's website.

Bromley works in partnership with many local organisations representing the views of residents and the public, private and voluntary sectors.

The Borough Officers' group meets on an informal basis to monitor and direct the work of the main thematic partnerships. The group is chaired by the Chief Executive and includes representatives from the emergency and health services and the voluntary sector.

The thematic partnerships (Bromley Children and Young People; Health, Social Care and Housing; Safer Bromley and the Bromley Economic Partnership) hold open meetings and agenda papers and minutes are published on the Council website and/or the Bromley Partnership website. The meetings receive reports from other key strategic partnerships and the main partnerships themselves. Terms of reference and governance arrangements are in place. The partnerships are subject to scrutiny by the relevant PDS Committees.

Following the creation of a single department for Education and Care Services a review was jointly commissioned by the Care Services and Education Portfolio Holders of partnership arrangements that were supported (either financially or with other resources) by the department. The review will ensure that partnership arrangements are fit for purpose, provide best value for money, remove duplication and are outcome focused. As a result new arrangements are due to come into place in September.

During the year Bromley entered into a shared service with the London Borough of Bexley for their Libraries service. Following this success both boroughs are establishing a shared Parking service with effect from April 2013. These are both formalised by Collaboration Agreements which detail the joint working and governance arrangements for the services between the two councils.

The principle of sharing services is that, by combining services across the boroughs, there is the potential for management costs and other overheads to be reduced without affecting the delivery of the front-line service.

# ANNUAL GOVERNANCE STATEMENT

---

## Review of Effectiveness

Bromley has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Corporate Management Team comprising directors and assistant directors within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Audit's annual report, the Policy Development and Scrutiny annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

As part of this review the Assistant Directors have completed and signed an Assurance Statement in relation to their own service areas. In turn each Chief Officer has reviewed the effectiveness of key controls, using a detailed checklist, to provide an overall Assurance Statement for their own directorates.

The governance framework and internal control environment encompasses all the organisation's policies, procedures and operations in place. At Bromley this is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The process of maintaining and reviewing the effectiveness of the governance framework, including the system of internal control, includes the following elements:

### Council Framework

We continue to operate with a Leader and an Executive. The Leader personally controls all decisions about the Council's executive functions. He can then choose whether to make all decisions personally, or to make arrangements for others to do so.

The Executive contains the Leader and six Members each responsible for a portfolio. Each Portfolio Holder annually outlines, in a portfolio plan, their aims and what they will be doing towards achieving their goals and their performance targets.

The full Council is responsible for adopting the authority's constitution and Members' code of conduct and for approving the budget and policy framework within which the Executive operates.

Chief Officers are responsible for ensuring that Members are advised of the financial implications of all proposals liaising as necessary with the Director of Finance. In addition they are responsible for promoting sound financial practices in relation to the standards, performance and development of staff in their departments.

### Policy Development and Scrutiny Committees

Six Policy Development and Scrutiny (PDS) Committees have a key role in contributing to policy development and scrutinising the decisions of the Executive and individual Portfolio Holders. Although they have no decision making powers, they advise Portfolio Holders, the Executive and full Council on policies, budgets and service delivery. PDS Committees can commission groups of Councillors to review an issue or policy so assisting a Portfolio Holder or the Executive to improve a service or local function affecting local people.

Full Council has accepted recommendations from the Constitution Improvement Working Group to allow more routine decisions to be made without formal scrutiny where the PDS Committees and Portfolio Holders are in agreement, subject to the proposed decision being emailed to all Members in advance. Any Member



## ANNUAL GOVERNANCE STATEMENT

---

may then request that a matter be referred to the relevant PDS Committee before a decision is taken.

PDS Committees monitor the performance of services and functions within their remit, assessing performance against key performance indicators and policy objectives. Concerns are reported to a Portfolio Holder who can then, if necessary, be called to a PDS Committee meeting to account for the performance of his or her Portfolio.

They are also involved in the budget setting process and provide comment and recommendations for the Executive to take account of when formulating the Council's annual budget. Similarly, PDS Committees monitor in-year spend of budgets and raise concerns where there is a possibility of overspend or other issues affecting spending priorities.

The call-in process is a key means by which PDS Committees can hold the Executive to account. Any five Councillors can call-in a decision and prevent it from taking immediate effect until it has been considered by a PDS Committee. The Committee can then interview the Portfolio Holder and officers and consider whether the decision was appropriate, within the Council's policy framework, and whether it should be reconsidered. If the Committee feels that the decision should have been reversed or altered, it can make a recommendation to the Executive, which then has to reconsider the matter.

The Executive and Resources PDS Committee has an over-arching, coordinating role on behalf of the other five PDS Committees and provides an Annual Report to full Council summarising the work that has been carried out during the year.

The Committees are supported by the statutory Scrutiny Officer who also provides support and guidance to other Members on the functions of overview and scrutiny.

### Internal Audit

Internal Audit operates to defined standards as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government. The effectiveness of the system of the system of Internal Audit is measured by compliance with this code and peer reviews. Internal Audit provides an independent opinion on the adequacy and effectiveness of the system of internal control.

An Annual Audit Plan is used to map out the cyclical coverage of fundamental financial systems and other audits. The plan is based on the identification of the Council's systems and activities to be audited, each assessed for risk. Work relating to prevention and detection of fraud and corruption is integrated into this audit planning process. Each audit is reported to the appropriate level of management together with agreed action plans where appropriate. In addition all significant weaknesses are reported to Audit Sub-Committee and followed-up until recommendations are implemented. The supporting summaries of audit reports help inform the overall assessment of internal controls.

The Head of Internal Audit is empowered to report any matter of concern directly and independently, to the Chief Executive, the Chairman of Audit Sub-Committee or the Leader of the Council, if necessary.

In his Annual Report to Audit Sub-Committee the Head of Internal Audit confirmed that 'my overall opinion on the control environment based on the internal testing and reviews undertaken is that I am able to place overall reliance on the internal controls identified and where there have been significant issues highlighted provide assurance that corrective management action has been or will be taken to mitigate the risks. Over the past year there have been investigations that highlighted a number of weaknesses but specifically in officers' understanding of financial regulations and contract procedure rules. These have been addressed by mandatory training of over 350 officers involved in the finances of this authority. This process is to be further augmented

---

## ANNUAL GOVERNANCE STATEMENT

---

by the launch of a web based training package in financial regulations and contract procedure rules that is mandatory for any officers involved in the finances of this authority. I can confirm that adequate action plans have been agreed for all areas of identified weakness and Internal Audit will continue to apply close scrutiny to ensure that all current priority control weaknesses are addressed by management.’

In 2010 CIPFA issued their Statement on the Role of the Head of Internal Audit in Public Service Organisations. The Statement sets out five principles that define the core activities and behaviours that belong to the role of the Head of Internal Audit. We confirm that the Head of Internal Audit meets these requirements.

### External Inspections

In their *Report to those charged with governance 2011/12 Audit* published in August 2012, the external auditors PricewaterhouseCoopers LLP reported that:

- It is the responsibility of the authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. As auditors, we review these arrangements for the purposes of our audit of the financial statements and our review of the annual governance statement.

