



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

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

DIRECT LINE: 020 8461 7743

FAX: 020 8290 0608

DATE: 28 October 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
WEDNESDAY 6 NOVEMBER 2013 AT 7.30 PM

MARK BOWEN
Director of Corporate Services

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

A G E N D A

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

2 DECLARATIONS OF INTEREST

**3 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 6TH JUNE 2013
EXCLUDING THOSE CONTAINING EXEMPT INFORMATION (Pages 3 - 8)**

4 MATTERS ARISING (Pages 9 - 12)

5 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 Thursday 31st October 2013.

6 ANNUAL AUDIT LETTER & LETTER OF REPRESENTATION (Pages 13 - 34)

7 INTERNAL AUDIT PROGRESS REPORT (Pages 35 - 60)

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.

Items of Business

Schedule 12A Description

- | | |
|---|--|
| <p>9 EXEMPT MINUTES OF THE MEETING HELD ON 6TH JUNE 2013 (Pages 61 - 64)</p> | <p>Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.</p> |
| <p>10 INTERNAL AUDIT FRAUD & INVESTIGATION REPORT (Pages 65 - 98)</p> | <p>Information relating to any individual.
Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |

.....

AUDIT SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 6 June 2013

Present:

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

Also Present:

Councillor Peter Fookes

38 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence.

39 DECLARATIONS OF INTEREST

Councillor Neil Reddin declared an interest as a governor of St Olave's School and as the parent of a child at Warren Road Primary School.

Councillor Reg Adams declared an interest as a governor of Churchfields and Stewart Fleming Primary Schools.

Councillor Simon Fawthrop declared an interest as the parent of a child at a Bromley school.

Councillor Julian Grainger declared an interest as a Governor at St Olave's School and Chelsfield Primary School.

40 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

41 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 13TH MARCH 2013 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

RESOLVED that the minutes of the meeting held on 13th March 2013 (excluding exempt information) be confirmed.

42 MATTERS OUTSTANDING FROM THE LAST MEETING
Report RES13094

The Sub-Committee received a summary of matters arising from previous meetings and considered the following matters in particular -

- In relation to minute 33 (13th March 2013) the Head of Audit would follow up Members' comments that the Risk Register did not do enough to put financial values against risks.
- In relation to minute 34 (13th March 2013), it was noted that the audit of IT procurement would be focussing on hardware partly as a result of the issues concerning the former Design Studio.
- A note had been circulated on the principles around the disclosure of Audit Reports and other sensitive information. This would be considered by the Executive and Resources PDS Committee at its next meeting.
- The Sub-Committee also agreed that future meetings would start at 7.30pm.

43 ANNUAL AUDIT REPORT
Report CEO1220

The Sub-Committee received the annual report of audit activity, including schools, for 2012/13. This included highlights of the performance of the Internal Audit Team, a summary of the audits undertaken and an assessment of the overall effectiveness of the Council's internal control environment. A separate annual fraud report was included on the part 2 agenda. The report also included the draft Annual Governance Statement.

The Chairman noted that for 2011/12 and 2012/13 there had been a decline in the percentage of recommendations in Internal Audit reports relating to lack of supporting documents compared to 2010/11.

The Head of Audit confirmed that, due to the amount of additional investigation and fraud work carried out (the total figure, to be inserted on page 5 of the report, was 286 days), it had been necessary to use Deloitte auditors through the framework agreement with LB Croydon. The costs were comparable to using in-house auditors; quality had been mixed, depending on the staff provided. The possibility of utilising services provided by LB Wandsworth was being considered.

Councillor Stephen Wells requested that a summary of audit issues be circulated to Chairmen of Governors so that schools-related issues were picked up.

Councillor Julian Grainger commented that value for money (VFM) was not specifically included in the summary at paragraph 3.2 of the report – the

Chairman confirmed that VFM was included in the Internal Audit Charter. Councillor Grainger also objected to the reference in the Annual Governance Statement to Member and Officer roles being defined in the Constitution as the Scheme of Delegation to Officers had a number of delegations that were described as being both executive and non-executive. The Sub-Committee noted this objection.

Members discussed the recommendations about car parking and penalty charge notices in Appendix 1 to the report, and the difference between PCNs being waived or written off. It was explained that there was discretion for PCNs to be waived where there was an error or uncertainty in the process or circumstances, whereas write-offs were for legitimately issued PCNs where the Council could no longer expect to receive payment. Members commented that the Council was right to take a reasonable approach to motorists, and a Member suggested that charging for disabled parking bays should be examined.

RESOLVED that the Annual Audit Report for 2012/13 be noted and the draft Annual Governance Statement be approved.

44 INTERNAL AUDIT PROGRESS REPORT Report CEO1221

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

(a) Audit Activity - Two major audits were planned for public health on payments and contracts and commissioning – funding had been transferred to provide 40 audit days.

(b) Auditor of the Year - The Sub-Committee were impressed with the quality of audit work carried out by both nominees, but decided to award the title of Auditor of the Year to Auditor A. A small presentation ceremony would be held with the Mayor.

(c) Future of Audit Committees - The Chairman reported that he had drafted a letter to go to the Department for Communities and Local Government (DCLG), but before it was sent a commitment had been made that Audit Committees would not have to contain independent members except when appointing external auditors. This was not necessary for Bromley until 2017. The Sub-Committee suggested that this issue be considered by the Constitution Improvement Working Group, and that the Chairman should still write to the DCLG setting out Bromley's position.

(d) Internal Audit Charter (Appendix B) - It was agreed that the reference to value for money on the second page be given greater prominence in the document.

(e) Code of Corporate Governance (Appendix C) - It was agreed that in Core Principle 1: 3 the second section be amended to read "Will consider

measuring the sustainability and environmental impact of policies...” The Chairman asked officers to ensure that advantage was taken of the CIPFA benchmarking club.

(f) Raising Concerns (Whistle-Blowing Policy) (Appendix I) - The Sub-Committee agreed that the Vice-Chairman should be added to the document as a potential contact and that Councillors should be mentioned in the Policy.

RESOLVED that

(1) The report be noted, with the comments set out above.

(2) That Auditor A be given the Auditor of the Year award.

(3) The Internal Audit Charter be approved, subject to giving greater prominence to value for money in the document.

(4) The Revised Code of Corporate Governance be approved and recommended for adoption by Council, subject to the change outlined above.

(5) The continuing achievements of the counter fraud partnership with the Royal Borough of Greenwich be noted.

(6) The revised Whistleblowing Policy be recommended to General Purposes and Licensing Committee for approval, subject to the addition of Councillors to the document and the inclusion of the Vice-Chairman’s name as set out above.

45 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

46 EXEMPT MINUTES OF THE MEETING HELD ON 13TH MARCH 2013

The Sub-Committee approved the exempt minutes of the meeting held on 13th March 2013.

47 ANNUAL INTERNAL AUDIT FRAUD REPORT

The Sub-Committee received the annual Internal Audit Fraud and Investigations report.

48 INTERNAL AUDIT FRAUD & INVESTIGATION REPORT

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

The Meeting ended at 9.42 pm

Chairman

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Agenda Item 4

Report No.
RES13195

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **6 November 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. Four matters from the last two meetings are covered, including part 2 matters where 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: No Cost:
 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? No
2. Summary of Ward Councillors comments: N/A

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

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

Issue & Date	Summary	Action being taken ...	By	Estimated Completion
<p>Internal Audit Progress Report – Future of Audit Committees</p> <p>Minute 33</p> <p>13th March 2013</p>	<p>Chairman to write to the Secretary of State about the Local Audit and Accountability Bill.</p>	<p>The Chairman wrote to Rt. Hon Eric Pickles MP, Secretary of State for Communities and Local Government, on 16th October 2013 - copies were made available to all Sub-Committee Members</p>	<p>Chairman</p>	<p>October 2013</p>
<p>Annual Audit Report – Schools related issues</p> <p>Minute 43</p> <p>6th June 2013</p>	<p>Cllr Wells requested that a summary of schools-related audit issues be circulated to Chairmen of Governors</p>	<p>A circular is being issued after half-term early in November.</p>	<p>Head of Internal Audit</p>	<p>November 2013</p>
<p>Annual Audit Report – Car parking</p> <p>Minute 43</p> <p>6th June 2013</p>	<p>Members suggested that charging for disabled parking bays should be considered.</p>	<p>This has been considered by the Environment PDS Committee’s Parking Working Group</p>	<p>Head Of Parking</p>	<p>September 2013</p>
<p>Internal Audit Fraud and Investigation Report</p> <p>Minute 48/1</p> <p>6th June 2013</p> <p>(Part 2 – Not for publication)</p>	<p>Various matters relating to particular cases</p>	<p>Updates are provided in the Fraud and Investigation report on part 2 of the agenda.</p>	<p>Head of Internal Audit</p>	<p>October 2013</p>

Agenda Item 6

Report No.
CEO 1225

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **Wednesday 6 November 2013**

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

Title: **ANNUAL AUDIT LETTER & LETTER OF REPRESENTATION**

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 Committee normally receives the Annual Audit Letter. The letter summarises the results of the External Auditors (PWC) audit work for 2012/13. In addition The Letter of Representation is also attached for information which details key undertakings given by the Director of Finance to the External Auditors (PWC) in preparing the 2012/13 Statement of Accounts.

