



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 27 May 2021

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

Councillor Neil Reddin FCCA (Chairman)  
Councillor Robert Evans (Vice-Chairman)  
Councillors Gareth Allatt, Simon Fawthrop, Tony Owen, Stephen Wells and  
Angela Wilkins

A meeting of the Audit Sub-Committee will be held at Bromley Civic Centre on  
**TUESDAY 8 JUNE 2021 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/>***

PLEASE NOTE: This meeting will be held in the Council Chamber at the Civic Centre, Stockwell Close, Bromley, BR1 3UH. Members of the public can attend the meeting: You can ask questions submitted in advance, or just observe the meeting. There will be limited space for members of the public to attend the meeting – if you wish to attend please contact us, before the day of the meeting if possible, using our web-form:

<https://www.bromley.gov.uk/CouncilMeetingNoticeOfAttendanceForm>

Please be prepared to follow the identified social distancing guidance at the meeting, including wearing a face covering

## **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 9TH MARCH 2021 ( EXCLUDING THOSE CONTAINING EXEMPT INFORMATION) (Pages 5 - 14)**
- 4 QUESTIONS TO THE AUDIT SUB COMMITTEE**

In accordance with the Council's Constitution, questions that are not specific to reports on the agenda must have been received in writing 10 working days before the

date of the meeting.

Questions specifically concerning reports on the agenda should be received within two working days of the publication date of the agenda. Please ensure that questions specifically regarding reports on the agenda are received by the Democratic Services Team by **5pm on 2<sup>nd</sup> June 2021.**

**5 MATTERS OUTSTANDING FROM THE LAST MEETING--PART 1 (Pages 15 - 18)**

**6 QUESTIONS ON THE AUDIT REPORTS PUBLISHED ON THE COUNCIL WEBSITE**

The Internal Audit reports published on the Council website are:

- Follow up review of St Olaves Grammar School—2020-2021
- Follow up review of the leavers process
- Troubled families claim for the period 1<sup>st</sup> October 2020 to 31<sup>st</sup> March 2021
- Covid 19 claim process for the Local Discretionary Grant Scheme
- Review of Poverest Primary School

Members have been provided with advance copies of the reports via email.

The link to the information briefing on the Council's website that details the reports is:

[Agenda for Information Briefings on Tuesday 8 June 2021, 7.00 pm \(bromley.gov.uk\)](https://www.bromley.gov.uk/agenda-for-information-briefings-on-tuesday-8-june-2021-7-00-pm)

**7 ANNUAL GOVERNANCE STATEMENT 2020/21 (Pages 19 - 52)**

**8 ANNUAL INTERNAL AUDIT REPORT 2020/21 (Pages 53 - 82)**

**9 INTERNAL AUDIT PROGRESS REPORT (Pages 83 - 144)**

**10 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**

**11 INTERNAL AUDIT FRAUD, INVESTIGATION AND EXEMPT ITEMS REPORT (Pages 145 - 162)**

Information which is likely to reveal the identity of an individual.  
Information relating to the financial or business affairs of

any particular person (including the authority holding that information)

**12 MATTERS OUTSTANDING--PART 2** (Pages 163 - 166)

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

**13 EXEMPT MINUTES OF THE MEETING HELD ON 9TH MARCH 2021** (Pages 167 - 168)

Information which is likely to reveal the identity of an individual.

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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## **AUDIT SUB-COMMITTEE**

Minutes of the virtual meeting held at 6.30 pm on 9 March 2021

### **Present:**

Councillor Neil Reddin FCCA (Chairman)  
Councillor Robert Evans (Vice-Chairman)  
Councillors Gareth Allatt, Ian Dunn, Keith Onslow,  
Tony Owen and Stephen Wells

### **Also Present:**

Councillor Pauline Tunnicliffe

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

No apologies for absence were received.

### **61 DECLARATIONS OF INTEREST**

Councillor Evans declared an interest as a Governor of Saint Olave's School .  
Councillor Wells declared an interest in that he sat on the Court of Saint  
Olave's and Saint Saviour's Schools.

### **62 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 3rd NOVEMBER 2020 (EXCLUDING THOSE CONTAINING EXEMPT INFORMATION)**

The minutes of the meeting of the Audit Sub-Committee that sat on 3rd of  
November 2020, (excluding those that contained exempt information) were  
agreed as a correct record.

### **63 QUESTIONS TO THE AUDIT SUB COMMITTEE**

No questions had been received.

### **64 MATTERS ARISING**

#### **CSD 21029**

The Committee discussed the matters that had arisen at the previous  
meeting.

The Chairman noted that 2/3 of the matters outlined would be updated upon  
in the Internal Audit Progress report.

The first matter was concerning training being provided to members of the Committee, and the Chairman hoped that Members had been able to attend the recent training session that had been provided by Mazars, and he asked for feedback concerning this. A Member felt that the profile of the Committee could be increased if there was a report from the Audit Sub-Committee going to Full Council at least once a year. A discussion took place about the possibility of raising the profile of the sub-committee to enable it to be upgraded to a full committee, rather than being a sub-committee of the GP&L Committee.

The Chairman remarked that in the training it was recommended that the Chief Executive should attend the Audit Sub-Committee on a regular basis. He expressed the view that this was not required, and that on some occasions (when necessary), Chief Officers had attended meetings of the Sub-Committee. A Member commented that currently, discussions were being made concerning the status of the Pensions and Investment Sub-Committee, so now may be an appropriate time to have similar discussions with respect to the Audit Sub-Committee. A Member remarked that it was the case that the minutes of the Audit Sub-Committee were sent to the GP&L Committee, but as far as he was aware, the GP&L Committee did not have the authority to overrule any decisions made by the Audit-Sub Committee. A number of Members felt that this being the case, there were grounds for making the Audit Sub-Committee a full committee that reported to Full Council.