No significant issues were identified which require the attention of the General Purposes and Licensing Committee.

- We reviewed the Annual Governance Statement to consider whether it complied with the CIPFA/SOLACE *Delivering Good Governance in Local Government* framework and whether it is misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

During the last year the Council has received the following assessment from other inspectorates:

### **Ofsted - Inspection of local authority arrangements for the protection of children**

Rated Adequate

The report was considered by the Executive on 12 September 2012 because of the importance the Council places on its responsibilities for safeguarding children. A detailed plan has been developed to address the areas for improvement.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Risk Management Group, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

### **Significant Governance Issues**

Last year we identified the following governance issues:

1. Our capacity to continue to make budget savings and maintain frontline services:

We have continued to make the necessary budget savings without impacting on frontline services. However, this remains an issue going forward and is included in the table below.

---

## ANNUAL GOVERNANCE STATEMENT

---

### 2. Changes to the Council's structures and processes arising from the Localism Act 2011:

The Constitution Improvement Working Group's recommendations were reported to full Council in June 2012, when a new standards regime and Councillor Code of Conduct was agreed, and in November 2012, when full Council decided to retain the Leader and Executive system of governance and made a number of small changes to the Constitution.

### 3. Training needs of officers involved in the finances of the authority:

Mandatory training for some 350 budget holders on financial regulations and contract procedure rules completed. Financial Regulations updated and Contract Procedure Rules - quick guide issued. Additional training for new e-procurement system provided.

New governance issues:

Governance Issue	Actions
Capacity to make further budget savings and maintain frontline services	We continue to review and scrutinise our services to increase efficiencies and identify potential savings, and retain four year forward planning, despite the uncertainties on future funding.
Decision to become a Commissioning body	A six months Commissioning Programme covering ten services has been developed with a target date of Aug 2013 onwards for implementation and delivery.
Integration Shared Services	Parking services to provide a progress report to Environment PDS Committee in Oct/Nov 2013 along with an analysis of any opportunities for further outsourcing.
Integration Public Health	A pre-integration check by Internal Audit stated that this was progressing satisfactorily.
Welfare reform agenda	Ongoing process covered by Internal Audit plan for 2013/14.
Localised pay and conditions – the Council has withdrawn from National Terms and Conditions of Service with the majority of staff having accepted new contracts	The members of staff who have not signed are subject to a 45 day ‘dismissal and re-engagement’ consultation process to be followed by a statutory notice period.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed.....

Signed.....

Chief Executive

Leader of Council

Date.....

Date.....

---

This page is left intentionally blank

Report No.  
CEO1221

London Borough of Bromley

PART ONE - PUBLIC

---

**Decision Maker:**      **AUDIT SUB-COMMITTEE**

**Date:**                    **Thursday 6 June 2013**

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

**Title:**                   **INTERNAL AUDIT PROGRESS REPORT**

**Contact Officer:**      Luis Remedios, Head of Audit  
Tel: 020 8313 4886    E-mail: luis.remedios@bromley.gov.uk

**Chief Officer:**        Chief Executive

**Ward:**                    (All Wards);

---

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     Priority One Recommendations
- 3.7     Audit Activity
- 3.9     Auditor of the Year Nominations
- 3.13    Public Audit & Future of Audit Committee
- 3.16    Public Sector Internal Audit Standards
- 3.22    Code of Corporate Governance
- 3.23    Housing Benefit Update
- 3.27    Whistleblowing Policy
- 3.32    Other Matters
- 3.35    Risk Management

---

2. **RECOMMENDATION(S)**

- a. **Note the report and comment upon matters arising from the internal audit progress report.**
- b. **Make a decision on the nominations for auditor of the year.**
- c. **Approve the Internal Audit Charter.**
- d. **Approve the revised Corporate Code of Governance.**

- e. Note the continuing achievements of the counter fraud benefit partnership with Royal Borough of Greenwich.**
- f. Recommend the revised Whistleblowing Policy to the General Purposes and Licensing Committee for approval.**

### Corporate Policy

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

### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Internal Audit
  4. Total current budget for this head: ££552K including £250K net cost for fraud partnership
  5. Source of funding: General fund, Admin subsidy, Admin penalties, Legal cost recoveries, Provision of sold services to academies
- 

### Staff

1. Number of staff (current and additional): 6.4 FTE including 0.5 FTE to cover risk management
  2. If from existing staff resources, number of staff hours: 208 days per quarter
- 

### Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Not Applicable:
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 150 including Chief Officers, Head Teachers and Governors
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

### **3. COMMENTARY**

#### **3.1 Priority One Recommendations**

3.2 The latest list of outstanding priority one recommendations is shown in Appendix A. There have been no additions to the priority one list since the last meeting of this committee.

3.3 Implementation progress for Parks and Greenspace and Behaviour Services are expanded on in Part 2.

3.4 Direct Payments- Following the priority 1 recommendation in respect of Direct Payment monitoring a meeting was held with Finance and Assistant Directors for Care Services and Education to agree the procedures to terminate the direct payment if monitoring information is not received after two request letters. The Exchequer Manager issued these procedures for consultation in November 2012 and formally adopted in January 2013; the first batch of letters were sent out in April 2013.

3.5 A separate meeting was held in December 2012 with Children Services management to discuss the 12 cases that had been identified in the original audit report. It was agreed that the direct payment would be terminated unless the care worker could evidence exceptional circumstances that would have to be authorised by the Assistant Director (Education). The AD authorisation would be rolled out to Adult Services and will be included in the procedures update to be issued May 2013.

3.6 Follow up of the original 12 CYP cases in May 2013 identified that 9 clients were still receiving direct payments, despite no monitoring having been received. The AD Education has been asked to evidence that authorisation has been granted to waive monitoring to date. The AD Education had instructed that these payments be stopped and this will be effective from 3/6/13.

#### **3.7 Audit Activity**

3.8 We have spent most of our time since the last progress report in March 2013 completing the 2012/13 Internal Audit plan. The progress against this plan is included in the Annual Audit Report elsewhere on this agenda. Due to time spent on investigations and days lost as a result of vacancies in 2012/13 we had commissioned Deloitte through our framework agreement with Croydon, to complete a few audits from the 2012/13 plan. Deloitte carried out most of this work in quarter 4 and have issued draft reports. In addition we also carried out the following work:

- Internal audit work carried out for academies on a termly/quarterly basis
- Training of officers in respect of the Financial Regulations and Contract Procedure Rules and final preparation of the IT web based training package before it goes live in late May 2013.
- Fraud and investigation work reported in part 2.
- Audit of pre transfer arrangements for Public Health for which Internal Audit gave a substantial assurance opinion.
- Work has commenced on the 2013/14 plan but it is too early to report on progress

#### **3.9 Auditor of the Year**

3.10 This award was first introduced in 2010/11. As in previous years, Members of this committee have asked the Head of Audit to nominate auditors whom it was felt had provided a significant contribution to work that they had completed in 2012/13. The nominations have considered



audits and investigations that have identified matters resulting in material action being taken. After deliberations, the Head of Audit would like to put forward two auditors for consideration of this award.