2. **RECOMMENDATION(S)**

- a. **Members are asked to note the Annual Audit Letter from PWC our External Auditors.**
- b. **Members are asked to note the Letter of Representation from the Director of Finance.**

Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Excellent Council:
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: External Audit
 4. Total current budget for this head: £200K to cover all aspects of audit
 5. Source of funding: General Fund and Pension Fund
-

Staff

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

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

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

3. COMMENTARY

3.1 Annual Audit Letter

3.2 The final Annual Audit Letter that summarises the results of the audit work undertaken by PWC in respect of 2012/13 is attached for information.

3.3 Members should note that the 2012/13 external audit cannot be concluded and a certificate issued as there is an objection to the accounts in relation to the Authority's parking enforcement contract.

3.4 There are no areas of concern. There are however 5 recommendations in respect of retention of testing documents on the Oracle Upgrade, review of the bank mandate, use of a pension bank account, observation on a bank mandate (updating of signatories for staff who had left) and monitoring of timeliness of contributions. All recommendations have been accepted for implementation.

3.5 Letter of Representation

3.6 The Letter of Representation is attached to this report for information. It sets out the key undertakings given by the Director of Finance to the External Auditors in relation to the 2012/13 Statement of Accounts, the information provided, accounting policies, fraud and non compliance with laws and regulations, related party transactions, employee benefits, contractual arrangements/agreements, litigation and claims, taxation, pension fund assets and liabilities, pension fund registered status, bank accounts, using the work of experts, assets and liabilities, provisions, retirement benefits, disclosures and items specific to local government.

3.7 Members should note that the Letter has been signed off by the Director of Finance and Chairman of the General Purposes and Licensing Committee.

4. POLICY IMPLICATIONS

None

5. FINANCIAL IMPLICATIONS

None

6. LEGAL IMPLICATIONS

The Annual Audit Letter is a requirement under the Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies.

7. PERSONNEL IMPLICATIONS

None

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

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London Borough of Bromley

Annual Audit Letter

2012/13

Government and
Public Sector

October 2013

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Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2010 the Audit Commission issued a revised version of the ‘Statement of responsibilities of auditors and of audited bodies’. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors on any Member or officer in their individual capacity or to any third party.

An audit is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters.

Introduction

The purpose of this letter

This letter summarises the results of our 2012/13 audit work for members of the London Borough of Bromley (“the Authority”).

We have already reported the detailed findings from our audit work to the General Purposes and Licensing Committee in the following reports:

- Audit opinion for the 2012/13 financial statements, incorporating opinion on the proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
- London Borough of Bromley ISA 260 Report to those charged with Governance (ISA (UK&I) 260);
- Audit report on the London Borough of Bromley Pension Fund Annual Report 2012/13; and
- London Borough of Bromley Pension Fund ISA 260 Report to those charged with Governance (ISA (UK&I) 260).

We expect to issue the Annual Certification Report for 2012/13 in March 2014.

The matters reported here are the most significant for the Authority.

Scope of Work

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

London Borough of Bromley

As an administering Authority of a pension fund, the Authority is also responsible for preparing and publishing Accounting Statements for the London Borough of Bromley Pension Fund.

Our 2012/13 audit work has been undertaken in accordance with the Audit Plan that we issued in March 2013 and is conducted in accordance with the Audit Commission’s Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

We met our responsibilities as follows:

Audit Responsibility	Results	Audit Responsibility	Results
<i>Perform an audit of the statement of accounts and pension fund accounting statements in accordance with the Auditing Practice Board's International Standards on Auditing (ISAs (UK&I)).</i>	<p>▶ We performed an audit of the statement of accounts and pension fund accounting statements.</p> <p>We issued an unqualified opinion for both on 30 September 2013.</p>	<i>Consider the completeness of disclosures in the Authority's Annual Governance Statement, identify any inconsistencies with the other information of which we are aware from our work and consider whether it complies with CIPFA / SOLACE guidance.</i>	▶ We reviewed the Annual Governance Statement to consider whether it complied with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.
<i>Report to the National Audit Office on the accuracy of the consolidation pack the Authority is required to prepare for the Whole of Government Accounts.</i>	<p>▶ We undertook our work on the Whole of Government Accounts consolidation pack. The assurance statement was certified on 30 September and the audited pack was submitted on 2 October 2013.</p> <p>We found no areas of concern to report in this context.</p>	<i>Consider whether, in the public interest, we should make a report on any matter coming to our notice in the course of the audit.</i>	▶ No matter was noted in the course of the audit that required a report in the public interest.
<i>Form a conclusion on the arrangements the Authority has made for securing economy, efficiency and effectiveness in its use of resources.</i>	▶ We issued an unqualified conclusion on 30 September 2013 in respect of the two criteria detailed by Audit Commission requirements.	<i>Determine whether any other action should be taken in relation to our responsibilities under the Audit Commission Act.</i>	▶ We are currently responding to an objection to the financial statements. No other action has to date been necessary in relation to our responsibilities under the Audit Commission Act.

Audit Responsibility	Results
<p><i>Issue a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.</i></p>	<p>Our audit cannot be formally concluded as at October 2013 and a certificate issued in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.</p> <p>This is because there is an outstanding matter in relation to an objection on the 2012/13 statement of accounts that relates to the Authority's parking enforcement contract and the legality of its performance targets.</p> <p>We will update the Audit Sub-Committee when we are able to do so.</p>
<p><i>Issue an opinion on the pension fund annual report.</i></p>	<p>We issued an unqualified opinion on the Authority's pension fund annual report on 30 September 2013.</p>




We have detailed the findings from the audit of the Authority, including matters relating to the audit of the Statement of Accounts, that we wish to draw to your attention.

Audit Findings

Statement of Accounts

We audited the Authority's Statement of Accounts in line with approved Auditing Standards and issued an unqualified audit opinion on 30 September 2013.

We identified four accounting issues during the course of our work that we wish to draw to your attention.

Valuation of property, plant and equipment and investment properties

The Authority utilised the expertise of Wilks, Head & Eve LLP ("WH&E") in evaluating the valuation of the Authority's property, plant and equipment and investment properties for the first time this year. In prior years, this valuation had been performed by an in-house valuation team.

Our internal valuation experts reviewed the assumptions and methodologies used by WH&E. They had comments on how WH&E had deducted purchaser costs when valuing commercial investment properties and the approach of apportioning land values as a percentage of building costs in their valuation.

We considered these approaches, and do not consider there to be a material impact for either these departures of methodology.

Depreciation of fixtures and fittings

The way the Authority accounts for the capitalisation of fixtures and fittings is not in line with Accounting Standards. Upon discussing this with management and performing further work, we are comfortable that the potential impact on

the balance sheet and comprehensive statement of income and expenditure is immaterial.

Related parties

We performed detailed testing over transactions with related parties to the Authority, which identified one additional relationship that was not previously identified. Upon further work, transactions were identified, and subsequently disclosed in the financial statements by management.

Pensions liability

The Authority's pension liability is the most significant estimate in the financial statements. The Pension Fund is undergoing its triennial valuation in 2013 and it is expected to result in a further increase to the liability. For 2012/13, we gained assurance over the assumptions underlying the pension liability, and we validated the data supplied to the actuaries which was used in calculating the liability.

Economy, efficiency and effectiveness

We carried out sufficient, relevant work in line with the Audit Commission's guidance, so that we could conclude on whether you had in place, for 2012/13, proper arrangements to secure economy, efficiency and effectiveness in your use of the Authority's resources.

In line with Audit Commission requirements, our conclusion was based on two criteria:

- the organisation has proper arrangements in place for securing financial resilience; and
- the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

To reach our conclusion, we carried out a programme of work that was based on our risk assessment.

We issued an unqualified conclusion in respect of the two criteria above.

Annual Governance Statement

Local authorities are required to produce an Annual Governance Statement (AGS) that is consistent with

guidance issued by CIPFA/SOLACE. The AGS accompanies the Statement of Accounts.

We reviewed the AGS to consider whether it complied with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

Whole of Government Accounts

We undertook our work on the Whole of Government Accounts consolidation pack as prescribed by the Audit Commission. The assurance statement was certified on 30 September and the audited pack was submitted on 2 October 2013. We found no areas of concern to report in this context.

Certification of Claims and Returns

We presented our most recent Annual Certification Report for 2011/12 to the Audit Sub-Committee in March 2013. We certified three claims with a net worth £228.6 million. In one case a qualification letter was required to set out the issues arising from the certification of the claim.

