



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Steve Wood
stephen.wood@bromley.gov.uk

DIRECT LINE: 020 8313 4316

FAX: 020 8290 0608

DATE: 6 November 2018

To: Members of the
AUDIT SUB-COMMITTEE

Councillor Neil Reddin FCCA (Chairman)
Councillor William Huntington-Thresher (Vice-Chairman)
Councillors Gareth Allatt, Ian Dunn, Robert Evans, Christopher Marlow and
Tony Owen

A meeting of the Audit Sub-Committee will be held at Committee Room 1 - Bromley
Civic Centre on **WEDNESDAY 14 NOVEMBER 2018 AT 7.00 PM**

MARK BOWEN
Director of Corporate Services

Copies of the documents referred to below can be obtained from
<http://cds.bromley.gov.uk/>

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 24TH MAY--
EXCLUDING EXEMPT INFORMATION (Pages 5 - 14)**
- 4 **QUESTIONS FROM COUNCILLORS OR MEMBERS OF THE PUBLIC**

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 8th November.

- 5 **MATTERS OUTSTANDING FROM THE LAST MEETING--EXCLUDING EXEMPT
INFORMATION (Pages 15 - 18)**
- 6 **QUESTIONS ON THE AUDIT REPORTS PUBLISHED ON THE WEB**

The Briefing comprises:

Internal Audit Published Reports:

- 1-Review of Adult Safeguarding
- 2-Review of Contracts for Adult Mental Health
- 3-Review of Creditors for 2017-2018
- 4-Review of Edgebury Primary School
- 5-Review of Home Tuition
- 6-Review of IT Project Management
- 7-PCNs Audit
- 8-Internal Audit Review of Reablement
- 9-Review of Temporary Accommodation and Rent Account
- 10-Review of Vehicle Crossovers
- 11-Review of Continuing Healthcare Funding
- 12-Review of Council Tax
- 13-Review of Direct Payments
- 14-Review of Family Placements
- 15-Review of Housing Benefit
- 16-Review of Leaving Care
- 17-Review of Leaving Care Audit
- 18-Review of St Olave's School
- 19-Troubled Families Claim
- 20-Winter Maintenance Service Audit

Members have been provided with advanced copies of the briefing via email.

The briefing is also available on the Council website at the following link:

<http://cds.bromley.gov.uk/ieListMeetings.aspx?CIId=559&Year=0>

7 DATE OF THE NEXT MEETING

The date of the next meeting is 26th February 2019.

8 INTERNAL AUDIT PROGRESS REPORT (Pages 19 - 106)

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

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

Items of Business

Schedule 12A Description

- | | | |
|-----------|---|---|
| 10 | EXEMPT MINUTES OF THE MEETING HELD ON 24TH MAY 2018 (Pages 107 - 110) | Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. |
| 11 | MATTERS ARISING FROM THE MEETING ON 24TH MAY--EXEMPT INFORMATION (Pages 111 - 114) | Information relating to any individual.
Information which is likely to reveal the identity of an individual. |
| 12 | INTERNAL AUDIT FRAUD AND INVESTIGATION AND EXEMPT ITEMS REPORT (Pages 115 - 138) | Information relating to any individual.
Information which is likely to reveal the identity of an individual. |

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AUDIT SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 24 May 2018

Present:

Councillor Neil Reddin FCCA (Chairman)
Councillor William Huntington-Thresher (Vice-Chairman)
Councillors Gareth Allatt, Ian Dunn, Robert Evans,
Christopher Marlow and Tony Owen

Also Present:

Deepali Choudhary, Catriona Ellis, David Hogan, Linda
Pilkington and Councillor Stephen Wells

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

No apologies for absence were received.

2 DECLARATIONS OF INTEREST

The Chairman declared an interest as a former Governor of St Olave's School.

Councillor Allatt declared an interest as a former employee of Capita, in addition to being a current shareholder.

3 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 7th MARCH EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

Councillor Owen referred to certain matters that he had raised with the Head of Audit prior to the meeting of the Audit Sub-Committee. It was agreed that the Head of Audit would meet outside of the current meeting to discuss these matters with the Monitoring Officer.

RESOLVED that the minutes of the meeting held on 7th March (excluding exempt information) are agreed and signed as a correct record.

4 QUESTIONS FROM COUNCILLORS OR MEMBERS OF THE PUBLIC

No questions were received.

5 MATTERS OUTSTANDING FROM THE LAST MEETING-- EXCLUDING EXEMPT INFORMATION

CSD 18074

The updates concerning insurance cover for cyber-attacks and the objection to the accounts were noted. Members were briefed that LBB's current insurers were developing a policy, and that LBB would be going to market to assess the different insurance options that were available to cover against cyber-attacks in the future.

RESOLVED that the Matters Arising report is noted.

6 QUESTIONS ON THE AUDIT REPORTS PUBLISHED ON THE WEB

No questions were received concerning the audit reports published on the web.

7 INTERNAL AUDIT PROGRESS REPORT

FSD 18037

The Internal Audit Progress report was written by David Hogan, Head of Audit.

The report had been drafted to update Members of recent audit activity across the Council and provided an update on matters that had arisen since the last meeting of the Committee. The Committee was asked to note the report and to comment on matters arising, as well as noting the list of internal audit reports published on the Council's web site. Members were also being asked to approve the nomination for Auditor of the Year and to note the latest position on the Council's Departmental and Corporate Risk Registers.

The Head of Audit briefed Members around the Priority 1 (P1) update for document storage and retention. It had been mentioned previously that this matter was directly related to the Civic Centre Accommodation Strategy. It was noted that the brief for the Instruction and Intention to Tender for a Multi-Disciplinary Consultancy Evaluation for the Civic Centre Strategy, referenced the need to move to a paper light environment, and it was expected that the consultants would be appointed in quarter 2 of 2018.

It was noted that 20 Bromley officers had been emailed and reminded to confirm the destruction of 904 boxes held by TNT. Some officers were planning to visit the storage site during the summer when work levels had decreased. It was clarified that the storage site was based in Essex. The Chairman enquired how the costs for the storage were apportioned, and the Head of Audit responded that he presumed that the costs would be recharged to the various departments. Ms Pilkington informed the Committee that the cost of storing the 904 boxes was in the region of £2k per annum.

Members were told that going forward (and especially with the current GDPR initiatives) there would be a requirement for a twofold focus. One would be concerning the destruction of existing boxes, and the other focus would be on reducing the volume of stored data. The P1 recommendation remained outstanding.

With respect to the Review of Waivers, Members heard that both P1 recommendations were being progressed as part of the electronic authorisation process, and that this was connected to the development of the Contracts Database. (CDB). In the meantime, paper authorisation forms were being used. Although the recommendations were in progress, they remained open. It was expected that the renewal reminders being generated from the Contracts Database would reduce the number of waivers requested.

Members were appraised concerning the Reablement Service. They were informed that as the service had remained in-house; the P1 recommendation relating to the use of the Outcome Management Tool had been re-instated. The P1 recommendation relating to key performance data had only been partially implemented. It was clarified that the 'target of 65%' related to time actually spent with clients.

A brief update was provided concerning the Contributions Policy. It had previously been the case that users of the Reablement Service were not being charged for cancelled calls where sufficient notice had not been provided. Charges were now being levied and this recommendation was regarded as implemented.

Members were reminded that 2 P1 recommendations had previously been suggested with respect to Contract Monitoring. This was particularly related to the storing of supporting documentation for contracts being stored in a single location for ease of access. The two P1 recommendations were now regarded as closed.

An update was provided concerning the three P1 recommendations relating to Agency Staff. The first recommendation was in respect of governance arrangements, and this remained outstanding. The second recommendation was to review agency staff engagements which had exceeded six months. This recommendation was being progressed but was also still regarded as being outstanding. The final recommendation was with respect to the recovery of IT equipment when an agency worker left the employ of the Council; this recommendation was regarded as implemented.

Members were reminded that they had previously been notified that Limited Assurance had been assigned to the Community Equipment Store (TCES) audit. There had been a P1 recommendation that related to a lack of clarity concerning the roles and responsibilities for contract monitoring. Evidence had now been provided that the various roles pertaining to TCES had been allocated, and that the relevant officers understood their roles. In view of this, the P1 recommendation had been signed off, and other less urgent recommendations would be reviewed in 2018-2019.

Councillor Owen expressed concern at the apparent lack of management oversight in this case. The Head of Audit said that management had not considered all of the aspects of the previous Contract Manager's role, and some aspects had been overlooked. It was debateable whether or not this could be classed as 'bad management' as it was the case that managers were attempting to accomplish more with fewer resources. The implementation of controls was also being affected. The Head of Audit felt that there were issues across the board caused by diminishing resources. It was not necessarily the quality of management.

Councillor Owen asked why PDS Committees were not finding out about problems, and perhaps it was the case that Members needed to structure themselves differently. The Vice Chairman stated that it was difficult for scrutiny committees to pick up the fine details, and that perhaps it was the case that PDS Committees should work differently. Contract variations were not being fed through to PDS Committees.

Councillor Allatt expressed the view that managers should be aware of the span of control and VFM issues.

Councillor Owen stated that LBB needed to be aware of the consequences and complications arising from cutting staff numbers. He expressed the view that Members were not being used effectively and that they needed a steer.

Councillor Allatt enquired as to how internal audit was viewed—was it respected and did it have 'teeth'. Mr Hogan responded that Internal Audit was respected. Officers would be concerned if they were asked to appear before the Audit Sub-Committee, and there were consequences for managers who were held to account. Officers now wanted to get things right and avoid P1 recommendations. The Chairman confirmed this and stated that officers did not like having to appear before the Committee.

The Vice Chairman stated that in his view, the Audit Sub-Committee should not be seen as a place where officers should attend and be fearful. He felt that the objective was to improve services, efficiencies and VFM. In his view a climate of fear would not be conducive to this, and he didn't want a situation developing where managers may be hiding things through fear.

Mr Hogan acknowledged that the correct balance was required. Officers often asked Internal Audit for advice. It was important that people were held to account, but in a reasonable and constructive manner.

Members were informed that the Audit of Children with Disabilities had resulted in the making of one P1 recommendation and seven P2 recommendations. The audit opinion was Limited.

Members were then briefed concerning the review of LBB's compliance with Intermediaries Legislation (IR35). It was felt that good controls were in place. HR needed to check if LBB were dealing with personal service companies or

not. Issues of non-compliance had to be reported to HR immediately. HMRC needed to see that LBB were taking the matter of compliance seriously.

With respect to Treasury Management, it was noted that controls had been put in place and were working effectively. These controls related to assessing the Council's financial position on a regular basis, complying with investment processes, and the completion/accuracy of investment records. Three P3 recommendations had been suggested to improve controls. The Audit opinion with respect to Treasury Management was Substantial.

The Committee was apprised that the three audits concerning the contracts for the commissioning of Public Health Services had all resulted in audit opinions that were Substantial.

Members were informed that LBB could claim funding from central government for work undertaken with 'troubled families' if it could be evidenced by Internal Audit that the criteria for claiming the funding had been achieved. A random sample of claims checked by Internal Audit showed that the relevant criteria had been achieved, and so the claims had been validated. The Chairman enquired if the 'Tacking Troubled Families' program was working. Mr Hogan responded in the affirmative and said that the life chances of those benefiting from the programme had improved—this was evidence based.

Members were informed that internal audit had visited Southborough School on 27th/28th February, and found that in most areas, controls were in place and working well. Several P2 and P3 recommendations had been suggested and had now been adopted. The audit opinion was therefore Substantial.

Members noted that Barrie Cull had been nominated for the award of 'Auditor of the Year'. Barrie had been nominated because he had played a key role in producing monitoring systems and working paper templates in house to replace the commercial IT system that had been in place for many years. Barrie was also Internal Audit's lead for GDPR and had undertaken excellent audit work with respect to LBB's Community Infrastructure Levy where P1 recommendations were identified with concerning uncollected income.

The Sub-Committee was happy to endorse Mr Cull's nomination.

Mr Hogan briefed Members that it had been agreed that risk registers would be reviewed at least 6 monthly by Internal Audit and by PDS Committees. The Homeless Risk had been escalated to the Corporate Risk Register. It was noted that the Pension Fund had its own risk register and that the external auditors also reported on the Pension Fund.

Councillor Dunn praised the risk registers, and felt that they were now better and more vigorous than before. He queried why it was in some cases that both the gross and net risks scores were the same. Mr Hogan said that he would review the logic behind the scoring in those particular cases.

It was noted that the Corporate Risk Management Group had commissioned two pieces of work to be undertaken in 2018:

- Information Governance and a GDPR Health-Check
- Business Continuity Plan Testing.

Councillor Allatt asked if the Audit Plan for 2018/19 had been finalised and it was confirmed that it was. Councillor Allatt asked for a copy of the Audit Plan. He said that he was particularly interested in the audit of Adult Social Care, and felt that there were possibly big savings that could be made in this area.

RESOLVED that

1- The Internal Audit Progress report is noted

2- The list of Internal Audit reports published on the Council's website is noted

3- The nomination of Barrie Cull as Auditor of the year is approved

4- The latest position on the Council's Departmental and Corporate Risk Registers is noted

5- The list of waivers sought since October 2017 is noted

8 ANNUAL INTERNAL AUDIT REPORT

FSD 18035

The Annual Internal Audit Report was written by David Hogan, Head of Audit.

The report updated the Committee concerning the Internal Audit activity for 2017/2018.

Members were asked to note the report and the Head of Audit's opinion on the soundness of the internal control environment within the London Borough of Bromley. The report was intended to assist the Council in meeting the requirements of the Accounts and Audit Regulations 2015. The Committee noted that fundamental aspects of the Internal Audit reviews were to assess the effectiveness of controls in place to mitigate against associated risks.

Members were informed that the 2017/2018 Internal Audit Plan had identified a total of 70 separate tasks, not including schools. Additionally, 19 audits had been carried forward from the previous year. The Head of Audit explained to Members that achievement of the 2017/2018 plan had been affected by several factors. In terms of resources for 2017/2018, the total number of days lost because of sickness and an unfilled vacancy, was 149. Resultantly, additional resources were procured from Mazars. Summaries were provided

of work days allocated to Departments, and a summary of work that had been undertaken.

The Head of Audit explained the Assurance Levels used, and their definition. The Committee heard that in June 2017, 35 Priority 1 recommendations had been reported to the Audit Sub Committee, and at the time of writing the report, 31 had been implemented.

Members were provided with an interesting update concerning risk registers. It was noted that Zurich had been commissioned to undertake a check and challenge process on the risk registers for LBB's three Directorates. The results of this process were reported back to the Directorate Management Teams, and this had resulted in updated risk registers being produced. The findings were also reported to the Corporate Leadership Team and it was agreed that the same challenge and scoring should be undertaken for corporate risks.

The Head of Audit explained that all internal audit arrangements were subject to a thorough internal review of quality; this was to ensure that the quality of the work was in line with the expectations of the Public Sector Internal Audit Standards (PSIAS).

It was noted that under the requirements of the PSIAS, there was a need for an external quality assessment of the internal audit service every five years. This had been undertaken in March 2016, and it was concluded that the section generally conformed to the required standards.

The Head of Audit briefed the Committee that the commercial software used by Internal Audit had no longer been supported from February 2017, and so an alternative had been required. A decision was made to develop new systems in house (by Internal Audit) using MS Word and Excel. The decision to develop systems in house had resulted in savings for the Council.

Members were briefed that the annual assessment was based on work reported to the Audit Committee between April 2017 and the date of the report. The assurance activity undertaken by the Council and other external assurance providers was taken into account when finalising the Annual Assessment. Reasonable assurance could be provided that there was generally speaking a sound system of internal control.

The Head of Audit advised that the Council had identified challenges with respect to making future budget savings alongside the maintenance of frontline services. A balanced budget had been set for the 2018/19 financial year, and income and savings options had been identified for 2019/20. Beyond this, there was likely to be significant future challenges. It was further noted that reduced resources were being stated by some managers as having an adverse effect on the ability to implement audit recommendations.

The Head of Audit acknowledged that contract management issues had been identified across the Council over the last two years. Because of this, actions

had been taken to strengthen arrangements across the Council. These arrangements included the Contracts Database with an alert system for tendering and renewal. Comprehensive training was now available for everyone involved in the commissioning of services, which consisted of four training modules—each lasting for three hours.

Finally, the Committee was informed that significant changes were required to ensure that the Council would be compliant with the General Data Protection Regulations 2016 (GDPR) when introduced on 25th May. Resultantly, a detailed and challenging independent review had been undertaken by the 'Data Protection People', and 51 recommendations were provided by the Review.

The Head of Audit also provided brief updates regarding Corporate Related Fraud, the National Fraud Initiative and Freedom Passes.

The big issues for LBB now were:

- The Council's financial position going forward
- Contract Management
- GDPR

It was mentioned that the pro-active exercise which had been undertaken in 2016-2017 had resulted in 684 Freedom Passes being cancelled with savings estimated at £200k.

RESOLVED that the report be noted, and that the Head of Audit's opinion on the soundness of the internal control environment within LBB also be noted.

9 ANNUAL GOVERNANCE STATEMENT

FSD 18036

The Annual Governance Statement report was prepared and presented by David Hogan—Head of Audit.

The report was required because the Accounts and Audit Regulations 2015 required that a local authority undertake a review at least annually of the effectiveness of its system of internal control. This statement would be included with the published accounts. In England, the statement was the Annual Governance Statement. It was also included in the relevant CIPFA Code of Practice.

The report asked Members to comment and agree the Annual Governance Statement (AGS).

The Head of Audit outlined the sources of assurance that had to be relied upon when the AGS was being prepared. These sources included responsible directors and managers in the Council, as well as external auditors, other

review agencies and inspectorates. The Head of Audit opinion also formed a key part of the review.

The annual review had identified several areas where further work was required to monitor how the key risks facing the Council were being managed, or where further work was required to improve systems. The first area identified was that of Finance and it was noted that in the future, significant challenges would exist in trying to reconcile budget savings with the maintenance of front line services.

Members were appraised that contract issues had been identified over the last two years which had highlighted the need for stronger control and better management oversight. Also identified was the need to effectively use performance management information and improve quality assurance arrangements.

The Committee noted that the Council's Code of Corporate Governance had not been updated to reflect the 2016 CIPFA guidance.

Members were appraised that significant changes were required so that the Council would be compliant with the General Data Protection Regulations 2016 (GDPR) which would be introduced from May 25th. Penalties for non-compliance could be severe.

Finally, the Head of Audit reminded Members that as part of the conclusion process in finalising the AGS, it was important that the Audit Sub-Committee provided robust independent consideration, challenge and ultimately—approval of the document. Once agreed by Internal Audit, the Annual Governance Statement would be signed by the Leader and by the Chief Executive.

RESOLVED that the Annual Governance Statement for 2017/18 is approved.

10 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 listed below as it was 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.

11 FRAUD, INVESTIGATIONS AND INTERNAL AUDIT EXEMPT ITEMS REPORT

FSD 18038

The Fraud, Investigations and Internal Audit Exempt Items report was written and presented by David Hogan, Head of Audit.

The report informed Members of recent Internal Audit activity concerning fraud and investigations across the Council and provided updates on matters arising from previous Audit Sub Committee meetings. The report provided updates on previously reported cases, and expanded on new cases of interest and detailed cases on the fraud risk register. It also provided information on reports which were exempt from publication.

Members were asked to note and comment on the contents of the report.

The full minutes have been published internally as an 'exempt information' item.

12 EXEMPT MINUTES OF THE MEETING HELD ON 7th MARCH 2018

The exempt minutes of the meeting held on 7th March 2018 were agreed and signed as a correct record.

13 AOB

The Chairman referred to a previous response letter that he had received from the DWP with respect to the Single Fraud Investigation Service. The Chairman's response had been delayed due to Purdah. The Chairman stated that his follow up response letter to the DWP would be circulated to members of the Audit Sub-Committee via the Committee Clerk. Members would be asked for their views before the final response was sent to the DWP by the Chairman.

14 DATE OF THE NEXT MEETING

The date of the next meeting of the Audit Sub Committee was confirmed as 25th September 2018.

The Meeting ended at 9.00 pm

Chairman

Report No.
CSD 18154

LONDON BOROUGH OF BROMLEY

PART 1 PUBLIC

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **14th November 2018**

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

Title: **MATTERS ARISING**

Contact Officer: Stephen Wood, Democratic Services Officer
Tel: 020 8313 4316 E-mail: Stephen.Wood@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: n/a

1. Reason for report

To update the Sub-Committee on progress with Matters Arising (Part 1) from previous meetings.

2. **RECOMMENDATION(S)**

To note and comment on progress with matters outstanding from previous meetings.

To recommend any action as deemed appropriate with respect to matters that have not been resolved.

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: **£350,650.**
 5. Source of funding: 2018/19 revenue budget
-

Staff

1. Number of staff (current and additional): 8 posts 6.87fte
 2. If from existing staff resources, number of staff hours: Completion of "Matters Arising" reports for the Audit Sub Committee normally takes a few hours per meeting.
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Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable:
-

Customer Impact

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

Ward Councillor Views

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

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.

Appendix 1

Issue & Date	Summary	Action being taken	By	Estimated Completion
Minute 20 8th November 2017 Zurich Overview	<p>The Head of Audit mentioned the possibility of cyber-attack, and that the matter of insurance against the effects of such an attack would need clarifying.</p>	<p>Zurich are currently working on the possibility of a specific Cyber policy bespoke to the Public Sector. When this comes available we will be made aware.</p> <p>There have not been any specific updates since the last meeting, but the Council is due to tender its insurance contracts very soon and policies around this will be considered as part of that process.</p>	<p>Zurich</p> <p>Procurement/ Commissioning Directorate.</p>	Ongoing
Minute 21 8th November 2017 Internal Audit Progress Report	<p>Members were advised that there had been an objector to the accounts. The objections were in relation to Waste Management and Trade Waste Collection.</p>	<p>There were no further updates at the meeting on 24th May 2018.</p> <p>This matter has still not been concluded and is ongoing.</p>	External Auditors.	Ongoing.
Minute 7 24th May 2018 Internal Audit Progress Report	<p>It was expected that consultants would be appointed in quarter 2 of 2018 to advise on the Civic Centre Accommodation Strategy.</p>	<p>The consultants have not yet been appointed. A meeting was scheduled for w/c 29th November to finalise the briefing and specification.</p> <p>The tendering process would commence shortly after.</p>	Procurement/ Commissioning Directorate.	Ongoing
Minute 7 24th May 2018 Internal Audit Progress Report	<p>It was noted in the minutes of the meeting dated 24th May 2018 that some officers were planning to visit the TNT storage depot in Essex.</p> <p>This was with the view of progressing with the disposal of storage boxes.</p>	<p>Visits have taken place.</p> <p>A fuller report on progress will be included in the Internal Audit progress report.</p>	Relevant officers.	Ongoing.
Minute 7 24th May 2018 Internal Audit Progress Report	<p>A query was raised at the meeting on 24th May 2018 concerning gross and net risk scores. It was noted that in some cases, the gross and net risk scores were the same.</p>	<p>This referred to weaknesses in Commissioning in the Commissioning Risk Register. The Director of Commissioning has arranged for Mandatory Training to be in place for all contract managers and commissioners along with quarterly mandatory meetings chaired by Director of</p>	Director of Commissioning.	Closed

	The Head of Audit said that he would seek some clarification around the logic of the scoring in these cases.	Commissioning. However it is only when she considers that the controls arising from these actions are fully embedded in the Council's processes, that the net score will reduce.	Director of Commissioning.	
Minute 7 24th May 2018 AOB	The Chairman stated that his follow up response to the DWP concerning the SFIS would be disseminated to Members via the Committee Clerk	LBB has volunteered to adopt a joint working approach with DWP local fraud teams. In view of this fact, the writing of a follow up response has been put hold while the new arrangements are trialled and reviewed.	Chairman of Audit Sub Committee.	Closed.

Report No.
FSD 18083

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **Wednesday 14 November 2018**

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

Title: **INTERNAL AUDIT PROGRESS REPORT**

Contact Officer: David Hogan, Head of Audit
Tel: 0208 313 4886 E-mail: david.hogan@bromley.gov.uk

Chief Officer: Director of Finance

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:-

- 3.2 Risk Management
 - 3.3 Annual Governance Statement 2017/18
 - 3.4 Audit Activity (Key Findings)
 - 3.24 Audit Activity (Priority 1 Commentary)
 - 3.30 Audit Activity (Other work)
 - 3.33 Waivers
 - 3.34 Publication of Internal Audit Reports
 - 3.35 Letter of Representation
 - 3.36 Code of Transparency
 - 3.37 Annual Audit Letter
 - 3.38 Objection to the Accounts
-

2. **RECOMMENDATION(S)**

- a) Note the Progress Report and comment on matters arising
- b) Note the actions taken in respect of the Risk Management process, the departmental risk registers and approve the revised Corporate Risk Register
- c) Note the list of Internal Audit Reports published on the council's website
- d) Note the list of waivers sought since May 2018

- e) Note the letter of representation
- f) Note the Annual Audit Letter from KPMG
- g) Note the Code of Transparency – reporting of fraud
- h) Note the latest position on the objection to the Accounts

Impact on Vulnerable Adults and Children

1. Summary of Impact: Some of the audit findings could have an impact on Adults and Children's Services
-

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: Internal Audit
 4. Total current budget for this head: £560k including £165k Fraud Partnership Costs
 5. Source of funding: General Fund/Legal Cost recoveries
-

Personnel

1. Number of staff (current and additional): 6.5 FTE (1 post currently vacant)
 2. If from existing staff resources, number of staff hours: 2018/19 – 900 days are proposed to be spent on the audit plan, fraud and investigations – excludes RB Greenwich investigators time.
-

Legal

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

Procurement

1. Summary of Procurement Implications: Some audit recommendations will have procurement implications
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 100 including Chief Officers, Heads of Service, Head Teachers and Governors
-

3. COMMENTARY

3.1 Internal Audit Progress

3.1.1 The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) or guidance. Internal audit is a key component of corporate governance within the Council. The three lines of defence model, provides a simple framework for understanding the role of internal audit in the overall risk management and internal control processes of an organisation:

- First line – operational management controls
- Second line – monitoring controls
- Third line – independent assurance (Internal Audit forms the Council's third line of defence)

3.1.2 In simple terms this assurance will assess whether risks are being appropriately managed. This will help the organisation to; avoid surprises, establish whether activities are being delivered as expected and ensure opportunities are delivered in an efficient way. This provides accountability to our stakeholders and establishes priorities for managers where further action is required.

3.2 Risk Management

3.2.1 It was agreed by the Committee that Risk Registers would be reviewed at least 6 monthly, updated and reported first to Audit Sub-Committee and then to the respective PDS Committees. Internal Audit has discussed the registers with DLT's and CLT. They have also been discussed at a meeting of the Corporate Risk Management Group (CRMG). The updated Risk registers are shown in Appendix A.

3.2.2 As part of the Council's Insurance Contract with Zurich there is a "notional budget" to use the services of their Strategic Risk Management Consultants and their expertise and knowledge to further strengthen risk management and control arrangements within the Council.

3.2.3 Members will be aware that the Corporate Risk Management Group (CRMG) has commissioned Zurich, our insurers, to undertake the following work streams to inform and strengthen risk management.