3.11 Auditor A was asked to investigate whistleblowing allegations made in respect of Behaviour Services. This was a problematic audit that Auditor A pursued with professionalism and due diligence in circumstances where documentation was not available, files had minimal information and the audit trail was unclear. Auditor A had to produce a detailed report based on what information could be gathered from interviews with key staff, financial information and third parties. The report identified 7 priority one recommendations covering a number of issues that were discussed in detail both by this Committee and Education PDS. Members thanked Internal Audit for this investigative work. The report was well received by management as being fair and all the recommendations were accepted.

3.12 Auditor B was asked to investigate two areas of concern –the over spend on the North Block Capital Project and construction work at Castlecombe Children and Family Centre. Both investigations resulted in detailed reports produced by Auditor B that were discussed by this Committee. The North Block investigation involved detailed unravelling of the cause of the overspend which was done in the absence of key staff who had left the organisation. The report also identified lessons to be learnt for undertaking major projects in future. The Castlecombe Children and Family Centre was problematic due to a distinct lack of information available, key staff who had left the organisation and a lack of cooperation from third parties involved in the building work. The investigation was against a background where the auditor also had to attend a working group to ascertain the faults with the building, who was responsible for the repair/rebuild of the centre that was only built about three years before the onset of problems, tracking down information and a solution to put this right in the most efficient way. Members of this Committee asked for a detailed report which Auditor B produced and discussed in detail at the March 2013 cycle.

### 3.13 **Public audit and future of audit committees**

3.14 At the last meeting of this committee Members had tasked the Chairman of this Committee to write to the Secretary of State about non-elected members and to invite him to a future meeting of the Audit Sub-Committee. This is in progress.

3.15 However, there have been some developments from the Department for Communities and Local Government in response to the pre legislative Scrutiny Report by the Draft Local Audit Bill Committee that indicates there is no requirement to have independent members in Audit Committees but there will be a requirement where an audit committee is tasked with appointing external auditors. Should LB Bromley decide that the Audit Sub Committee be free of independent members, there appears to be two options open on the appointment of the external auditor in September 2017 (when the contract with PWC expires). The first is to have a separate panel or the second is to share a panel with other authorities which could keep costs down. Clarification of the above was sought from the Head of Audit of another London borough who confirmed that it was their understanding as stated. We have previously reported to this committee that a number of London Boroughs have opted to appoint independent members to their audit committees.

### 3.16 **Public Sector Internal Audit Standards (PSIAS)**

3.17 The new PSIAS came in to effect in April 2013. Many of the requirements of the previous standards are still relevant to the new standards. One of the requirements of the new standards is to have an Internal Audit Charter in place that should be approved by the Audit Committee. This committee had approved in June 2009 a 'Terms of Reference' document aspects of which are consolidated in the draft Internal Audit Charter- see Appendix B.

- 3.18 Its contents include Internal Audit's objectives; context; responsibilities; audit planning; delivery and due professional care; access to records and personnel; audit independence; reporting and liaison with external audit.
- 3.19 The standards also require an external assessment of the service every 5 years. Rather than employ a firm of accountants/auditors, the Society of London Treasurers felt that it would be more cost effective and useful if there was a London wide forum to undertake this task. Consequently we have joined a London wide external assessment group to undertake this assessment on a cyclical basis. To date 26 London Boroughs have joined and the proposal is for Heads of Audit to carry out peer reviews of about 6 or 7 boroughs each year.
- 3.20 In addition we are required to carry out an annual internal assessment of the service which could feed in to the annual audit report from 2014 onwards.
- 3.21 Members are asked to approve the draft Internal Audit Charter.

### **3.22 Code of Corporate Governance**

As part of the Annual Governance Statement review we have taken the opportunity to update the Code of Corporate Governance.

Following a review of the *Delivering Good Governance in Local Government: Framework 2007*, to ensure that it remains 'fit for purpose', CIPFA/SOLACE has issued a revised guidance note which is intended to assist authorities in reviewing their governance arrangements.

The guidance removes some of the duplication and more operational aspects previously attributable to the 'Role of the Chief Financial Officer' that is currently reflected in our own code approved by full Council in April 2011. We have also taken account of the key elements that should be included in the Annual Governance Statement when updating the code.

The revised code consists of four parts (Appendices C and D)

- An introduction
- The Code itself (showing changes)
- A glossary
- An appendix showing the key policies and processes that underpin Bromley's compliance with the Code

Members are asked to consider the revised Code for adoption by the Council.

### **3.23 Housing Benefit Update**

- 3.24 Since the inception of the partnership in April 2002, through to April 2013, the Council has successfully prosecuted 331 claimants to date for benefit fraud; issued 302 court summonses; given 98 formal cautions; and administered 354 penalties. The full details and appendices on trends are shown in Appendices E, F and G.
- 3.25 We had previously reported a success in confiscating two properties in respect of a case where the benefit claimant was successfully prosecuted – the properties have been sold and we have received a share of the proceeds totalling about £39,000. Some of this money has been used to pay off the benefit overpayment (about £14K) and offset the legal costs of the case leaving a small surplus that will be clawed back in the closedown of the accounts.
- 3.26 Members had previously been informed of the proposed move by the DWP towards a Single Fraud Integrated Service (SFIS) was put back to April 2014. The reasoning behind this was to give the pilot authorities and DWP more time to assess the results of the exercise. From April

2014 investigations of welfare benefits will be under SFIS. We have yet to receive an update from the DWP on the effects of the transfer on staffing, prosecutions and ring fencing of our five current investigators to benefit fraud investigations. Our partnership agreement with RB Greenwich which is benefits driven expires in March 2014 and renewal or otherwise is dependent on what the DWP propose.

### **3.27 Whistleblowing Policy/Raising Concerns**

3.28 We recently subscribed to an organisation specialising in public concern at work. Members will recall that some of the major investigations over the past two years have been as a result of whistleblowing allegations. Having attended one of their workshops it was evident that our current whistleblowing procedure attached as Appendix H needed to be updated. The proposed revised version is in line with current best practice and is attached as Appendix I. Previous debates on this subject, highlighted a need that there should be mechanism whereby staff could go to a nominated member/s possibly the Chairman or Vice-Chairman of Audit Sub Committee.

3.29 The current Confidential Reporting code (Raising Concerns) was last updated in July 2008. The current policy has been updated in line with best practice and will need to be further updated with key contact details which are now out of date.

3.30 A good policy is written from the point of view of the whistleblower and gives them confidence and encouragement to come forward and raise concerns openly. It should provide staff with a clear step by step guidance on who to contact, how to contact and a brief outline of the process. The updated version has been abridged so that it is less daunting and confusing for the whistleblower.

3.31 Members are asked to adopt the revised whistleblowing/raising concerns policy.

### **3.32 Other Matters**

3.33 Value for money arrangements- there are no new reviews to report on since the last cycle of this Committee.

3.34 The IT Web based training package for Financial Regulations and the Contract Procedure Rules was delayed but is due to go live in late May 2013. About 400 officers will be required over a three month span, to go through the package and pass the tests to demonstrate competency and understanding of the Financial Regulations and the Contract Procedure Rules. Chief Officers have agreed to assess the results on conclusion of the training period.