We will issue the Annual Certification Report for 2012/13 in March 2014.

In accordance with ISA (UK&I) 265 we are required to communicate deficiencies in internal control to those charged with governance. These deficiencies were identified from our interim and year-end procedures.

Summary of Recommendations

Recommendation	Management Response	Target Implementation Date
Main audit		
<p><u>Upgrade of Oracle</u> We recommend that all testing documentation is retained when an upgrade is performed to a key financial system to ensure a sufficient audit trail is retained.</p>	<p>Testing of all processes and interfaces were carried out as well as full reconciliations of pre and post upgrade balances and no issues were identified regarding the migration of data during the upgrade. All documentation to support the testing and reconciliations, as well as the issue lists that were maintained throughout the upgrade with the external contractor assisting Bromley, were stored on a shared drive (this information has been retained).</p> <p>Although this was not a system re-implementation, it was purely an upgrade of the existing system, it is accepted that a more formal process / sign-off could have been followed and this will be taken into account for any future upgrades.</p>	On-going.
<p><u>Bank mandate</u> We recommend the Authority reviews the bank mandate of the bank account out of which payments are made on a regular basis.</p>	<p>A revised signature mandate has been sent to the bank and will be kept updated for any future changes</p>	<p>Completed.</p> <p>It will be monitored on an on-going basis going forward.</p>
Pension fund		
<p><u>Use of pension scheme bank account</u> We recommend that the Fund take the appropriate action in order to ensure that the bank account becomes fully operational in accordance with the above regulation. We note that most LGPS we audit have now fully implemented and are using a separate bank account for their pension funds.</p>	<p>The use of a separate account will be reviewed and considered with a view to full implementation.</p>	1 April 2014

Recommendation	Management Response	Target Implementation Date
<p><u>Observation on bank mandate</u> We recommend that the mandate is amended appropriately and is reviewed regularly in future and when relevant personnel leave to ensure signatories remain valid.</p>	<p>The bank mandate was sent to HSBC on 19 August 2013 and is now in place. This will be kept up to date to reflect any future changes in personnel.</p>	<p>Completed. It will be monitored on an on-going basis going forward.</p>
<p><u>Monitoring of timeliness of contributions</u> We have agreed with management that they will discuss this with Liberata with a view to putting a control in place in this area, and also to reinforce to schools paying by cheque that BACS is preferable.</p>	<p>These actions are scheduled to be completed.</p>	<p>1 October 2013</p>

We are required to provide an update of our fee proposals for 2012/13 against the actual outturn for 2013/13.

Final Fees

Final Fees for 2012/13

We reported our fee proposals in our audit plan in March 2013.

Our actual fees were in line with our proposals at £200,418, with the exception of the points noted below.

The fees are not on a like for like basis as the 2011/12 fee includes a mandatory recharge paid to the Audit Commission, which was not required in 2012/13.

Our fees charged were therefore:

	2012/13 outturn (£)	2012/13 fee proposal (£)	2011/12 final outturn (£)
Audit work performed under the Code of Audit Practice*	156,168	156,168	260,280
- Statement of accounts			
- Local value for money conclusion			
- Whole of government accounts			
Pension fund audit	21,000	21,000	35,000
Certification of claims and returns**	23,250	23,250	38,750
TOTAL	200,418	200,418	334,00

Please note the following points:

*Our work to consider the outstanding matter in relation to an objection on the 2012/13 statement of accounts is on-going. We will need to agree the additional fees in relation to this with the Authority and the Audit Commission once we have made our determination.

**Our fee for certification of claims and returns is yet to be finalised for 2012/13 as the work is on-going. The fee stated is an estimate. The fee will be confirmed to the Audit Sub-Committee in March 2014 within the 2012/13 Annual Certification Report.



In the event that, pursuant to a request which the London Borough of Bromley has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. The London Borough of Bromley agrees to pay due regard to any representations which PwC may make in connection with such disclosure and the London Borough of Bromley shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, the London Borough of Bromley discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

This document has been prepared only for the London Borough of Bromley and solely for the purpose and on the terms agreed through our contract with the Audit Commission. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

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Resources Department

Civic Centre, Stockwell Close, Kent BR1 3UH

Telephone: 020-8464 3333

Direct Line:

Email:

Fax: 020-

Internet: www.bromley.gov.uk

020 8313 4338

peter.turner@bromley.gov.uk

PricewaterhouseCoopers LLP

7 More London Riverside

London

SE1 2RT

25th September 2013

Dear Sirs

Representation letter – audit of the London Borough of Bromley's ("the Authority") Statement of Accounts for the year ended 31 March 2013

Your audit is conducted for the purpose of expressing an opinion as to whether the Statement of Accounts of the Authority give a true and fair view of the affairs of the Authority as at 31 March 2013 and of its deficit and cash flows for the year then ended and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 supported by the Service Reporting Code of Practice 2012/13.

I acknowledge my responsibilities as Director of Finance for preparing the Statement of Accounts as set out in the Statement of Responsibilities for the Statement of Accounts. I also acknowledge my responsibility for the administration of the financial affairs of the Authority and that I am responsible for making accurate representations to you.

I confirm that the following representations are made on the basis of enquiries of other chief officers and members of the Authority with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy myself that I can properly make each of the following representations to you.

I confirm, to the best of my knowledge and belief, and having made the appropriate enquiries, the following representations:

Statement of Accounts

- I have fulfilled my responsibilities for the preparation of the Statement of Accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 supported by the Service Reporting Code of Practice 2012/13; in particular the Statement of Accounts give a true and fair view in accordance therewith.
- All transactions have been recorded in the accounting records and are reflected in the Statement of Accounts.
- Significant assumptions used by the Authority in making accounting estimates, including those surrounding measurement at fair value, are reasonable.
- All events subsequent to the date of the Statement of Accounts for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 requires adjustment or disclosure have been adjusted or disclosed.

Information provided

- I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that you, the Authority's auditors, are aware of that information.
- I have provided you with:
 - access to all information of which I am aware that is relevant to the preparation of the Statement of Accounts such as records, documentation and other matters, including minutes of the Authority and its committees, and relevant management meetings;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
- So far as I am aware, there is no relevant audit information of which you are unaware.

Accounting policies

I confirm that I have reviewed the Authority's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the Statement of Accounts are appropriate to give a true and fair view for the Authority's particular circumstances.

Fraud and non-compliance with laws and regulations

I acknowledge responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

I have disclosed to you:

- the results of our assessment of the risk that the Statement of Accounts may be materially misstated as a result of fraud.
- all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the Statement of Accounts.
- all information in relation to allegations of fraud, or suspected fraud, affecting the Authority's Statement of Accounts communicated by employees, former employees, analysts, regulators or others.
- all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Statement of Accounts.

I am not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations which provide a legal framework within which the Authority conducts its business and which are central to the Authority's ability to conduct its business or that could have a material effect on the Statement of Accounts.

Other than those already reported to you, I am not aware of any irregularities, or allegations of irregularities including fraud, involving members, management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the Statement of Accounts.

The Authority pension fund has not made any reports to the Pensions Regulator nor am I aware of any such reports having been made by any of our advisors. I confirm that I am not aware of any late contributions or breaches of the schedule of contributions that have arisen which I considered were not required to be reported to the Pensions Regulator. I also confirm that I am not aware of any other matters which have arisen that would require a report to the Pensions Regulator.

There have been no other communications with the Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.

Related party transactions

I confirm that we have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Section 3.9 of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

We confirm that we have identified to you all senior officers, as defined by the Accounts and Audit Regulations 2011, and included their remuneration in the disclosures of senior officer remuneration.

Employee Benefits

I confirm that we have made you aware of all employee benefit schemes in which employees of the Authority participate.

Contractual arrangements/agreements

All contractual arrangements (including side-letters to agreements) entered into by the Authority have been properly reflected in the accounting records or, where material (or potentially material) to the statement of accounts, have been disclosed to you.

Litigation and claims

I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the statement of accounts and such matters have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

Taxation

I have complied with UK taxation requirements and have brought to account all liabilities for taxation due to the relevant tax authorities whether in respect of any direct tax or any indirect taxes. I am not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest and I have made full disclosure regarding any Revenue Authority queries or investigations that we are aware of or that are ongoing.

In particular:

- In connection with any tax accounting requirements, I am satisfied that our systems are capable of identifying all material tax liabilities and transactions subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with UK law or in accordance with any agreement reached with such authorities.
- I have submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities including any return requiring us to disclose any tax planning transactions that have been undertaken the Authority's benefit or any other party's benefit.
- I am not aware of any taxation, penalties or interest that are yet to be assessed relating to either the Authority or any associated company for whose taxation liabilities the Authority may be responsible.