- Risk Register Refresh, Check and Challenge
A series of Check and Challenge sessions to review and refresh the Risk Registers resulting in an updated set of Directorate Risk Registers reflecting the current risk profile of the organisation.
- Information Governance Health Check
A desktop review of the existing policies and procedures, supported by a series of interviews with key stakeholders, resulting in recommendations for improvement and an Information Risk Maturity grading, including a sector comparison.
- Business Continuity Planning
Provision of guidance and reassurance on best practice and approach supplemented by testing, through suitable scenarios, of the Business Continuity Plans of each Directorate to provide greater awareness of the individual service needs and responses to others and vice versa.

3.2.4 At the Executive, Resources and Contracts PDS meeting of 5th September, it was requested that the risks marked as 'Red' (High) should be presented to each meeting of the relevant PDS committee and that the 'further action required' column of each Risk Register was to be kept under review. This requirement has been disseminated to all Risk Register owners and the process commenced with the presentation of the Chief Executive's, Commissioning and Finance Risk Registers to the Executive, Resources and Contracts PDS meeting on 11th October. The Human Resources Risk Register does not currently contain any Red (High) risks and therefore was not included in the paper.

3.3 Annual Governance Statement 2017/18

3.3.1 The Annual Governance Statement (AGS) for 2017/18 received final approval from the Authority's External Auditors (KPMG) who reported, in their External Audit Report of 25th July 2018 and presented to the General Purposes and Licensing Committee meeting of the same date, that the AGS 'complies with Delivering Good Governance guidance issued by CIPFA/SOLACE in April 2016'.

3.3.2 The Annual Governance Statement for 2017/18 identified the following five areas as requiring further work during 2018/19:-

- a) Finance (capacity to make further budget savings)
- b) Contract Management (need for strengthened control and management oversight)
- c) Performance Management (robust quality assurance arrangements)
- d) Code of Corporate Governance (update to reflect 2016 CIPFA/Solace guidance)
- e) GDPR (significant changes required to ensure compliance)

3.3.3 All of the above, with the exception of d) Code of Corporate Governance, are embedded through existing work streams and reporting arrangements. The Code of Corporate Governance is in the process of being reviewed and progress against all five areas will be reported in the 2018/19 Annual Governance Statement.

3.4 Audit Activity (Key Findings)

3.4.1 The latest list of outstanding Priority 1 recommendations is shown in Appendix B. There have been some additions since the last meeting of this Committee and these are detailed below. There has also been some movement in Priority 1 recommendations brought forward that are also detailed below.

3.4.2 A summary of key findings from Audits completed to date follow:

3.5 Contract Management of Adult Mental Health

Objective

3.5.1 Review the contract management and monitoring of the Section 31 agreement with Oxleas to provide Mental Health Services.

Audit opinion – Limited

3.5.2 For the Section 31 agreement with Oxleas, controls noted to be in place included a signed agreement, stipulation that the provider complies to statutory regulations, the functions of both parties are stated, confidentiality and compliance to the Data Protection Act was stated, the

financial arrangements of the pooled budget are documented as was the procedure to action over and under spends.

- 3.5.3 However examination of the Section 31 Agreement and interviews with responsible officers indicated issues arising with the contract management and monitoring of this agreement. Five Priority 1 recommendations were raised which are summarised below:-

Variation to contract

- 3.5.4 The agreement had been in place for 14 years without any evidence of review or variation to ensure it is relevant and fit for purpose. There was no evidence of any change control documents issued for the agreement

Performance Measures and Monitoring

- 3.5.5 Performance measures stated in the agreement were obsolete and out of date and no defined monitoring arrangements were in place. No Mental Health Board was in place and no formal reviews undertaken or reports as stated in the agreement

Roles and Responsibilities

- 3.5.6 LBB operational lead was not defined or evidenced during the course of the audit review. The Business Support Officer (BSO) is key as the link between Oxleas and LBB, RIO system and CareFirst. This was a temporary post and the agency officer left 31/3/18 with no funding to replace. The BSO had no defined reporting lines and worked in isolation.

Service Agreement Reviews

- 3.5.7 Reviews should be completed every 3 to 6 months, as stated in the Panel decision for each case. A summary spreadsheet evidenced to audit showed that as at the beginning of March 2018 53% of clients had an outstanding review (this value excludes the priority cases where the care package exceed £900 pw). The Department engaged 2 temporary care managers to review all cases with a view to achieve savings.

Management Reporting

- 3.5.8 Quarterly performance reports have not been received from Oxleas.

3.6 Contract Management – Adult Mental Health – Follow up

- 3.6.1 The audit report was finalised in May 2018 just after the previous Audit Sub Committee. The 5 Priority 1 recommendations are reported in the paragraphs above as being new to the Priority 1 list. Given 5 months has elapsed and the target date for all recommendations passed, it was timely to carry out the follow up and report progress to implement.

Variation to contract

- 3.6.2 The Director of Programmes and the allocated Strategic Commissioner have referred the agreement to the Authority's Legal Team for consultation and guidance. The initial issue to resolve is whether this is a section 75 or section 31 agreement. The agreement will either be terminated and a formalised partnership agreement will be issued or the existing agreement will continue with Change Control Notices to support the variations to contract.

- 3.6.3 Bromley officers have identified the changes to the agreement required to operate the Mental Health service for service users. Oxleas have similarly been requested to highlight any changes to the agreement and respond to the Authority by the 22/10/18. The Strategic Commissioner confirmed that there was a data sharing agreement with Oxleas for client information but there would need to be an agreement for data relating to seconded staff and this was work in progress. The recommendation will remain open.

Performance Measures and Monitoring

- 3.6.4 The Director of Programming is currently reviewing the structure of the division. With the Contract and Commissioning Team transferring back to the Department the monitoring of this agreement can be assigned accordingly.
- 3.6.5 As discussed above the agreement will be updated and reflect the service delivery required by the Authority and agreed with the provider. Key performance indicators may therefore be changed but as an interim measure the Strategic Commissioner has developed a draft performance management schedule. The final list of indicators has not yet been agreed by both parties. Oxleas need to respond with their assessment of the feasibility and timescales for collecting the data and reporting on the proposed indicators. Information will be available in report format generated from RIO, the case management system used by Oxleas. Bromley officers anticipate that the first test run to monitor and qualify submitted data will be November 2018.
- 3.6.6 The CCG Monitoring Board meet monthly, the Section 31 agreement has now been added as a standing item on the agenda. A dedicated monitoring meeting led by Bromley and chaired by the Director of Adult Social Care has been scheduled to start in November 2018. The recommendation will remain open.

Roles and Responsibilities

- 3.6.7 The Director of Adult Social Care has been formally nominated as the Council's Authorised Officer and is also the Lead officer with operational responsibility. Resources have now been secured to fund the BSO as an established post and will be part of the brokerage team with clear reporting lines and designated authorising officer. Two officers are currently completing the BSO role in terms of panel administration, liaising with Oxleas, uploading service agreements to CareFirst and monitoring reviews. The recommendation is therefore closed.

Service Agreement Reviews

- 3.6.8 The service has confirmed that the reviews are now being completed on time and the outstanding reviews cleared. The HoS P&B confirmed that the approach to reviews has now changed. Previously Oxleas completed a review and notified Bromley to duly update CareFirst, the team have now set up a desktop alert for all reviews due for this client group and Oxleas are instructed to carry out the reviews. There is also now a link between Practice Review Group (PRG) minutes and requests to Oxleas to complete specified reviews, evidenced by e-mail to the provider. The outcome of all reviews is reported back to the weekly PRG meetings.
- 3.6.9 Since June 2018 the department have made a concerted effort to clear the back log of reviews for Adult Social Care clients. When the project started in June, 355 adult clients had an overdue review; 174 clients were less than 3 months, 60 clients were 3-6 months, 80 clients were 6-12 months and 41 over 12 months. The Performance Team reported on the 5/10/18 that the total of number of overdue reviews was now 112, of which 69% were less than 3 months overdue and no clients were more than 12 months overdue. Of the 112 identified 77 were new clients so only 35 of the original 355 clients were still outstanding at the time of testing. The Director of Adult Social Care has now confirmed that as at 26/10/18 all of the 355 reviews have been completed.
- 3.6.10 The original audit review finalised in May 2018 identified 177 Mental Health clients with an outstanding review of more 3 months, 95 of these cases were overdue for more than 12 months. The October Dashboard report evidenced that 8 cases were overdue for the Mental Health clients, 7 are less than 3 months and 1 3 to 6 months. However the agreed review period for new clients to the Mental Health service is within 6 months. The current performance data generated from CareFirst and reported to management does not identify new starters and measure against the 6 month guideline. This issue has been discussed with the Director of

Adult Social Care and the Performance Team and will be resolved.

- 3.6.11 The recommendation is partially implemented and will be progressed to implemented once the performance data can evidence that Oxleas are achieving service agreement reviews within 6 months for new starters. Initial investigation suggests that there may be 7 clients that are overdue and the Director has confirmed that these reviews will be scheduled as a priority.

Management Reporting

- 3.6.12 As discussed above the Strategic Commissioner and Director of Programmes have, in consultation with Oxleas, reviewed the current agreement including the information to be submitted as quarterly management reports.
- 3.6.13 The Department have made significant progress to implement the Priority 1 recommendations, specifically ownership of the agreement, assignment to a strategic commissioner and undertaking a complete review and revision of the agreement to ensure it supports the service delivery required by the Authority to meet the statutory functions for Mental Health. The Director of Programmes stated that "Whilst the Authority has the responsibility for the management and governance of the S31 agreement, negotiating new terms and conditions and adopting a new performance framework do require the cooperation and input of Oxleas which impacts on the time taken to complete the Priority 1's." The Department have set a target date on December 2018 to issue the new agreement, formally adopt the monitoring framework for performance management and schedule the receipt of quarterly and annual management reports. As such the three Priority 1 recommendations will remain open. The recommendation relating to service agreement reviews is partially implemented and will be fully implemented when the Performance Team separate the new starters and evidence that the reviews for these cases are completed within the first 6 months. The recommendation relating to roles and responsibilities has been satisfactorily implemented and will be closed.

3.7 Adults Safeguarding

Objective

- 3.7.1 Review of the system to monitor the budget, assessments and controls to ensure that all cases are effectively managed within agreed timescales and according to safeguarding procedures.

Audit opinion – Substantial

- 3.7.2 Controls were in place and working well in the areas of policies and procedures; staff completed regular training related to Adult Safeguarding, timely receipt and recording of referrals on CareFirst; strategy discussions and enquiries were completed and recorded on CareFirst in a complete manner; case conferences and review meetings were completed and where required a protection plan developed; regular meetings to monitor Adult Safeguarding cases; safeguarding process closed and appropriately approved when the safeguarding concern had been removed and management information was produced and reviewed on a weekly basis.
- 3.7.3 Two Priority 2 recommendations were raised with regard to the timeliness of the strategy discussion, the plan and review meetings and secondly the timeliness of closing the case.
- 3.7.4 In accordance with the PAN London procedures and Bromley local procedures, a strategy discussion should be completed within five working days of receiving the referral. Audit testing identified that 4 of the 10 cases sampled exceeded this target the longest delay being 49 days. The plan and review meeting/case conference should be completed within 20 days of the enquiry report, according to the PAN London Procedures and the Bromley Local Procedures.

For 2 of the 10 cases tested this target was not met.

- 3.7.5 In accordance with the PAN London procedures, it is suggested that closure of Safeguarding cases should be undertaken immediately following the removal of risks. This has been adapted by Bromley, with the local procedures detailing that the review and closure should be within 30 days of any final actions. For the sample of 10 cases tested, 5 had not been closed within the 30 days target.
- 3.7.6 A Priority 3 recommendation was raised in respect of the upload of information to CareFirst and the need for officers to use consistent document names and save information to consistent locations.

3.8 Continuing Healthcare Funding

Objective

- 3.8.1 Review of the systems to assess and monitor clients moving from social care to health care funding. Evaluate value for money issues regarding end of life funding and ensure that all available funding streams are utilised.

Audit opinion – Substantial

- 3.8.2 Controls were in place and working well in the areas of formal reporting lines identified, the panels meet on a monthly basis, checklists and Decision Support Tools (DST) are completed and uploaded to CareFirst where possible and joint funded cases are reviewed regularly.
- 3.8.3 Seven Priority 2 recommendations were raised with regard to the need to develop policies and procedures; maintain a training log to ensure all relevant staff have adequate training to carry out their duties; confirmation that assessments have been completed; retaining supporting documentation on CareFirst (care plans and Individual Service Agreements) with start and end dates to ensure all appropriate costs are recovered; completion of a panel decision sheet for all joint funded cases to confirm the agreed split and the need to invoice the CCG in a timely manner to recover costs with senior managers receiving monthly reports to monitor the financial status of joint funded cases.
- 3.8.4 Two Priority 3 recommendations were raised; checklists to be passed over to the CCG in a timely manner and recorded on CareFirst and secondly that the terms of reference for the CHC and Joint Funded Panels be finalised.

3.9 Council Tax

Objective

- 3.9.1 The overall objective of the audit was to review the key controls around council tax, including collection and recovery methods and provision for bankruptcy. We also reviewed controls over council tax support payments and discounts and compliance with the Service Level Agreement currently in place.

Audit opinion – Substantial

- 3.9.2 Controls were in place and working well in the areas of monthly monitoring arrangements with the Exchequer contractor, documentation for support payments and the collection rate for Council tax, including recovery where bailiffs were engaged.
- 3.9.3 We made seven Priority 2 recommendations where management action will improve controls. These include the documenting of supporting evidence for discretionary payments made,

refunds requested and discounts provided. The way Council tax complaints were dealt with also showed a lack of evidence retained. We found that the Discretionary Council Tax Support claim form was not Data Protection Act 2018 compliant.

3.10 IT Project Management

Objective

3.10.1 The overall objective of the audit was to review the key controls around IT project management.

Audit opinion – Substantial

3.10.2 Controls were in place and working well in the areas of the Change Control Notice process for projects and availability of information for staff applying for projects to be carried out. Weekly meetings were held to discuss on-going projects and their progress and purchase orders raised for projects matched the agreed costings.

3.10.3 We made six Priority 2 recommendations and one Priority 3 recommendation where management action will improve controls. These include the completeness of information provided on the Change Control Notices and the lack of information provided to the Partnership Board on the performance of IT projects. Furthermore, there were no terms of reference for the Governance Portfolio meetings and the Partnership Board.

3.10.4 Our sample testing identified payments which had not been authorised for payment at the correct level of financial authority and the invoices received did not specify in detail the goods/services provided. A lessons learned' review had not been carried out for two of the projects in our sample.

3.11 Creditors

Objective

3.11.1 The overall objective of the audit was to review the key controls around payments to creditors.

Audit opinion – Limited

3.11.2 Controls were in place and working well for the regular reconciliation of the ledger control account to the creditors' control account, monitoring of duplicate payments and evidence of checks carried out on goods and services received prior to payment. We found that payments are correctly coded in the accounting records and VAT payments are correctly identified.

3.11.3 There is one Priority 1 recommendation. A set-up/amendment form is required for all new set-ups/amendments to the Creditors' Masterfile. Whilst section 1 of the form is completed by an officer in the business service area which requires the supplier to be set-up/amended, the form is not checked or signed off by the budget holder or other designated manager within that business service area.

3.11.4 We also made three Priority 2 recommendations to further improve controls. These relate to the monitoring arrangements to identify purchase orders raised retrospectively and the need to change periodically the code to the safe where blank cheques are stored. We also identified that a payment of £230,832 had been authorised by an officer with insufficient delegated financial authority.

3.12 Home Tuition

Objective

3.12.1 To review the system for referral and payment to providers.

Audit opinion – Limited

3.12.2 The Home and Hospital Tuition Team has three distinct areas of service; the hospital team at the PRUH, Electively Home Educated children, and the Home Tuition service for children not able to attend school for physical, medical or mental health reasons. Children with an Education, Health and Care Plan (EHCP) may also receive Home Tuition for a limited period funded from the SEN budget.

3.12.3 This review considered the Home Tuition service only, no testing was completed for the Hospital Team or Elective Home Education. A sample of 20 cases was selected from the Home Tuition database for audit examination. The sample was used to test referral documentation, reviews, allocation of hours, timesheets, attendance records and the use of the proprietary purchasing system. From the audit testing and interviews with the Home Tuition Team there were 11 findings; 5 were considered to be Priority 1 as follows:-

Core Panel Decisions

3.12.4 The Core Panel meets fortnightly with a multi-disciplinary membership. The outcome letter for a sample of 20 pupils selected from the Home Tuition database on the 11.6.18 was checked. The main points arising were:-

- Outcome letter or panel decision not evidenced for 6 pupils
- Hours are not specified on the outcome letter or panel decision, this is accepted practice as the default will be 5 hours per week.
- Outcome letter not signed
- Hours only declared for 9 cases on the database and no provision to record changes to agreed provision
- For 1/20 panel decision was to not accept given information was incomplete. It was not clear that this case went back to panel or if a decision was reached out of panel
- For 1/20 panel decision 12.9.17 was to review at panel 12.12.17 but is not evidenced as having been resubmitted
- For 1/20 pending decision dependent on resolution of funding issues.

Database

3.12.5 The data base was introduced at the start of the academic year 2017/18 and is used to record all pupils assigned to the service. It is acknowledged that at the time the database was created the objective was to capture core data but it should be developed to monitor hours, allocations and review dates.

3.12.6 The database was the primary source of information for the audit and 2 of the findings relate directly to information not being recorded. Similarly the checks on timesheets planned hours, delivered hours and expenditure should also be supported by the database and information was inaccurate or missing.

3.12.7 The database is a live document and should be updated regularly but there was no retention of data as changes were made to retain an audit trail to support expenditure and service delivery. There is no standard input and formatting that allows manipulation of the data to monitor key information.

- 3.12.8 The key information to be recorded is the hours agreed at panel, the planned hours and the hours allocated to the tutor to be provided and charged. Virtual Learning will also need to be captured to support payment of the invoice for this service.
- 3.12.9 Certain fields should be mandatory and the allocated hours would be a prime example. Of the 113 cases that had been to panel and were current at some point in the academic year 2017-18, 51 had the allocated hours completed and for 62 the field was blank. At £40 per hour and a default of 5 hours per week this could represent £12,400 expenditure per week not supported by information on the database (62 pupils X 5 hours X £40 ph.)

Payments to Agency Tutors

- 3.12.10 Home Tuition approved by panel will be allocated to Bromley tutors in the first instance but when demand exceeds this resource the Lead Teacher will engage agency tutors using a proprietary purchasing system
- 3.12.11 All the tutors currently used by the service are from one supplier. A walk through test with the Finance Officer identified that limited checks are undertaken on the submitted timesheets; verification of the tutor name and arithmetical accuracy of the claim. There is no check to:-
- confirm hours claimed to hours agreed
 - temporary variations due to weekly availability of the child
 - comparison to the attendance sheets that should be returned half termly
 - signature of the parent/carer to confirm service delivery.
- 3.12.12 The timesheets for agency tutors for week ending the 23.2.18 was selected for audit examination; 9 related to tutors and 1 related to the exam officer who does not have any contact time tutoring. The main issues can be summarised as:-
- no standard format of timesheet or consistent completion of the document including interpretation and representation of hours and minutes.
 - no declaration on the timesheet to confirm that the claim is correct
 - arithmetic errors on the hours claimed
 - hours claimed for one child by two tutors
 - notation on the timesheet relating to activities that did not relate tutor contact time

Attendance Registers

- 3.12.13 All tutors, Bromley and agency, are required to complete the weekly attendance sheet for each child and this should be returned at the end of each half term. The spring term attendance records were checked to the timesheets for both the Bromley (February 2018) and agency (w/e 23/2/18) tutors. The main issues arising for agency staff were that:-
- For 5 of the nine tutors tested attendance records could not be found and for 2 of the tutors. The team confirmed in an e-mail that neither had submitted attendance records and that this had been an ongoing problem.
 - For one tutor at the Link, the attendance sheet cannot be used to support hours claimed as 14 children are recorded over the week and tuition is not 1:1
 - The attendance sheet did not agree to the hours/days claimed on the timesheets for two of the tutors.
- 3.12.14 The main issues arising for Bromley tutors tested for the week 19th to the 23rd February 2018 were that:-
- For 1 of the 5 tutors sampled no attendance record could be found

- For 3 of the tutors the hours claimed were above the hours declared on the attendance records.

3.12.15 The timesheets are submitted weekly for agency and monthly for Bromley staff. The attendance sheets do not come in until the end of the half term; there is no check on the information reported or comparison to the timesheets.

Procurement and the use of one supplier (supplier A)

3.12.16 The Home Tuition service will use Bromley tutors as the first choice if the hours are available and there is an appropriate match of resources and need. The second option is to source tutors through the proprietary procurement system.

3.12.17 The Lead Teacher will upload the requirement to the system specifying the hours to be allocated, needs of the child and start date. The requirement is then available to all tutors vetted and registered to the system. Responses to the published requirement are sent to the requester once closed and the lowest cost provider should be selected. For the Home Tuition Service only one provider, Supplier A has responded for all requirements posted.

3.12.18 The Lead Teacher raised concerns during the course of the audit that the proprietary purchasing system does not meet the flexible and urgent needs of their service whereby a replacement tutor may be required for the same day. Another issue was that once a tutor is selected on lowest cost and accepted, a contract is issued but the Lead Teacher will still need to assess the suitability of the tutor and potential match to a student. If the allocation is not appropriate the contract is cancelled and the process starts again.

3.12.19 Internal Audit are not in a position to comment on the appropriate use on the system but support the need for robust, transparent procurement in an area that was previously found to be poorly controlled. Any procedure to procure tutors must comply with Financial Regulations and Contract Procedure Rules and evidence an adequate contractual arrangement with the provider.

3.12.20 The review of budget monitoring identified that:-

- the expenditure code set up in the procurement system for SEN pupils was incorrect. Home Tuition will procure tutors for SEN cases, temporarily assigned to Home Tuition but the cost remains with SEN. The Service accountant was alerted and worked with the Lead Teacher to identify the miscodings and correct. Procurement confirmed that the codes were entered when the system was set up but could be changed for each requirement.
- the engagement of 2 tutors from supplier A working at the Link, is not subject to competitive tendering as the requirement on the procurement system is set to “manual” rather than “tender”. This effectively means that the engagement of both tutors is not subject to competitive tendering. The annual cost for one of the tutors is £77,220 based on a confirmed hourly rate of £66, 30 hours per week and 39 weeks per year.
- the cumulative spend report identifies £8,750 to supplier A in 2017/18 and £20,000 in 2018/19 but the summary spreadsheet maintained by accountancy of the weekly invoices show £471,366 to them for 2017/18. Accountancy explained that as the payments are made from a holding account and recharged rather than individual expenditure codes, the value is not captured on cumulative spend.

3.12.21 The audit test to check the sample of agency tutors and allocated pupils to ensure that the engagement was supported by a requirement, a contract and that the rates, hours and start dates agreed to the weekly payment was not completed. The Home Tuition Team were not able to access the procurement system website to provide the information required for

testing. This indicates a training issue that can be addressed as the procedure to check and verify engagements for tutors is developed and the necessary controls put in place.

3.12.22 From interview with the Senior Procurement Officer and initial testing on the sample indicated that the main issues arising at an operational level are that:-

- Of the 13 contracts declared 5 started in the academic year 2017/18, 2 16/17, 2 15/16, 2 14/15 and 1 in 13/14.
- None of the requirements state an end date, a start date only is specified.
- The Lead Teacher confirmed that there are open engagements on the system no longer used but cannot be closed on the system.
- For a sample of two requirements the Senior Procurement Officer evidenced that 11 and 8 providers were invited to bid for a requirement set up by Home Tuition but all cancelled except supplier A. The owners of the proprietary purchasing system have not done any review work to suggest why providers do not bid for Home Tuition work but the Senior Procurement Officer suggested that it is the short period of time between the close time and review time.
- There are service agreements for more hours than are allocated.
- A check on one requirement evidenced a bid of £48 per hour for 10 hours but the weekly payment summary for this agreement showed that the value regularly exceeded this amount. This should be a basic check undertaken by the Team but is not currently considered.
- The Lead Teacher confirmed that no checks are made on the rates charged; the team do not have access to the weekly spreadsheet that is attached to the invoice. The invoices for February 2018 and July 2018 were checked for the Home Tuition engagements; rates had both increased and decreased but the LT HT/H was not aware of any change and had not received any uplift or change of rate notification.

3.12.23 The 6 Priority 2 recommendations related to the medical evidence available to support the referral to the service; the need to formally record the weekly reviews by the team; the submission and checking of monthly timesheets for LBB tutors; the need for mandatory training for the Home Tuition team; development of operational procedure notes to support the work of the team and the need to securely store historical data.

3.12.24 The audit findings were discussed with the Team during the course of the audit and progress to implement for some recommendations commenced before the report was finalised to allow new practices with improved control to be rolled out for the start of the Autumn Term.

3.13 Direct Payments

Objective

3.13.1 To review the system in place for assessment and review of clients for direct payments. To include the contract monitoring for the direct payment support and payroll service and follow up the recommendations identified in the 2016-17 investigation report.

Audit opinion – Limited

3.13.2 Ten recommendations were made within this audit, four were priority one recommendations and the remaining six recommendations were priority two recommendations.

3.13.3 There are four significant findings relating to DP5 documentation, direct payment terms and conditions and payments and ownership of documents for update & review including appointed person form.

DP5 Documentation

- 3.13.4 The DP5 is the legal agreement between the service user and the Authority, whereby the both parties sign to confirm that the direct payment will be used in accordance with the terms of and conditions of the DP5 agreement.
- 3.13.5 Unlike other DP forms, which are embedded within Carefirst the DP5 is issued by the contractor and a scanned copy of the signed form should be held on Carestore for each service user. Audit testing showed that the DP5 could not be located within Carestore for 20 of the thirty cases reviewed at the time of testing.

Direct Payment Terms and Conditions not met

- 3.13.6 It was found that issues arose with 3 cases whereby terms and conditions of the direct payment were found not to have been complied with.
- 3.13.7 In two cases (siblings) both received a one off amount of £4,000 for the year to enable respite provision. It was found that no monitoring information has been provided since 2015 and it has not been confirmed whether the client contributions have been paid into the account and whether the monies have been used for respite services. The Exchequer contractor advised the Auditor that 'Email from sent to Senior Accountant on 26/10/2017 advising that receipts for respite not received. Letter was sent 21/3/2018 regarding both clients to parent this is scanned onto Care Store under Finance Direct Payments. Email was sent to three officers on 17/4/2018 no response received.
- 3.13.8 For the third case statements from the contractor showed that individuals with the same surname were potentially providing the service user with care and the approval for this was not seen at the time of testing.

Payments

- 3.13.9 Payments in place at the time of testing were cross referenced to supporting documentation. Issues arose in 2 cases.
- 3.13.10 In the first case, it was found that this service user had 4 direct payment service agreements on Carefirst all commencing on 5/5/14 and totalled £4,358.20 per week. The service agreement selected for testing was the night wake service which stated that it should be 8 hours (1 person) x £13.28 per hour = £106.24. This equates to £743.63 per week, however, £804.16 has been paid per week instead. Enquiries have been made with the Interim Group Manager for LD and the Senior Care Manager.
- 3.13.11 It was confirmed by the Interim Team Manager, that the service agreement should be 8 hours x £13.28 x 7 days a week. This should have been at a weekly cost of £743.68. This has resulted in an overpayment of circa £12,500 from May 2014 to May 2018. The service agreements have since been closed off as at 2/4/18 as the service user is now within a supported living placement. It should be noted that for this service user the DP5 could not be located at the time of testing. The DP7 was completed on 22/5/18.
- 3.13.12 The second case had a current direct payment that commenced on 27/10/14 for 21 hours per week @ £11.78 per hour = £247.38 but £264.39 has been paid weekly to date. This is an overpayment of £17.01 per week and circa £3,000 in total to the end of March 2018. The DP1 (start-up form) dated 30/10/14 confirms the rate should be £247.38.