### **3.35 Risk Management**

The risk register is currently being updated as part of the Annual Governance Statement review. As requested by this Committee where a high risk has a financial impact departments have been asked to quantify this and provide a brief commentary e.g. high risk due to previous / current / forecast budget overspends, potential financial penalties etc.

This work continues and a full report will be provided at the next meeting.

## **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 except that the Whistle Blowing Procedure is consistent with the provisions of the Public Disclosure Interests Act.

**7. PERSONNEL IMPLICATIONS**

Staff in breach of financial rules and procedures or acting inappropriately against the Council's legal and financial interests may be subject to disciplinary actions or/and police investigations.

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	[Title of document and date]

Report Number/Date	Title	Opinion	No. of Priority One's	Details of original Recommendation	Implemented	Responsible Officer	Comments	Risk of fraud or loss
Env/006/01/2011	<b>Parks &amp; Greenspace</b>	Nil	8	Part 2	In progress	Director Env	Currently being followed up -see Part 2 for update.	High
ACS/068/01/2011	<b>Emergency Accommodation &amp; Rent Accounts</b>	Limited Assurance	1	Service Teams, including LATCH, Leaving Care Services, Core and Cluster [now Supported Living], Traveller and Orchard and Shipman are not recovering rent arrears or monitoring the debts of their clients, which on 10/2/12 gave an accumulative total of £533,753.50 in these groups. Teams do not currently have access to the accounting files on Anite. In addition, these teams do not hold detailed procedures to outline the process for the recovery of debts The previous audit also highlighted problems with rent arrears in emergency accommodation. Total rent arrears for current and former clients stands at £1,266,528 compared to £1,268,466 in January 2012.	In progress	Exchequer Manager/Liberata Sundry Debtors Section Manager/Group Manager Leaving Care Team/Group Manager Residential Services/Group Manager Housing Needs	Rent arrears at January 2013 were £1,541,398. Part of the increase in arrears may be due to increase in TA numbers. To be followed up in 2013/14.	High
CYP/P47/01/2012	<b>Primary School</b>	Limited Assurance	2	20 payments were selected from a report extracted from the schools financial system. Audit testing identified weaknesses in ordering goods and services, obtaining detailed invoices as per school financial regulations and inadequate checks being carried out prior to invoice payment The last Petty Cash Reconciliation was carried out 25/9/12 which included entries since 5/7/11 however there was no supporting documentation for the £678.47 payments made for this period of time.	In progress	Headteacher	To be followed up in 2013/14- 2nd quarter.	
CYP/024/01/2012	<b>Behaviour Services</b>	N/A	4 o/s	Part 2- three of the 7 priority one recommendations have been implemented.	In progress	Assistant Director ECS	To be followed up as part of 2013/14. Expanded in Part 2	High
ACS/026/01/2012	<b>Direct Payments</b>	Limited Assurance	1	The monitoring spreadsheet used to monitor clients receiving direct payments was examined. Of the 506 clients receiving payments in the first quarter 2011, it was identified that at 15/6/12 monitoring had not been received for 53 clients. By the end of the audit, twenty four had been chased up and sixteen direct payments had ended. Thirteen cases remain outstanding with no information received, twelve of these are for children receiving direct payments, where the service is happy to continue to paying direct payments despite a lack of monitoring information.  The spreadsheet included client P4287 where complete monitoring had not been received since January 2011 and queries around large cash withdrawals had not been answered. (Total payments to the 53 clients from April 2011 to June 2012 was £245,880.96, payments to the 12 clients where information is outstanding is £90,593.77).	In progress	Exchequer Manager/The Heads of Service for Adults and Children's Social Care	Some audit testing carried out that suggests that there has been further progress. See Progress Report for update.	High

The following priority one recommendations have been implemented: None see comments column above

This page is left intentionally blank

## **London Borough of Bromley**

### **Internal Audit Charter**

#### **Main objective**

The London Borough of Bromley Internal Audit's mission **is to assist management and Members in minimising risks, maintaining high standards and continuously improving service delivery through independent appraisal, review and advice**. Internal Audit should add value and improve the organisation's operations. Internal Audit is a statutory requirement. The Accounts and Audit Regulations 2011 require the Authority as a "relevant body" to maintain an "adequate and effective system of internal audit of their accounting records and control systems".

#### **Context**

The Public Sector Internal Audit Standards (PSIAS) sets down the scope, powers and responsibilities of internal audit functions and internal auditors. Internal Audit is an independent service which provides the Council's statutory internal audit of accounting records and control systems and has the consequent rights of access to premises, staff, Members and documents. The Service also provides expert and practical advice on corporate governance issues including risk management and supports the Director of Finance Resources in undertaking statutory responsibilities for the proper administration of the Council's financial affairs and for reporting unlawful actions under the Local Government Act 1972 Section 151. The Accounts and Audit Regulations (2011) specifically require the provision of an internal audit service.

#### **Internal Audit Responsibilities**

- Documenting, appraising and reporting upon the operation of financial and other control systems and offering practical advice on improvements. A significant proportion of audit time is spent on this key aspect which is delivered through the audit planning and reporting processes
- Advising clients on how to incorporate suitable controls into a new system prior to implementation.
- Reporting to the Authority's Audit Sub Committee.
- Providing the Council with an annual report on the control environment and significantly contributing to the annual statement of corporate governance. The AGS(Annual Governance Statement)

- Sensitively helping and advising on the investigation of suspected irregularities and advising on the appropriate action.
- Monitoring Bromley's Benefit Anti-Fraud service which is run in partnership with the Royal Borough of Greenwich; liaising with the National Fraud Authority, London Boroughs Fraud Investigation Group, London Fraud Forum, Police Public Sector Fraud Squad and local police.
- Appraising all aspects of contracts from project appraisal to post-completion reviews.
- Co-ordinating the National Fraud Initiative (NFI) exercises for the Council
- Liaising with other proactive exercises to identify fraud.
- Liaising with Procurement in carrying out training in Financial Regulations and Contract Procedure Rules.
- Advising managers on risk and control issues, implementing changes and risk mitigation actions.

### **Audit Planning**

The purpose of the annual audit plan is to:

- Optimise the use of audit resources available, given that these are now limited
- Identify the key risks facing the Council to achieving its objectives and determine the corresponding level of audit resources
- Ensure effective audit coverage of high risk areas and a mechanism to provide Members, governors, head teachers and senior managers with an overall opinion on the auditable areas and the overall control environment
- Add value and support senior management in providing effective control and identifying opportunities for improvement
- Supporting the Council's nominated Section 151 Officer
- Deliver an Internal Audit service that meets the requirements of the Accounts & Audit Regulations 2011.
- Reviewing Value for Money arrangements for designated audits in the plan where possible.
- Allow flexibility to take on fraud and investigation work and participate in any proactive work.
- Delivery of the Annual Audit Plan in particular high risk audit reviews.
- To be responsive to transformational change and service demands.