Pension fund assets and liabilities

All known assets and liabilities including contingent liabilities, as at the 31 March 2013, have been taken into account or referred to in the Statement of Accounts.

Details of all financial instruments, including derivatives, entered into during the year have been made available to you. Any such instruments open at the 31 March 2013 have been properly valued and that valuation incorporated into the Statement of Accounts.

The pension fund has satisfactory title to all assets and there are no liens or encumbrances on the pension fund's assets.

The value at which assets and liabilities are recorded in the net assets statement is, in the opinion of the Authority, the market value. We are responsible for the reasonableness of any significant assumptions underlying the valuation, including consideration of whether they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the pension fund. Any significant changes in those values since the date of the Statement of Accounts have been disclosed to you.

It was noted that sales of pooled investment vehicles had to be reduced by £1,354,000 to reflect the annual figures reported by the investment managers. While this adjustment to sales was made, it was unclear what the related credit adjustment should be given that this would reduce change in market value but no balances in the net assets statement were readily adjustable. Management opted to amend the investment purchases figure by the same amount so that change in market value would remain constant and there would be no impact on the net assets statement. I confirm we consider this the appropriate adjustment.

Pension fund registered status

I confirm that the London Borough of Bromley Pension Fund is a Registered Pension Scheme. We are not aware of any reason why the tax status of the scheme should change.

Bank accounts

I confirm that I have disclosed all bank accounts to you including those that are maintained in respect of the pension fund.

Using the work of experts

I agree with the findings of Wilks, Head & Eve LLP ("WH&E"), experts in evaluating the valuation of the Authority's property, plant and equipment and investment properties and have adequately considered the competence and capabilities of the experts in determining the amounts and disclosures used in the preparation of the Statement of Accounts and underlying accounting records. The Authority did not give or cause any instructions to be given to experts with respect to the values or amounts derived in an attempt to bias their work, and I am not otherwise aware of any matters that have had an impact on the objectivity of the experts.

This particularly applies to the assumptions that WH&E have used in not deducting purchaser costs from the gross capital value in their Existing Use Value or Market Value valuations, and the approach of apportioning land values using a percentage of building costs.

Assets and liabilities

- The Authority has no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the Statement of Accounts.
- In my opinion, on realisation in the ordinary course of the business the current assets in the balance sheet are expected to produce no less than the net book amounts at which they are stated.
- The Authority has no plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
- The Authority confirms its intentions to dispose of assets disclosed as assets held for sale within the next twelve months.

- The Authority has satisfactory title to all assets and there are no liens or encumbrances on the Authority's assets, except for those that are disclosed in the Statement of Accounts.
- I confirm that we have carried out impairment reviews appropriately, including an assessment of when such reviews are required, where they are not mandatory. I confirm that we have used the appropriate assumptions with those reviews.

Provisions

- Provisions for depreciation and diminution in value including obsolescence have been made against property, plant and equipment on the bases described in the statement of accounts and at rates calculated to reduce the net book amount of each asset to its estimated residual value by the end of its probable useful life in the Authority's business. In this respect I am satisfied that the probable useful lives have been realistically estimated and that the residual values are expressed in current terms.
- Full provision has been made for all liabilities at the balance sheet date including guarantees, commitments (in particular in relation to redundancy plans) and contingencies where the items are expected to result in significant loss. Other such items, where in my opinion provision is unnecessary, have been appropriately disclosed in the statement of accounts.

Retirement benefits

- All significant retirement benefits that the Authority is committed to providing, including any arrangements that are statutory, contractual or implicit in the Authority's actions, wherever they arise, whether funded or unfunded, approved or unapproved, have been identified and properly accounted for and/or disclosed.
- All settlements and curtailments in respect of retirement benefit schemes have been identified and properly accounted for.
- The Authority participates in the Teachers' Pension Scheme that is a defined benefit scheme. I confirm that the Authority's share of the underlying assets and liabilities of this scheme cannot be identified and as a consequence the scheme has been accounted for as a defined contribution scheme.

Disclosures

- Where appropriate, the following have been properly recorded and adequately disclosed in the statement of accounts:
 - The identity of, and balances and transactions with, related parties.
 - Losses arising from sale and purchase commitments.
 - Agreements and options to buy back assets previously sold.
 - Assets pledged as collateral.
- I confirm that the Authority has recorded or disclosed, as appropriate, all formal or informal arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.
- I confirm that the Authority has recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and has disclosed in the statement of accounts all guarantees that we have given to third parties, including oral guarantees made by the Authority on behalf of an affiliate, member, officer or any other third party.

Items specific to Local Government

- I confirm that the Authority does not have plans to implement any redundancy/early retirement programmes other than those disclosed in note 22 to the Statement of Accounts for which we should have made provision in the Statement of Accounts.

- I confirm that the Authority has determined a prudent amount of revenue provision for the year under the Prudential Framework.
- I confirm that the Authority has determined a proper application of the statutory provisions for the neutralisation of the impact of Single Status provisions on the General Fund balance
- I confirm that the Authority has determined a proper application of the statutory provisions for the deferral of the impact of impairment losses in relation to investments held in Icelandic Banks on the General Fund balance.
- I confirm that the Authority has determined a proper application of the statutory provisions for the treatment of leases that have changed status on transition to IFRS.

Subsequent events

Other than as described in the Statement of Accounts, there have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the statement of accounts or in the notes thereto.

As minuted by the General Purposes and Licensing Committee at its meeting on 25 September 2013.


.....

Director of Finance

25/9/13
.....

Date


.....

Chairman of the General Purposes and Licensing Committee

25/9/13
.....

Date

For and on behalf of the London Borough of Bromley

Agenda Item 7

Report No.
CEO 1224

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **Wednesday 6 November 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
- 3.18 Audit Activity
- 3.21 Waivers
- 3.26 Publication of Internal Audit Reports
- 3.37 Housing Benefit Update
- 3.41 Other Matters
- 3.45 Risk Management

2. **RECOMMENDATION(S)**

- a. **Note the report and comment upon matters arising from the Internal Audit Progress report.**
- b. **Note the waivers approved from February 2013 to September 2013.**
- c. **Approve the proposed procedure for publication of Internal Audit Reports.**
- d. **Note the continuing achievements of the counter fraud benefit partnership with the Royal Borough of Greenwich.**

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 33 additions to the priority one list since the last meeting of this Committee.

3.3 The new priority one recommendations are made in respect of Insurance (11 priority one recommendations), Learning Disabilities (12 priority one recommendations), Care Manager Assistant Investigation (5 priority ones) Libraries Investigation (2 priority ones) and the Mobile Phone investigation (1 priority one) are all expanded on in detail in Part 2 of the agenda.

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

3.5 **Direct Payments**- When the recommendation was initially made there were 53 cases on the monitoring spreadsheet where it appeared no monitoring had come in at all for 6months. From looking at these in detail and following conversation with management by the end of the previous follow up exercise there were 12 outstanding cases.

3.6 At the time of the second follow up, there were 33 cases where monitoring did not appear to have completed i.e. where nothing had come in at all. Upon looking at these 33 cases it was found that the following action had taken place:

- 11 cases have since been suspended due to no monitoring;
- 5 cases are now closed and ECH are awaiting final monitoring;
- 4 cases have been escalated and information come in to allow monitoring to be completed;
- 2 have now been escalated to Care Management;
- 1case has been transferred to a managed service.
- This left 10 cases where monitoring had not been completed. Management have informed Internal Audit that 6 cases will be taken up with Liberata, for them to complete or escalate; 1case has finished where it was just over a year and no monitoring had yet to come in; 1 case has been escalated to Care Management and is still on going with no response; 1 case has been allowed to carry on; and 1case is due to be suspended. Given the above this recommendation has been removed from the Priority One list.

3.7 **Primary School**- an audit report in October 2012 made two priority one recommendations in respect of control weaknesses identified in expenditure and petty cash. The School has employed the services of Bromley's Schools Finance Team who provide financial support twice a week. The priority one recommendations related to controls over expenditure and petty cash i.e. that orders are raised, payments are made in a timely fashion, invoices retained, authorisation checks are carried out prior to payment and that petty cash vouchers and receipts are retained to support petty cash expenditure. This has yet to be tested. As the School is due to convert to Academy status in December 2013 these recommendations will be followed up as part of the closedown audit.

3.8 **Rent arrears**- We had previously reported that the level of arrears in January 2013 stood at £1,554K. The current level of debt stands at £2,017K which equates to a 60% increase in debt since September 2012. Although the Housing Benefit and cash collected has increased substantially, the upward trend in debt is attributable to an increase in numbers in temporary

accommodation and the effect of welfare reforms. Internal Audit will review rent arrears as part of a planned audit of temporary accommodation due later on in this financial year.