Ownership of Documents For Update & Review Including Appointed Person Form

- 3.13.13 During the audit enquiries were made in relation to the location of the Direct Payment documentation.
- 3.13.14 It could not be determined which officer was responsible for the review and update of the direct payment documentation and also where the latest copy resided such as the DP5, which is the legal document that is signed by all parties.
- 3.13.15 A contact at contractor provided the latest copy of the DP5 to the Auditor. Enquiries have been made to determine what happens once the DP has been signed by all parties as a number of the completed DP5 documents could not be located.
- 3.13.16 In relation to the Nominated / Appointed Person form, it could not be determined where these forms are located. This form was discussed at the contract monitoring meeting on 23/10/17. The minutes state in relation to the Authorised Person Form "It was agreed that this would be used instead of the DP5 and that there needs to be clear instruction in the referral stating who needs to sign the form during the DP set up visit".
- 3.13.17 Carefirst and Carestore were searched to locate all relevant documentation in respect of appropriate person documentation. It is unclear where these forms are located as these also could not be located during testing, for the 15 samples where it was detailed that there was a lack of mental capacity to manage finances.
- 3.13.18 There were also six priority 2 recommendations made within this report that related to related to the following areas:-
- Reviews
 - Support plans & Statement of Needs
 - Balances held on the direct Payment Accounts – these are being reviewed.
 - Contract Performances Measures
 - Direct Payment Monitoring Information – procedures are being reviewed jointly by Care Management and Finance to include the role of Care Management and the exchequer contract responsibilities.
 - Direct Payment user groups.

3.14 Edgebury Primary School

Objective

- 3.14.1 Adequacy and effectiveness of the system of controls surrounding the financial administration of the school, as required by the 1998 School Standards and Framework Act Section 48, paragraph 2(d) and the Authority's Scheme for Financing Schools.

Audit Opinion - Substantial

- 3.14.2 Internal Audit visited the school on the 1st May 2018. Controls were in place and working well in the areas of financial management, governance arrangements, safeguarding assets and for primary accounting, bank reconciliation, DBS checks, income, petty cash and credit cards.
- 3.14.3 There were 3 Priority 2 recommendations relating to a review of the expenditure process to improve the procedures to authorise; evidencing the completion of the HMRC online questionnaires for payments to individuals; and extend the information shown on the

contracts register to report the annual cost and the whole life value of all contracts and agreements.

- 3.14.4 There were 2 Priority 3 recommendations relating to the availability of the signed pecuniary interest forms for Governors and to record the presentation of the certified audited accounts for the voluntary fund to Governors.
- 3.14.5 All findings were discussed and agreed with the Head Teacher and Finance Officer at the end of audit meeting on the 1st May. The management comments incorporated in the report finalised on the 19th June indicate that the school have implemented all recommendations by July 2018.

3.15 Family Placements

Objective

- 3.15.1 Review of the system for the assessment of service and payments. The review will include connected persons and adoption, kinship allowances, special guardianship (SGO) and child arrangement orders.

Audit opinion – Limited

- 3.15.2 One Priority 1 recommendation and five Priority 2 recommendations have been raised.
- 3.15.3 The Priority 1 recommendation related to the payment of weekly allowances for Child Arrangement Orders (CAO) and Connected Person (CP) allowances. A sample of 20 children was tested and in all but 1 case the weekly payment did not agree with the 2017/18 DfE rates that have been provided by the Team but were later confirmed to be the 2016/17 rates.
- 3.15.4 Further investigation by Internal Audit and interviews with Finance and the Head of Service Placement & Brokerage (HoS P&B) highlighted several issues with regard to the payment of allowances:-
- Before September 2016 all foster carers, SGO's, CP and CAO had been paid according to locally agreed Bromley rates which were higher than the DfE rates.
 - A report to Executive in May 2016 resolved to transfer all foster carers to the DfE rates with immediate effect for new carers and 1st September 2016 for existing foster carers and pertinent to this audit:-
"The Department for Education maintenance allowances be used as the core allowance in the calculation for connected person, special guardianship, adoption and child arrangement financial assessments from 1st July 2016 for all new carers"
 - The Service Accountant evidenced the 2014/15 Bromley rates that had been taken to Committee. The HoS P&B evidenced the same report template but for 2016/17 and these are the DfE rates that are currently being paid.
 - The source of the 2016/17 allowances template evidenced by the HoS P&B could not be confirmed but thought to be the previous Head of Service who left the Authority in February 2017.
 - There is no evidence that following the May 2016 Executive report LBB rates have been reviewed and uplifted to pay allowances to existing carers at the July 2016 cut-off date.
 - The cases selected for audit testing agreed to the 2016/17 DfE rates in 19/20 cases. It should be noted that the 10 CAO cases all predated the July 2016 cut off and should therefore, according to the May 2016 Executive report, be paid at local rates rather than the DfE allowances.
 - No uplift had been applied to the foster carer, Connected Person or Child Arrangement Order for 2017/18 or 2018/19.

- The DfE thresholds are a minimum to be paid, Bromley are currently paying carers below that minimum for maintenance.
- The Finance Officer (FPT) arranged to meet with the HoS P&B and the CareFirst Support Officer on the 6th June 2018 to discuss the uplift and to potentially back date to December 17 for the 2017-18 rates however at this time there was no evidence that this decision had any authorisation or management consideration.
- There is a further complication given the DfE rates have an additional banding of 0-2 years old whereas Bromley have 0-4. Carers for 0-2 children in Bromley are currently being paid at the higher rate. To implement the same bandings as the DfE rate, **0-2, 2-4, 5-10, 11-12, 13-15** and 16+ will take significant work on CareFirst to cancel all service agreements, amend the set up and then re-enter all cases.
- The end of audit meeting held on the 7th June with the Head of Service confirmed that the uplift for 2018/19 should have been actioned as it had been discussed at budget monitoring in December 2017. The Head of Service was not aware that the 2018/19 uplift was still outstanding or that the current rates were the 2016/17 rates and therefore the 2017/18 uplift had also, not been actioned.

3.15.5 At a meeting with the Director of Children's Social Care on the 3rd July 2018 it was confirmed that The Fostering Network had written to the Authority in December 2017 highlighting that data collated in a recent survey identified that the Bromley rates were lower than the current DfE rates. In an exchange of e-mails between the 8th and the 11th December 2017 the Director of Children's Social Care agreed that the rates should be moved up as identified by The Fostering Network and the Head of Service instructed the Finance Officer to action this effective from week beginning the 18th December 2017 if possible.

3.15.6 The reason for the delay or oversight would be considered by management. However going forward any training needs or skill gaps should be assessed and facilitate access to Finance colleagues and peers for the Finance Officer (FPT). The Priority was to address the underpayment, assess the financial impact for 2017-18 and 2018-19 and execute the uplift with the 2018/19 DfE rates. The financial impact and sensitivity of the service area would warrant careful consideration and authorisation at the appropriate level.

3.15.7 Management provided a chronology of communication exchange with the CareFirst Help Team from December 2017 to evidence that the team had attempted to uplift the rates. The e-mail exchanges indicate that the original work request was put on hold in February 2018, awaiting confirmation from the service that they would undertake the additional work required to change the banding. At a meeting in June 2018 between the Finance Officer (Fostering and Adoption), HoS (P&B) and the CareFirst Help Desk it was agreed to retain the current banding. A second work request was submitted and the rates uplifted in two stages; 2017/18 rates backdated to December 2017 and paid to carers on the 20/7/18; the 2018/19 rates backdated to April 2018 and paid to carers on the 3/8/18.

3.15.8 There were five Priority 2 recommendations relating to:-

- Financial Regulations training had not been undertaken by all officers in the Fostering and Adoption Team with financial responsibility;
- Family Placement Officers were storing information in different locations on CareFirst/CareStore. Children's Team were not notifying the Central Placement Team when the placement classification or legal status of the child changed so that the information held on CareFirst and used by Finance did not agree to the actual case numbers monitored by the Family Placements Team;
- The means test reviews for 2/10 adopters sampled exceeded 12 months and for 4/10 cases the value paid did not equate to the means test completed;
- For 2/10 SGO assessments the Group Manager had not dated the review when authorising the document and for 1/10 the reviewer had not signed as authorised;

- For 3/10 SGO cases the annual means test review was not evidenced on CareFirst

3.16 Leaving Care

Objective

- 3.16.1 Review and evaluation of the system for the payment and monitoring of financial assistance to clients.

Audit opinion – Limited

There are six Priority 1 findings made within this report that related to :-

- Documentation to support payments to service users
- Pathway Plans
- Individual Service User Finance Records
- Grant Sheet (Central Log)
- Reconciliation to Oracle (T accounts)
- Staying Put Allowances

Documentation to support payments to Service Users

- 3.16.2 Issues arose in six cases concerning the supporting documentation and substantiating the payments currently being paid:-

- For Sample 1 no documentation could be located to verify the amount of £1,337 per week.
- For Sample 2 – A Living Together agreement was located for this service user at the weekly rate of £155.75. The current service agreement is £255.75 from 24/8/16. The Group Manager advised that the rate that should actually be paid is the staying put rate of £376.45 per week.
- For Sample 6 – A service agreement from 5/3/18 to 25/11/18. This service user turned 18 on 23/11/18 but it is unclear why the payment was not ended on 23/11/18. An overpayment of £16.54 has arisen.
- For Sample 13 a service agreement commenced on 21/12/17 to 19/5/18 for £100 per week. This was a staying put retainer payment for term time only while the service user attended education. It was found that the period related to term time and non-term time, so the incorrect rates had been paid.
- For Sample 16 a service agreement commenced on 8/7/16 for £1,800 per week and remains current. No agreement has been located to support this placement. The Finance & Monitoring Officer confirmed that the service agreement should have been closed as the service user is no longer there and the service agreement ended on 15/12/16 retrospectively.
- For Sample 19 a service agreement commenced on 4/4/18 and ended on 4/4/18 for £699.01 for the carer whilst the service user returned home for 13 days. This was a one of payment. The rate is not correct.

Pathway Plans

- 3.16.3 Issues arose with Pathway Plans for 12 cases in relation the pathway plans not being reviewed every 6 months as expected. The Group Manager explained that the pathway plans due to be reviewed are detailed within a BOXI report on Carefirst.

Individual Service User Finance Record

- 3.16.4 Payment records were reviewed and were found not to be up to date and complete. These related to the Setting up Home Allowance (SUHA), travel reimbursement, clothing allowances food vouchers and sundry items.

Grant Sheet (Central Log)

- 3.16.5 It was found that when reconciling the grant sheet to the finance records, issues arose in seventeen of the cases sampled for testing.

Reconciliation to Oracle – T accounts

- 3.16.6 A FBM report was run of all transactions under accounting code 807***4076 for 2017-18. It was found that for 3 samples Setting Up Home Allowances (SUHA) transactions appeared on the finance records but not on the grant record and were unallocated to the individual T account. Other transactions on the FBM report remained unallocated that went back to 31/7/17.

Staying Put Allowances

- 3.16.7 Staying Put allowances are included within the agreed Fostering Allowances. In May 2016, a report went to the Executive Committee to approve a change whereby rates were to be brought in line with the DFE rates. It was confirmed by officers that this was to be from December 2017. The Auditor was informed that the Staying Put Rates were linked to the Fostering rates.
- 3.16.8 It was found that the Staying Put rates had not been subject to any uplift for 2017/18 and 2018/19.
- 3.16.9 This should be read in conjunction with the Family Placements Audit for 2017-18.

3.17 Temporary Accommodation and Rent Accounts

Objective

- 3.17.1 Review the system for placement of B&B, young people and families with no recourse to public funds. Review of ANITE, accuracy and completeness of information, management reports and compliance to agreed procedures. Verify the procedures for procurement and budget monitoring.

Audit opinion – Substantial

- 3.17.2 Controls were in place and working well in the following areas; the sign up packs and checklists; the introduction of two new visiting officers; contracts with landlords; accurate information shown on the system regarding payments required and confirmed rent payments; eviction referrals sent through to Housing and monthly performance reports generated to show arrears, debts and collection statistics.
- 3.17.3 Six priority two recommendations were raised. The responsibility to implement assigned to either Housing, Liberata Housing Accommodation Charges (HAC), Finance or Leaving Care Team as follows:-
- There were two findings for Housing to address; retained evidence of a landlord being notified of a placement not seen for 3/20 cases sampled and notification to the landlord of an eviction not actioned in a timely manner.
 - The two findings for HAC related to, compliance to agreed arrears collection procedures for current and former clients and completion of the write off procedure for former clients.

- One finding assigned to Finance related to the issues log maintained and discussed regularly between Finance and Liberata but the date the issue was raised was not recorded to monitor progress.
- The Leaving Care Team (LCT) update HAC of changes in placements by a movement sheet. Incomplete information issued resulted in an error on the rent account. The recommendation was for LCT to remind case workers to update the Finance Officer in a timely manner and explore how the ANITE system could be used to generate exception reports to identify errors before any impact on the rent account.

3.18 Housing Benefit 2017-18 – Follow Up

Objective

- 3.18.1 This follow up review considered the Internal Audit report issued on 24th March 2017 and the progress made to implement the five recommendations.

Outcome

- 3.18.2 We carried out sample testing and analysis of relevant documentation to confirm the extent to which the recommendations made in our original report had been implemented. We found that out of the 5 original recommendations 2 had been implemented and 3 remained outstanding, 2 Priority 2 recommendations and 1 Priority 3 recommendation.

- 3.18.3 The three outstanding recommendations related to:-

- 1) A process for part time and self-employed claims being put in place to ensure that are reviewed on a regular basis. Management advised that a process was adopted to review self-employed claims but there were technical issues experienced. This has since been rectified.
- 2) In order to achieve the objective of maximising recovery an annual target was to be set. Management commented that the target has not been re-set as agreed by PDS. There are significant functional implications if the target was re-set.
- 3) Appeals approaching the target date, action should be taken to ensure that these are reviewed within 3 months target as suggested by the DWP. Management commented that significant improvements have been made to the process during Quarter 1 of 2018/19 which has had positive effect on the percentage of claims reviewed in line with DWP suggested timescales. This is being monitored.

3.19 Penalty Charge Notices Audit

Objective

- 3.19.1 Review of the new parking enforcement contract with APCOA. The audit included a review of the contract monitoring arrangements and their adequacy to monitor the performance of the contractor. The audit also included a follow-up of previous audit recommendations.

Audit opinion – Substantial

- 3.19.2 Controls were reviewed by way of checking supporting documents and sample testing. The supporting information was reviewed to ensure that monitoring information is provided by the contractor in a timely manner, the information is reviewed by management, discussed at contract monitoring meeting and penalties are applied if applicable. The sample testing highlighted some minor contract monitoring issues.

- 3.19.3 The sample testing to ensure that the PCNs are progressed in a timely manner and appeals are managed as per the procedure was found to be satisfactory for the sampled PCNs.
- 3.19.4 The contractor is responsible for collection and banking of the income. The reconciliation of the PCN income for the financial year 2017-18 has been delayed due to difficulties in reconciling daily, weekly and monthly amounts for different payment types and for different categories. At the time of writing this report, Parking were awaiting further information from the contractor detailing the outcomes of PCN exceptions that needed to be cleared for the end of financial year 2017-18.
- 3.19.5 An updated process for reconciliation has been put in place from April 2018 to address the above issues. Now all PCN payments are collated into 1 monthly spreadsheet, divided by day. Each daily amount for each stream can be tracked on the sheet, and checked against Oracle to ensure it had been received in our accounts. Refunds are accounted for on the same document, and monthly totals are verified. Any discrepancies are more easily flagged, since the contractor is responsible for the attribution of payments to the revenue sources.
- 3.19.6 Five recommendations made within the 2016-17 report were followed up as part of this audit. 4/5 recommendations have been implemented and 1 recommendation relating to keeping policies and procedures updated has been re-recommended.

3.20 Vehicle Crossovers

Objective

- 3.20.1 To review controls within the process for applying, commissioning and payment for Vehicle Crossovers.

Audit opinion – Substantial

- 3.20.2 Controls were in place and generally working well. Five Priority 2 recommendations were raised with regard to ensuring that administration costs are correctly applied and recouped in full as authorised by the Policy; reviewing the data flows and processes within the workstream with the up to date procedure documented and made available to all appropriate staff; ensuring that each element of the Minor Works contract is included within the sample checked to verify that work has been carried out as specified; ensuring that all income is accounted for through a periodic reconciliation of the income recorded on Confirm (Highways case management system) and the Financial system; applying uplifts payable to the Contractor in a timely manner.
- 3.20.3 Two Priority 3 recommendations were raised with regard to the feasibility of scanning paper documents and uploading them to an agreed location in one system to ensure that there is a full audit trail; reviewing the internal application and administration fees introduced in 2012 to consider if any changes should be made to reflect increases in costs.

3.21 Winter Maintenance Service

Objective

- 3.21.1 To review Winter Service plans and procedures (gritting/salting) and the inspection regime, reviewing effectiveness in mitigating risks of higher maintenance costs and insurance claims.

Audit opinion – Substantial

- 3.21.2 Controls were in place and generally working well. Two Priority 2 recommendations were raised with regard to ensuring that the Winter Service Policy and Plan is up to date in terms of schools listed; E mail addresses monitored; performance reporting undertaken and that Public Liability Insurance Certificates should be obtained for farmers undertaking snow clearance support.

3.22 Reablement – Full Report and Priority 1 Follow Up

- 3.22.1 The Reablement Services help people adapt to a recent illness or disability by learning or relearning the skills necessary for independent daily living at home. Reablement Services may be offered to someone who has recently come out of hospital. Reablement should be provided free of charge by the local authority for up to six weeks. Reablement is one of Council's main tools in managing the costs of an ageing population and is important as Authorities face cuts in government funding. Since the Care Act 2014, there is more of a responsibility for prevention and to enable people to remain independent.

- 3.22.2 In March 2017 we reported on the service with the findings split between the Reablement Team and the Reablement Assessment Team. Internal Audit brought the following to management's attention:-

Reablement Team

- A definitive number of clients could not be accurately identified at the time.
- Concerns relating to the accuracy and robustness of performance management data.
- An asset register was not maintained and signed off by a senior manager.
- Reablement Policies and Procedures had not been updated since May 2016, despite a change in processes.
- Insurance certificates to confirm that staff are insured for business use were found in have expired in some cases.

Reablement Assessment Team

- The Outcome Measurement Tool was found not to be used by all staff to assess suitability for the service.
- Current support plans were found not to be in place in some cases.
- Service agreements on Carefirst were not updated in a timely manner and queries arose with the dates of the service.
- Reablement Reviews had not been undertaken in some cases.
- Reablement Assessment Policy & Procedures were found to require an update.

- 3.22.3 In June 2017 we reported this in Part 2 at the request of management due to an ongoing tender exercise at the time of the audit. There were two priority one recommendations in respect of Performance Management Data and use of the Outcome Measurement Tool.

- 3.22.4 In November 2017, we reported that this remained within Part 2 at the request of management. The transfer of the service to the provider was awarded in June 2017 with the transfer delayed to 1st February 2018. This transfer related to the service delivery element specifically and not care management.

- 3.22.5 In June 2018, a full follow up report was undertaken in respect of the original report dated 9/3/17. Of the previous 10 agreed recommendations, 1 has been fully implemented, 2 are being progressed for completion, and 7 have not been implemented. The recommendations not being implemented relate to; detailing current reablement users, performance data, asset register, procedures in both teams, outcome measurement tool, support plans, service agreements and reablement reviews.

- 3.22.6 The recommendation relating to the outcome measurement tool was previously reported as no longer applicable due to the service transferring out. However, the service is now to be retained in house and the finding was re-tested. This related to the Outcome Measurement Tool and issues arose in 4 out of five cases. Therefore, this has been re-recommended.
- 3.22.7 In October 2018, the two priority one recommendations were followed up and both were found to be outstanding. Both the original report from March 2017 and the Follow up Report dated June 2018 are now published with the Committee papers for this meeting.

3.23 For definitions of audit opinions see below:

- Full Assurance- There is a sound system of control designed to achieve all the objectives tested.
- Substantial Assurance- While there is a basically sound system and procedures in place, there are weaknesses, which put some of these objectives at risk. It is possible to give substantial assurance even in circumstances where there may be a Priority 1 recommendation that is not considered to be a fundamental control system weakness. Fundamental control systems are considered to be crucial to the overall integrity of the system under review. Examples would include no regular bank reconciliation, non-compliance with legislation, substantial lack of documentation to support expenditure, inaccurate and untimely reporting to management, material income losses and material inaccurate data collection or recording.
- Limited Assurance- Weaknesses in the system of controls and procedures are such as to put the objectives at risk. This opinion is given in circumstances where there are Priority 1 recommendations considered to be fundamental control system weaknesses and/or several Priority 2 recommendations relating to control and procedural weaknesses.
- Nil Assurance- Control is generally weak leaving the systems and procedures open to significant error or abuse. There will be a number of fundamental control weaknesses highlighted.

3.24 Commentary on Priority 1 recommendations

St Olave's School – Priority 1 Follow Up

- 3.24.1 The Priority 1 recommendation related to the tendering of the IT contract and the need to comply with EU regulations.
- 3.24.2 At the beginning of May the School Business Manager (SBM) met with Bromley officers from the Information Services Division and Procurement to discuss the priority 1 recommendation and consider how the Authority could support the school going forward with the IT contract and procurement generally. At the initial meeting it was agreed that the SBM would present an options paper to the Governing Body to determine the level of support to be commissioned from the Authority for procurement and BT, Bromley's contracted IT provider with regard to the IT contract. It was agreed at this meeting that given the current contract expired in August 2019 and notwithstanding termination penalties, to complete the term with the incumbent provider and schedule the re tendering exercise to start in October.
- 3.24.3 At the end of June the school confirmed their intention to commission BT to scope the ICT System/Service support requirements to assist with the planned tender exercise. BT have now completed the first site visit to document current provision and noted that the school had

recently upgraded the system by installing two new servers. BT will now draw up the technical specification for the school to use for the tender exercise.

- 3.24.4 The SBM confirmed by e-mail that as at October 2018 the school had conducted an options appraisal to determine ICT management going forward. The decision is still outstanding as the school want to compare costs with an option to bring the service in house.
- 3.24.5 Given that the decision on how to proceed is still under discussion the priority 1 will remain outstanding until the tender process or alternative is underway.
- 3.24.6 The planned audit at St Olave's has been booked for the 3rd and 4th December at which point this project and other procurement activity will be tested and reviewed to assess progress to implement the Priority 1 recommendation.

3.25 Document Storage – Priority 1 Follow Up

- 3.25.1 The original Priority 1 reported in November 2016 related to cumulative expenditure and the requirement to undertake a comprehensive review of documents in storage. This recommendation has been updated and reported at successive committee meetings and progress to implement linked to the Accommodation Strategy. However at the previous meeting in May this year Members were informed that with the rollout of GDPR at the end of May 2018 there was a greater urgency to review our archived data and for managers to assure compliance. It was also noted that there was a project to review and update the retention of documents policy.
- 3.25.2 It was agreed that Internal Audit would carry out more testing in this area to update the original audit findings and consider the GDPR and retention of records work undertaken by colleagues in the Information Systems Department. Nominated Information Asset Owners would be contacted to confirm the accuracy of information presented by TNT for the records held off site. Initial investigation in July identified that:
- There was no current policy or procedures for managers to archive at Restore PLC (formerly TNT) or retrieve stored data.
 - The November 2016 spreadsheet provided by TNT following the 2016 audit report was the latest available. This spreadsheet is a comprehensive list of all boxes and the contents details held by the contractor. Restore PLC was asked to provide the current inventory list to be used as the basis for the planned review.
 - The contact details held by the Project Support Officer (PSO) were out of date as staff have moved teams or left the organisation. The PSO had attempted to reassign responsibility with limited success. It was agreed that the nominated Information Asset Owner in each team would be the contact and Chief Officers would be asked to ensure that these officers assumed responsibility.
 - There was a need to clarify the procedure to destroy. Officers have returned the spreadsheet issued to all responsible officers in March 2017 indicating a destroy date and assumed that as this has passed the boxes have been destroyed. Managers were not aware that TNT would need an authorisation to destroy certificate signed before any boxes would be destroyed.
 - A random sample of managers were selected to pilot test the review process before it was rolled out across the whole Authority and identified varying standards of locally held lists to support the offsite storage.

- The monthly invoice is recharged to each team by Finance using historic cost centres. A review of 2018/19 charges indicated miscodings that have been referred to Finance to rectify.
 - As at 19.6.18 ISD confirmed that 4 information asset owners out of 94 have declared off site storage. It may be that the task to complete the asset information asset inventory is incomplete or managers have failed to include TNT stored data.
- 3.25.3 At the beginning of August all Chief Officers were e-mailed requesting support for the review of archived data. The Asset Management Team Manager had written procedure notes for sending and retrieving documents to Restore PLC which were attached as were the comprehensive inventory list as at July 2018 held by Restore. Managers were asked to:
- review the records kept off site to ensure that they still need to be retained.
 - confirm that an Information Asset Owner (IAO) has been appointed
 - confirm that an up-to-date Document Retention Schedule is in place for the department
 - confirm that the Information Asset Register (IAR) has been completed and includes records held off-site
- 3.25.4 IAO's were asked to initiate a check of the contents of the boxes and to ensure that the locally held records matched the Restore PLC list provided. The review would identify:-
- boxes whose contents needed to be reviewed – the boxes to be brought back to the civic centre site or staff to go to the off-site storage facility in Thurrock. IAO's would need to consider the best option and this would largely depend on volume
 - boxes whose contents needed to be destroyed following the procedure detailed in the guidance note
 - boxes that require no further action at that time
 - inaccurate records
- 3.25.5 IAO's must ensure that all records (locally held, IAR and on the Restore database) were updated to reflect any changes made to the offsite storage of data.
- 3.25.6 The PSO is coordinating the responses from IAO's, monitoring requests to destroy and updating the central record of boxes assigned to each service area to be matched to the monthly invoices. It was requested that the review be completed by the end of October 2018; as at 11/10/18 the response can be summarised as follows:-
- Managers commented that the procedure guidance notes were useful and clearly set out the process to follow.
 - Of the 41 service areas and IAO's identified 16 have not responded and will be referred to the respective Chief Officer to support completion of the review. These 16 service areas account for 4,913 boxes. There are 4 other areas which are either conducting their own reviews in conjunction with ISD colleagues (accounting for 4,083 boxes) or had already completed a comprehensive review and visit to the offsite storage at Thurrock (125 boxes).
 - The review has been completed for 11 service areas that started with 2,566 boxes and have identified and authorised for 1,064 boxes to be destroyed.
 - Ten IAO's have responded to the PSO and are actively engaged to retrieve and review boxes. These service areas account for 1,550 boxes; although work in progress 38 boxes have been identified to be destroyed so far.
 - In total 1,102 boxes have been identified as having either passed their destroy date or identified as no longer required to be archived according to the service's retention policy. This represents a saving of approximately £220.40 per month (1,102 X £0.20) to date but has potential to be more once all IAOs have completed the task.