The type of audits include:

- Risk based systems audits including fundamental system audits
- Compliance/regularity/establishment audits e.g. libraries



- Self assessment/internal audit testing for schools
- Key control testing
- Procurement-including contract audit
- System Development
- IT audits
- Investigations that identify breakdown in controls

### **Delivery and Due Professional Care**

In carrying out our Internal Audit work we will comply with the requirements of:

- LB Bromley's policies and procedures;
- Relevant legislation;
- Public Sector Internal Audit Standards;
- Seven Principles of Public Life (Nolan Principles);
- Bromley's Code of Corporate Governance.
- Compliance with the Code of Ethics

The yearly audit plan as agreed by the Audit Sub Committee and any investigation work will be carried out by a team of 6 FTE suitably experienced and qualified principal auditors including the Head of Audit. Where a shortfall in delivering the plan is identified this will be augmented by commissioning of outside services such as Deloitte under a Framework contract agreed with the London Borough of Croydon. The investigative work can also be commissioned from RB Greenwich under the partnership agreement that operates with that borough.

### **Access to Records and Personnel**

In order to carry out audits thoroughly and professionally, Internal Audit require unrestricted access to all relevant records and any explanations from staff. All information obtained will be treated confidentially.

### **Independence**

The Head of Audit should at all times have free and unfettered access to the following:

- Chief Executive;
- Director of Finance;
- Monitoring Officer who is the Director of Corporate Services;
- Chairman of the Audit Sub Committee; and
- Chief Officers

Internal Audit staff are required to make an annual declaration of interest to ensure that auditors' objectivity is not compromised in the event of any potential conflicts of interest.

### **Reporting**

We will ensure that management will receive timely written reports which:

- will have a short management summary

- details any matters of significance that have arisen- priority one issues highlighted
  - provides an opinion of the adequacy of controls reviewed- one of four assurance opinions given i.e. nil, limited, substantial and full assurance
  - recommends practical ways in which system weaknesses can be addressed and records details of discussions with auditees- measured through agreed recommendations and audit satisfaction questionnaires.
- the destination of reports is set within the terms of reference prior to an audit. In the event of major findings, these are reported to Chief Officers, the Chief Executive and Audit Sub Committee.

### **External Auditors**

Internal Audit will closely liaise with the external auditors to ensure maximum coverage, non duplication of audit coverage, sharing of information and the placement of reliance on Internal Audit work that could result in controlling audit fees.

## London Borough of Bromley

## APPENDIX C

**BROMLEY - CODE OF CORPORATE GOVERNANCE****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) 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.

### **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 detailed in the Annual Governance Statement which is published with the Annual Report and Statement of Accounts

May 2013

## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>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.</b>	
Supporting Principles:	The Council will:
1. 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
2. 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
3. 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 make sure that the Council or partnership has the information needed to review value for money and performance effectively
	measure the sustainability environmental impact of policies, plans and decisions
	<del>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</del>
	<del>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</del>
	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

<b>Core Principle 2: Members and Officers working together to achieve a common purpose with clearly defined functions and roles.</b>	
Supporting Principles:	The Council will:
1. 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
	<del>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</del>
2. 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 <del>Finance Director</del> Director of Finance (who is currently the 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
	ensure that Bromley's financial management arrangements conform with the governance requirements of the CIPFA <i>Statement on the Role of the Chief Financial Officer in Local Government</i>
	<del>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</del>
	<del>ensure that the Council's governance arrangements allow the CFO direct access to the Chief Executive and to other leadership team members</del>
	<del>ensure that the CFO:</del> <ul style="list-style-type: none"> <li>● <del>leads the promotion and delivery by the whole organisation</del></li> </ul>

	<p>of good financial management so that public money is used appropriately, economically, efficiently and effectively at all times</p> <ul style="list-style-type: none"> <li>• has a line of professional accountability for finance staff throughout the organisation</li> </ul>
	<p>ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance</p>
	<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 Corporate Services Resources (who is currently the 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 Council Directors</p>
<p>3. 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"> <li>• a medium term financial strategy to ensure sustainable finances</li> <li>• a robust annual budget process that ensures financial balance</li> <li>• a monitoring process that enables this to be delivered</li> </ul> <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"><li>• ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council</li><li>• ensure that there is clarity about the legal status of the partnership</li><li>• 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</li></ul>
--	--



## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>Core Principle 3: Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.</b>	
Supporting Principles:	The Council will:
1. 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 put in place appropriate processes to ensure that they continue to operate in practice
2. 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.
	<del>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</del>
	<del>develop and maintain an effective Standards Committee</del> promote and maintain high standards of conduct by Councillors and co-opted members of the Council
	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

<b>Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.</b>	
Supporting Principles:	The Council will:
1. 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
	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 an effective internal audit function is resourced and maintained
	ensure that Bromley's assurance arrangements conform with the governance requirements of the CIPFA <i>Statement on the Role of the Head of Internal Audit</i>
	<del>ensure that the Council's governance arrangements allow the CFO direct access to the Audit Committee and external audit</del>
	put in place effective, transparent and accessible arrangements for dealing with complaints
2. 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 <b>and financial</b> issues and their implications
	<del>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</del>
	<del>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</del>
	<del>ensure the Council's governance arrangements allow the CFO to bring influence to bear on all material decisions</del>
	<del>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)</del>

3. 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
	<del>ensure the Council's arrangements for financial and internal control and for managing risk are addressed in annual governance reports</del>
	<del>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</del>
	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
4. Using their legal powers to the full benefit of the citizens and communities in their area	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
	recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on Councils by public law
	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

## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>Core Principle 5: Developing the capacity and capability of Members and Officers to be effective.</b>	
Supporting Principles:	The Council will:
1. 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
	<del>ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role</del>
	<del>review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised</del>
	<del>provide the finance function with the resources, expertise and systems necessary to perform its role effectively</del>
2. 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
	<del>embed financial competencies in person specifications and appraisals</del>
	<del>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 and tools on an ongoing basis to help them discharge their responsibilities</del>
	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
3. 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 Officers and support for Members to encourage participation and development

## BROMLEY – CODE OF CORPORATE GOVERNANCE

<b>Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.</b>	
Supporting Principles:	The Council will:
1. 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
2. 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 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
	<del>hold all formal councillor or partnership meetings in public unless there are good reasons for confidentiality</del>
	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
	publish an annual 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
3. Making best use of human resources by taking an active and planned approach to meet responsibilities 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

<b>GLOSSARY OF TERMS</b>	
<b>TERM</b>	<b>DEFINITION</b>
Chief Executive	The Council's Head of the Paid Service, and chief policy adviser. The Chief Executive heads the Council Directors, 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 Finance.
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 Corporate 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 Finance.
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 D**

<b>Core Principles</b>  <b>Key Policies / Processes</b>	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			•			
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	•					
Executive and Resources PDS Committee Annual Report				•		•
Financial Regulations			•	•		
Financial Strategy	•	•	•			

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

<b>Core Principles</b>  <b>Key Policies / Processes</b>	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 Development Framework	•					
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		•	•			
Treasury Management Strategy	•	•	•			



LBB ANALYSIS OF IAAF MONTHLY MONITORS 2002 through to 2012/13

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
Court Summonses							1			2	2		5
Admin Penalties							1		1				2
Formal Cautions				1					1				2

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
Court Summonses	2	4	1	4	3	2			1	1			18
Admin Penalties	3		1		1			1	1	2			9
Formal Cautions	4	1	1			1	2	1		2	1	1	14