- 3.9 **Building Maintenance** – The overall corporate building maintenance budget in 2012/2013 was £2,240,190 which reduced to £2,124,540 in 2013/2014. This budget is split between various planned maintenance and unplanned maintenance activities. The building maintenance budget for education buildings in 2012/2013 was £2,032,871 and £2,267,370 in 2013/14
- 3.10 A planned audit of this area resulted in a priority one recommendation on the need to comply with the Contract Procedure Rules.
- 3.11 A sample of 10 suppliers with highest cumulative spend were selected from cumulative spent report for property (covering Financial year 2011, 2012 and 2013) to ensure that the expenditure was subjected to a tender/ quotation exercise and a contract existed if appropriate. It was identified that expenditure with one supplier for unplanned reactive work in respect of boiler maintenance was £492K for a period from April 2010 to July 2013 where a contract should have been in place. There was a contract in place for boiler servicing only for £40K per annum. Management are currently in the process of tendering for this aspect of the service in compliance with the Contract procedure Rules. A sample of invoices was selected for each supplier to verify compliance with financial regulations. The main issues arising for one supplier were non compliance with Contract Procedures rules 1.2 and 8.1.3 which specifies that work (in this case electrical work) should not be sub divided and where possible similar work should be amalgamated for determining procurement procedures and ensuring value for money. Management have indicated that this will be addressed in future commissioning of electrical remedial and wire testing work.
- 3.12 There were 10 priority two findings in relation to tendering procedures; realistic budgets on planned maintenance work; pre tender estimation of works; more information on variation orders; allocation of work to preferred suppliers; fire risk assessments; reconciliation between systems; retention of documents; post completion of satisfaction surveys; and formal inspection and survey programme. All recommendations have been accepted by management for implementation. These will be followed up by Internal Audit. The audit resulted in a limited assurance opinion.
- 3.13 **Mental Health-** the mental health residential commitments budget (which includes S.117 clients) as at January 2013 was £2,989,100 for adults.
- 3.14 The planned audit concentrated on Section 117 clients. ' Section 117 is about ensuring that people detained under certain sections of the Mental Health Act 1983 do not leave hospital without a clearly thought out discharge plan based on decisions by both health and social care representatives. The intention is to achieve a safe discharge and to ensure that someone is supported in the community with minimal risk and so avoids a premature readmission to hospital on account of their mental health problems. Where such services are identified, and are based on the person's mental health needs, they are free of charge until it is assessed that such services are no longer needed'. There is an agreement in place with the Mental Health NHS Trust that commenced on 1st December 2004 for twenty years.
- 3.15 The priority one finding related to a check that the Trust confirms data held in respect of the sample of cases being tested and confirmation that clients were indeed S.117 and remained so. As a result of Internal Audit testing, it was revealed that in one case the Trust confirmed in writing that the client was not S.117. They also confirmed in writing that 'due to an error by a member of staff the case was misclassified. As a result, this Authority has continued to fund this client's care when we should not have been. Internal Audit asked for confirmation of the above and that a financial assessment has been undertaken urgently. The potential loss is difficult to quantify as it is not possible to know what the client's circumstances would have

been and at what level they may have contributed in previous years. However, this Authority has funded care packages for this client at the higher recorded rate of £289.52 per week and the lower rate of £177.32. There are services for this client that are not chargeable. It will not be possible to backdate these charges. This Authority has continued to fund this client, based on records in Carefirst since April 2011.

- 3.16 This Authority has continued to fund the care packages for this client for approximately £27,500 according to cost data on Carefirst but this figure is likely to be more. It is not known at what level this client's contributions would have been but currently it has been assessed at £115.20 per week. It was recommended that a full reconciliation is undertaken of all clients to ensure that there were not other similar issues. This has been completed with no other cases being identified. A full reconciliation is due in December 2013. The Trust are to be invoiced for the loss of income.
- 3.17 There was one other recommendation on the need for care management to ensure clients' Section 117 status before input in to the Carefirst system. This recommendation has been accepted by management. The audit resulted in a limited assurance opinion.

3.18 Audit Activity

- 3.19 Members of this Committee were recently updated by e-mail on all our activity both planned and unplanned work for the period April 2013 to September 2013. Internal Audit have spent most of our time since the last progress report in June 2013 completing outstanding audits from 2012/13 Internal Audit plan, fraud and investigation work where some 205 days have been spent in this financial year –details of this work are in Part 2 and working on the 2013/14 audit plan. Due to time spent on fraud and investigations there have been some slippage on the 2013/14 Internal Audit plan and as a result we will be commissioning at least six audits from another borough. In addition to audit planned work we also carried out the following :
- Sold services to academies.
 - Training-set up and monitoring of the web based training package for Financial Regulations and Contract Procedure Rules working with Procurement.
 - Advice and support on financial regulations, variations to change in system controls.
 - Liaison role in assisting management inquiries. Monitoring role of the Greenwich Fraud partnership.
- 3.20 The audit satisfaction questionnaires returned by auditees indicate a high level of satisfaction with an average score of 4.3 out of 5.
- 3.21 **Waivers**
- 3.22 The list of waivers sought is attached as Appendix B. Members are asked to review the list and request any information prior to the Committee meeting on the 6th November so that these are available.
- 3.23 As required by the Contract Procedure Rules this committee has to be updated on waivers sought across the Authority at six monthly intervals. The last update was reported to this Committee in March 2013 and covered waivers sought up to January 2013. See Appendix B for waivers approved from February 2013 to September 2013. The list is collated from the Heads of Finance for each of the Service areas and any information kept by the Chief Officers. Members are asked to review this list and comment as necessary.

3.24 The waiver procedure has been simplified by issue of a guidance procedure that forms part of the Contract Procedure Rules. This documents defines a **Waiver** as – “**the dispensation of the need for compliance with a particular requirement of these Contract Procedure Rules**”

Where the estimated value of this requirement is likely to exceed;

- **£50k** the Agreement of the Chief Officer needs to be obtained; The matter also needs to be included in the bi-annual report submitted to Audit Sub Committee:
- **£100k - £1m** The Chief Officer in Agreement with the Director of Corporate Services and the Director of Finance together with the Approval of the Portfolio Holder. The matter also needs to be included in the bi-annual report submitted to Audit Sub Committee:
- **£1m and Above** - The Chief Officer in Agreement with the Director of Corporate Services and the Director of Finance together with the Approval of the Executive or Council as appropriate.

3.25 Note under Contract Procedure Rule 13.2 Chief Officers with Social Care responsibilities have specific exemptions provided to them under the Council’s Scheme of Delegation (which is included in the papers agreed at the AGM of the Council).

3.26 **Publication of Internal Audit reports**

3.27 Following consideration by the Executive and Resources PDS Committee, the Constitution Improvement Working Group at its meeting on 29th July 2013 had recommended that all Internal Audit reports should be published in full, except where particular exemptions applied. Even where there were exemptions, these would need to be justified to the Audit Sub-Committee and reviewed every six months.

3.28 At the meeting of the General Purposes and Licensing Committee (GP& L) on the 25th September 2013, it was resolved that all Internal Audits are published in full by default except where exemptions apply, when the Audit Sub Committee would have to be informed of the reasons for non publication that would be reviewed every six months.

3.29 In order to take this forward it is proposed that, subject to agreement of this Committee, all audit reports that have been finalised after the 6th November 2013 will be subject to publication except where exemptions are sought from Members of this committee.

3.30 Before publication all audit reports will be subject to redacting to ensure confidential data is not in the public domain. This process will be vetted by the Head of Audit and reviewed by the Director of Finance and the Director of Corporate Services before release. Prior to Audit Sub Committee, the reports will be released for publication through Democratic Services under modern.gov. A list of these reports will be reported to this committee.

3.31 Where it is deemed that finalised Internal Audit reports should not be publicised, a list of these together with the reason for exemption will be reported to Audit Sub Committee for approval. Agreed exempted reports plus any reports not agreed for exemption will then be reported to GP and L Committee.

3.32 There are seven categories of exempt information that under the Access to Information Act which apply to Council meetings and agendas:

- Information relating to any individual.
- Information which is likely to reveal the identity of an individual.
- Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

- Information relating to any consultations or negotiations or contemplated consultations or negotiations, in connection with any labour relations, matters arising between the Authority or a Minister of the Crown and employees of, or office-holders under the Authority.
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- Information which reveals that the Authority proposes:
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
- Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

3.33 There are also the exemptions in the following sections of Part 2 of the Freedom of Information Act. For example Section 30 Investigations: Section 36 Prejudice to the effective conduct of Public Affairs: Section 41 –Information provided in confidence.

3.34 Redacted reports which result in impact and meaning of the audit being lost could also be considered for exemption by this Committee.

3.35 There will be some time resource implications as a result implementing this policy.

3.36 Members are requested to approve this procedure to be adopted from November 2013.

3.37 Housing Benefit Update

3.38 Since the inception of the partnership in April 2002, through to April 2013, the Council has successfully prosecuted 354 claimants to date for benefit fraud; issued 317 court summonses; given 98 formal cautions; and administered 390 penalties. The full details and appendices on trends are shown in Appendices C, D and E.