- 3.25.7 The review has identified several issues for officers to resolve which they are working on, the IT Infrastructure Team has been involved and have undertaken a site visit to Restore PLC.
- 3.25.8 The Principal Information Assurance Officer has given assurance that as part of the Information Management strategy implementation the IT Infrastructure Team will be reviewing and publishing guidance on records management to ensure storage is correct. This team will be overseeing GDPR compliance.
- 3.25.9 Internal Audit are now satisfied that the Project Officer has established a process to record and monitor changes to the records held off site and therefore support the monthly invoice submitted by Restore PLC. The review has required IAO's to focus on offsite storage and evaluate the adequacy of locally held records to support archived records. A procedure to deposit and retrieve records to the offsite storage facility has now been issued. Given the progress achieved by this review and the ongoing scrutiny afforded by the updates to CLT to ensure that all IAO engage with the project, the Priority 1 recommendation relating to document storage is considered closed

3.26 Children with Disabilities – Priority 1 Follow Up

- 3.26.1 The audit report was finalised in April 2018 and was reported to Members in May 2018. This report contained a priority 1 finding in relation to payments that had been made as detailed below. The Auditor liaised with management to determine the progress made on implementation of the priority one recommendation.
- 3.26.2 Issues arose with payments to three service users and one minor issue in respect of another case relating to the rate of payment included within a description field within Carefirst.
- 3.26.3 Sample 2 is currently in a residential boarding school placement from 11/9/17 at a cost of £3,072.85 per week and is a split funded between children's social care and SEN. It was confirmed that the service user has been attending 2 of the 5 nights per week as residential from October 2017 that are being funded currently and as a result we continue to fund for 5 nights.
- 3.26.4 In addition, there are 2 other service agreements for agency support in the home which cover the same time periods. One commenced on 7/9/16 for £288 per week for support over 3 days this has now been closed off with the date 10/9/17 on 6/2/18. The Central Placements Team (CPT) confirmed that no invoices have been paid since September 2017 and that they had queried this with the department on 3/11/17. The second service agreement commenced on 23/9/16 and is to cover a family support worker 3 hours per day for 5 days a week costing £720.00 per week which remains open and current at the time of testing. It was confirmed by the Senior Practitioner by email on 6/2/18 that this service user 'started having two overnights per week in October 17 but has not progressed to the full 4 nights per week. At a recent meeting, the service user's family indicated that the 2 nights per week are all that the service user can cope with and that they would not support it increasing. This has raised a query about whether LBB are funding the full residential cost or if a reduced fee has been negotiated'. There is also the issue about the 5 days a week support and whether this should be continued.
- 3.26.5 At the time of the audit the Auditor also checked with the SEN team as this is a joint funded placement regarding payments and it was confirmed that for the Autumn Term Children's Social Care had paid £15,070.32 and Education £16,844. It was confirmed that the placement is for 5 days a week and the Spring Term payment was due to go out at the end of the week ending 11/2/18. The Auditor asked that the Group Manager confirms that the payment is correct prior to the payment being made.

- 3.26.6 In October 2018, it was confirmed that this service agreement remained current and remained in payment. The Group Manager advised that this provider does not provide day placements and the service user continues to attend only 2 days of the 4 days funded. The Funding Decision sheet dated 28/7/17 has been provided to Internal Audit. Management advised Internal Audit that an alternative placement would have carried a greater cost and would not have been a viable option for the family due to the distance of an alternative placement. This has since been referred to senior management as Internal Audit requires further assurances that best value has been considered in this placement.
- 3.26.7 The Head of Service, Placements & Brokerage stated that their involvement was for the negotiation of the costs following the placement/provider decision made by SEN. They cannot say in this case that they were involved to establish the best value placement as this is an exercise they normally undertake before recommending a placement. Their involvement here was to negotiate the price once the placement had been agreed. [Where joint funding is agreed with SEN and CSC, SEN will take the lead for a 38 week placement and CPT will take the lead for a 52 week placement].
- 3.26.8 For Sample 10 there is a service agreement for a one off amount of £11,857.70 dated 23/2/17, which was authorised by the Head of Service. Retrospective approval of the service agreement on Carefirst was made on 31/7/17 for the period 13/2/17 to 24/7/17 as detailed within the Outreach form which was authorised by the Head of Service and the Disabled Children's Team Managers. The Head of Service confirmed that this period of time was prior to his start at Bromley. This service agreement had not been actioned by previous management and retrospective approval was required as a result.
- 3.26.9 The Group Manager advised that it is correct that retrospective sign off was completed due to previous line manager leaving at short notice, however had been discussed and they were in agreement. The Head of Service, Placements & Brokerage advised that a retrospective request had to be made as previous Head of Service had left before it was signed off and in order that we could pay the provider.
- 3.26.10 A further service agreement dated 19/6/17 for £2,221.60 per week, does not reconcile to the breakdown provided on Carefirst and had been calculated incorrectly also for the mileage. The calculation includes 37.6 miles @ 0.45p per mile which is £16.92 but the calculation includes 37.60 which is an overpayment of £20.68 per week.
- 3.26.11 In October 2018, it was found that the service agreement ended on 25/2/18. The Group Manager advised that the administrative cost of claiming the costs back for petrol (if paid incorrectly) would be disproportionate to the time taken to resolve this issue.
- 3.26.12 Costs are sometimes predicted in resource request form and are an 'up to' amount with the amount paid is only as stated within the invoice.
- 3.26.13 The Group Manager advised that the rates of payment differed from one month to the next and the set fee of £2,221.60 detailed on Carefirst was not paid weekly. It has since been confirmed by the Group Manager and the Finance & Data Officer that the petrol costs fluctuate each month and are no longer an issue.
- 3.26.14 For Sample 13 the service commenced on 4/9/17 for £69.92 per week and the direct payment covers 4 hours support per week at the rate of £17.92. However, $4 \times 17.92 = £71.68$ which equates to a shortfall in the direct payment of £1.76 per week.
- 3.26.15 In October 2018, the Group Manager advised that the provision provided was through a nursing agency so the amount of money paid was in line with agency invoice. A different service is now being provided so the service agreement is no longer relevant. No evidence of this has been seen by Internal Audit.

- 3.26.16 In respect of Sample 16 the service agreement commenced on 27/3/17 at the rate of £21.46 per week which equates to the direct payment rate of £10.73, the children's direct payment rate. However, on Carefirst the service agreement notes specify that the rate is £21.56 causing confusion.
- 3.26.17 In October 2018, it was found that this service agreement had been ended on 11/3/18. The Group Manager advised that the correct amount of £21.46 has been paid to family. The service agreement now clearly states £21.46.
- 3.26.18 Further testing on the original cases and interviews with management; indicate that further evidence of adequate progress is needed on some of the issues raised to conclude that this recommendation has been implemented. These cases will be reviewed again and updated to committee in February 2019.

3.27 Review of Waivers – Priority 1 Follow Up

- 3.27.1 Both Priority 1 recommendations are being progressed through the ongoing development of the Corporate Contracts Database and associated guidance and procedures that have been put in place.
- 3.27.2 The Contracts Database is currently in the final stages of development to include the functionality of an electronic authorisation process for all relevant contract actions, including extensions, exemptions and variations. The electronic authorisations development is now moving to User Acceptance Testing (UAT), following which it is planned to be rolled out in late 2018/early 2019 subject to the outcome of UAT.
- 3.27.3 The electronic authorisations process will generate and securely store formally approved authorisations in accordance with the Council's Contract Procedure Rules, so that there is one agreed and auditable record for every contract authorisation. Training will be provided to Contract Owners to facilitate a clear understanding of the process.
- 3.27.4 The recommendations are therefore in progress but remain open.

3.28 Agency Staff – Priority 1 Follow Up

- 3.28.1 The final report on agency staff, issued in March 2018, contained three Priority 1 recommendations. The first of these three recommendations related to the need for governance arrangements to be put in place for the recruitment and management of agency staff across the Council. The Director of HR is progressing this and an update will be provided by the Head of Audit at the Audit Sub-Committee meeting. At this time the recommendation remains outstanding.
- 3.28.2 The second Priority 1 recommendation was for Directors to review, by 30 April 2018, their agency staff engagements which currently exceed six months and obtain approval from the Director of HR where there is a need to extend the engagement. The Director of HR asked Directors to do this and we are currently carrying out follow up testing. An update will be provided by the Head of Audit at the Audit Sub-Committee meeting. At this time the recommendation remains outstanding.
- 3.28.3 As reported at the May 2018 meeting, the remaining Priority 1 recommendation related to HR reminding managers of the need to ensure that when an agency worker leaves the Council, the process of removing the IT systems access and recovering the security pass and any Council equipment, is carried out promptly. The Head of HR Strategy and Education revised and updated the guidance on agency staff for managers and this was issued to managers, publicised at the manager's briefing in June and put on the Council's intranet site. We consider that this recommendation has, therefore, been implemented.

3.28.4 Members may wish to note that a report regarding the use of agency staff across all the Departments went to the Executive & Resources Policy Development and Scrutiny Committee in October and the annual performance monitoring report relating to Adecco will be going to the Executive, Resources and Contracts Policy Development and Scrutiny Committee on 22 November.

3.29 IR35 – Priority 1 Follow Up

3.29.1 The IR35 procedure was updated on OneBromley in May and reinforced to managers subsequently via the Managers' Briefing and the Inform June 2018 newsletter.

3.29.2 Since June 2018 there has only been one incident where a business case has not been completed and submitted to HR prior to the engagement of an officer. The relevant Director was notified and a business case was completed subsequently. This showed that the engagement was outside the scope of IR35 and no further action was necessary. In the circumstances we consider that the recommendation has been implemented.

3.30 We also carried out the following:

- Planned audit work with the focus on completion of the 2017/18 Internal Audit Plan and commencement on the 2018/19 plan.
 - Fraud and investigations – the results of which are reported in Part 2 of this agenda.
 - Advice and support – Internal Auditors are available to offer advice and consultation to all officers. The input required from Internal Audit varies; ad hoc enquires will be received by e-mail, phone or in person. Requests are not always settled by one response and have generated audit review work. Internal Audit also attend working groups to advise on system controls and good practice.
 - Monitoring/authorisation role for the Greenwich Fraud partnership.
 - Liaison work with our external auditors in preparation of their audit of the 2017/18 accounts.
 - Committee work.
 - Internal Liaison with the Commissioning Board; Corporate Leadership Team/Directors' Group; Directorate Management Teams and Corporate Risk Management Group.
 - External liaison with the various London Audit Groups, the Kent Audit Group and our External Auditors
- 3.30.1 The Council has had a partnership agreement with the Royal Borough of Greenwich (RBG) since 2002, for the investigation of fraud. Whilst the service has worked well since its inception and this partnership does not contravene any EU procurement regulations (as set out in Regulation 12(7) of the said rules as it is an agreement between two public authorities aimed at carrying out jointly their public service tasks and is governed only by considerations relating to the public interest) there is a duty to ensure that best value is being obtained. Therefore a business case review was undertaken resulting in a Gateway report which was a formal consultation on outline service proposals and procurement strategy on Counter Fraud services. This was considered for pre- decision scrutiny by the Executive, Resources & Contract PDS on 5 September 2018 recommending that the partnership agreement with RB Greenwich is renewed for a period of 5 years starting 1 April 2019 with the option of two one year extensions (5 plus 1 plus 1) at a whole life value of £910,000. It was also agreed that the

Council's Legal Services Team will carry out arrangements for prosecution going forward, at no additional cost to the Council.

3.31 Troubled families claim for September 2018

- 3.31.1 The Troubled Families Programme is a government agenda led by the Ministry of Housing, Communities and Local Government, in partnership with the Departments for Education, Health, Work and Pensions and Ministry of Justice. A local authority can claim a results payment if it can demonstrate that an eligible family has achieved significant and sustained progress against all problems identified at the point of engagement and during the intervention or if an adult in the family has moved into continuous employment.
- 3.31.2 We analysed a random sample of eight individual claims for the claim period between 1 April 2018 and 30 September 2018. From our testing we found that there was documentary evidence to support that the individual claims met the employment or significant and sustained criteria, enabling a claim to be made.
- 3.31.3 We also confirmed that the total amount claimed for payment by results for the 84 individual claims submitted between the period 1 April 2018 and 30 September 2018 was £67,200. Two were employment claims and 82 were for significant and sustained progress made.

3.32 London Transport Capital Block Funding Specific Grant Determination 2017/18: No 31/2951 (Pothole Action Fund)

- 3.32.1 On 9th February 2018, the Department for Transport confirmed, by letter, that a 'maximum capital funding allocation of £112,940 for 2017/18' had that day been paid to the London Borough of Bromley under 'Local Transport Capital Block Funding (Pothole Action Fund) Specific Grant Determination (2017/18): No.31/2951.
- 3.32.2 The Chief Executive and Chief Internal Auditor of each of the recipient authorities were required to sign and return to the team leader of the Local Infrastructure team in the Department for Transport a declaration, to be received no later than 30th September 2018, in the following terms: 'To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Transport Capital Block Funding (Pothole Action Fund) Specific Grant Determination (2017/18) No. 31/2951 have been complied with'.
- 3.32.3 The Grant Conditions stated in Annex A of the letter state that 'Grant paid to a local authority under these determination may be used only for the purpose that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.
- 3.32.4 Based on discussions with officers and a review of the records held, Internal Audit has gained appropriate assurance that the conditions of the grant determination are met, with the signed declaration submitted on 19th September 2018.

3.33 Waivers

- 3.33.1 Members of this Committee took the decision to only report on waivers sought under the Contract Procedure Rules 3 and 13.1 and to therefore exclude specific exemptions provided to officers under the Council's Scheme of Delegation which relate to social care placements. As required by the Contract Procedure Rules (CPR) this Committee has to be updated on waivers sought across the Authority at six monthly intervals.

- 3.33.2 As previously reported to this Committee the methodology to obtain the waivers is labour intensive and relies on manual records maintained by the Directors PA's. There has been concern that not all waivers may be captured and reported to Committee.
- 3.33.3 Internal Audit acknowledges the work of the Commissioning Department to develop the Contract Database specifically the presentation of contract documents including waiver templates. Mandatory training and online support has improved officer's understanding and application of the waiver process.
- 3.33.4 For the purposes of this Committee, Internal Audit has worked with the Assistant Director Governance and Contracts to source the information shown at Appendix C. The list of reports submitted to the Commissioning Board since April 2018, meeting the criteria of waivers to be reported to this Committee, identified qualifying contracts and contract owners. To source the required documentation, gateway report, minuted approval and the officer sign off sheet, the contract database was accessed in the first instance but if the documents had not been uploaded the contract owner was contacted directly. The waivers reported should include all exemptions, extensions and variations as defined in 13.1 of Contract Procedure Rules with reference to 3.1, 3.5.5 and 23.7. The formal extensions have not been reported this time and will be included in the next cycle. This exercise has identified that there are still issues with the availability of documents and uploading to the contract database and therefore it is possible that the information reported at Appendix C is incomplete.
- 3.33.5 The Assistant Director Governance and Contracts will be contacting all contract owners to remind officers of the requirement to comply with contract procedure rules, including the upload of information to the contract database. Internal Audit is working with Commissioning to ensure that the process to collect and collate waivers to be reported to this Committee is simplified and complete. Going forward contract owners will be asked to evidence the required documentation to Internal Audit for the bi annual update to this Committee. Internal Audit have two planned corporate audits planned for 2018/19, Strategic Commissioning and Procurement Control Framework Compliance, that will consider this process.
- 3.33.6 Members are asked to review this list and comment as necessary, preferably prior to the meeting so that officers can extract the details on queried waivers.

3.34 Publication of Internal Audit Reports

- 3.34.1 Exemptions are being sought for this cycle that is explained in part 2 of this agenda.
- 3.34.2 Since the last cycle of this Committee we have published a further 20 redacted final reports, listed below. At the request of Members of this Committee we have included the audit opinion given to each audit. Follow up audits for implementation of previous recommendations are not given an opinion.

AUDIT	OPINION
St Olave's School	Limited
Reablement	Limited
Reablement (Follow Up)	N/A
Contract Management of Adult Mental Health	Limited

Adults Safeguarding	Substantial
Continuing Healthcare Funding	Substantial
Council Tax	Substantial
IT Project Management	Substantial
Creditors	Limited
Home Tuition	Limited
Direct Payments	Limited
Edgebury Primary School	Substantial
Family Placements	Limited
Leaving Care	Limited
Temporary Accommodation and Rent Accounts	Substantial
Housing Benefit (Follow Up)	N/A
Penalty Charge Notices	Substantial
Vehicle Crossovers	Substantial
Winter Maintenance Service	Substantial
Troubled Families Claim	N/A

3.35 Letter of Representation

3.35.1 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 2017/18 Statement of Accounts. Members are asked to note the Letter of Representation attached as Appendix D.

3.36 Code of Transparency

3.36.1 The Department for Communities and Local Government (DCLG) published a revised Transparency Code in February 2015. The Code sets out key principles for local authorities in creating greater transparency through the publication of public data. The Government believes that local people are interested in how their authority tackles fraud and have introduced a mandatory requirement in respect of fraud data. Attached as Appendix E is our publication on the Council's web site of the fraud statistics for 2017/18.

3.37 Annual Audit Letter

3.37.1 The Annual Audit Letter for 2017/18 issued by the external auditors is attached as Appendix F. The headlines to note are as follows: They issued an unqualified opinion on the Authority's financial statements on 26 July 2018. This means that they believe the financial statements

give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements include those of the pension fund.

- 3.37.2 They issued a qualified ‘except for’ conclusion on the Authority’s arrangements to secure value for money (VFM conclusion) for 2017-18 on 26 July 2018. This means they are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources except for the area of children’s services where the Authority received an ‘inadequate’ Ofsted inspection in June 2016 and these findings had not yet been fully remediated. This is an ongoing issue from previous years.
- 3.37.3 To arrive at their conclusion they looked at the Authority’s arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

3.38 Objections to the accounts

- 3.38.1 An elector has raised objections to the 2016/17 and 2017/18 accounts. The objections centred on waste collection and waste management services but also include grounds maintenance, street cleansing and empty Civic Centre Offices. These are still being reviewed by the External Auditor. As a result of these objections the audit cannot be formally concluded and an audit certificate issued.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

The contents of this report have implications for both adults and children in respect of cost and possible care implications.

5. POLICY IMPLICATIONS None

6. FINANCIAL IMPLICATIONS

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

7. PERSONNEL IMPLICATIONS

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

8. LEGAL IMPLICATIONS

There is a statutory requirement to provide an internal audit function in the Accounts & Audit Regulations 2015.

9. PROCUREMENT IMPLICATIONS

The contents of this report may have implications for procurement relating to contract procedure rules, financial regulations and VFM issues.

Non-Applicable Sections:	Policy
Background Documents: (Access via Contact Officer)	None

Risk Assessment Guidance

Likelihood	Almost Certain (5)	5	10	15	20	25	<table border="0"> <tr> <td style="background-color: red; width: 20px; height: 20px; display: inline-block;"></td> <td>15+ High Risk - review controls and actions every month</td> </tr> <tr> <td style="background-color: orange; width: 20px; height: 20px; display: inline-block;"></td> <td>10 - 12 Significant Risk - review controls and actions every 3 months</td> </tr> <tr> <td style="background-color: yellow; width: 20px; height: 20px; display: inline-block;"></td> <td>5 - 9 Medium Risk - review controls and actions every 6 months</td> </tr> <tr> <td style="background-color: lightgreen; width: 20px; height: 20px; display: inline-block;"></td> <td>1 - 4 Low Risk - review controls and actions at least annually</td> </tr> </table>		15+ High Risk - review controls and actions every month		10 - 12 Significant Risk - review controls and actions every 3 months		5 - 9 Medium Risk - review controls and actions every 6 months		1 - 4 Low Risk - review controls and actions at least annually
		15+ High Risk - review controls and actions every month													
		10 - 12 Significant Risk - review controls and actions every 3 months													
		5 - 9 Medium Risk - review controls and actions every 6 months													
		1 - 4 Low Risk - review controls and actions at least annually													
Highly likely (4)	4	8	12	16	20										
Likely (3)	3	6	9	12	15										
Unlikely (2)	2	4	6	8	10										
Remote (1)	1	2	3	4	5										
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)									
		Impact													

Risk Likelihood Key					
	Score - 1	Score - 2	Score - 3	Score - 4	Score - 5
	Remote	Unlikely	Possible	Likely	Definite
Expected frequency	10 - yearly	3 - yearly	Annually	Quarterly	Monthly

Risk Impact Key					
Risk Impact	Score - 1	Score - 2	Score - 3	Score - 4	Score - 5
	Insignificant	Minor	Moderate	Major	Catastrophic
Compliance & Regulation	Minor breach of internal regulations, not reportable	Minor breach of external regulations, not reportable	Breach of internal regulations leading to disciplinary action Breach of external regulations, reportable	Significant breach of external regulations leading to intervention or sanctions	Major breach leading to suspension or discontinuation of business and services
Financial	Less than £50,000	Between £50,000 and £100,000	Between £100,000 and £1,000,000	Between £1,000,000 and £5,000,000	More than £5,000,000
Service Delivery	Disruption to one service for a period of 1 week or less	Disruption to one service for a period of 2 weeks	Loss of one service for between 2-4 weeks	Loss of one or more services for a period of 1 month or more	Permanent cessation of service(s)
Reputation	Complaints from individuals / small groups of residents Low local coverage	Complaints from local stakeholders Adverse local media coverage	Broader based general dissatisfaction with the running of the council Adverse national media coverage	Significant adverse national media coverage Resignation of Director(s)	Persistent adverse national media coverage Resignation / removal of CEX / elected Member
Health & Safety	Minor incident resulting in little harm	Minor Injury to Council employee or someone in the Council's care	Serious Injury to Council employee or someone in the Council's care	Fatality to Council employee or someone in the Council's care	Multiple fatalities to Council employees or individuals in the Council's care

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Corporate Risk Register - Appendix A2

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press shift & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	RISK OWNER	
					LIKELIHOOD	IMPACT	RISK RATING	LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED		
1	Corporate Risk	Failure to deliver a sustainable Financial Strategy which meets with BBB priorities and failure of individual departments to meet budget	<p>Cause(s):</p> <ol style="list-style-type: none"> As a consequence of significant Government funding reductions (austerity is expected to continue beyond 2019/20), need to reduce the Council's significant 'budget gap' of £36.7 m per annum by 2021/22. The Government's aim is to transform 'local government, enabling it to be self-sufficient by the end of Parliament' e.g. business rates to be fully devolved to local government by 2020/21. A future national recession could have a significant impact on income generated to fund key services within a fully devolved model. Failure to meet departmental budgets due to increased demand on key services resulting in overspend: (Housing (homelessness and cost of bed and breakfast), Social Care (welfare reform and ageing population), and Waste (growing number of households). The risk of the Council not being able to carry out its statutory duties (e.g. pupil admissions, school improvement, child protection) as a consequence of funding reductions. Dependency on external grants to fund services (schools and housing benefits are ring-fenced) - effect if grant reduces (Public Health services) or ceases. The new national living wage will have cost implications to the Council over the next few years (e.g. care providers and carers). As the local government core grant is fully phased out, local government will take on new funding responsibilities e.g. public health, housing benefit administration for pensioners. With ageing population there will be associated cost pressures. Impact of welfare reforms and the phased roll out of Universal Credit. Failure to identify and highlight frauds and weaknesses in the system of internal control (which invariably have a financial impact). Overall, fraud losses are mainly benefit related (Council Tax Support / Single Person Discount). <p>Effects(s):</p> <ul style="list-style-type: none"> Increased overspend in particular services Council unable to carry out its statutory duties due to services cuts Reputational damage Failure to achieve our Building a Better Bromley priorities. 	Finance	5	5	25	4	5	20		Director of Finance	
2	Corporate Risk	Failure to deliver the Council's Target Operating Model as a 'Commissioning Organisation'	<p>Cause(s):</p> <ol style="list-style-type: none"> Driven by budgetary considerations. Our low cost base reduces the scope to identify efficiency savings compared with a higher cost organisation. Availability of quality data to support decisions. Capacity to deliver the Commissioning agenda. Capacity of key areas to deliver outsourcing i.e. ICT (supporting IT and information transfers), HR, procurement teams and legal services. Impact of not being able to outsource targeted services means that additional savings are required elsewhere. Ensuring that we adequately engage with Members and consult staff, residents, service users, businesses and other interested parties. Contracts and SLAs fail to deliver required quantity / quality / value for money services. Potential downside: Contracted provider fails to meet performance standards, terminates contract or ceases to trade with the result that the service has to be brought back in-house. <p>Effects(s):</p> <ul style="list-style-type: none"> Service cuts required if balanced budget is not met Reputational damage Service standards reduce / outcomes not met Contracts / SLAs fail to deliver required quantity / quality / value for money If provider fails, potential for service to be brought back in-house Failure to achieve our Building a Better Bromley priorities. 	Commissioning	5	4	20	4	3	12	<ol style="list-style-type: none"> Proposals relating to the individual services to be submitted to the respective PES Committees for scrutiny and approval. Ensure that the organisation has the appropriate capacity and governance arrangements in place to deliver the agenda. 	Director of Commissioning	
3	Corporate Risk	Failure to deliver partial implementation of Health and Social Care Integration. Plans not in place to deliver partial integration by 2020	<p>Cause(s):</p> <ol style="list-style-type: none"> Difficulty in achieving rapid change in a system as complex as health and social care. Rising social care costs due to ageing population and people living longer with increasing complex needs. Difficulties with agreeing budgets (given likely funding reductions going forward), complex governance arrangements, and workforce planning. Need to focus on collaborative working (cultural differences). Diminishing / reduced resources and changes in the way public funds are directed. Pressure for social care services to be accessible 7 days a week both in terms of our own workforce and contracts with external providers in line with NHS priority to deliver 7 day working across the health sector. LBB will need to contribute to a whole system review (led by the Bromley Clinical Commissioning Group) to ensure that funding follows the patient. <p>Effects(s):</p> <ul style="list-style-type: none"> Failure to deliver statutory duties Failure to achieve our Building a Better Bromley priorities. 	Health and Social Care Integration	2	3	6	2	3	6	<ul style="list-style-type: none"> A commitment to deliver a draft 2020 integration plan for health and social care integrated service delivery and commissioning across the borough by May 2018 by Education, Care and Health Services and the Bromley Clinical Commissioning Group Continued work with health partners to deliver the main transformation programmes e.g. Bromley Well and the transformation of prevention Building on the work already delivered through S75 agreement with Odeas and being implemented through the Better Care Fund workstreams e.g. Winter Resilience work, Transfer of Care Bureau, Integrated Care Records and Discharge to Assess. New Governance structure between the London Borough of Bromley and the Bromley Clinical Commissioning Group feeding into the Health and Wellbeing Board via the Integrated Commissioning Board (strategic) and Commissioning Network (operational) 	Deputy Chief Executive & Executive Director for Education, Care and Health Services	
4	Corporate Risk	Failure to manage change and maintain an efficient workforce to ensure that BBB priorities are met	<p>Cause(s):</p> <ol style="list-style-type: none"> The on-going need to reduce the size and change the shape of the organisation to secure priority outcomes within the resources available. Having the right people in place by implementing effective recruitment and retention strategies. Potential skills gap and deterioration of service quality through loss of experienced staff as a result of age profile of workforce and downsizing (failure to succession plan). Disruption while services realigned and staff appointed to new structure. Increasing demands and pressures on remaining staff given increased customer expectation levels, could lead to morale issues. Increased potential for internal controls to be bypassed due to flatter reporting structure. Lack of capacity to lead projects / manage change agenda and consequent ability to respond to change initiatives and the achievement of outcomes and benefits. Potential future shortage of professionally qualified practitioners in key areas, particularly around the Safeguarding agenda. Need to ensure that relevant staff have necessary disciplines to drive improvement and enable good practice and consistency in delivering change and the achievement of outcomes and benefits e.g. risk and performance management. Adverse industrial relations climate with individual and collective grievances including trade disputes with the unions, causing some disruptions to vital Council services. Increasing number of employment tribunal cases causing financial and administrative inconveniences. Having the right buildings and facilities to support fewer, more professional, differently organised staff. Potential changes to working relationship with Members as we move to a smaller organisation. The need to track continued changes to government strategy and policies coupled with changes in legislation to avoid compliance issues (approx. 1,300 statutory duties). Adequacy of consultation on issues that affect residents across the borough i.e. re-organisation of libraries, Biggin Hill expansion. Adverse external audit comment and resulting ratings in relation to 'excellent in the eyes of local people'. <p>Effects(s):</p> <ul style="list-style-type: none"> Skill gaps Deterioration of service quality through loss of experienced staff Disruption while services are realigned 	Organisational Change	4	2	8	4	2	8	<ul style="list-style-type: none"> Continuously address the recruitment and retention of key individuals in critical posts. Effective succession planning and grow your own initiatives, and using the Apprenticeship Levy to address recruitment challenges in the medium-long term. Ensure the organisation has the HR capacity and employment law expertise to manage change. Address the transformational and transitional capabilities (including leadership) required for a successful commissioning journey/process. Provide adequate resources to support and improve staff engagement and communications. 	Director of Human Resources	