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
Court Summonses	2	4			6	2	1			9	2	4	30
Admin Penalties	2		2	1		3				1			9
Formal Cautions		4	2		1	2	1	3	1		2	1	17

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
Court Summonses	6	3	4	1	3	4	7	5	2	5	6	4	50
Admin Penalties	1	2					2		3	1	1	1	11
Formal Cautions	2	2	1	2		2	1			1	1		12

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	9	1	3		3	2	4	4	6	4	3	2	41
Court Summonses	4	1	4	4	1	7	6	1	5	4	5		42
Admin Penalties	5	4	3	2	2	1	2	4	2	3	15		43
Formal Cautions		1	2							1	2		6

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		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	39	25	56	59	76	542
Confidential Hotline	5	10	9	9	13	15	15	10	7	7	9	17	126
Interviews	12	11	5	14	8	27	16	19	9	31	20	30	202
Claimant Visits	1	5	4		4	9	4	7		4	7	9	54
Prosecutions	6	3	3	3	6	4	3	1	5	1	3		38
Court Summonses	1	3	3		2	2	1	2		3	3	1	21
Admin Penalties	8	1	2	3		3	1			3	2	2	25
Formal Cautions	2			1	1	1			1		1	1	8

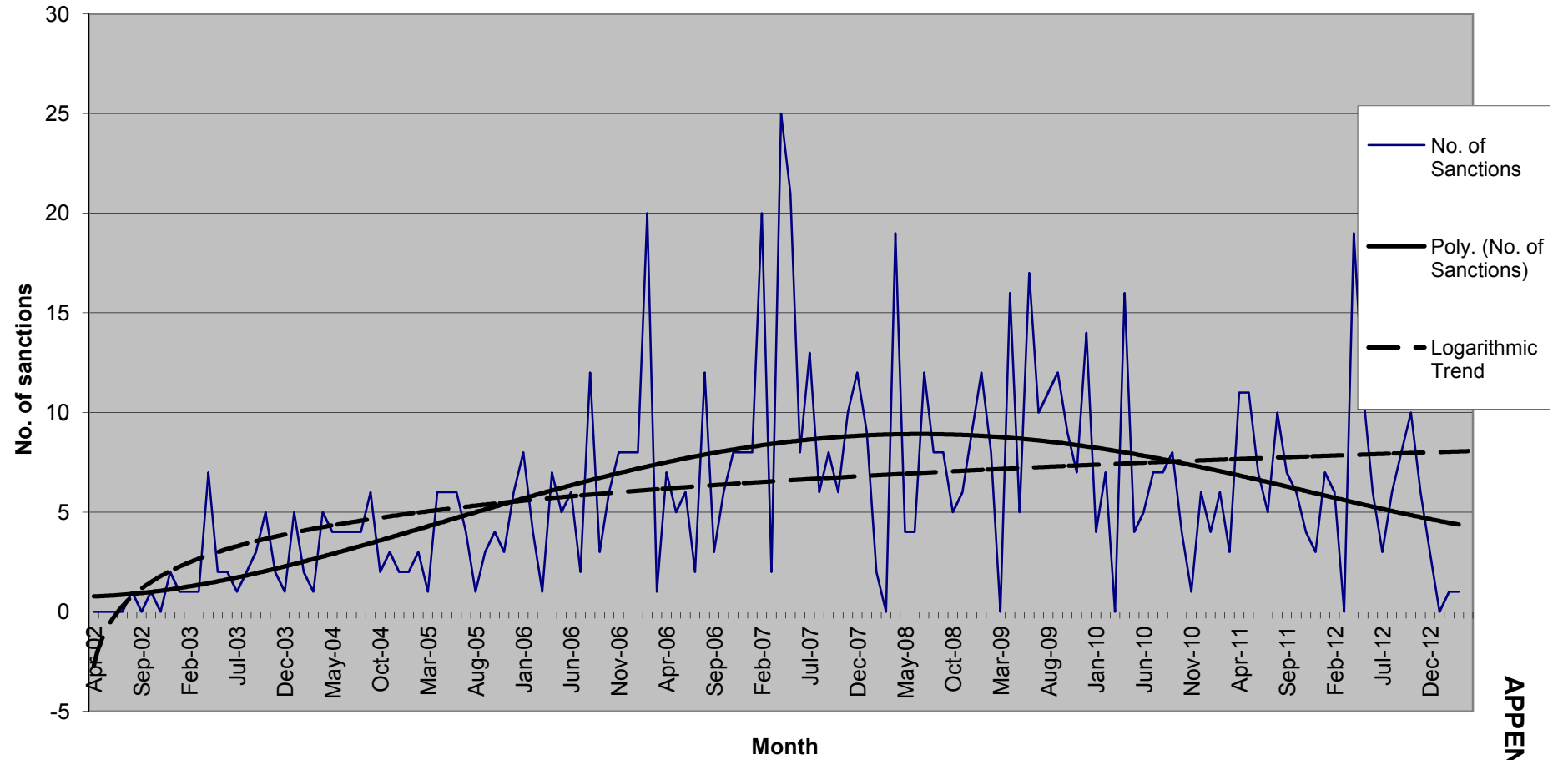
2011/12	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	52	60	56	57	30	64	58	68	31	46	43	39	604
Confidential Hotline	23	11	11	10	4	13	15	11	8	6	5	8	125
Interviews	18	28	24	21	19	10	16	18	17	18	25	21	235
Claimant Visits	10	10	4	3			1	6	6	4	7	7	58
Prosecutions	4	1	2		1	3	2	3		4	5		25
Court Summonses		3	1	5	4	1	7	3	1	1		2	28
Admin Penalties	6	10	4	5	8	3	4	2	2	1	1		46
Formal Cautions	1		1	1	1	1			1	2			8

2012/13	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	37	41	13	40	26	36	40	36	19	36	85	62	471
Confidential Hotline	8	10	5	10	8	8	9	15	6	10	5	10	104
Interviews	2	16	18	13	16	6	9	22	8	8	8	14	140
Claimant Visits	1		5	5	5	9	5	7	8	2	3	2	52
Prosecutions	4	5	1		4	3	4	5			1		27
Court Summonses	2	3		3	7		3	2	2	1	4		27
Admin Penalties	16	5	5	2	2	5	5	1	2				43
Formal Cautions		1					1		1			1	4

2013/14	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Number of Cases	47												47
Confidential Hotline	16												16
Interviews	24												24
Claimant Visits	4												4
Prosecutions	10												10
Court Summonses	2												2
Admin Penalties	2												2
Formal Cautions													0