3.39 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. The DWP have now indicated that subject to HM Treasury agreement, sometime in 2014/15 the housing benefit fraud service will transfer over to them under as a SFIS. It appears that staff will be subject to TUPE. This has implications for LB Bromley. Our partnership agreement with RB Greenwich which is benefits driven expires in March 2014 and under the requirements of our contract, we have already given notice to terminate the agreement. If as seems likely, the transfer occurs at some point in during the financial year 2014/15 we will have to seek a waiver to extend the partnership agreement up to the point of transfer.

3.40 After the transfer we will still need resources to cover all the other potential areas of non housing benefit fraud e.g. council tax exemptions, single person discount, social fund, blue badges, fraud referrals from the public, referrals from management, NFI data matching and any pro active exercises that could identify losses. There are a couple of options –recruitment of 1 or 2 fraud investigators who are suitably trained and experienced or alternatively reach an agreement with RB Greenwich. These discussions are still to be had well before the transfer to the DWP.

3.41 Other Matters -Training

3.42 Members were previously informed that following a series on investigations that clearly indicated a need for officers to be made aware of the requirements of the Financial Regulations and the Contract Procedure Rules. Consequently, a web based training package was developed which was compulsory for any officers who had roles that involved finance or

decisions that had financial implications. Chief Officers were tasked with nominating officers who had such a role.

3.43 625 staff were tasked with undertaking one or both of the CPR or FR e-training courses as requested by their management based on day to day working activities of trainees. As of October 8th 2013, the following completion rates are noted:

- 90% of officers had either completed or in the process of completion.
- 10% have until early November 2013 to complete this and if not, further action may be considered by management.

3.44 **Other Matters- Review of VfM arrangements**-There have been no further reviews of value for money arrangements on the 4 designated audits in the 2013/14 Internal Audit plan- Temporary Accommodation, Fostering and Adoption, Parks and Greenspace and Planning. The Parks and Greenspace follow up of recommendations is currently ongoing with the other three yet to start.

3.45 **Risk Management**

3.46 The dismissal of the Insurance and Risk Manager, and subsequent lengthy investigation, has interrupted the co-ordination of risk management activities since our previous review. The Risk Management Group has also lost a couple of long-standing members due to internal re-organisations. The Group met recently and the Head of Audit was appointed as chair to re-focus on future work strands. We are also seeking to expand our membership to include a corporate person with an overview of the work Bromley is doing on becoming a commissioning body.

3.47 As part of the future work strands we are still due to follow up Members' comments that the Risk Register did not do enough to put financial values against risks. It is acknowledged that most risks, should they occur, involve loss. This loss does not necessarily have to be monetary, but more often than not, either directly or indirectly, monetary loss occurs.

3.48 Our initial work focused on the high net risks categorised as 'financial' which evidenced that in some instances the risk category did not always reflect the true underlying risk. It is also clear that other risks categorised as 'non-financial' are equally likely to incur significant monetary loss, and as such would not be captured by this exercise.

3.49 Currently we have some 20 high risks and we seek guidance as to whether we should try to calculate financial values on all of these.

To an extent there will be 3 elements:

- Risks where a prior event has occurred and we know what the direct cost was e.g. Banking failure (Heritable Bank)
- Risks which are currently materialising and where overspends have already been identified and reported as part of the budget process e.g. homeless costs
- Risks that may materialise in the future with the caveat that this is our best estimate on a worst case scenario basis e.g. commissioning agenda.

3.50 There will be a further update on risk will be submitted to the next meeting of this Committee.

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

There is a statutory requirement to provide an internal audit function through the Accounts and Audit Regulations 2011.

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.

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

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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	Parks& Greenspace	Nil	2 o/s	Part 2 -6 priority ones implemented	In progress	Director Env	Currently being followed up -see Part 2 for update.	High
ACS/068/01/2011	Emergency Accommodation & Rent Accounts	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 September 2013 were £2,017,242 an increase of 60% from September 2012 Part of the increase in arrears is due to increase in TA numbers and the effects of the welfare reforms.	High
CYP/P47/01/2012	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	Headteacher	To be followed up in 2013/14- 3rd quarter. See Audit Progress report.School now use Bromley's Schools Finance Team.The School is due to convert to Academy status on the 1st December 2013 and these priority one recommendations will be followed up as part of the closedown audit.	
CYP/024/01/2012	Behaviour Services	N/A	1 o/s	Part 2- six 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
RD/018/01/2013	Insurance	N/A	11	Part 2	In progress	Director Of Finance	Action ongoing	High
ACS/023/01/2012	Learning Disabilities	Nil Assurance	12	Part 2	In progress	Executive Director ECH	Additional work commissioned by Director of Finance. Audit recommendations will be followed up in Qtr 4	High
ECS/004/01/2012	ACS Care ManagerAsst	N/A	5	Part 2	In progress	Asstistant Director-Interim Adult social Care	Follow up in Qtr 4	High
R&R/001/01/2013	Libraries Staff Investigation	Limited Assurance	2	Part 2	In progress	Libraries Operations and Commissioning Manager/ Stock services Manager	Ongoing action	High
CEX/062/01/2013	Mobile Phone Investigation	Limited Assurance	1	Part 2	In progress	Director of HR	Agreed to take ownership and that the wording of the policy will be amended.	High
ACS/024/01/2012	Mental Health Audit	Limited Assurance	1	A more robust and regular reconciliation such as annually, should be undertaken to confirm that the S.117 clients that we continue to fund continue to remain under S.117.The Authority should recover the monies from the Mental Health Trust in respect of this particular case.	In progress	Strategic Commissioner for Mental Health & Substance Misuse and Assistant Director, Commissioning.	Loss to be recovered. Full yearly reconciliation of cases is due in December 2013.	High
R&R/012/01/2012	Building Maintenance	Limited Assurance	1	The department must comply with the requirement 1.2 and 8.1.3 of the Contract Procedure Rules. • "Officers shall not sub divide work which could reasonably be treated as a single contract." • "The total estimated value of orders for a given type of goods, services or works should where ever practicable be amalgamated for the purpose of determining procurement procedures." They should review the practices and procedures to identify cumulative spend with individual suppliers. Where spend exceeds limits indicated in Contract Procedure Rules quotes or tenders should be sought.	In progress	Head of Operational Property	Agreed and corrective action in progress	High

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

Direct Payments- there has been sufficient action to remove this recommendation See report

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Waivers - From February 2013

Waivers > £50,000							
DIRECTORATE	SERVICE AREA	CUMMULATIVE VALUE	ANNUAL AMOUNT	DETAILS	PERIOD FROM	PERIOD TO	APPROVAL
Chief Executive's	Workforce Development	£63,000	£21,000	Workforce development post qualification training for Social Care staff	01/04/13	31/03/16	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Chief Executive's	Human Resources	£1,014,000	£105,668	Extension to Occupational Health service	01/08/13	31/07/14	Approved by Portfolio Holder and Director of Human Resources
Education and Care Services	Commisioning	£209,430	£41,716	Extension to contract - Mental health benefits and advice service	01/04/13	31/03/2015	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£265,574	£36,168	Extension to contract - Queens Road Supported Living Service	01/04/13	31/04/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£84,600	£33,000	Extension to the project management of Academy programme in Bromley	01/02/13	31/07/2013	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£78,000	£26,000	Provision of Mental Health Worker	01/04/13	31/04/2016	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£102,654	£51,327	Provision of Core Services for the people with a learning disabilities	01/04/13	31/03/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£661,485	£68,330	Extension to contract - Provision of advocacy general & independent mental health advocacy services	01/04/13	31/03/2015	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£882,067	£80,905	Extension to contract - Floating support for people with learning disabilities	01/04/13	31/03/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£503,595	£56,889	Extension to contract -Ethnic Communities Programme	01/04/13	31/03/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£1,300,000 approx	£74,000 recoupled in full from schools	Extension to contract - SIMS Annual Entitlement	01/04/13	31/03/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance

Education and Care Services	Children's Social Care		£67,320	A software application product to support the Multi Agency Safeguarding Hub in Children's Social Care	01/04/13	31/03/16	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Bromley Youth Support Programme	£4,082,900	£79,000	Extension to contract - Post 16 learner participation tracking and transition support services	01/04/13	31/03/14	Approved by Portfolio Holders of Education, Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Fostering and adoption	£93,834	£32,000	Extension to contract - Adoption medical profesional	01/04/13	31/03/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education Strategic Capital and Client Services		£277,285	Provision of modular accommodation at a school	01/07/13	31/10/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Behaviour Services and Children in Care Education	£392,000	£181,520	Extension to contract - Supply teaching & 1:1 tuition for looked after children	01/09/13	28/02/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£140,000	£20,000	Extension to contract - Advocacy group for adults with learning difficulties	01/09/13	31/04/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£467,065	£86,314	Extension to contract - Jobmatch for people with learning disabilities	01/10/13	30/09/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Procement and Contract Compliance	£100,000	£100,000	Housing management and capital works at 4 homes for adults with learning disabilities		6 months from commencement	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	SEN and Disability Service	£540,000	£95,000	Extension to contract - Childminding support services for families with disabled children	01/04/13	31/03/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£85,000	£42,500	Extension to contract - OLM Mylife Web Portal	01/04/13	31/03/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£62,730	£20,910	Extension to contract - Independent Mental Capacity Advocacy Service	01/05/2013	30/04/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£78,000	£26,000	Extension to services - Provision of services to Carers - Mental Health Worker	01/04/2013	31/03/2016	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£99,614	£99,614	Extension of contract - Services for People with a Visual Impairment	01/04/2013	31/03/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance

Education and Care Services	Commisioning	£132,285	£26,457	Extension to contract - Burgess House	01/04/2010	31/03/2014	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£280,000	£140,000	Extension to contract - Sunnyside, Dunstonian Court	01/09/13	31/08/15	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£79,627	£25,457	Care Placement	01/04/13	31/03/15	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£126,000	£42,000	Extension to contract - Provision of community alarm service	01/02/13	31/01/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£956,412	£318,804	Extension to contract - One Support Accomodation Based Support	01/09/11	31/08/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£285,843	£95,281	Extension to contract - One Support Floating Support	01/09/13	31/08/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£62,975	£17,870	Midfield Primary School, Scotts Park Primary School, St Marks CoE Primary School - Design & project management re installation of Bulge classes	01/04/13	31/03/16	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£200,000	£200,000	Extension to contract - Multiple grant awards for Supporting Inclusion in Pre-schools (SIPS) Support for multiple pre-schools and nursery settings	01/04/13	31/03/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£400,000	£400,000	Extension to contract - Contracts for Early intervention and Prevention services from BCP Approved Provider List 2013/14	01/04/13	31/03/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£104,328	£104,328	Parish CoE Primary School - Multi-Disciplinary Consultant for the School Expansion Project	01/05/13	31/12/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£184,900	£79,900	Extension to contract - Youth Services Learner Tracker and Transition Support service	01/07/12	31/03/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£233,841	£77,947	Extension to contract -Ex-Offenders	01/10/13	30/09/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance

Education and Care Services	Education	£1,044,270	£1,044,270	Malcolm Primary, Midfield, Scotts Park, Worsley Bridge Primary Schools - provision of modular accommodation. From LB Lewisham Framework.	01/07/13	31/12/13	Approved by Portfolio Holder for Education, Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£1,275,000	£425,000	Extension to contract - Supported employment service for people with learning disabilities	06/07/13	05/07/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Housing	£549,752	£274,876	Tenancy support services	01/10/13	30/09/15	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£131,470	£46,320	Extension to contract - Provision of domiciliary care services for people with learning disabilities	01/04/13	31/01/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£132,285	£26,457	Extension to contract - Provision of domiciliary care services for people with learning disabilities	01/04/13	31/03/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£220,388	£220,388	Churchfields Primary School Phase Two - Work to Expand to 2FE	01/07/13	23/08/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£175,020	£175,020	Princes Plain Primary and St Marks CoE Primary schools - refurbishment works for bulge classrooms	01/07/13	30/09/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£357,000	£357,000	Extension to contract - Bromley Flexible Learning Programme Framework	01/09/13	31/07/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£3,742,714	£3,742,714	Post-16 FE SEND placements (49 in total) to multiple independent specialist providers for the academic Year 2013/14.	01/09/13	01/08/14	Approved by Portfolio Holders for Education and Care Services, Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Education	£114,850	£30,000	Extension to contract - Bromley Flexible Learning Programme Carry-over Students	01/09/13	31/07/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£617,015	£248,406	Extension to contract - Weekend and Holiday Provision for children and young people with learning and/or physical disabilities	01/04/13	30/09/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance

Education and Care Services	Commisioning	£965,000	£160,000	Extension to contract - Bromley Citizens Advice Bureau Core Funding General Advice Service	01/04/13	31/03/15	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£130,116	£32,529	Extension to contract - Bromley Gypsy Traveller Project	01/04/13	31/03/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£1,420,679	£344,579	Extension to contract - Supported living for people with learning disabilities at Devonshire Road	10/10/13	10/10/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning	£155,830	£31,166	Extension of contract -Blind Communicator Service	01/10/13	30/09/14	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		41,660	SEN Placement with actual costs shown	01/08/13	31/10/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		83,400	SEN Placement with actual costs shown	01/08/13	31/10/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		23,300	SEN Placement with actual costs shown	01/04/13	31/08/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		47,275	SEN Placement with actual costs shown	01/04/13	31/08/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		36,645	SEN Placement with actual costs shown	01/04/13	31/08/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		60,000	SEN Placement with actual costs shown	01/04/13	31/08/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£94,516	LD Residential Placement - Kingsley House, Alverdiscott Road, Bideford, Devon, EX39 4PL	01/04/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£79,958	LD Residential Placement - The Sands, Dymchurch, Kent, TN29 0NF	14/01/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£93,600	LD Residential Placement - Sussex Healthcare, Oak Lodge, Guildford Road, Broadbridge Heath, Horsham, RH12 3PW	01/05/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance

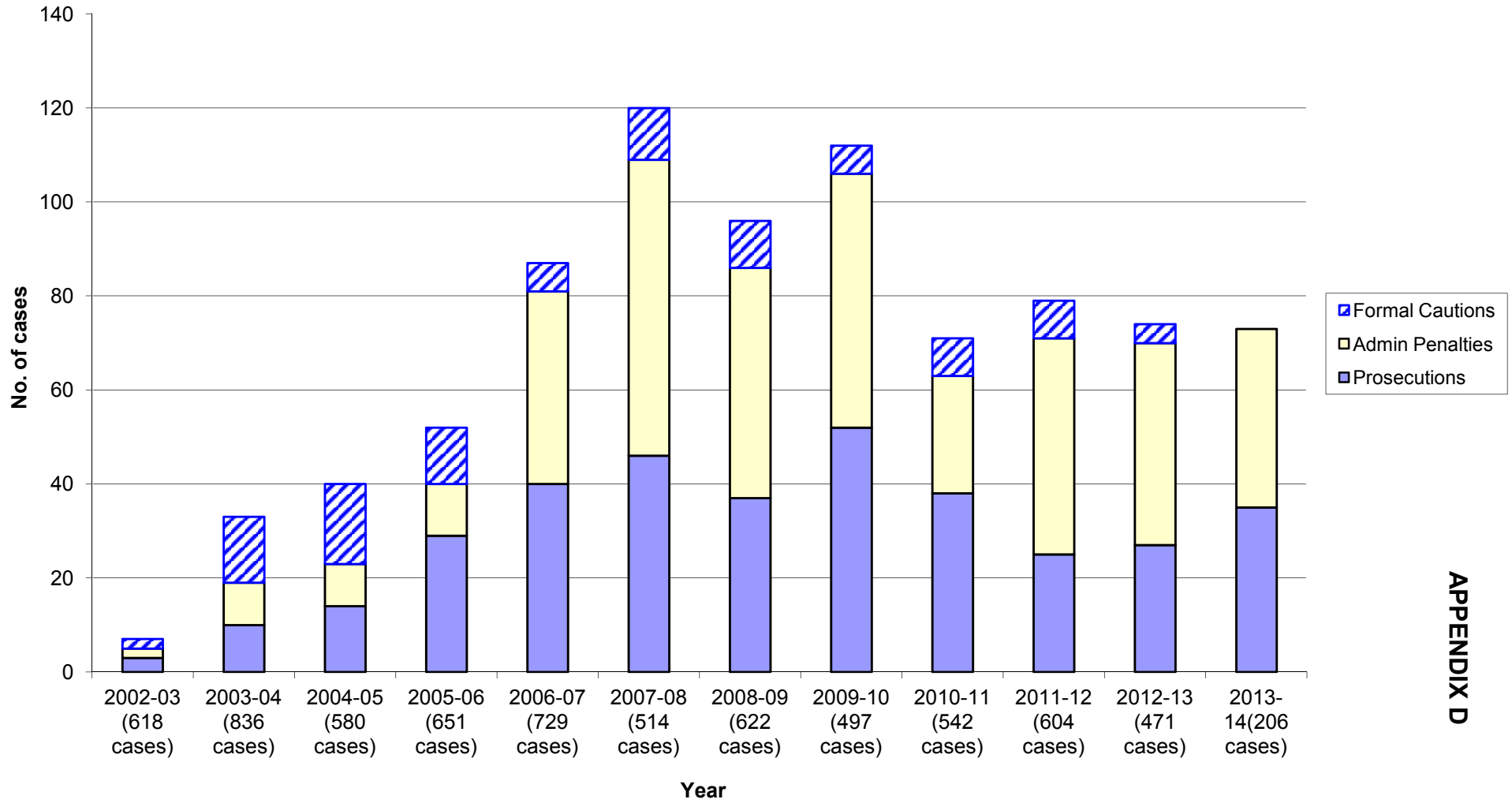
Education and Care Services	Commisioning		£55,505	Direct Payments to attend Nash College	01/07/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£70,293	LD Residential Placement - Tanglewood, 66 Leaves green Road, Keston, BR2 6DQ	01/02/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£123,297	LD Supported Living, Peppenburg, Cornford Lane, Pembury, TN2 4QU	06/05/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£158,525	LD Supported Living - 63, Woodland Way, West Wickham, BR4 9LT	16/09/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£59,484	LD Supported Living - 18 Copers Cope Road, Beckenham	TBC	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£68,900	LD Resiedntial - 77 Main Road, Hoo, Rochester ME3 9AA	01/04/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£65,000	PDSI Residential - Frindsbury House, 42 Hollywood Lane, Frindsbury, Rochester, ME3 8AL	11/05/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£172,800	LD Residential Placement - Harrowdene, Hampshire	01/04/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£91,832	Mental Health Residential Placement - Woburn Sands Lodge, 60 Stationer Road, Milton Keynes, MK17 8RZ	01/06/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£54,747	Mental Health Residential Placement - Homeleigh House, The Bungalow, 52 Eglinton Hill, Shooters Hill, SE18 3NR	01/06/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£59,961	Mental Health Residential Placement - Woodham House, 33 Newlands Park, Sydenham, SE26	01/06/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£56,680	Mental Health Residential Placement - 295 Brockley Road, SE4 2SA	01/07/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£88,400	LD Residential Placement - Ballater House, 43 Hollyoak Road, Coulsdon, CR5 3QE	01/03/13	Approved by Director of ECS, Director of Corporate Services and Director of Finance