Corporate Risk Register - Appendix A2

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press shift & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	02/10/2018
					LIKELIHOOD	IMPACT	RISK RATING	LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER
5	Corporate Risk	Ineffective governance and management of contracts	<p>Cause(s):</p> <ol style="list-style-type: none"> Ensuring client side staff have the necessary training and skills to manage and monitor contracts. Ensuring effective communication channels between client and provider to ensure contract compliance. Need for monitoring officers to check quality of outsourced services and customer satisfaction levels. Lack of understanding of the contract deliverables. Short cuts in procurement processes e.g. extending contracts rather than retendering. Compatibility of different systems and availability of IT support. Failure of a contractor / partner / provider to maintain agreed service levels resulting in an interruption to or deterioration of service delivery. Potential for operational errors / omissions by contractors (responsibility remains with LBB). Managing customer expectations and dealing with complaints where there are failures. <p>Effects(s):</p> <ul style="list-style-type: none"> Financial losses Service disruptions Provider fails to maintain agreed service levels routinely Increased resource to handle and manage complaints / customer expectations Failure to achieve our Building a Better Bromley priorities. 	Contract Management	4	4	16	4	4	16	<ul style="list-style-type: none"> Review of contract management and contract monitoring controls including any issues identified by internal audit Database alerts to assist in monitoring Contract Sub Committee Contract Monitoring Summary template completed and loaded on the Contract Monitoring Team site. 	All Directors
6	Corporate Risk	Failure to maintain and develop ICT information systems to reliably support departmental service delivery	<p>Cause(s):</p> <ol style="list-style-type: none"> Need to ensure that information systems are fit for future business purpose. Capacity and skill within Corporate ICT to maintain and support systems during a period of significant change and in the future. Increasing reliance on stability of ICT infrastructure in all areas of the Council (Lync telephony services). Council website now a major channel for the delivery of services (Pay for it, Apply for it, Report it). Adequacy of information governance data protection rules to ensure the confidentiality, integrity and availability of information assets. IT failure impacting on critical operational systems. Over the next 3 years we will need to undertake gateway reviews / procurement plans for at least 4 of the Council's business critical systems; Customer Relationship Manager, Carefirst, Housing info system and Education's Capita One system plus the main LBB website and SharePoint. Transfer of IT contract to new ICT 3rd party supplier. <p>Effects(s):</p> <ul style="list-style-type: none"> Service disruptions Inability to access key systems Reputation damage Inability to support organisation change and savings targets Failure to achieve our Building a Better Bromley priorities. 	ICT	3	2	6	3	2	6	<ul style="list-style-type: none"> Review data storage /hosting arrangements. Carry out at least 4 gateway reviews for major systems. Increase stability of ICT infrastructure including Lync. 	Director of Corporate Services
7	Corporate Risk	Failure to maintain robust Business Continuity and Emergency Planning arrangements	<p>Cause(s):</p> <ol style="list-style-type: none"> Unavailability of Council offices / depots due to explosion, fire flood or police cordons around Council buildings Operational emergencies due to severe weather conditions, fire, or major incident. Availability of staff to deliver key services if trained volunteers are taken away to deal with a major incident (the Council is a Category 1 responder under the Civil Contingencies Act) Loss of key business systems due to power problems or system failure. Inadequate IT disaster recovery arrangements leading to dislocation of Council services. Sustained industrial action affecting key services. Lack of Business Continuity Plan testing. Adequacy of contractor's business continuity plans. Shortage of staff to deliver key services in the event of a flu pandemic or similar <p>Effects(s):</p> <ul style="list-style-type: none"> Significantly prolonged service disruptions Normal service takes longer to resume Reputational damage / loss of credibility Increased costs to rectify disruptions Injury / harm Loss of access to key systems Failure to achieve our Building a Better Bromley priorities. 	Business Continuity	4	3	12	4	3	12	<ul style="list-style-type: none"> Business Continuity Plans Emergency Planning procedures <p>To ensure that all Business Continuity Plans are up to date and are cross linked with one another across the Authority, specifically in relation to fail back sites, where there may be a number of departments using the same scarce resource.</p> <p>To consider our Business Continuity plans in the event of a major incident in the Borough (staff unable to get to work , staff caught up in or helping with the incident.</p> <p>To revisit the evacuation protocols within the Civic Centre site, specifically where staff would go if there was a large cordon around Bromley Town Centre.</p> <p>To continue to provide a resilient out of hours service to Emergency Planning by having Trained contactable volunteers.</p>	Director of Environment & Community Services
8	Corporate Risk	Failure to deliver effective Children's services The Council is unable to deliver an effective children's service to fulfil its statutory obligations in safeguarding and protect those at risk of significant harm or death, sexual exploitation or missing from care	<p>Cause(s):</p> <ol style="list-style-type: none"> Increasing demand The Secretary of State could determine that the Council is failing to deliver its Children's Social Care services to an adequate standard and approve alternative delivery arrangements as the most effective way of securing and sustaining improvement. This arrangement could include the removal of service control from the authority <p>Effects(s):</p> <ul style="list-style-type: none"> The Council is unable to fulfil its statutory obligations in Safeguarding and Education 	Children's Social Care	4	5	20	3	4	12	<ul style="list-style-type: none"> Multi Agency Bromley Children's Safeguarding Board (BCSB) in place and BCSB Training programme Dedicated HR programme of support in place to recruit social workers to front line posts Review of Performance Management Indicators Effective procurement framework and contract monitoring arrangements to ensure acceptable quality of service provision and value for money Appointment of Deputy Chief Executive with Director of Children's Services responsibility (in post December 2016) Appointment of Director, Children's Services (in post December 2016) 950k available for immediate use to build capacity and £2.2m available on a recurring basis for Children's services Quality Assurance Audit Programme Phase 2 Children's Service Improvement Action Plan rebalanced to ensure that Heads of Service and Group Managers are delivering the actions relevant to their teams - Phase 2 commenced 2018 Key events and supporting material developed to ensure improving practice is at the heart of the organisation Review of team structures completed New process for authorising placements implemented Continued reduction of caseloads & within Caseload promise on average Atlas Team reviewed and moved to MASH to improve safeguarding Identified Training plan for qualified social workers and other professionals reviewed and updated quarterly <p>Validation by Ofsted in forthcoming inspection</p>	Director, Specifically Executive Director of Education, Care and Health Services

Corporate Risk Register - Appendix A2

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press shift & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK			CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING	LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED		RISK OWNER		
9	Corporate Risk	Temporary Accommodation Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homeless budgets	<p>Cause(s):</p> <ul style="list-style-type: none"> 1. Changes in government funding 2. Rising numbers of placements (approx. 20 per month). <p>Effect(s):</p> <ul style="list-style-type: none"> - Failure to fulfil statutory obligations - Impact on life chances and outcomes for individuals and families in temporary accommodation - Increased risk of legal challenge due to provision of unsuitable accommodation (including shared accommodation) - Pressure on other services 	Housing	5	4	20	<ul style="list-style-type: none"> - Focus on preventing homelessness and diversion to alternative housing options through: <ul style="list-style-type: none"> - Landlord and Tenancy advice, support and sustainment - Assistance (including financial aid) to access the private rented sector - Access to employment and training - Debt, money, budgeting and welfare benefits advice, including assistance to resolve rent and mortgage arrears - Sanctuary scheme for the protection of victims of domestic violence - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Implementation of the More Homes Bromley initiative to ensure the supply reduces the reliance on nightly paid accommodation 	5	4	20	<ul style="list-style-type: none"> - Seek new and alternative forms/supply of temporary accommodation - Continue to develop partnership working with private sector landlords to assist households to remain in private sector accommodation - Work innovatively with a range of providers to increase access to a supply of affordable accommodation - Produce and maintain the new London Borough of Bromley Homelessness Strategy ensuring that the strategy assumes partnership working to reduce and prevent homelessness - Monitoring impact of implementation of Homelessness Reduction Act - Complete tender process for modular homes supplier for temporary accommodation 	02/10/2018	Deputy Chief Executive & Executive Director for Education, Care and Health Services	

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Chief Executive's (CEX) Risk Register - Appendix A3

											DATE LAST REVIEWED:	05/11/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
1	Corporate Services	IT Security failure	Cause(s): Failure of IT Security (responsibility across Bromley & BT) to manage risk of attack or intrusion leading to potential corruption / loss of data / loss of systems Effect(s): Loss of service, potential fines, resident dissatisfaction	Data and Information	4	5	20	-Application of effective security management including effective application of anti-virus protection and security measures through the IT Contract with BT - Regular Penetration Testing undertaken	2	2	4		Vinit Shukle
2	Corporate Services	Telecommunications failure Prolonged telecoms / switchboard failure	Cause(s): Power surge, contractor failure, malicious attack, IT failure Effect(s): Widespread disruption across the Council	Data and Information	3	5	15	- Stand-by arrangements available so that in the event of failure highest priority services can be recovered - Technical design takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - All Critical Services now have additional independent lines as contingency (if not their first line) - Additional resilience in use of LBB mobile phones - The ICT Disaster Recovery Plan is in progress	3	3	9	- Working with BT to implement disaster recovery arrangements as part of new backup contract - Effective application of anti-virus protection and security measures through the IT contract with BT - Virtualisation project will help facilitate disaster recovery provision - Secondary Session Initiation Protocol (SIP) connection being added to provide resilience.	Vinit Shukle
3	Corporate Services	IT System Failure (partial loss) Partial loss of IT systems	Cause(s): Failure of Outlook or similar applications Failure of Novell Filing Registry system which carries details of all departmental files Effect(s): Widespread disruption across the Council	Data and Information - Operational	4	4	16	- Effective incident management / support and resilient systems in use so that single points of failure are minimised - Technical design that takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - Ensure proactive monitoring tools are in place to highlight potential issues before there is a major incident - System now migrated to the server - No longer dependent on Win7 - all services successfully transferred. However, the Novell filing registry/Regnet system has no further upgrade options and is not compatible with Win10 which will be deployed before December 2019 (Win7 support expiry date)	4	3	12	The Novell System is currently used by legal team for historical file information only on a 'stand alone' PC. As part of any future platform upgrades, investigations will need to be carried out as to whether this option is still viable (by way of impact assessment) or look at migrating the historical data into Norwel (the current system)	Vinit Shukle
4	Corporate Services	IT System Failure (total loss) Complete failure of IT systems resulting in widespread disruption across the Council	Cause(s): Complete loss of data centre and related hardware Effect(s): Widespread disruption across the Council Financial loss Reputational impact	Data and Information - Operational	3	5	15	- Effective incident management / support and resilient systems in use so that single points of failure are minimised - Technical design that takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - Ensure proactive monitoring tools are in place to highlight potential issues before there is a major incident - Backup power arrangements in the event of power issues (most likely) - Server room has fire suppression, water detection and significant physical security measures have been undertaken.	2	4	8	- Property are planning additional works to resolve the issues that caused the outages, but until then we remain at an elevated risk.	Vinit Shukle
5	Corporate Services	Network Loss Loss of the customer service centre network as a result of a major malfunction of the council's network, leading to system access loss preventing staff from processing service requests.	Cause(s): Major malfunction of council's network caused by Cyber Attack or other means Effect(s): Loss of system access Service Disruption Reputational impact	Data and Information - Operational	3	3	9	- Existing local resilience procedures (over Liberata network via Citrix) - Business Continuity Plan and manual procedure plans in place - Prepared for use of smart telephony messaging, web banner message and reception signage	3	2	6		Duncan Bridgewater

Chief Executive's (CEX) Risk Register - Appendix A3

											DATE LAST REVIEWED:		05/11/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER	
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
6	Corporate Services	Budgetary overspend	Cause(s): Overspending budgets as a result of increased costs outside Council's direct control (e.g. increase in minimum wage, court / legal fees) Effect(s): Financial	Economic - Strategic	4	3	12	- Effective forward budgetary planning	3	3	9	- Identify "risk areas" (e.g. contracts using low paid labour)	Director of Corporate Services	
7	Corporate Services	Fall in income from Registrars Economic downturn, uncertainty regarding accommodation and other external factors contributing to a significant fall in income in Registrars	Cause(s): Uncertainty regarding accommodation Leaving Civic Centre for a less appealing venue Effect(s): Reduced level of bookings Financial impact	Financial - Operational	3	3	9	- Regular budget and activity monitoring - Targeted marketing of ceremonies, venues etc. to maximise income, website videos, use of 'twitter' - Flexible use of staff to maximise income in periods of high activity - Development of civil funeral service	3	2	6		Duncan Bridgewater	
8	Corporate Services	Contractor Failure	Cause(s): Contractor (such as Liberata) cease trading due to financial or other failure. Effect(s): Interruption to or deterioration of service due to failure of contractors (out of hours security guards @ Civic Centre, for example)	Contractual and Partnership - Operational	2	4	8	- Regular monitoring of performance and monthly operational meetings to identify any continued and ongoing reduction in service delivery - Core contract monitoring and overview of other elements of the contract to identify shortfalls in other areas of service delivery - Effective scrutiny of potential contractors - Appropriate performance bonds or parent company guarantees - Business continuity planning - Standardised contract letting procedures and documentation as contracts renew	2	3	6	-Identify potential alternative contractors	Duncan Bridgewater	
9	Corporate Services	Contractor Performance	Cause(s): Failure to effectively manage service delivery contracts with provided such as Liberata Effect(s): Continued and ongoing poor performance and/or increased customer complaints.	Contractual and Partnership - Operational	4	3	12	- Daily, weekly, monthly and annual monitoring of performance and key performance indicators - Monthly operational meetings with contractor to discuss performance and monitor against balanced score card - Escalation through core contract route of any continued and ongoing shortfalls in performance	3	2	6		Duncan Bridgewater	
10	Corporate Services	Failure to follow Legal Advice Breach of law, statutory duty or carrying out inadequate consultation arising from failure of clients to follow Legal briefing procedures	Cause(s): Advice not being sought and/or followed by clients. Effect(s): - Breach of statutory obligations through failure of compliance with relevant legislation (e.g. 'Duty to Consult', EU Procurement Rules, Health and Safety etc.) leading to adverse publicity and significant costs including fines. - Council making unlawful decisions - Potential compensation to injured parties - Negative publicity - Potential judicial reviews	Legal - Operational	3	3	9	- Service procurement procedures - Register of all relevant statutory requirements - Regular review of compliance - Effective training of managers in requirements of relevant legislation - Systematic consultation - Robust internal customer service standards - Continuous learning and feedback	2	3	6	- Review service procurement procedures and redesign if appropriate - Regular service delivery meetings with clients - Identify, document and review all relevant statutory requirements - Identify and train all staff responsible for meeting statutory requirements	Director of Corporate Services	

Chief Executive's (CEX) Risk Register - Appendix A3

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					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
11	Corporate Services	Maintenance of Statutory and GRO standards	Cause(s): Increase in life events (births / deaths) within Bromley Staffing pressures Effect(s): Drop in standards leading to a potential breach of statutory duty and loss of confidence from residents.	Legal - Operational	3	3	9	-Regular monitoring of registration activity and timescales -use of casual staff to perform statutory registrations - close monitoring of quality and performance from GRO system reporting	1	3	3		Duncan Bridgewater
12	Corporate Services	Disaster Recovery Inadequate disaster recovery arrangements leading to dislocation of Council services	Cause(s): Lack of adequate disaster recovery arrangements Effect(s): Dislocation of council services	Data and Information - Operational	2	5	10	-Stand-by arrangements available so that in the event of failure highest priority services can be recovered - Working with BT to review and implement disaster recovery arrangements as part of new IT contract. - Effective application of malware protection and security measures through the IT contract with BT - Technical design takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - Virtualisation project will help facilitate disaster recovery provision with the option of using the cloud to provide quick capacity - New Storage Area Network (SAN) gives additional replication facilities to work with suitable partners reducing the time to switch over to a Disaster Recovery site - ICT Disaster Recovery Plan in progress	2	5	10	Exploring cloud back up	Vinit Shukle
13	Corporate Services	Loss of Facility Loss of customer service accommodation as a result of a major power failure or other incident that prevents access to the Civic Centre	Cause(s): Major power failure or other incident that prevents access to the Civic Centre Effect(s): Major disruption to council services	Data and Information - Operational	3	3	9	- Existing local resilience procedures (overflow to alternative Liberata Office)	2	2	4		Duncan Bridgewater
14	Corporate Services	IT Compliance failure	Cause(s): Failure to meet compliance regulations i.e. CoCo (Code of Connection) / London Public Services Network (LPSN) Effect(s): Loss of access to certain government systems	Data and Information - Operational	3	3	9	- Penetration Test (PenTest) carried out to ensure the integrity of the system and establish vulnerability - Met with Head of Public Services Network (PSN) - Carried out patching on the network to ensure security - PSN Compliant. Results and remediation of ICT Health Check submitted	2	3	6		Vinit Shukle
15	Corporate Services	Data Protection Breach	Cause(s): Failure to adapt to the upcoming change in legislation (GDPR) Failure to ensure the confidentiality, integrity, and availability of information assets. Effect(s): 1. Distress and/or physical impact on wellbeing of customers 2. Impact on operational integrity 3. Reputational damage to services and the authority as a whole 4. Liability in law 5. Economic damage to authority and/or customers 6. Impact on service take up due to reduced confidence from the public	Data and Information - Operational	4	5	20	- LBB is currently compliant with the Public Services Network Code of Connection (PSN CoCo) and Connecting for Health Information Governance Toolkit (CIH IGT). The LBB Information Governance Board formally accepted the CIH IGT as the basis of LBB's internal information governance program at their meeting in August 2012. Both standards are based on the ISO27001 international best practice standard for managing information security and are therefore fit for purpose for assessing and managing the Council's information risk	2	3	6		Director of Corporate Services

Chief Executive's (CEX) Risk Register - Appendix A3

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					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
16	Corporate Services	Failure to publish Register of Electors	Cause(s): Failure of IT systems Insufficient resources provided to Electoral Registration Officer to deliver a comprehensive canvass Failure to follow legislative and regulatory requirements Effect(s): Disenfranchisement of local residents Potential to challenge any election which relies on an inadequate register Reputational damage	Political - Strategic	2	3	6	Controls: 1. Project Plan including detailed Risk Register 2. Robust documented internal procedures 3. Monitoring by Electoral Commission through appropriate Performance Standards	1	3	3		Carol Ling	
17	Corporate Services	Failure to manage election process	Cause(s): Failure of Council in its duty to provide sufficient resources to the Returning Officer Failure of IT systems Effect(s): Costs of dealing with a challenge to election process Reputational damage Cost of re-running an election if result is set aside	Political	3	4	12	- Project Plan including detailed Risk Register specific to election underway - Staff Training - Adequate insurance (Returning Officer - personal liability) - Monitoring by Electoral Commission through appropriate Performance Standards.	2	3	6		Carol Ling	
18	Corporate Services	Safety of Statutory Records	Cause(s): Fire / flooding Strong room not GRO compliant Effect(s): Damage to or destruction of historic statutory registration records	Operational	2	4	8		2	4	8	- We are aware the strong rooms requires investment to bring it up to General Register Office (GRO) security standards. This will be looked at during the wider accommodation review	Duncan Bridgewater	

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

Commissioning Risk Register - Appendix A4

											DATE LAST REVIEWED:	14/09/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
1	Commissioning	Failure to deliver the Council's Target Operating Model as a "Commissioning Organisation"	<p>Cause(s):</p> <ul style="list-style-type: none"> - Unclear (or lack of) commissioning strategies - Poor commissioning activities - Inability to undertake full commissioning cycles - Failure to engage and develop markets <p>Effect(s):</p> <ul style="list-style-type: none"> - Service cuts required if balanced budget is not met - Reputational damage 	Procurement & Contracts	5	4	20	<ol style="list-style-type: none"> 1. Commissioning Work Plan agreed and reported to COE as part of Performance Management. 2. Commissioning Reviews linked to 4 year Financial Forecast to ensure all growth in services are supported by service reviews/proposals to help mitigate growth. 3. Contract Register now produced using new database including automatic alerting to officers etc. 4. Commissioning Team represented at senior level across the Council. 5. Commissioning Work Plan & Contracts Register reported to COE quarterly and also Commissioning & Contract Sub Committee – with alerts from Director of Commissioning. 6. Weekly Commissioning Board meetings. 7. Training for members and officers rolled out and published on Managers Toolkit. 8. All Guidance Notes available to officers on the Managers Toolkit – covering the commissioning and contracting cycle. 9. Lessons Learnt from all commissioning and contracting proposals covered at mandatory training with staff. 	4	3	12	<ol style="list-style-type: none"> 1. Proposals relating to the individual services to be submitted to the respective PDS Committees for scrutiny and approval in a timely manner linked to four year financial forecast. 2. Growth pressures identified as part of the four year forecast to allow service reviews/redesign to help mitigate cost pressures 	Service Directors supported by Director of Commissioning
2	Commissioning	Effective governance and management of contracts	<p>Cause(s):</p> <ul style="list-style-type: none"> - Lack of clear management across contracts - Capacity and capability - Contract management processes ineffective - Organisational culture and understanding <p>Effect(s):</p> <ul style="list-style-type: none"> - Financial losses - Service disruptions - Poor quality services 	Procurement & Contracts	4	4	16	<ol style="list-style-type: none"> 1. Review of contract management and Commissioning & Contract monitoring controls including any issues identified by internal audit 2. Database alerts to assist in monitoring 3. Contract Sub Committee 	4	4	16	<p>Mandatory Training in place for all contract managers and commissioners along with quarterly mandatory meetings chaired by Director of Commissioning to cover any new guidance issued, lessons learnt and internal audit issues.</p> <p>Once the Director of Commissioning is confident that practice is embedded in the organisation, the current risk rating will reduce</p>	Service Directors supported by Director of Commissioning
3	Commissioning	Database Utilisation	<p>Cause(s):</p> <ul style="list-style-type: none"> - Lack of organisational buy-in from contract managers - Lack of governance - Poor awareness / education in understanding purpose <p>Effect(s):</p> <ul style="list-style-type: none"> - Impacts upon decision making and outcomes - Poor quality data - Commissioned services not fit for purpose - Increased financial costs 	Procurement & Contracts	4	3	12	<ol style="list-style-type: none"> 1. Database guidance issued to officers 2. Follow-ups issued to remind contract managers and commissioners 3. Quarterly Member reporting 4. Sign-off by CLT 5. Commissioning & Contract Sub Committee 	4	3	12	None Identified	Director of Commissioning

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

Commissioning Risk Register - Appendix A4

											DATE LAST REVIEWED:	14/09/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION <small>(a line break - press alt & return - must be entered after the risk title)</small>	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING <small>(See next tab for guidance)</small>			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING <small>(See next tab for guidance)</small>			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	D	IMPACT		RISK RATING	LIKELIHOOD	D		