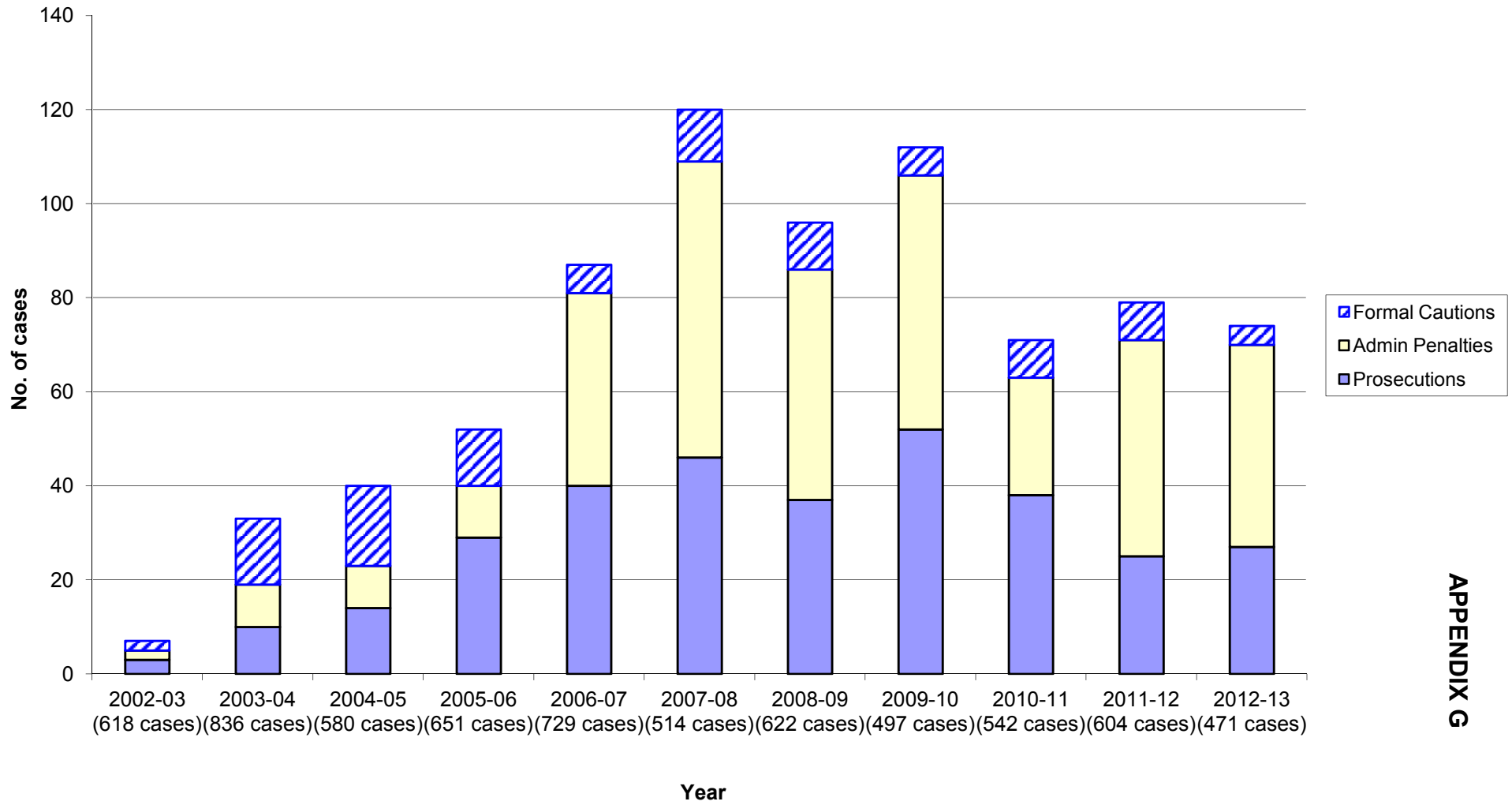
### Sanctions Trend

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



This page is left intentionally blank

### HB Sanctions - Annual Comparison



This page is left intentionally blank

## **CONFIDENTIAL REPORTING CODE**

### **CONFIDENTIAL REPORTING POLICY**

#### **1. PREAMBLE**

- 1.1 Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.2 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees, and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns including concerns about Members of the Council. It is recognised that most cases will have to proceed on a confidential basis.
- 1.3 This policy document makes it clear that you can do so without fear of victimisation, subsequent discrimination or disadvantage. This Confidential Reporting Policy is intended to encourage and enable employees to raise serious concerns first within the Council rather than overlooking a problem or 'blowing the whistle' outside.
- 1.4 The policy applies to all employees and those contractors working for the Council on Council premises, for example, agency staff, builders, drivers.
- 1.5 These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures applying to some departments. Chief Officers are responsible for making service users aware of the existence of these procedures.
- 1.6 This policy has been discussed with the relevant national trade unions and professional organisations and has their support. It has also been discussed with the local trade unions and Staff Side Secretary.
- 1.7 This Code also takes into account the requirements of the Public Interest Disclosure Act 1998.

#### **2. AIMS AND SCOPE OF THIS POLICY**

- 2.1 This policy aims to:
  - encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice

- provide avenues for you to raise those concerns and receive appropriate feedback on any action taken depending on the nature of the complaint and the subsequent action taken
- ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied
- reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.

2.2 There are existing procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover major concerns that fall **outside** the scope of other procedures. These include:

- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as other employees
- the unauthorised use of public funds
- possible fraud and corruption
- sexual, physical, verbal or financial abuse of clients, or
- other unethical conduct (wrong doing).

2.3 Thus, serious concerns that you have about aspects of service provision or the conduct of officers or Members of the Council or others acting on behalf of the Council can be reported under the Confidential Reporting Policy. This may be about something that:

- makes you feel uncomfortable in terms of your experience or the standards you believe the Council subscribes to; or
- is against the Council's Constitution and policies; or
- falls below established standards of practice; or
- amounts to improper conduct.

### 3. SAFEGUARDS

#### 3.1 Harassment or Victimisation



- 3.2 The Council is committed to good practice and high standards and wants to be supportive of employees.
- 3.3 The Council recognises that the decision to report a concern can be a difficult one to make but you will be doing your duty to your employer and those for whom you are providing a service.
- 3.4 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith.
- 3.5 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

#### **4. CONFIDENTIALITY**

- 4.1 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. At the appropriate time, however, you may need to come forward as a witness.

#### **5. ANONYMOUS ALLEGATIONS**

- 5.1 This policy encourages you to put your name to your allegation whenever possible.
- 5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.
- 5.3 In exercising this discretion the factors to be taken into account would include:
- the seriousness of the issues raised
  - the credibility of the concern; and
  - the likelihood of confirming the allegation from attributable sources.

#### **6. UNTRUE ALLEGATIONS**

- 6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

#### **7. HOW TO RAISE A CONCERN**

- 7.1 As a first step, you should normally raise concerns with your immediate manager or their superior. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach the Chief Executive, Chief Financial Officer, Monitoring Officer, Internal Audit or

any specialist units the Council may have established (for example the Anti-Fraud Team)

7.2 Concerns may be raised verbally or in writing. Staff who wish to make a written report are invited to use the following format:

- the background and history of the concern (giving relevant dates);
- the reason why you are particularly concerned about the situation

7.3 The earlier you express the concern the easier it is to take action.

7.4 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.

7.5 In order to obtain advice/guidance on how to pursue matters of concern you should contact one of the Designated Officers details of which are displayed on the staff intranet. If you have any problems in finding out about them, you can contact Joy Connor, Assistant Director Legal and Support Services (020 8313 4760)

7.6 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

7.7 You may invite your trade union, professional association representative or a friend to be present during any meetings or interview in connection with the concerns you have raised.