Education and Care Services	Commisioning		£92,976	LD Residential Placement - Orchard Grove, Orpington, Kent	01/08/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£87,880	LD Residential Placement - Gresham House, Station Road, Staplehurst, Kent, TN12 0PZ	06/08/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£114,000	LD Residential Placement - Woodhurst Lodge, Old Brighton Road South, Pease Pottage, W Sussex, RH11 9AG	18/01/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£78,000	LD Residential Placement - Surrey NHS, Hillcroft House	01/08/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£61,150	LD Supported Living - 109 Masons Hill, Bromley, BR2 9HT	01/08/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£162,916	LD Residential Placement - Pastens, Pastens Road, Pains Hill, Oxted, RH8 0RD	07/10/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£97,396	LD Residential Placement - 68 St. Lawrence Avenue, Worthing, West Sussex, BN14 7JJ	01/07/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£92,976	LD Residential Placement - Orchard Grove, Orpington, Kent	01/08/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£112,684	LD Residential Placement - Hillcrest, 61 Beach Road, Littlehampton, BN17 5JH	31/07/13		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Education and Care Services	Commisioning		£148,460	LD Residential Placement - The Orchards Step Down Unit, Station Road, Thorrington, Essex, CO7 8JA	17/10/11		Approved by Director of ECS, Director of Corporate Services and Director of Finance
Enviromental Services	Transport Operation		£81,383	Extension to contract - Hire of car & light commercial fleet	01/11/06	31/11/2014	Approved by Director of Enviornmental Services, Director of Corporate Services and Director of Finance
Enviromental Services	Customer & Support Services	£92,000	£23,000	Renew Energy Monitoring , Targeting and Reporting system	01/03/13	31/03/2015	Approved by Director of Enviornmental Services, Director of Resources and Finance Director

Enviromental Services	Transport Operation	£128,553	£42,851	Extension and vary contract for CCTV installation	01/04/11	31/03/16	Approved by Director of Enviornmental Services, Director of Corporate Services and Director of Finance
Resources	Information Systems	£197,960	£76,201	Extension to contract - Telephony hardware support	01/04/13	31/03/2014	Approved Director of Corporate Services and Director of Finance
Resources	Facilities and Support Services	£529,970	£131,670	Extension to contract - Out of hours security at Civic Centre	01/07/13	31/10/13	Approved Director of Corporate Services and Director of Finance
Resources	Facilities and Support Services	£697,026	£234,513	Extension to contract - Civic Centre Cleaning Services	01/04/13	31/03/14	Approved Director of Corporate Services and Director of Finance
Resources	Information Systems		£69,688	IT Infrastructure Services	01/11/13	31/10/16	Approved Director of Corporate Services and Director of Finance
Resources	Bromley Knowledge	£173,000	£85,000	Variation to contract - Implemenation and development of Jadu Management System to manage Bromley's coporate website	01/10/10	On - going	Approved by Portfolio Holder, Director of Corporate Services and Director of Finance

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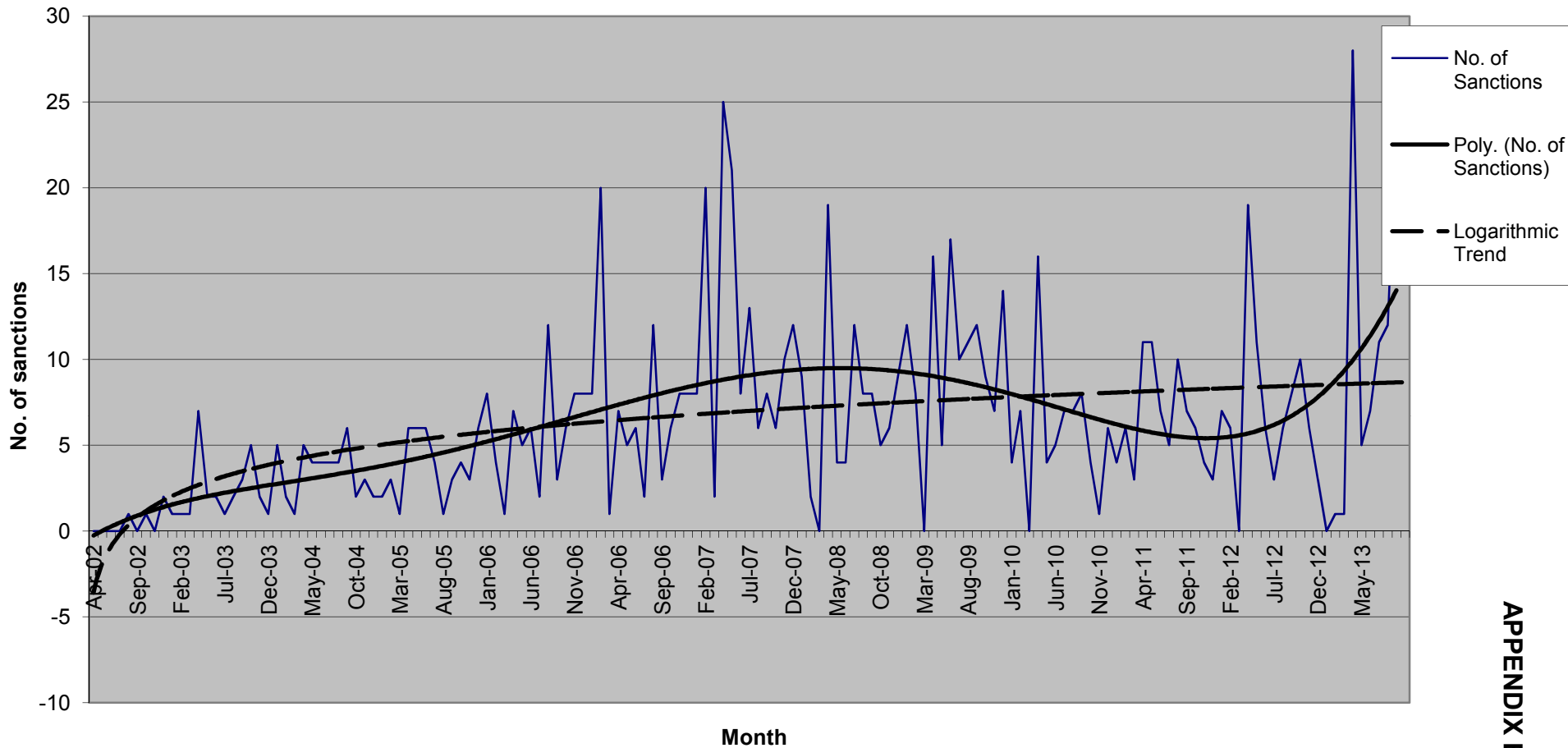
HB Sanctions - Annual Comparison



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Sanctions Trend

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



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Agenda Item 9

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

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Agenda Item 10

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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