1. Commissioning Work Plan agreed and reported to COE as part of Performance Manu

Education, Care and Health Services (ECHS) Risk Register - Appendix A5

Q2 2018/19

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press shift & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIK	LIH	IMP		LIK	LIH	IMP		
1	All	Failure to deliver ECHS Financial Strategy	<p>Cause(s):</p> <ul style="list-style-type: none"> - Continual reduction in Central Government funding - Demographic changes - Increased demand for services - Demand led statutory services (c. 80% of operations) which can be difficult to predict - Increasing cost volatility due to rise of complex, high cost families or placements requiring services. <p>Effect(s):</p> <ul style="list-style-type: none"> - Lower than anticipated levels of financial resource - Failure to achieve a balanced budget - Failure to secure economy, efficiency, and effectiveness of use of resources leading to a Qualified Independent Auditors' Report - Objectives of the service not met - Reputation is impacted - Wider goals of the Council are not achieved 	Financial	5	5	25	<ul style="list-style-type: none"> - Budget monitoring and forecasting - Regular review of medium term strategy - Regular reporting to DLT and Members via the Committee reporting process - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Monitor demographics, economic indicators and develop insight into future demand - Match financial planning to Council priorities - Internal audit framework - Early intervention with service users - Constantly reviewing service operations for potential efficiencies - Developed a series of commissioning plans for Children's Social Care, Adult Social Care (Mental Health, Learning Disabilities and Older People) and SEND including mitigating actions addressing financial pressures - Growth and mitigation discussions - Service strategies in place to mitigate growth 	4	5	20	<ul style="list-style-type: none"> - Plans covering 10 projects in Children's Social Care went to the Corporate Commissioning Board in September 2018 outlining savings proposals to be implemented. - Plans are in place in Children's Social Care for improving sufficiency whilst reducing identified areas of budget. - Proposals for an increased supply of housing to mitigate the cost of temporary accommodation are being presented to RRH PDS for approval in November 2018. - Continue to monitor commissioning plans 	ECHS DLT Ade Adetosoye, Janet Bailey, Sara Bowrey, Naheed Chaudhry, Paul Feven, Stephen John, Nada Lemic, Gillian Palmer.
2	Adult Social Care	Failure to deliver effective Adult Social Care services The Council is unable to deliver an effective adult social care service to fulfill its statutory obligations including the safeguarding of Adults	<p>Cause(s):</p> <ul style="list-style-type: none"> - Increasing demand - Above compounded by associated longer waiting lists leading to deteriorating condition and ultimately increased service user/ carer costs - Failure to deliver effective safeguarding arrangements - Failure to comply with statutory requirements including the Care Act <p>Effect(s):</p> <ul style="list-style-type: none"> - Impact on life chances and outcomes for service users - Failure to keep vulnerable adults safe from harm or abuse 	Legal, Reputational	4	4	16	<ul style="list-style-type: none"> - Care Act - Redesigned processes, including amending forms, and operational procedures in place and Care Act compliance training - Improved Better Care Fund - Programme overseen by the Interim Director of Programmes and the CCG - Safeguarding - 1. Multi Agency Bromley Adult Safeguarding Board (BSAB) in place. 2. BSAB Training programme (E Learning and Face to Face). 3. Awareness training for vulnerable groups. 4. Care Act compliance training - Recruitment - Dedicated HR programme of support in place to recruit social workers to front line posts - Performance Monitoring Framework - Review of Performance Management Indicators - Procurement and Contract Monitoring - Effective procurement framework and contract monitoring arrangements to ensure acceptable quality of service provision and value for money 	3	4	12		Director, Adult Social Care (Stephen John)
2a	Learning Disability Service	Failure to deliver effective Learning Disability services Failure to assess service users, establish eligibility criteria and carry out the review process.	<p>Cause(s):</p> <ul style="list-style-type: none"> - Failure to identify and meet service users' needs - Provision of service to ineligible clients - Provision of service prior to/without appropriate authorisation - Failure to manage the transition process of service users from Children's Services to Adult Services leading to increased risk of Judicial Review <p>Effect(s):</p> <ul style="list-style-type: none"> - Costs associated with Legal process - Ongoing care package costs as a result of Legal process outcome - Placement predictions leading to financial pressures (cross refer ECHS Budget risk) 	Legal, Reputational	4	4	16	<ul style="list-style-type: none"> - Close monitoring of placements and eligibility criteria - Budget monitoring and forecasting - Regular review of medium term strategy - Regular reporting to DLT and Care Services PDS - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Hold provider to account for poor performance - Monitor demographics, economic indicators and develop insight into future demand 	4	4	16		Director, Adult Social Care (Stephen John)
3	All Children's Social Care and Safeguarding Sections	Failure to deliver effective Children's services The Council is unable to deliver an effective children's service to fulfill its statutory obligations in safeguarding and protect those at risk of significant harm or death, sexual exploitation or missing from care	<p>Cause(s):</p> <ul style="list-style-type: none"> - Increasing demand - The Secretary of State could determine that the Council is failing to deliver its Children's Social Care services to an adequate standard and approve alternative delivery arrangements as the most effective way of securing and sustaining improvement. This arrangement could include the removal of service control from the authority. <p>Effect(s):</p> <ul style="list-style-type: none"> - Impact on life chances and outcomes for children 	Legal, Reputational	4	5	20	<ul style="list-style-type: none"> - Multi Agency Bromley Children's Safeguarding Board (BCSB) in place and BCSB Training programme - Dedicated HR programme of support in place to recruit social workers to front line posts - Review of Performance Management Framework and Indicators - Effective procurement framework and contract monitoring arrangements to ensure acceptable quality of service provision and value for money - under review - Appointment of Deputy Chief Executive with Director of Children's Services responsibility (in post December 2016) - Appointment of Director, Children's Services (in post December 2016) - £950k available for immediate use to build capacity and £2.3m available on a recurring basis for Children's services - Quality Assurance Audit Programme Phase 2 - Children's Service Improvement Action Plan refocussed to ensure that Heads of Service and Group Managers are delivering the actions relevant to their teams - 15% of 306 actions outstanding. Phase 2 commenced 2018 - Key events and supporting material developed to ensure improving practice is at the heart of the organisation - Review of team structures completed - New process for authorising placements implemented - Continued reduction of caseloads & within Caseload Promise on average - Atlas Team reviewed and moved to MASH to improve safeguarding - Identified training plan for qualified social workers and other professionals reviewed and updated quarterly 	3	4	12	Validation by Ofsted in forthcoming inspection.	Director, Children's Services (Janet Bailey)

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					LIK	LIH	IMP	IMP		LIK	LIH	IMP	IMP		
4	All	Recruitment and Retention Failure to recruit and retain key skilled staff with suitable experience/qualifications	Cause(s): - Failure to compete with other organisations to recruit the highest quality candidates to build an agile workforce - Small pool of experienced Social Workers, particularly children's Effect(s): - Failure to identify and meet service user needs - Provision of service to ineligible clients - Provision of service prior to/without appropriate authorisation - Lack of skill set results in an inability to deliver effective adults, children's and public health services to fulfil statutory safeguarding obligations, impacting on life chances and outcomes	Personnel	5	4	20	20	- Dedicated HR role to support managers in recruiting social workers to front line posts - Joint meetings held between HR and employment agencies to improve the quality and speed of locum assignments - Repromotion and review of the current Recruitment and Retention package - Repromotion of the 'no quit' policy - Recruitment drive to convert locums to permanent staff - Commissioning of improvements to the Council's recruitment web site to include a video virtual tour of the Council - Support in effectively managing staff performance - Provision of training measures to include targeted leadership and management training programmes including partners and other stakeholders - Tailored individual career plan for staff - Bespoke training for first line managers - Training and quality assurance of practice - Provision of regular monitoring information to feed into the corporate governance dashboard - Role on Recruitment and Retention Board	3	4	12	- Review the recruitment/retention of housing and adult social care staff including packages for retaining staff	Director, Adult Social Care (Stephen John) Director, Children's Services (Janet Bailey) Director, Public Health (Nada Lemic) Director, Housing (Sara Bowrey)	
5	Housing Needs	Failure to deliver effective Housing Needs services The Council is unable to deliver an effective Housing Needs service to fulfil its statutory obligations	Cause(s): - very demand led - lack of trained staff - homelessness is increasing number and complexity of cases Effect(s): - Impact on life chances and outcomes for individuals and families in need of Housing Services - Reputational damage - Legal challenge	Legal	4	4	16	16	- Focus on preventing homelessness and diversion to alternative housing options through:- - Landlord and Tenancy advice support and sustainment - Assistance (including financial aid) to access the private rented sector - Access to employment and training - Debt, money, budgeting and welfare benefits advice, including assistance to resolve rent and mortgage arrears - Sanctuary scheme for the protection of victims of domestic violence - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Implementation of the More Homes Bromley initiative to ensure the supply reduces the reliance on nightly paid accommodation - Implementing the Homelessness Strategy - setting up the multi-agency Homelessness Forum and taking forward the priorities of the Strategy	3	4	12	- Seek new and alternative forms/supply of temporary accommodation - An options paper will be presented to Committee in November for the new supply of temporary and settled housing - Continue to develop partnership working with private sector landlords to assist households to remain in private sector accommodation - New incentive campaign for private sector landlords launched - Work innovatively with a range of providers to increase access to a supply of affordable accommodation - Monitoring impact of implementation of Homelessness Reduction Act	Director, Housing (Sara Bowrey)	
5a	Housing Needs	Temporary Accommodation Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homelessness budgets	Causes: - changes in government funding - rising number of placements (approx. 20 per month) Effect(s): - Failure to fulfil statutory obligations - Impact on life chances and outcomes for individuals and families in temporary accommodation - Increased risk of legal challenge due to provision of unsuitable accommodation (including shared accommodation) - Pressure on other services	Social	5	4	20	20	- Focus on preventing homelessness and diversion to alternative housing options through:- - Landlord and Tenancy advice support and sustainment - Assistance (including financial aid) to access the private rented sector - Access to employment and training - Debt, money, budgeting and welfare benefits advice, including assistance to resolve rent and mortgage arrears - Sanctuary scheme for the protection of victims of domestic violence - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Implementation of the More Homes Bromley initiative to ensure the supply reduces the reliance on nightly paid accommodation - Implementing the Homelessness Strategy - setting up the multi-agency Homelessness Forum and taking forward the priorities of the Strategy	5	4	20	- Seek new and alternative forms/supply of temporary accommodation - An options paper will be presented to Committee in November for the new supply of temporary and settled housing - Continue to develop partnership working with private sector landlords to assist households to remain in private sector accommodation - New incentive campaign for private sector landlords - Work innovatively with a range of providers to increase access to a supply of affordable accommodation - Monitoring impact of implementation of Homelessness Reduction Act - Complete tender process for modular homes supplier for temporary accommodation	Director, Housing (Sara Bowrey)	
5b	Housing Needs (Housing Strategy)	Capital Grant Failure to deliver the Council's affordable housing strategy in support of statutory obligations Lack of infrastructure in place where growth is occurring (Section 106 monies)	Cause(s): - Lack of availability of external capital grant (Housing Associations) to deliver key housing schemes - Lack of available suitable sites within the borough on which to develop new affordable housing schemes over the short to medium term Effect(s): - An inadequate supply of housing will lead to an inability to meet housing needs of a range of client groups in support of statutory housing and homelessness duties.	Social	4	4	16	16	- Lead negotiations on the affordable housing provision on section 106 applications, ensuring that the affordable housing obligation reflects local adopted planning policy and local statutory and high priority housing need - Determination at planning stage to ensure collection of obligations due - Conditions attached to funding received to ensure it is spent on preventing homelessness	3	4	12	- Review of proposed legislation as it develops - An options paper for capital funding for development will be going to Committee in November. - Additional measures will be explored once the Housing Strategy is developed.	Director, Housing (Sara Bowrey)	
6	Public Health	Inability to deliver an effective Public Health service The Council is unable to deliver an effective Public Health service to fulfil its statutory obligations	Cause(s): Reduced budget which has led to funding cuts, reduced service and redundancies. Withdrawal of non-statutory services. Effect(s): - Increased clinical risk to patients and Bromley residents - Reputational risk to council - Gaps and potential blocks in health service between NHS and Local Authority	Professional, Legal, Reputational	4	4	16	16	- Working with partners including the CCG and Hospital Trust to jointly deliver Public Health functions and mitigate impact of cuts - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money	3	4	12	Plans for further integration of some functions and services with CCG	Director, Public Health (Nada Lemic)	

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					LIK LH	IMP OOD	IMP ACT		LIK LH	IMP OOD	IMP ACT		
7	All ECHS Divisions	Business Interruption / Emergency Planning Failure to provide Council services or statutory requirements of mass illness/fatalities scenario following a business interruption or emergency planning event	Cause(s): - Business Interruption could be caused by Loss of Facility (fire, flood etc.), Staff (illness, strike) or IT (cyber attack). - Mass fatalities or illness has a range of causes and this risk to the council could be caused by council staff being impacted resulting in failure to manage statutory requirements of mass illness/fatalities scenario (e.g. registering of deaths within timescales) Effect(s): - Business interruption - failure to deliver services, loss of customer / resident satisfaction. - Emergency planning - failure to deliver statutory duties.	Personnel, Reputational	2	5	10	Business Interruption - Civil protection and emergency planning policies in place at corporate level overseen by the Corporate Risk Management Group - Business Continuity Plans in place at service level - Contracts contain business continuity provision - Communication to all staff prior to all impending industrial action, informing of any possible service disruption as well as explaining implications of strike action for individual staff members Emergency Planning - Robust plans in place, including Outbreak Plan, Flu Plan and Pandemic Flu Plan - Alert system via the South East London Health Protection Unit (SEL HPU) - Annual Flu vaccination programme in place - Introduction of Humanitarian and Lead Officer (HALO) role	1	5	5		ECHS DLT
8	All ECHS Divisions	Contracts and Service Level Agreements Failure to effectively procure and/or manage key contractors or partners, leading to the department being unable to deliver key services, including attracting appropriate contractors or partners to deliver services	Cause(s): - Failure of provider - Provider withdrawing from the contract Effect(s): - Failure to deliver required quality/quantity/value for money services	Contractual, Partnership	4	1	4	- Timely and effective procurement process - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Business Continuity plans - Contracts Sub-Committee established (a sub-committee of the Executive and Resources PDS Committee which considers a range of contracts issues including legal requirements, contract clauses and contract management to ensure value for money). - Traffic light system in use to assess the current status of each procurement project, as part of the Corporate Contract Management System) and any projects with a red status are tracked and reported to fortnightly divisional management team meetings - Commissioners and Procurement and Contract Compliance staff implement recovery plans for projects with red status alerts in order to mitigate all risks and to ensure that the department operates within financial regulations	3	1	3	- Ensuring appropriate adjustment of prices following introduction of the National Living Wage	ECHS DLT
9	Education	School Place Planning Failure to meet the statutory requirement to ensure sufficient school places to meet the needs of the population in the area	Cause(s): - Failure to secure sufficient Primary and Secondary school places in the area - Failure to secure sufficient educational placements for children with disabilities and special educational needs - Failure to secure sufficient alternative provision Effect(s): - Disruption to the education of children and impact on their life chances	Political, Legal, Professional	3	4	12	- Strategic needs analysis (birth rate, dwelling stock and migration) to project demand - Review analysis of demand annually - SEN sufficiency strategy will inform long term planning of specialist provision - Implement Basic Need and PSB programmes - Maintain relationships with ESFA	2	4	8	- Keep under review the provision of places for September 2019 at Bullers Wood School for Boys	Director, Education (Gillian Palmer)
10	Children's Social Care	Not in Education, Employment or Training (NEET) Failure to meet requirements of Education, Care and Skills Act 2008 - duty on all young people to participate in Education, Employment or Training until their 18th birthday	Cause(s): - Lack of control over Academies Effect(s): - Disruption to Education - Impact on life chances for young people	Professional, Legal	3	2	6	- Provision offered by Bromley Youth Support Programme (BYSP) - Advice and Guidance Drop in sessions - One to one support - Looked After Children NEET support - YOT NEET support - Provision offered by Bromley Education Business Partnership (BEBP) - Bromley Youth Employment Scheme (YES) - Bromley Flexible Learning programme - Mentoring programme - Skills Xtra - Work experience for Children Looked After - Tracking service in conjunction with South London CCIS Service - 'Door knocking' - Additional NEET worker started, based in Leaving Care service - a 4 year pilot programme, in partnership with Lewisham and Greenwich, providing support for care leavers most at risk of NEET.	3	2	6		Director, Children's Services (Janet Bailey)
11	Education	SEND Transport Failure to provide appropriate home to school transport assistance for children and young people with special educational needs and disabilities	Cause(s): - Fluctuating demand year on year - Rising numbers of children meeting criteria for transport provision and associated increase in costs Effect(s): - Disruption to education - Impact on life chances and outcomes for children and young people	Legal Financial	3	3	9	- Budget monitoring and forecasting - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Travel Training Programme - Route review and rationalisation - Gateway review to improve efficiency	3	3	9	Review of policy	Director, Education (Gillian Palmer)

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					LIKE LIH OOD	IMP ACT	NEW RATI		LIKE LIH OOD	IMP ACT	NEW RATI		
12	Education	SEND Reforms Failure to meet expectation of SEND reforms	Cause(s): - Ineffective and inaccurate identification of SEND - Failure of schools to make reasonable adjustments to meet needs of individual children and young people - Failure to provide appropriate and effective support for children with identified needs and their schools - Pattern of provision which does not meet the needs of the local population resulting in placements in independent schools Effect(s): - Costs associated with the Legal process - Escalating cost of provision - Impact on education and life chances of children and young people	Financial Legal Professional	4	4	16	- SEND4Change completed a root and branch review of Bromley's response to SEND reforms - An Improvement Plan agreed for 2018/19 - Transfer of statements to EHC Plans completed March 2018 - SEN service realigned to improve decision making and management oversight	3	4	12	- Readiness for SEND inspection monitored - QA programme for placements in independent schools to be implemented - Realignment of advisory teams in progress to increase capacity to support mainstream schools to meet a wider range of needs - Bromley Teaching Schools leading SEN training collaborative to support school improvement.	Director, Education (Gillian Palmer)
13	Education	School Standards Failure to meet duty to promote educational achievement of all children	Cause(s): - Abdication of responsibility for outcomes for all children - Failure to use available intelligence to recognise when schools are letting children down - Failure to intervene effectively when schools let children down Effect(s): Impact on life chances and outcomes for children and young people	Political Legal Professional Reputational	1	4	4	- Improve collation and analysis of information about performance of schools and outcomes for children - Establish pathways to challenge and support school improvement and outcomes for children - Maximise every contact with schools to balance lack of school improvement and resources - Relationship with teaching schools to support school improvement	1	3	3		Director, Education (Gillian Palmer)
14	Children's Social Care	Youth Offending Failure to deliver effective youth offending services to protect children and young people and reduce their vulnerability	Cause(s): - Increase in youth offending Effect(s): - Impact on life chances and outcomes for children - Failure to protect the public and actual or potential victims (assessment of risk to others and planning to manage the risk and protect the public)	Professional Reputational	3	4	12	- Learning from the Youth Justice follow up Inspection of February 2017. Action plan developed, fortnightly Improvement Board implemented to ensure action plan carried out. - Improved inspection result - Good in 2017 - Implementation of Strategic Plan 2017/19 - Youth Justice Board self-assessment audit of National Standards - 2 moderation exercises carried out and YJB assured that this reflected service standards - Bi-monthly audits with quality assurance check by SIT Team - Monthly YOS performance meeting to review national KPIs, act upon trends and drive improvement plan - Triage support to divert low level offenders from YJS - Packages of support to manage young people's risk appropriately in the community for those who are sent to custody. YOS Partnership Improvement Board is overseeing the Improvement Plan	2	4	8		Director, Children's Services (Janet Bailey)
15	Children's Social Care	Out of Borough Placements (Children and Young People) Inability to reduce reliance on out of borough placements Financial implications	Cause(s): - Failure to provide/commission sufficient local placements for children with disabilities and children in care Effect(s): - Cost implications of out of borough placements (Cross refer ECHS Budget risk) - Impact for children's welfare and development	Professional Financial	3	3	9	- Close monitoring of placements and eligibility criteria - Budget monitoring and forecasting - Regular review of medium term strategy - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Monitor demographics, economic indicators and develop insight into future demand - Out of borough officer in Placements Team reviewing OOB placements and those placed in Bromley from other authorities - Tendering for 9 bedded unit to reduce OOB placements	3	3	9	- Carrying out a review of how to move this forward. - The feasibility for a 9 bedded unit to reduce OOB placements is being reviewed - following the lack of tenders being submitted, conversations are being held with individual providers.	Director, Children's Services (Janet Bailey)
16	Children's Social Care	Foster Carers Failure to meet the statutory requirement to ensure sufficient local placements to satisfy need	Cause(s): - Failure to recruit sufficient carers, particularly for adolescents, siblings, disabled children, parent and child placements, and BME children Effect(s): - Lack of suitable carers from independent foster care sources leading to the arrangement of more expensive alternatives - Impact on life chances and outcomes for children	Professional	4	2	8	- Reviewed and refreshed recruitment strategy - dedicated fostering recruitment officer appointed - Reviewed and refreshed Fostering web pages including rebranding and improved navigation - Carried out two borough wide leaflet distributions, via council tax information and environmental information - Publicity on buses and petrol station pumps - Awarded first Kite Mark in country for fostering - Monthly drop in sessions being held closer to foster carer homes within Children and Family Centres - Support to SGO carers provided in C&F Centres - Out of hours fostering support commenced in July 2018 - Coram psychologist accessible to carers 2 days a week - Support for grandparents and other family members who are providing full time care through Grandparents Plus - Joint training of social work professionals and foster carers - Head of Service attending Fostering Network Groups - Fostering and Adoption Panels merged in January 2018	3	2	6	- Head of Service to lead on the development of improved support and training packages for Foster carers to enable them to Care for children and young people with complex needs and/or challenging behaviour	Director, Children's Services (Janet Bailey)

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					LIK	LIH	IMP		LIK	LIH	IMP		
17	Housing Needs	Care Leavers' accommodation Failure to provide a sufficient range of safe and suitable housing for care leavers	Cause(s): - Failure to appropriately risk assess housing provision offered to care leavers Effect(s): - Impact on life chances and outcomes for Care Leavers	Legal	3	3	9	- Review of all young people in B&B accommodation (post 18 years) undertaken - no young people housed in B&B. - Pathway plans updated to ensure appropriate support provided in relation to health and education needs. - Full strategic needs assessment of Bromley's young people's accommodation needs funded by DCLG commissioned from St Basils (a specialist service in young people's housing) to inform future decision making and help streamline the housing pathway. - BIS team to work closely with colleagues in the Housing Teams (S&R and Allocations) to review the housing pathway for care leavers and to identify suitable accommodation options for care leavers. - Homelessness strategy reviewed, including the priority of housing all young people. - Develop a policy for vulnerable homeless and care leavers as part of the homelessness strategy, outlining the housing pathways, all placement options and alternatives to bed and breakfast accommodation. - Develop and implement a risk assessment framework for care leavers to be used before any placement in new accommodation. - Amend the wider housing policy to ensure it aligns to the new care leaver placement strategy - The BIS Team to adopt the risk assessment tool in practice to ensure that all accommodation to be provided to care leavers is assessed for its suitability, as a safe and secure base, prior to the placement being commissioned.	2	3	6	- A Gateway report will go to Committee in October for tendering the Care Leavers Accommodation Service	Director, Housing (Sara Bowrey) Director, Children's Services (Janet Bailey)
18	Housing Needs	Welfare Reform Impact of Welfare Reform legislation (including Universal Credit).	Cause(s): - Universal Credit payments commenced on 18th January 2016 in Bromley for single people only. From this time, there is no separate Housing. - Benefit payment direct to the Landlord Further roll out planned for 2018 which will increase the impact of this reform Effect(s): - Increased Rent Arrears - Subsequent evictions and landlords reluctant to rent properties to claimants.	Social	4	3	12	- Notification, advice and support provided through:- - Housing Association transfers - Negotiations with landlords - Budgeting/debt advice - Moves to cheaper areas - Prevention grants/welfare fund/Credit union loans and savings - Access to child care and employment - Awareness raising campaign for Universal Credit Digital rollout and monitor impact from July 2018. Structures to support changes are in place and will be reviewed in autumn 2018.	3	3	9	- Work in partnership with Housing Benefit, the DWP, partner landlords and Social Care to minimise the impact of the Welfare Reform Act	Director, Housing (Sara Bowrey)
19	Adult Social Care	Deprivation of Liberty Safeguards Failure to prevent unlawful deprivation of liberty	Cause(s): - Risk increased due to change in legislation increasing scope. Effect(s): - Failure to comply with statutory requirements pursuant to Section 4 and paras 129, 180 and 182 of Schedule A of the Mental Capacity Act 2005 (as amended to incorporate the Deprivation of Liberty Safeguards 2009)	Legal	3	4	12	- Core administrative function maintained - Framework in place to deliver the functions of the Best Interest Assessor and the 'Section 12' Doctor - Rolling out training for all social workers to become Best Interest Assessors - Reviewed IR 35 agreement to manage response to demand	2	4	8	-Awaiting outcome of legislative change	Director, Adult Social Care (Stephen John)
20	Strategic & Business Support Services	Data Collections Failure to undertake statutory statistical data collections; including pupil census, attainment data and key adults' and children's social care information, thereby adversely affecting government grant allocations and performance assessments	Cause(s): - Business Interruption Effect(s): - Failure to commission effectively - Adverse impact on the timing and quality of decision making	Data and Information	3	3	9	- Schedule of statutory returns has been incorporated into the Performance and Information team's work programme - Specialist members of the team for each area - Other staff trained to provide 'back up' for specialist members of the team - Good project planning in place to co-ordinate all data collections including contributions from other services	1	3	3		Assistant Director, Strategic and Business Support Services (Nahed Chaudhry)
21	Education	30 hours funded childcare for three and four year olds of working parents The Council is unable to provide sufficient places within the local sector to fulfil its Statutory Duty	Cause(s): - Insufficient places within local sector resulting in Local Authority failure to meet its statutory duty - Inability to implement a suitable IT system which supports efficient and timely processing of funding claims Effect(s): - Parental dissatisfaction - Official notification from DfE regarding failure to fulfil statutory duty - Delays in payment to providers, destabilising local businesses.	Political Reputational	2	3	6	- Work to stimulate the market is increasing capacity overall although some local pockets of pressure remain - Monitor eligibility, confirmations and take up of places to predict growth of demand - Work carried out with IT provider to ensure best fit IT solution within deadlines	1	3	3		Director, Education (Gillian Palmer)

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					LIKELIHOOD	IMPACT	NEW RATING		LIKELIHOOD	IMPACT	NEW RATING		
22	Programmes	<p>Failure to deliver partial implementation of Health & Social Care Integration</p> <p>Plans are not in place to deliver partial integration by 2020</p>	<p>Causes(s):</p> <ul style="list-style-type: none"> - Difficulty in achieving rapid change in a system as complex as health and social care - Rising social care costs due to ageing population and people living longer with increasing complex needs - Difficulties with agreeing budgets (given likely funding reductions going forward), complex governance arrangements and workforce planning - Need to focus on collaborative working (cultural differences) - Pressure for social care services to be accessible 7 days a week in terms of our own workforce and contracts with external providers in line with NHS priority to deliver 7 day working across the health sector - LBB will need to contribute to a whole system review (led by BCCG) to ensure that funding follows the patient <p>Effect(s):</p> <ul style="list-style-type: none"> - Failure to deliver statutory duties - Failure to achieve our Building a Better Bromley priorities 	Financial Reputational Compliance /Regulation	2	3	6	<ul style="list-style-type: none"> - A draft 2020 integration plan for health and social care integrated service delivery and commissioning across the borough was developed by May 2018 by ECHS/BCCG - Continued work with health partners to deliver the main transformation programmes eg Bromley Well and the transformation of prevention - Building on the work already delivered through S75 agreement with Oxleas and being implemented through the Better Care Fund workstreams eg Winter Resilience work, Transfer of Care Bureau, Integrated Care Records and Discharge to Assess - New governance structure between LBB and BCCG feeding into the Health and Wellbeing Board via the Integrated Commissioning Board (strategic) and Commissioning Network (operational) 	2	3	6		<p>Director, Programmes (Paul Feven)</p> <p>Director, Integrated Commissioning- BCCG Graham Mackenzie</p>

Remember to consider current Internal Audit Priority One recommendations when identifying, assessing and scoring risks.