## **8. HOW THE COUNCIL WILL RESPOND**

8.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

8.2 Where appropriate, the matters raised may:

- be investigated by management, internal audit or through the disciplinary process
- be referred to the police
- be referred to the external auditor
- form the subject of an independent inquiry.

8.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child protection

or discrimination issues) will normally be referred for consideration under those procedures.

- 8.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- 8.5 Within ten working days of a concern being raised, the designated officer will normally write to you:
- acknowledging that the concern has been received
  - indicating how we propose to deal with the matter
  - giving an estimate of how long it will take to provide a final response
  - telling you whether any initial enquiries have been made.
  - supplying you with information on staff support mechanisms, and
  - telling you whether further investigations will take place and if not, why not. You may be required to keep this information confidential
- 8.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.
- 8.7 Where any meeting is arranged, off-site if you so wish, you can be accompanied by a union or professional association representative or a friend.
- 8.8 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.
- 8.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcome of any investigation.

## **9. THE RESPONSIBLE OFFICER**

- 9.1 The Monitoring Officer (who is the Director of Legal Democratic and Customer Services) has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council.

## **10. HOW THE MATTER CAN BE TAKEN FURTHER**

10.1 This policy is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- the external auditor
- your trade union
- your local Citizens Advice Bureau
- relevant professional bodies or regulatory organisations
- a relevant voluntary organisation
- the police
- Public Concern at Work

10.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information. Check with the contact point about that.

## RAISING CONCERNS (WHISTLEBLOWING) POLICY

### INTRODUCTION

1. Employees are often the first to realise that there may be something wrong within the Council. Usually these concerns are easily resolved. However, when the concern feels serious because it is about a possible fraud, corruption or misuse of position that might affect others or the council itself, it can be difficult to know what to do.
2. You may be worried about raising such a concern and may think it best to keep it to yourself, perhaps feeling it's none of your business or that it's only a suspicion. You may feel that raising the matter would be disloyal to colleagues, managers or to the Council. You may decide to say something but find that you have spoken to the wrong person or raised the issue in the wrong way and are not sure what to do next.
3. The council is committed to running the organisation in the best way possible and to do so we need your help. We have introduced this policy to reassure you that it is safe and acceptable to speak up and to enable you to raise any concern you may have about malpractice at an early stage and in the right way. Rather than wait for proof, we would prefer you to raise the matter when it is still a concern.
4. This Raising Concerns Policy is intended to encourage and enable employees to raise serious concerns. This policy applies to all those who work for us; whether full-time or part-time, employed through an agency, contractors or as a volunteer. If you have a concern, please let us know.
5. These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures applying to some departments. If, however, you wish to make a complaint about your employment or how you have been treated, please use the grievance procedure - which you can get from One Bromley or HR officer. This Raising Concerns Policy is primarily for concerns where the interests of others or of the organisation itself are at risk. These include:
  - conduct which is an offence or a breach of law
  - disclosures related to miscarriages of justice
  - health and safety risks, including risks to the public as well as other employees
  - the unauthorised use of public funds
  - possible fraud and corruption
  - sexual, physical, verbal or financial abuse of clients, or

**If in doubt - raise it!**

## OUR ASSURANCES TO YOU

6. The Chief Executive and Chief Officers are committed to this policy. If you raise a genuine concern under this policy, you will not be at risk of losing your job or suffering any form of retribution as a result. We will not tolerate the harassment or victimisation of anyone raising a genuine concern. Provided you are acting in good faith, it does not matter if you are mistaken. Of course we do not extend this assurance to someone who maliciously raises a matter they know is untrue.
7. With these assurances, we hope you will raise your concern openly. However, we recognise that there may be circumstances when you would prefer to speak to someone in confidence first. If this is the case, please say so at the outset. If you ask us not to disclose your identity, we will not do so without your consent unless required by law. You should understand that there may be times when we are unable to resolve a concern without revealing your identity, for example where your personal evidence is essential. In such cases, we will discuss with you whether and how the matter can best proceed.
8. Please remember that if you do not tell us who you are it will be much more difficult for us to look into the matter. We will not be able to protect your position or to give you feedback. Accordingly you should not assume we can provide the assurances we offer in the same way if you report a concern anonymously.
9. If you are unsure about raising a concern you can get independent advice from Public Concern at Work which is an independent charity on 020 7404 6609 or by email at [helpline@pcaw.org.uk](mailto:helpline@pcaw.org.uk). Their lawyers can talk you through your options and help you raise a concern about malpractice at work.

## HOW TO RAISE A CONCERN INTERNALLY

10. As a first step, you should normally raise concerns with your immediate manager or team leader. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice.
11. If you are unable to raise the matter with your manager, for whatever reason, please raise the matter with:

<b>[Name of designated officer]</b>	<b>OR</b>	<b>[Name of designated officer]</b>
<b>[Contact details]</b>		<b>[Contact details]</b>

12. If these channels have been followed and you still have concerns, or if you feel that the matter is so serious that you cannot discuss it with any of the above, please contact

**[Chief Executive and/or, Chair, Audit Committee)]**  
**[Contact details]**

13. The concern could be raised verbally or in writing. If you want to raise the matter in confidence, please say so at the outset so that appropriate arrangements can be made.

#### **HOW THE COUNCIL WILL RESPOND**

14. Once you have told us of your concern, we will assess it and consider what action may be appropriate. This may involve an informal review, an internal inquiry or a more formal investigation. We will tell you who will be handling the matter, how you can contact them, and what further assistance we may need from you.
15. If you ask, we will write to you summarising your concern and setting out how we propose to handle it and provide a timetable for feedback. If we have misunderstood the concern or there is any information missing please let us know.
16. When you raise the concern it will be helpful to know how you think the matter might best be resolved. If you have any personal interest in the matter, we do ask that you tell us at the outset. If we think your concern falls more properly within our grievance, bullying and harassment or other relevant procedure, we will let you know.
17. Whenever possible, we will give you feedback on the outcome of any investigation. Please note, however, that we may not be able to tell you about the precise actions we take where this would infringe a duty of confidence we owe to another person.

#### **MONITORING / OVERSIGHT**

18. The Monitoring Officer (who is the Director of Corporate Services) has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council.

#### **HOW THE MATTER CAN BE TAKEN FURTHER**

19. While we hope this policy gives you the reassurance you need to raise such matters internally, we recognise that there may be circumstances where you can properly report matters to outside bodies, such as regulators or the police. Public Concern at Work (see paragraph 9) or your union will be able to advise you on such an option and on the circumstances in which you may be able to contact an outside body safely.

This page is left intentionally blank



# Agenda Item 9

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

Document is Restricted

This page is left intentionally blank

# Agenda Item 10

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

Document is Restricted

This page is left intentionally blank

Document is Restricted

This page is left intentionally blank

# Agenda Item 11

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

Document is Restricted

This page is left intentionally blank



Document is Restricted

This page is left intentionally blank

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

Document is Restricted

This page is left intentionally blank

Document is Restricted

This page is left intentionally blank