Environment & Community Services (ECS) Risk Register - Appendix A6

											DATE LAST REVIEWED:		31/10/2018
REF	DIVISION	RISK TITLE & DESCRIPTION	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
1	All ECS	Emergency Response Failure to respond effectively to a major emergency / incident internally or externally	Cause(s): Emergency may be triggered by storms, floods, snow, extreme heat or other emergency. Ineffective response could be caused by capacity and/or organisational issues Effect(s): - Failure to fulfil statutory duties in timely manner - Disruption to infrastructure and service provision in general	Service Delivery	2	4	8	1. Corporate Major Emergency Response Plan 2. E&CS Incident Plan (held by Emergency Planning) 3. Service Business Continuity Plans 4. Out-of-Hours Emergency Service 5. Winter Service Policy and Plan (reviewed annually) 6. Training, Testing and Exercising (includes training provided as part of a new Corporate Business Continuity Group formed in June 2018) 7. Multi-agency assessment of emergency risks	2	3	6	1. Continuation of the Corporate Business Continuity Group 2. Development of risk-specific arrangements in accordance with Minimum Standards for London and informed by the Borough Risk Assessment 3. Implement 'on-call rota' for Emergency Response Manager 4. Recruit and train more Emergency Response Volunteers	Nigel Davies
2	All ECS	Central Depot Access Major incident resulting in loss of / reduced Depot access affecting service provision (LBB's main vehicle depot)	Cause(s): Fire, explosion, train derailment, strike etc. Effect (s): Significant service disruption (Waste, Street Cleaning, Gritting, Fleet Management, Streetscene & Greenspace service management etc.)	Service Delivery	2	3	6	1. Contingency plans for: - Alternative vehicle parking - Temporary relocation of staff - Storage of bulky materials 2. Implement Business Continuity Plans 3. Close liaison with other Depot users (e.g. Waste Contract, Street Cleansing) and Highways Winter Service Team 4. 'Central Depot Users Group' (Health & Safety forum for all site users) 5. Work Place Risk Assessments in place	1	3	3	1. Consideration of issue as part of the Environmental Services Contracts commencing in 2019.	Paul Chilton
3	All ECS	Fuel Availability Fuel shortage impacting on transport fleet and service delivery	Cause(s): National or local fuel shortage caused by picketing or other external factors Effect (s): Failure to provide services impacting on residents and other customers	Service Delivery	1	3	3	1. Identified alternative fuel supplies at contractors and neighbouring boroughs (corporate Fuel Disruption Plans based on National Plan are held by the Emergency Planning Team) 2. Designated Filling Station identified under National Emergency Plan by London Resilience Team as designated fuel supply for LBB logoed vehicles 3. Fuel store at Central Depot 4. Ongoing liaison with other London Boroughs concerning collaboration and assistance	1	2	2	1. Continue to monitor service provider arrangements for ensuring adequate fuel supply.	Paul Chilton
4	All ECS	Business Continuity Arrangements Lack of up-to-date, tried and tested, BCP for all Council services	Cause(s): Failure to implement and keep up-to-date effective service and corporate Business Continuity Plans Effect (s): Non-provision of critical services following an incident (internal or external)	Service Delivery	2	4	8	1. Corporate Risk Management Group now encompasses Business Continuity 2. New Corporate Business Continuity Group established in June 2018 with representation from ECS 3. Undertaking Business Impact Analyses of all services to identify priorities 4. Developing a Corporate Business Continuity Plan and updating service BCPs 5. Emergency Planning Training Exercise undertaken in March with involvement across all of ECS	2	3	6	1. Continue to conduct training exercises to ensure that BCPs for each service area work in real life	Nigel Davies
5	Public Protection	Infectious Disease Pandemic outbreak leading to staff shortages potentially coupled with increased service demand	Cause(s): Major pandemic (e.g. 'flu') outside of Bromley's control. Effect(s): Disruption to normal services due to staff sickness and high demand on services from community	Health & Safety	1	5	5	1. Notifiable Infectious Disease Protocol in place (with Public Health England and DEFRA) including out-of-hours provision 2. Flu Pandemic Plan also in place (held by the Emergency Planning Team)	1	5	5	1. Regular multi-agency review of Protocols 2. Consider immunisation of key staff 3. Director will ensure BCP plans provide for service continuity in the event of a major outbreak affecting key staff	Joanne Stowell (Public Health team own this risk corporately)
6	All ECS	Industrial Action Contractors' staff work-to-rule / take strike action impacting on service delivery	Cause(s): Union dissatisfaction over pay and conditions (particularly in Waste) Effect (s): Temporary disruption to service / reduced customer satisfaction	Service Delivery	2	3	6	1. Ongoing monitoring / meetings regarding workforce issues 2. Joint development of Business Contingency Plans with contractor	2	1	2	1. Review public communications to be used in the event of a strike	Nigel Davies
7	All ECS	Line of Business Systems Temporary loss of key systems such as CONFIRM / UNIFORM etc. due to IT failure	Cause(s): Network, software, hardware failure Effect (s): Impact on contractor liaison and service delivery	Service Delivery	3	3	9	1. Paper-based system implemented when network problems occur 2. Ongoing discussion with Corporate IT to reduce likelihood of IT failure	3	3	9	1. Review and refresh ICT Quality Assurance Procedures accounting for more mobile working 2. Ensure issue addressed in future contracting arrangements	Dan Jones
8	All ECS	Health & Safety (E&CS) Ineffective management, processes and systems within E&CS departmentally	Cause(s): Failure to take departmental action to reduce likelihood of accidents, incidents and other H&S issues Effect (s): HSE investigation / prosecution leading to fines, increased insurance claims, and reputational damage	Health & Safety	2	4	8	1. Workplace Risk Assessments (including lone and home working) 2. Accident & Incident Reporting system (AR3 & Riddor) 3. Contractor Inspection Reporting system (which has been updated to an electronic reporting system in July 2018) 4. Interface with Corporate Risk Management Group 5. Annual audits and annual paths surveys (Parks) 6. Cyclical 5-year survey of park trees and highway trees 7. Regular Footway inspections 8. ECS Health and Safety Committee meets regularly to review departmental Health and Safety arrangements	2	3	6	1. Ensure Workplace Risk Assessments (inc. Homeworking) updated annually and biennial reviews conducted 2. Encourage reporting of all significant accidents and incidents using AR3 form (and reporting of RIDDOR incidents) 3. Ensure resource exists to discharge statutory functions	Nigel Davies

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9	All ECS	Health & Safety (Council) Ineffective management, processes and systems across all Council departments	Cause(s): Capacity to discharge the Council's H&S responsibilities Effect (s): Potential prosecution of Council and / or civil claims for compensation	Health & Safety	2	4	8	1. 0.6 fte Corporate Safety Advisor employed 2. Safety Policy reviewed and updated regularly 3. Commitment to HSW from Chief Executive and Directors 4. Risk assessment & proactive monitoring in place to ensure highest standards for Council premises, equipment & activities 5. Supported by H&S training programme and network of policies and procedures (regularly reviewed) 6. Departmental Safety Committees meet regularly 7. Property-related HSW matters now provided through Arney	1	3	3		Nigel Davies
10	Streetscene and Greenspace	Environmental Services Contract (General) Failure to procure tendered services to schedule and to budget	Cause(s): - Tender programme not keeping to schedule - Lotting structure and/or timetable unattractive to tenderers - Unfamiliarity with new contract model (client & contractors) - Lack of client capacity to process contract documentation - Significant service change requiring service-user consultation - Tendered costs being higher than budget / forecast Effect(s): - Procurement timetable slippage - Reduced negotiation time - Risk of challenge - Reputational damage - Failure to achieve best value - Lack of competition / bids - Failure to deliver service to requirements / KPIs / expectations	Service Delivery	3	4	12	1. Procurement Strategy Report (ES17002): 21/04/17 2. PIN issued 17/11/17 3. OJEU notice issued 08/01/18 4. Programme Plan regularly updated by Programme Management Team 5. Regular progress reports to Environmental Services Commissioning Board (includes Service Owner, Project Sponsor and Programmer Manager) 6. Price / growth pressure to be flagged in four-year forecast and actual costs to be included in 2019/20 budget 7. Programme Resourcing: Funding identified and Waste Expert appointed to support through negotiation process.	2	3	6	Risk mitigated by phasing activity: 1. Stage 2 (ISIT & Evaluation) commenced (March to June 2018) 2. Stage 3: Feedback & Negotiation (July-Sept. 2018) 3. Stage 4: Final Tender & Authorisation (October 2018) 4. Stage 5 (Award) Contract Award & Transition/Mobilisation (November 2018) 5. Contract Start date: 01/04/19 All planned activities are on track.	Dan Jones
11	Streetscene and Greenspace	Environmental Services Contract (Mobilisation) Failure to effectively mobilise the new Environmental Services Contracts	Cause(s): - Unfamiliarity with new contract model (client & contractors) - Lack of client capacity to progress mobilisation - Lack of supplier capacity to progress mobilisation - Significant service change requiring service-user consultation - Lack of preparation of contract transition (exit and mobilisation) plans Effect(s): - Reputational damage - Costs incurred as a result of additional last minute resources required to deliver services - Failure to deliver service to requirements / KPIs / expectations	Service Delivery, Financial & Reputational	3	4	12	1. Regular Project Planning meetings are held to discuss contract transition 2. Project Initiation Document signed off on 30.10.18 3. Transition Plans are being developed (including exit and mobilisation plans for each contract)	2	4	8	1. Continued review of contract transition plans as part of client project meetings 2. Regular discussions of exit plans with supply chain (and commissioning support) through monthly contract meetings (additional meetings to be held as contract end date approaches)	Dan Jones
12	Highways	Highways Management Deterioration of the Highway Network due to under-investment	Cause(s): Failure to manage Highways in respect of traffic volumes, winter weather, financial resources leading to deteriorating condition Effect (s): Leading to increased maintenance costs, insurance claims (trips, falls and RTAs) and reputational damage	Financial	2	4	8	1. Strategy to mitigate insurance claims 2. Inspection regime and defined intervention levels for maintenance repairs and monitoring 10% of works for compliance 3. Winter Maintenance procedures (gritting / salting) 4. Increased salt storage capacity 5. Improved customer expectation management 6. Asset management technique (e.g. Highway Asset Management Plan) 7. New capital programme to reduce reactive works 8. Performance Management measures incorporated into new Highways contract from July 2018	3	2	6	1. Review frequency of Highways Inspections and adjust as deemed appropriate to effectively manage the risk in line with revised Code of Practice (published 2016) 2. Additional inspections carried out and repairs undertaken as necessary 3. Modernisation of contractor's programming and completion of maintenance repairs involving remote working ICT technology	Garry Warner
13	Streetscene and Greenspace	Arboricultural Management Failure to inspect and maintain Bromley's tree stock leading to insurance claims etc.	Cause(s): Failure to ensure that trees are managed as safely as reasonably practicable Effect (s): Leading to blocked highways, reputational damage and financial liabilities	Financial	4	3	12	1. Tree care and safety contract (commenced July 2008) with Gristwood & Toms Tree Contractors Ltd 2. Full asset Survey of ~30% of street and park trees (and 50% of school trees) 3. Risk trees identified and registered increased inspection frequency using asset management database (Confirm) 4. Implement remedial works to address risk associated defects	1	4	4	1. Review the 'Storm Strategy' annually (last reviewed Feb 2018) to be able to respond quickly and call in additional staff, equipment and contractors 2. Provide a cyclical safety survey and remedial works schedule commensurate to budget availability and potential prioritisation 3. Review Tree Risk Management Strategy (annually)	John Bosley

Environment & Community Services (ECS) Risk Register - Appendix A6

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14	All ECS	Income Variation Loss of income when the Council is looking to grow income to off-set reduced funding	Cause(s): - Improved Street Works performance by utility companies (reduced fines) - Under-achievement of expected car parking income and parking enforcement, due to resistance to price increases and reduced incidents - Loss of income from Penalty Charge Notices for Bus Lane Enforcement activity - Reduction in Street Enforcement activity (Fixed Penalty Notices) - Failure of APCOA (new Parking contractor) to provide contracted services (e.g. strikes) - Removal of Council exemption for charging VAT on commercial waste impacting on pricing and therefore income Effect (s): Loss of income with potential to reduce service delivery funds	Financial	3	2	6	1. Regular income monitoring 2. Monitoring contractor performance (e.g. only issue good quality PCNs) 3. Good debt recovery systems 4. Monitoring parking use and avoid excessive charge increases 5. Provide attractive, safe clean car parks 6. Reviewed fees and charges to optimise Trade Waste income 7. Regular contractor meetings 8. Monitoring of parking enforcement activity through new Performance Indicators reported to PDS Committees (E&CS, PP&E)	3	2	6	1. Refine procedure for resolving disputes with utilities 2. Review parking tariff structures annually 3. Monitor income trends 4. Continue to monitor success in achieving enforcement objectives 5. Benchmark Parking charges against other authorities and local private sector competitors 6. Intelligence-led targeting of hotspot sites for enforcement	Nigel Davies
15	Streetscene and Greenspace	Waste Budget Increasing waste tonnages resulting in increased waste management costs	Cause(s): - Failure to anticipate/manage waste management financial / cost pressures due to increasing landfill tax, increasing property numbers, declining recycling income (lower paper tonnages) and limited incineration capacity - Failure to achieve contract payment mechanism targets for the proportion of waste sent to landfill / incineration / recycling / composting - Waste tonnage growing faster than budgeted or operational factors (i.e. adverse weather conditions, etc.) Effect (s): - Budgets being exceeded and potential knock-on impact on other Council services	Financial	3	4	12	1. Cost pressures recognised in Council's Financial Strategy 2. Landfill tonnages falling - offsets any tax increase 3. Continued focus on promoting waste minimisation and recycling (e.g. in Environment Matters and through targeted campaigns such as Food Waste doorstep) - Monthly monitoring of recycled tonnages and projection to yearly figures - Regular and sustained recycling awareness campaign - Consolidation of Compositing for All campaign - Continuing investigation of waste minimisation and recycling initiatives - Monthly monitoring of all waste tonnages and projection to yearly figures - Monthly monitoring of all collection costs and figures - Ongoing analysis of collection and disposal methodology	2	3	6	1. Consideration of alternative disposal routes e.g. increased use of Veolia's Mechanical Biological Treatment (MBT) plant 2. Reviewing and benchmarking operational costs to identify options 3. Achieving best value tenders under new contract - contract award November 2018	Dan Jones
16	S&G	Environmental Services Contract (Waste) Waste growth and proposed management solutions / technologies fail to control waste costs	Cause(s): - Failure to secure sufficient Waste Disposal facility capacity to handle / process future needs - Over-reliance of waste tenders on unproved technology or unbuilt plant - Changing government requirements regarding collection frequencies / segregation / containers - Tenders found to be more expensive than existing service Effect (s): - Higher service costs (and pressure on other aspects of the Contract)	Financial	3	4	12	1. Programme Board aware of issues e.g. need to scrutinise unproven / unbuilt proposals 2. LBB to provide input to Defra Waste Collection Harmonisation Steering Group and will provide early feedback to the Board on any possible changes 3. Process & frequency plan for each service 4. Programme Board: aware of need to secure sufficient guaranteed but flexible capacity. Responsibility to secure assured capacity has been clearly placed on contractor in contract specification and assessed during the tender process.	2	2	4	1. Management solutions to control waste costs have been confirmed at contract negotiation stage and will be monitored throughout the delivery of the waste contract from April 2019	Dan Jones
17	Public Protection	Food Standards Agency Audit Failure to meet required service standards as required by Food Standards Agency Audit (April 2017)	Cause(s): Lack of resource to meet Code of Practice service standards Effect(s): Leading to reputational damage and possible use of Power of Direction	Health & Safety	4	3	12	Following a recent meeting with the FSA (September 2018), they accepted the issues the Team has in recruiting Officers with the prerequisite qualifications necessary to carry out the spectrum of work. In response, they advised the Team to: 1. Focus on completing due A -D inspections 2. Focus on completing overdue C-D inspections 3. This authorisation to shift focus has necessitated a new work programme designed to achieve the desired outcome which has now been developed by the Lead Practitioner.	3	3	9	1. The new work programme has been implemented, and focus was given to completing due A -D inspections and overdue C-D inspections. 2. There are still issues with recruitment, as a FTE officer has resigned, and an agency officer left with no notice. Still a need to recruit to 1.4 x FTE food safety officers to address the vacancies. Met with the FSA again on 26th October 18, and they confirmed they were pleased with progress, as the new focus has reduced the overdue inspections considerably. They are following up in 3 months, and anticipate signing off the audit in 6 months if progress is maintained. It should be noted that at the October monthly performance review for this service, all Performance Indicators were reported as Green (on track).	Joanne Stowell

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18	All ECS	Town Centre Businesses Loss of town centre businesses to competition	Cause(s): Failure to redevelop high streets coupled with competition from out-of-town developments and online shopping Effects(s): Reduction in high street business and market stall occupancy Loss of income (Business rates and market stalls) Poor public perception and negative publicity	Financial	3	4	12	1. BID Teams organise town centres events 2. Investment in Orpington High Street and Bromley North (done) 3. Regular advertising / promotion of markets and availability of stalls 4. Review of Market operational costs to reduce costs where possible (a Commissioning exercise is underway as at October 2018 for the markets service) 5. Regular maintenance and renewal of market infrastructure - recent market relocation project has been undertaken.	2	3	6	1. Ongoing review of market provision linked to outsourcing service provision to Bromley Business Improvement District 2. Detailed annual action plan to be drawn up for each town centre	Jim Kehoe Colin Brand Dan Jones
19	Traffic and Parking	New Parking Schemes Failure to deliver new Parking schemes resulting income loss and congestion	Cause(s): Increasing demand from residents for parking schemes coupled with decreasing grant funding from TfL Effect (s): Increased congestion and reduced income	Service Delivery	3	4	12	1. Set up register of agreed schemes with designated officers and timescales 2. Develop and agree financial appraisal framework with finance department 3. Software procured (2013/14) to help improve project and programme management	2	2	4	1. Consideration to be given to better balancing the cost of scheme design against parking charges	Angus Culverwell
20	All ECS	Staff Recruitment and Retention Loss of corporate memory and ability to deliver as key staff leave (good new staff are at a premium)	Cause(s): Availability of suitably qualified / experienced staff to replace retirees and leavers. Particular problem within Planning, Environmental Health and Traffic professionals (TfL offers better remuneration and career progression). Effect (s): Loss of organisational memory, greater reliance on contracted staff, delays in delivering services / plans (e.g. Transport Local Implementation Plan)	Service Delivery	3	3	9	1. Ongoing programme to find and retain quality staff through internal schemes such as career grades and ongoing CPD	2	2	4	1. Consider potential for contractors to supply necessary skills	Nigel Davies
21	Streetscene and Greenspace	Burial Space Insufficient Council-operated burial space for long-term demand	Cause(s): Potential lack of acceptable local space for burials (ashes interment not a problem) Effect (s): Leading to reputational damage	Reputational	3	3	9	1. Burial plots are available at St Mary Cray and Biggin Hill (with some limited capacity in other sites for partners of deceased) 2. New cemetery provided by the private sector at Kemnal Manor Chislehurst, which will alleviate pressures on Council-owned burial space 3. Excess Death Plan is in place and held by Emergency Planning (with regard to burial capacity in the Coronial Area) 4. Mortuary contract procurement is in progress	2	2	4	1. Monitor availability of private sector capacity 2. Consider what further burial alternatives are being provided by the private sector i.e. new cemetery at Kemnal Manor, Chislehurst	John Bosley
22	All ECS	Climate Change Failure to adapt the borough and Council services to our changing climate	Cause(s): Severe weather events including extreme heat, storms, floods etc. Effect (s): Resulting in threats to service provision, environmental quality and residents' health	Service Delivery	3	3	9	1. Adopt best adaptation practice as identified through London Climate Change Partnership, UK Climate Impacts Programme, and the Local Adaptation Advisory Panel 2. LBB Surface Water Management Plan and Draft Local Flood Risk Strategy	2	3	6	1. Emergency Planning to liaise with Public Health on cross-cutting issues e.g. excess summer deaths and vector-borne disease etc.	Nigel Davies
23	Public Protection	Mortuary Contract Failure to procure tendered services to budget	Cause(s): - Lack of interest from potential bidders - Tendered costs being higher than budget / forecast Effects(s): - Risk of challenge - Reputational damage - Failure to achieve best value - Lack of competition / bids - Failure to deliver service to requirements / KPIs / expectations	Financial & Service Delivery	4	4	16	1. Existing contract extended whilst negotiations are underway	3	4	12	1. Partnership agreement: Commissioning Board (11.10.18) confirmed that a partnership arrangement (whereby LB Bromley provide the capital investment for the upgrade of body storage facilities) would be the preferred option (subject to Member approval). This new business model would provide value for money for both the Trust and the Council, and the benefits would far outweigh those of keeping to the 'business as usual' model, as The PRUH mortuary facilities require an upgrade in any event, and this option fits in with the strategic case for future proofing the facilities. This proposal has been presented to the Trust by the Mortuary Manager (12.10.18), with an agreement in principle, however, nothing has been provided in writing. JS is in regular contact with the Mortuary Manager to try and progress. In the interim period, she has been given an informal undertaking that service will continue to be provided at the current rate whilst negotiations continue.	Joanne Stowell

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

Finance Risk Register - Appendix A7

										DATE LAST REVIEWED:	13/09/2018		
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1	Finance	Gaps in Insurance cover Failure to ensure that sufficient insurance cover is in place with the result that Council assets may not be adequately covered and that claims in excess of our current excess (£125k - Public Liability) could be turned down by our insurance company	Cause(s): 1. Incorrect/incomplete asset/risk data provided to insurer. 2. Total level of insurance insufficient e.g. to cover damage to multiple high value assets. 3. Uninsurable risks e.g. criminal/regulatory fines. Effect(s): Inadequate or no insurance cover could have significant financial implications, dependent on the value of the asset and the extent of the damage / loss.	Financial - Operational	1	4	4	1. Maintain schedule of all property, vehicles and plan to be insured by the Council 2. Maintain a register of all insurance premiums paid each year 3. Independent check on all such records by internal / external audit and professional insurance brokers.	1	3	3		James Mullender
2	Finance	Financial Market Volatility Financial loss arising from the volatility of financial markets.	Cause(s): Market volatility, recession, banking failure Effect(s): We do not maximise our interest earnings on balances and could also suffer the following issues - Liquidity, Interest rate, Exchange rate, Inflation, Credit and counterparty, Refinancing, legal and regulatory risks	Financial - Operational	3	5	15	1. Regular strategy meetings 2. Use of external advisors 3. Internal Audit review of activities 4. Quarterly reporting to EBR PDS Committee (Members) 5. Adoption of CIPFA Treasury Management Code of Practice 6. Regular meetings / discussions with external auditors 7. Treasury management strategy	2	4	8		James Mullender
3	Finance	Capital Income Shortfall Inability to generate capital receipts	Cause(s): Property price reductions as a result of the economic environment. Falling number of assets available for disposal Effect(s): Financial	Economic - Strategy	3	4	12	1. Close monitoring of spend and income 2. Reporting to Members 3. Tight control of spending commitments 4. Quarterly reports on capital receipts (actual and forecast) to Executive.	2	3	6		James Mullender
4	Finance	Pension Fund The pension fund not having sufficient resources to meet all liabilities as they fall due	Cause(s): 1. Investment markets fail to perform in line with expectations 2. Market yields move at a variance with assumptions 3. Investment managers fail to achieve their targets over the longer term 4. Longevity horizon continues to expand 5. Deterioration in pattern of early retirements 6. Administering authority unaware of structural changes in an employer's membership e.g. large fall in employee members, large number of retirements 7. Mandatory pooling of investments (London CIV) may result in appointment of poorer performing investment managers. Effect(s): Financial	Financial - Operational	3	5	15	1. Use of external advice. 2. Financial: Monitoring of investment returns - analysis of valuation reports 3. Demographic: Longevity horizon monitored at triennial reviews - quarterly review of retirement levels 4. Regulatory: Monitor draft regulations and respond to consultations - actuarial advice on potential where appropriate 5. Internal audit review of activities, performance, controls etc. 6. Quarterly reports to Pensions Investment Sub-Committee 7. Funding Strategy Statement 8. Statement of Investment Principles 9. Communications Policy 10. Governance Policy 11. Triennial valuation by actuary 12. Strategic asset allocation review.	2	4	8	Seeking opportunities for future 'gifting'	Director of Finance
5	Finance	Failure to deliver a sustainable Financial Strategy which meets with BBB priorities and failure of individual departments to meet budget	Cause(s): 1. As a consequence of significant Government funding reductions (austerity is expected to continue beyond 2019/20), need to reduce the Council's significant 'budget gap' of £38.7 m per annum by 2021/22. 2. The Government's aim is to transform 'local government, enabling it to be self-sufficient by the end of Parliament' e.g. business rates to be fully devolved to local government by 2020/21. A future national recession could have a significant impact on income generated to fund key services within a fully devolved model. 3. Failure to meet departmental budgets due to increased demand on key services resulting in overspends: (Housing (homelessness and cost of bed and breakfast); Social Care (welfare reform and ageing population); and Waste (growing number of households)). 4. The risk of the Council not being able to carry out its statutory duties (e.g. pupil admissions, school improvement, child protection) as a consequence of funding reductions. 5. Dependency on external grants to fund services (schools and housing benefits are ring-fenced) - effect if grant reduces (Public Health services) or ceases. 6. The new national living wage will have cost implications to the Council over the next few years (e.g. care providers and carers). 7. As the local government core grant is fully phased out, local government will take on new funding responsibilities e.g. public health, housing benefit administration for pensioners. With ageing population there will be associated cost pressures. 8. Impact of welfare reforms and the phased roll out of Universal Credit. 9. Failure to identify and highlight frauds and weaknesses in the system of internal control (which invariably have a financial impact). Overall, fraud losses are mainly benefit related (Council Tax Support / Single Person Discount). Effect(s): - Increased overspends in particular services - Council unable to carry out its statutory duties due to services cut - Reputational damage - Failure to achieve our Building a Better Bromley priorities.	Financial - Operational	5	5	25	Strategic Controls: 1. Regular update to forward forecast 2. Early identification of future savings required 3. Transformation options considered early in the four year forward planning period 4. Budget monitoring to include action from relevant Director to address overspends including action to address any full year additional cost 5. Mitigation of cost pressures including demographic changes 6. Directors to update commissioning strategies with strategic choices to address financial envelope Operational Controls: 1. Management of Risks document covering inflation, capping, financial projections etc. attached to budget reports 2. Departmental risk analysis 3. Reporting of financial forecast updates in year to provide an update of financial impact and action required 4. Obtain monthly trend / current data to assist in any early action required 5. Obtain regular updates / market intelligence 6. Reporting full year effect of budget variations 7. Analysis of government plans and changes	4	5	20		Director of Finance
6	Finance	Failure to act upon Financial assessments or arrears in a timely manner	Cause(s): 1. Severe/catastrophic IT problems 2. Loss of key staff 3. Organisation experiencing severe financial problems Effect(s): Loss of income	Financial - Operational	3	3	9	Controls: 1. There is a disputed debt process that is followed to ensure that departments do not hold up debt recovery (i.e. actioning write offs and disputes). 2. All outstanding Financial Assessments are completed in accordance with the agreed timescales 3. Monitoring is carried out on a regular basis to ensure financial assessments are completed and contributions are set up on CareFirst in order for service users to be charged 4. Effective SLA is in place	2	3	6		Claudine Douglas-Brown

Finance Risk Register - Appendix A7

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					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
7	Finance	Failure of Finance IT systems	<p>Cause(s): Failure of CareFirst or the various databases Oracle cheques not being produced Failure of BACs to pay LBB</p> <p>Effect(s): Inability to pay creditors, calculate payments due to our suppliers / foster carers (Payments Team) or to accommodate charging information for billing clients which could result in fines, penalties and loss of goodwill / reputation.</p>	Contractual and Partnership - Operational	3	2	6	<ol style="list-style-type: none"> CareFirst has replaced the majority of the databases used in Finance for ECHS payments All systems are backed up daily If systems fail, new databases can be built and/or manual calculations for charges or payments could be made Manual cheque payments could be raised Close liaison with Liberta (and sub contracted company Xerox) to discuss any problems - escalation procedure works well. Alternative printers being available at Xerox reduces the risk of cheques not being produced due to printer failure Stock control measures in place to ensure cheques are ordered in time BACS payments increasing - solid and dependable 	2	2	4		Claudine Douglas-Brown
8	Finance	Failure of external contractors	<p>Cause(s): Contractor ceases to trade due financial failings.</p> <p>Effect(s): disruption and delays to key services, financial loss and adverse publicity</p>	Contractual and Partnership - Operational	3	4	12	<ol style="list-style-type: none"> Constant review of contractors financial standing Maintaining knowledge and contact with alternative service suppliers 	2	3	6		John Nightingale
9	Finance	Contractor Poor Performance Contractor fails to meet performance expectations across Revs & Bens, Payroll, Pensions, Debtors and Accounts Payable	<p>Cause(s): Severe catastrophic IT problems Loss of key staff Organisation experiencing severe financial problems</p> <p>Effect(s): - Delay / non payment of suppliers, customers, staff salaries, pensions. - Increase in fraudulent payments - Delayed or non repayment from debtors</p> <p>Resulting in loss of income, increased costs, increase in complaints and subsequent loss of good will and / or reputational damage.</p>	Financial - Operational	3	3	9	<ol style="list-style-type: none"> Effective SLAs and contracts in place Regular operational and strategic meetings monitoring progress and identifying action required Action identified and formally agreed when monitoring key performance areas Formal structures and procedures in place for monitoring and corrective action to minimise risk Process reviewed on an ongoing basis Weekly monitoring of complaints and patterns identified 	2	3	6		Claudine Douglas-Brown / John Nightingale
10	Finance	Significant Fraud/Corruption	<p>Cause(s): Lack of controls Dishonest staff/suppliers/customers Collusion Poor systems Lack of Management oversight Inadequate segregation of duties</p> <p>Effect(s): Financial loss Adverse publicity/reputational damage Staff morale lowered Resource implications for investigation</p>	Financial - Operational	3	3	9	<ol style="list-style-type: none"> Staff vetting Segregation of duties Documented procedures/regulations/code of conduct Whistleblowing policy Fidelity guarantee IT security Robust computer systems/audit trail Counter Fraud staff Internal/External audit 	2	2	4		David Hogan

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

Human Resources Risk Register - Appendix A8

											DATE LAST REVIEWED:	31/10/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION <small>(a line break - press alt & return - must be entered after the risk title)</small>	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING <small>(See next tab for guidance)</small>			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING <small>(See next tab for guidance)</small>			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
1	Human Resources	Ability to respond to industrial action, changes in government initiatives or legal requirements	Cause(s): - Changes to staff terms and conditions (localisation agenda) - Lack of flexibility of workforce - Poor horizon scanning and networkings Effect(s): - Increased costs (bank / agency usage) - Reputation damage - Impacts on service delivery	Political	3	2	6	1. Early and effective engagement with staff and trade unions 2. Sound internal and external legal advice 3. Identifying appropriate legal options 4. Pro-active intelligence gathering via London Councils and other networks	3	2	6	1. Submitting timely proposals to Chief Officers and / or members of the Industrial relations committee.	Director of HR
2	Human Resources	Failure to comply with HR related legislative requirements e.g. Equalities Act 2010	Cause(s): - Lack of awareness with legislation - Failure to effectively consult staff where appropriate - Indirect / direct discrimination - Human error / lack of understanding Effect(s): - Reputation damage - Financial costs - Regulatory inspection / intervention	Legal	4	3	12	1. Bromley Council Equality Scheme in place 2. Requirement to report and record accurately equalities information 3. Equalities training in place for managers and staff	3	2	6	1. Professional updates / HR Mgt Team forward planning	Director of HR
3	Human Resources	Ineffective recruitment and retention strategies for hard to fill posts e.g. Children's Social Workers	Cause(s): - Increasingly fluid market - Increases in demand and/or reductions in supply - Lack of experienced staff in the labour pool Effect(s): - Potential service delivery impacts - Increased costs due to usage of agency workers - Reduction in quality of service	Personnel / Operational	3	3	9	1. Horizon scanning to anticipate changes and trends to staff complement 2. Keeping up to date on national trends for hard to recruit professions 3. Case load promise	2	2	4	1. Implement grow your own initiatives e.g. senior practitioners progression pathway, training pathways for social workers, graduate trainees	Director of HR Lead Officers: Head of HR Strategy and Head of Workforce Development
4	Human Resources	Ineffective Agency Worker Checks	Cause(s): - Poor procedures - Inadequate monitoring - Lack of awareness / understanding Effect(s): - Workers with safeguarding concerns not identified - Safeguarding incident occurs (harm / injury) - Agency worker ID fraud - Reputation damage	Personnel / Operational	4	3	12	1. Managers check identity of candidate when arriving for work, with copy of DBS and proof of identity. E.g. passport, and original copy of birth certificate. 2. Up front audits with Adecco undertaken to ensure processes are robust.	4	1	4	None identified	Director of HR Lead Officer: Head of HR Strategy

Human Resources Risk Register - Appendix A8

											DATE LAST REVIEWED:	31/10/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION <small>(a line break - press alt & return - must be entered after the risk title)</small>	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING <small>(See next tab for guidance)</small>			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING <small>(See next tab for guidance)</small>			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
5	Human Resources	Management of the on-going transitional and transformational changes (Commissioning process, baseline exercise and service redesigns and alternative delivery options)	Cause(s): - Lack of expertise - Unexpected delays - Changes in strategic direction - Lack of capacity to undertake in a timely manner Effect(s): - New service models are ineffective / not fit for purpose - Increased costs - Legislative and legal requirements breached (e.g. TUPE) - Reduction in service quality / provision - Reputation damage	Personnel / Operational	3	2	6	1. Managing change procedure in place 2. Capacity building and additional resources to support the change process 3. Effective communication and engagement with staff and their representatives. 4. Formal consultation processes and departmental representatives 5. Regularly meetings include members	3	2	6	None identified	Director of HR Lead Officer: Head of HR Consultancy
6	Human Resources	Inability to process / access pay and personnel records	Cause(s): - IT failure - Loss of power - Data breach / cyber attack - Ineffective business continuity plan for manual work around Effect(s): - Delays or restriction in level of HR support available - Pay changes not made - Staff morale reduction if for a long period - Delays in ability to recruit	Data and Information	4	3	12	1. Back-up payroll processes/systems 2. Regular saving of personnel information on Resource Link 3. Business Continuity Plan in place	4	2	8	None identified	Director of HR Lead Officer: Head of HRIS and Reward
7	Human Resources	1) ineffective workforce planning initiatives including succession planning, talent management. 2) upskilling of staff - lack of training resources/opportunities	Cause(s): - Insufficient strategic management control and planning - Staff turnover (capacity) - Lack of resources Effect(s): - Potential service delivery impacts - Loss of skilled/experienced staff - Missed opportunity to to develop and retain talent "in house" -Recruitment Costs	Personnel / Operational	3	3	9	1. Graduate Intern Scheme 2.Apprenticeship Scheme	2	2	4	1.'Development of a Talent Management Strategy. 2. Ensure that Apprenticeship Levy funds are utilised effectively	Director of HR Lead Officers: Head of Workforce Development and Head of HR Strategy

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

Priority 1 list - November 2018

Appendix B

Report Number/Date	Title	Opinion	No. of Priority Ones	Details of original Recommendation	Implemented	Responsible Officer	Comments
<p>CX/089/16/2016</p> <p>Finalised date 17th March 2017</p>	Review of Waivers	Limited	2	Need for central register of waivers for accountability purposes. Need for a standard template that cannot be altered, can be tracked to promote consistency.	In progress	<p>Chief Executive</p> <p>Director of Commissioning and all Chief Officers</p>	<p>June 2017 See Progress Report to be followed up for November 2017 Audit Sub Committee.</p> <p>November 2017 See Progress Report</p> <p>March 2018 See Progress Report</p> <p>May 2018 See Progress Report</p> <p>November 2018 See Progress Report</p>
<p>ECH/036/01/2016</p> <p>Finalised date 9th March 2017</p> <p>Page 79</p>	Review of Reablement Team	Limited	2	The recommendations relate to the lack or incomplete use of the output measurement tool and inconsistencies with KPI's and with contact time continuing to be below target.	In progress	<p>Deputy Chief Executive and Executive Director of Education, Care and Health Services</p> <p>Director of Adult Social Care</p>	<p>March 2018 See Part 2 update</p> <p>May 2018 See Progress Report</p> <p>November 2018 See Progress Report</p>

<p>ECHS/20/2017/AU</p> <p>Finalised date 8th February 2018</p>	<p>St Olaves School</p>	<p>Limited</p>	<p>1</p>	<p>Non compliance to EU procurement rules for the IT support contract</p>	<p>In Progress</p>	<p>Deputy Chief Executive and Executive Director of Education, Care and Health Services</p> <p>Director of Education</p> <p>Head Teacher St Olaves School</p>	<p>May 2018 See Part 2</p> <p>November 2018 See Progress Report</p>
<p>ECHS/04/2017/AU</p> <p>Finalised date 30th April 2018</p>	<p>Children With Disabilities</p>	<p>Limited</p>	<p>1</p>	<p>Payments to service users. High cost and split funded placement. Service user attending only part of the service being funded resulting in poor value for money</p>	<p>In progress</p>	<p>Deputy Chief Executive and Executive Director of Education, Care and Health Services</p> <p>Director of Childrens Social Care</p> <p>Group Manager / Head of Service</p>	<p>May 2018 See Progress Report</p> <p>November 2018 See Progress Report</p>
<p>CX/047/01/2016/17</p> <p>Finalised date 23rd February 2018</p>	<p>Agency Staff</p>	<p>Limited</p>	<p>3 2o/s</p>	<p>1) Lack of oversight and governance of arrangements put in place for the recruitment and management of agency staff. 2) Process for extending the length of service of agency staff is not complied with. 3) Procedures are not followed when an agency worker leaves the Authority.</p>	<p>In Progress</p>	<p>Chief Executive</p> <p>Director of Human Resources</p>	<p>May 2018 See Progress Report</p> <p>November 2018 See Progress Report</p>

<p>ECHS/08/2017/AU</p> <p>Finalised date 29th May 2018</p>	<p>Review of Contract Management for the Agreement with Oxleas - Mental Health</p>	<p>Limited</p>	<p>5 4o/s</p>	<p>1) The 20 year agreement has been in place for 14 years with no evidence of review or variation. 2) The performance measures specified in the agreement were obsolete and out of date and there were no defined monitoring arrangements in place. 3) Roles and responsibilities not clearly defined specifically a lead officer and the Business Support Officer. 4) Service Agreement reviews not being completed in line with the agreed procedures. 5) Management reports had not been provided to the Authority as specified in the Agreement</p>	<p>In progress</p>	<p>Deputy Chief Executive and Executive Director of Education, Care and Health Services</p> <p>Director of Adult Social Care and Interim Director Programmes</p>	<p>See Progress Report New addition to the P1 list</p> <p>November 2018 See Progress Report</p>
<p>ECHS/03/2017/AU</p> <p>Finalised date 20th August 2018</p>	<p>Review of Family Placements</p>	<p>Limited</p>	<p>1</p>	<p>There had been no uplift to carers allowances, paid in line with DfE thresholds, for 2017 or 2018.</p>	<p>In Progress</p>	<p>Deputy Chief Executive and Executive Director of Education, Care and Health Services</p> <p>Director of Childrens Social Care</p>	<p>See Progress Report New addition to the P1 list</p>

<p>ECHS/10/2017/AU</p> <p>Finalised date 10th September 2018</p>	<p>Review of Direct Payments</p>	<p>Limited</p>	<p>4</p>	<p>1) The DP5 documentation (legal agreement) could not be located for 20 out of thirty cases reviewed. 2) In three cases the terms and conditions of the direct payment had not been met. 3) Issues arose in respect of payments made to service users where incorrect rates of payment were identified resulting in overpayments totalling circa £15,500. 4) It could not be determined which officer was responsible for the ownership and update of the DP documentation;</p>	<p>In progress</p>	<p>Deputy Chief Executive and Executive Director of Education, Care and Health Services</p> <p>Director of Adult Social Care</p>	<p>See Progress Report New addition to the P1 list</p>
<p>ECHS/01/2017/AU</p> <p>Finalised date 15th October 2018</p>	<p>Review of Leaving Care</p>	<p>Limited</p>	<p>6</p>	<p>Issues arose within the following areas :- 1) Documentation to support payments to service users; 2) Pathway Plans not being reviewed within 6 months; 3) Individual service user finance records were found not to be up to date; 4) Grant sheet (Central Log) issues arose with a number of cases; 5) Reconciliation to Oracle (T Accounts) queries arose in some cases and others remained unallocated 6) Staying Put Allowances -it was found that the Staying Put rates had not been subject to any uplift for 2017/18 and 2018/19 .</p>	<p>In progress</p>	<p>Deputy Chief Executive and Executive Director of Education, Care and Health Services</p> <p>Director of Childrens Social Care</p>	<p>See Progress Report New addition to the P1 list</p>

ECHS/026/2017/AU Finalised date 25th October 2018	Review of Home Tuition	Limited	5	Issues arose within the following areas :- 1) Core Panel decisions supported by the outcome letters; 2) Accuracy and completeness of the information on the database 3) Payment to Agency tutors 4) Attendance Registers and 5) Procurement of Agency Tutors	In progress	Deputy Chief Executive and Executive Director of Education, Care and Health Services Director of Education	See Progress Report New addition to the P1 list
CEX/02/2017/AU Finalised date 26th October 2018	Review of Creditors	Limited	1	The form for set-up to the creditors master file is not checked or signed off by the budget holder or other designated officer within that business service area	In progress	Chief Executive Director of Finance	See Progress Report New addition to the P1 list

The following P1 recommendations have been implemented :

Document Storage and Retention - See Progress Report
Compliance with the Intermediaries Legislation (IR35) - See Progress Report

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Waivers - From April 2018 to September 2018					APPENDIX C			
Waivers > £50,000								
No.	DIRECTORATE	SERVICE AREA	CUMULATIVE VALUE	ANNUAL AMOUNT	DETAILS- PARTICULARS FOR SEEKING WAIVER	PERIOD FROM	PERIOD TO	APPROVAL
1	Education Care and Health Services	Education	£930K	£130K	Annual support agreement, maintenance, support and upgrades for the Education Management Information System	01/04/2019	31/03/2020	Gateway report not dated Officer sign off sheet to be completed
2	Education Care and Health Services	Education	£192K	£15K	Annual support agreement, maintenance, support and upgrades for the Youth Services Management Information System	01/04/2019	31/03/2020	Gateway report not dated Officer sign off sheet to be completed
3	Education Care and Health Services	Adult Social Care	£84,814	£4,792	Orpington and Bromley Gateway Club	01/04/2019	31/03/2024	Gateway report dated August 2018 Officer sign off sheet completed
Page 85	Education Care and Health Services	Adult Social Care	£69,804	£4,373	Beckenham and Penge Gateway Club	01/04/2019	31/03/2024	Gateway report dated August 2018 Officer sign off sheet completed

No.	DIRECTORATE	SERVICE AREA	CUMULATIVE VALUE	ANNUAL AMOUNT	DETAILS- PARTICULARS FOR SEEKING WAIVER	PERIOD FROM	PERIOD TO	APPROVAL
5	Education Care and Health Services	Adult Social Care	£3,935K	£781K	Supported living 3 properties	25/04/2019	24/04/2020	Gateway report not dated Officer sign off sheet being completed
6	Education Care and Health Services	Education	£140K	£20K	SEN parent participation - pathfinder support	01/10/2018	30/09/2019	Gateway report 21st September 2018 Portfolio holder signed statement of Executive decision. Officer sign off sheet to be completed
7	Education Care and Health Services	Adult Social Care	£2,569K	£184K for 6 months	Mental Health Flexible Support	01/04/2019	30/09/2019	Gateway report dated August Officer sign off sheet completed
Page 86	Education Care and Health Services	Strategic and Business Support	Information outstanding	Information outstanding	Social Care Information System	Information outstanding	Information outstanding	Gateway report to Executive 12th September 2018 - specific waiver to extend the CareFirst maintenance agreement is outstanding
	9 Environment and Community Services	Public Protection	£396,491	£90K -£45K for proposed 6 months	Coroners Post Mortem and Mortuary Services	31/10/2018	31/03/2019	Corporate Contract Authorisation Form signed by officers and Portfolio holder

No.	DIRECTORATE	SERVICE AREA	CUMULATIVE VALUE	ANNUAL AMOUNT	DETAILS- PARTICULARS FOR SEEKING WAIVER	PERIOD FROM	PERIOD TO	APPROVAL
10	Environment and Community Services	Regeneration	£1,332,575	up to £121,143	Construction of Crystal Palace Park Café - to vary the contract	2018/19	N/A	Report to Executive dated 11th June 2018; Renewal, Recreation & Housing PDS 26th June 2018 Officer signature sheet completed
11	Environment and Community Services	Regeneration	£1,929,956	£447,613	Construction of Biggin Hill Memorial Museum	2018/19	N/A	Report to Executive dated 11th June 2018; Renewal, Recreation & Housing PDS 26th June 2018 Officer signature sheet completed
12	Education Care and Health Services	Education	Information outstanding	Information outstanding	Alternative Provision	Information outstanding	Information outstanding	Information requested to support a variation to contract submitted to Commission Board 16/4/18. Responsible officer has been out of office and the information is outstanding.
13	Chief Executives	Finance	£4.922m	£130K	Counter Fraud Services	01/04/2019	31/03/2024	Gateway report date 5/09/2018 Officer signature sheet completed

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Financial Services

Civic Centre, Stockwell Close, Bromley BR1 3UH

Telephone: 0208 464 3333

Fax: 020 8313 4335

Direct Line: 0208 313 4338

Internet: www.bromley.gov.uk

Email: peter.turner@bromley.gov.uk

KPMG LLP
15 Canada Square
London
E14 5GL

25th July 2018

Dear Phil

This representation letter is provided in connection with your audit of the financial statements of the London Borough of Bromley ("the Authority"), for the year ended 31 March 2018, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the financial position of the Authority as at 31 March 2018 and of the Authority's expenditure and income for the year then ended;
- ii. whether the Pension Fund financial statements give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2018 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2018, other than liabilities to pay pensions and other benefits after the end of the scheme year; and
- iii. whether the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

These financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund and the related notes. The Pension Fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes.

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Authority has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015, for the preparation of financial statements that:
 - i. give a true and fair view of the financial position of the Authority as at 31 March 2018 and of the Authority's expenditure and income for the year then ended;
 - ii. give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2018 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2018, other than liabilities to pay pensions and other benefits after the end of the scheme year;
 - iii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Authority in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information provided

5. The Authority has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Authority for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. The Authority confirms the following:

The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

8. The Authority has disclosed to you all information in relation to:
 - a) There have been no instances of fraud or suspected fraud that the Authority is aware of and that affect the Authority and involve:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) there have been no allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

9. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
10. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

11. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them as defined in IAS 24 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

12. The Authority confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view.
- b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Authority to continue as a going concern.

13. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 (Revised) *Employee Benefits*.

The Authority further confirms that:

- a) all significant retirement benefits, including any arrangements that are:

- statutory, contractual or implicit in the employer's actions;
- arise in the UK and the Republic of Ireland or overseas;
- funded or unfunded; and
- approved or unapproved,

have been identified and properly accounted for; and

- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

14. The Authority provides the following specific representations:

- a) The valuation of land and buildings within the financial statements (net book value £269 million) is appropriate and reflects all relevant factors impacting upon valuation, including the measurement of the gross internal area of buildings.

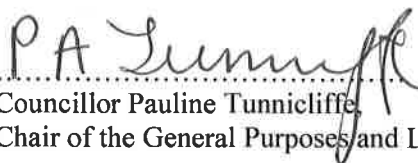
This letter was tabled and agreed at the meeting of the General Purposes and Licensing Committee on 25 July 2018.



.....
Peter Turner, Director of Finance

..... 25/7/18

Date



.....
Councillor Pauline Tunnicliffe,
Chair of the General Purposes and Licensing Committee

..... 25/7/18

Date

Appendix to the Authority Representation Letter of London Borough of Bromley: Definitions

Financial Statements

A complete set of financial statements comprises:

- A Comprehensive Income and Expenditure Statement for the period;
- A Balance Sheet as at the end of the period;
- A Movement in Reserves Statement for the period;
- A Cash Flow Statement for the period; and
- Notes, comprising a summary of significant accounting policies and other explanatory information and the Expenditure and Funding Analysis.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

A housing authority must present:

- a HRA Income and Expenditure Statement; and
- a Movement on the Housing Revenue Account Statement.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

A pension fund administering authority must prepare Pension Fund accounts in accordance with Chapter 6.5 of the Code of Practice.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled, or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. The entity or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel in a local authority context are all chief officers (or equivalent), elected members, the chief executive of the authority and other persons having the authority and responsibility for planning, directing and controlling the activities of the authority, including the oversight of these activities.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control, joint control or significant influence over the reporting entity; and
- b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Transparency Code

The Department for Communities and Local Government (DCLG) published a revised Transparency Code in February 2015. The Code sets out key principles for local authorities in creating greater transparency through the publication of public data. The Government believes that local people are interested in how their authority tackles fraud and have introduced a mandatory requirement in respect of fraud data.

This dataset provides information on London Borough of Bromley counter fraud work. Details are provided to meet the Local Government Transparency Code 2015 requirements.

The table below shows activity in respect of the required data for 2017/18.

Information	Figures for 2017-18
Number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 201432, or similar powers	27
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud	2 full time equivalent
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists	2 full time equivalent
Total amount spent by the authority on the investigation and prosecution of fraud	£178,320
Total number of fraud cases investigated	3555
Total number of cases of irregularity investigated	3555
Total number of occasions on which a) fraud and b) irregularity was identified	756
Total monetary value of a) the fraud and b) the irregularity that was detected	£248,995
Total monetary value of a) the fraud and b) the irregularity that was recovered	£204,535

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Annual Audit Letter 2017/18

London Borough of Bromley

—

August 2018

Contents

The contacts at KPMG in connection with this report are:

Phil Johnstone
Director

Tel: 020 7311 2091
Philip.johnstone@kpmg.co.uk

Hannah Andrews
Senior Manager

Tel: 020 7694 8868
hannah.andrews@kpmg.co.uk

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Phil Johnstone, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW 1P 3HZ.

This Annual Audit Letter summarises the outcome from our audit work at London Borough of Bromley in relation to the 2017/18 audit year, which is the final year that KPMG is the auditor of the Authority and its pension fund.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 26 July 2018. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements include those of the pension fund.

Financial statements audit

Our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole. Materiality for the Authority's accounts was set at £9 million which equates to around 1.5% of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision. Materiality for the Pension Fund was set at £9 million which is approximately 0.99% of gross assets.

We report to the General Purposes and Licensing Committee any misstatements of lesser amounts, other than those that are "clearly trivial", to the extent that these are identified by our audit work. In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £0.45 million for the Authority (and £0.45 million for the Pension Fund).

We have identified one audit adjustment with a total value of £1.36 million relating to the reclassification of a property from assets held for sale to surplus assets. This adjustment does not result in a change in the reported deficit on provision of services or a net change in the general fund balance. We were provided with a good first draft of the financial statements.

Our audit work was designed to specifically address the following significant risks:

- Management Override of Controls – Our audit methodology incorporates the risk of management override as a default significant risk. No issues were identified;
- Valuation of PPE – The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle. As a result of this individual assets may not be revalued for four years. This creates a risk that the carrying value of those assets not revalued in year differs materially from the year end fair value. No issues were identified;
- Pension Liabilities – Valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Authority's overall valuation. No issues were identified;
- Faster Close – The timetable available to produce draft accounts has been reduced by one month and the overall time available for completion of both accounts production and audit is two months shorter than in previous years. No issues were identified.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.

<p>Pension Fund audit</p>	<p>There were no significant issues arising from our audit of the pension fund and we issued an unqualified opinion on the pension fund financial statements as part of our audit report.</p> <p>Our audit work was designed to specifically address the following significant risks relating to the Pension Fund:</p> <ul style="list-style-type: none"> — Valuation of hard to price investments – Hard to price investments do not have publicly available quoted prices, requiring professional judgement or assumptions to be made at year end. No issues were identified.
<p>Whole of Government Accounts</p>	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.</p>
<p>Value for Money conclusion</p>	<p>We issued a qualified 'except for' conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2017-18 on 26 July 2018. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources except for the area of children's services where the Authority received an 'inadequate' Ofsted inspection in June 2016 and these findings have not yet been fully remediated. This is an ongoing issue from previous years.</p> <p>To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.</p>
<p>Value for Money risk areas</p>	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p> <p>Our work identified the following significant matters:</p> <ul style="list-style-type: none"> — Delivery of Budgets – Local Authorities are subject to an increasingly challenged financial regime with reduced funding from Central Government, whilst having to maintain services to local residents. The Authority delivered an underspend despite additional cost pressures in Children's Services; — Findings from regulatory bodies – The June 2016 Ofsted report graded the Authority's children's services as 'inadequate'. Recent reports by Ofsted have shown that the Authority is making steady progress against recommendations that have been made previously by the regulator.
<p>High priority recommendations</p>	<p>We raised one high priority recommendation as a result of our 2017-18 work.</p> <ul style="list-style-type: none"> — Pension Fund bank account - Although a separate bank account has been set up for the Fund, it is not being used. As a result, the Fund is not fully compliant with the requirements of the legislation. This is a point consistent with the prior year. <p>This is detailed in Appendix 1.</p>

Certificate	The audit cannot be formally concluded and an audit certificate issued as we are considering elector queries relating to 2016/17 and 2017/18. Until we have completed our consideration of these we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014.
Audit fee	Our fee for 2017-18 was £119,076, excluding VAT (2016/17: £119,076). Our fee for the audit of the Pension Fund was £21,000 excluding VAT (2016/17: £21,000). The fee is consistent with the planned fees for the year. No additional work has been carried out. Further detail is contained in Appendix 3.
Exercising of audit powers	<p>We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.</p> <p>We have not identified any matters that would require us to issue a public interest report.</p> <p>In addition, we have not had to exercise any other audit powers under the Local Audit & Accountability Act.</p>

Appendix 1: Key issues and recommendations

One high priority recommendation remains outstanding relating to prior years. This has been reiterated here.

No.	Issue and recommendation	Management response / responsible officer / due date
1	<p>Pension Fund bank account (re-raised from 2015/16 and 2016/17)</p> <p>The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 require that all pension schemes have their own bank account.</p> <p>Although a separate bank account has been set up for the Fund, it is not being used. As a result, the Fund is not fully compliant with the requirements of the legislation. This is a point consistent with the prior year.</p> <p>Recommendation</p> <p>We recommend that the pension fund bank account is put into use in order that the pension fund is fully compliant with all regulations.</p>	<p>Not yet implemented</p> <p>This is being explored as part of the re-tendering of the Exchequer Services contract and will be included as one of the options for additional services to be added into the contract.</p> <p>Responsible Officer: Principal Accountant.</p>

Follow up of previous recommendations

As part of our audit work we followed up on the Authority's progress against previous audit recommendations. One high priority recommendation is not yet implemented (reiterated above). The remaining medium priority recommendation raised in previous years (relating to journals authorisation) is partially implemented.

Appendix 2: Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter.

These reports can be accessed via the Audit Sub-Committee and General Purposes and Licensing Committee pages on the Authority's website at www.bromley.gov.uk.

External Audit Plan (February 2018)
The External Audit Plan set out our approach to the audit of the Authority's financial statements and to work to support the VFM conclusion.

Auditor's Report (July 2018)
The Auditor's Report included our audit opinion on the financial statements including the pension fund accounts along with our VFM conclusion.

Annual Audit Letter (August 2018)
This Annual Audit Letter provides a summary of the results of our audit for 2017/18.



Certification of Grants and Returns (January 2018)
This letter summarised the outcome of our certification work on the Authority's 2016-17 grants and returns.

Report to Those Charged with Governance (July 2018)
The Report to Those Charged with Governance summarised the results of our audit work for 2017/18 including key issues and recommendations raised as a result of our observations.

We also provided the mandatory declarations required under auditing standards as part of this report.

Appendix 3: Audit fees

This appendix provides information on our final fees for the 2017/18 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2017/18 planned audit fee.

External audit

Our final fee for the 2017/18 audit of the Authority was £119,076, which is in line with the planned fee. Fees have not yet been agreed with the Authority for the work on the elector objections relating to 2016/17 and 2017/18.

Our final fee for the 2017/18 audit of the Pension Fund was in line with the planned fee of £21,000.

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work in January 2019.

Other services

We did not charge any additional fees for other services.



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