The Head of Audit and Assurance said that in Bromley Council, the functions of audit scrutiny were dealt with between the GP&L Committee and the Audit Sub-Committee. In Bromley it was the case that the GP&L Committee dealt with the statutory accounts. He explained that as a result of the Redmond Review, the MHCLG (Ministry for Housing, Communities and Local Government) supported the idea that an annual report from the External Auditors should be submitted to Full Council. If this was the case going forward, then it may be appropriate for the Audit Sub-Committee (or Audit Committee if the Sub-Committee became a full committee) to present a report to Full Council at the same time. It was noted that the MHCLG was currently working on guidance for councils (in collaboration with CIPFA, the NAO and LGA) concerning the submission of audit reports to Full Council and were also considering what guidance should be provided with respect to appointing independent members to audit committees. The Chairman asked if these proposed changes had implications in terms of the Council's resources. The Head of Audit and Assurance responded in the affirmative and commented that it would be important to avoid duplication.

There was a general consensus amongst Members that central government was placing more emphasis on governance for large organisations in an attempt to avoid financial problems leading to the collapse of the organisation. They were trying to avoid future financial failure. One way of doing this was to give a higher profile to audit reporting, including the reporting of issues to Full Council. In this way knowledge of the risks being faced would be spread across the organisation as a whole. A Member commented that it would be a useful exercise to see how other local authorities were managing their audit

functions. With reference to training it was felt that this was required so that Members were as equipped as possible to represent the public. It was noted that some Members had missed out on the previous training session as they had not received the link. The Head of Audit and Assurance promised to send out the link to any who wanted it so that they could access the training session recording.

A Member expressed the view that the GP&L Committee was too big. It consisted of 15 Members, and now that there was not so much licencing to deal with, it was too big and its size needed to be reviewed. The Chairman and Vice-Chairman said that the size and composition of the GP&L Committee was not within the remit of this Committee to discuss.

**RESOLVED that the Matters Arising report be noted, and that the Head of Audit and Assurance would disseminate the link of the training session that had been organised recently by Mazars.**

**65 INTERNAL AUDIT REPORTS PUBLISHED ON THE COUNCIL WEBSITE**

No questions had been received regarding the internal audit reports that had been published on the Council website.

**RESOLVED that the internal audit reports published on the Council website be noted.**

**66 ANNUAL INTERNAL AUDIT PLAN 2021-22 AND INTERNAL AUDIT CHARTER**

**FSD 21013**

The Internal Audit Plan had been affected by the Covid pandemic. It was difficult to know going forward what would be the 'new normal'. This being the case, the Internal Audit Plan was more of a 'statement of intent'. The Internal Audit Team would need to be flexible and agile. The current recovery audit plan had been affected by the Covid lockdown because staff had been seconded to work on pandemic related duties and other staff were providing assurance and anti fraud checks on business support grants. The Head of Audit and Assurance explained that the Internal Audit Plan had gone for review to the Corporate Leadership Team (CLT) and that the CLT had approved the plan. Some work was being rolled forward and the Internal Audit Team had been looking at new areas of risk with CLT. More government grant relief money was due to come in and this would need to be processed and assurance provided to government.

The Head of Internal Audit and Assurance updated members regarding the Internal Audit Charter, explaining that the Charter outlined the status and authority of internal audit. There had on this occasion been some specific guidance provided with respect to the contents of the Charter which made allowances for the pandemic.

A Member enquired as to how much work undertaken by the Audit Team had been related to the Covid Pandemic, and how much resource was likely to be allocated to Covid related work going forward. The Head of Audit and Assurance did not have the information to hand and estimated that over the previous year 60% of the work undertaken by the Audit Team had been Covid related. He said that he would check on this figure and update the Committee. Going forward, out of 881 planned audit days, it was estimated that 145 days would be taken up by work that was Covid related. It was hoped that the Team would be working on 'business as usual' by June. The Head of Audit and Assurance complimented the work that had been undertaken by Liberata's Technology Team in designing appropriate systems.

The Vice Chairman asked (given the extra workload) if the current staffing levels of the Internal Audit Team were sufficient. The Head of Audit and Assurance answered that the Internal Audit Team were coping for now, but the position on a long term basis was not sustainable.

It was noted that the services of Mazars had not been called upon in the last financial year. They had their own core contracts with councils that did not have their own internal audit staff. The Head of Audit and Assurance clarified that he had a budget of approximately £16k that could be used as required to support the Internal Audit Team, and that he had been in discussions with Mazars about the possibility of them undertaking 2 pieces of work for LBB.

A Member agreed that the Internal Audit Team should use the concept of 'risk' to decide where to allocate the limited resources of the Internal Audit Team. He inquired if the team had received enough training to carry out risk assessments themselves, or whether or not this would be undertaken by management in their particular area of expertise.

The Head of Internal Audit and Assurance explained that his team were professionally qualified. He mentioned that certain organisations like the Chartered Institute of Internal Auditors, and the London Audit Group had set up online training sessions which explained how to manage risk during the pandemic. It was always the case that training and development could be enhanced as part of ongoing professional development. Internal Audit endeavoured to make things easier for managers by clearly addressing risks concerning fraud and error in core guidance documents.

Members were reminded of the previous occasion when the expertise of Zurich was called upon and they had assisted in the development of the Council's risk register. This had generally improved the process for assessing risks across the board and, for example, it was now the case that Bromley Council had a good health and safety risk assessment process in place when previously there had been adverse internal audit findings. Previously, business continuity plans had required developing, and in a previous report, two P1 recommendations had been issued. However, it was now the case that adequate measures and protocols had been put in place, and these had been implemented prior to the onset of the pandemic.



**RESOLVED that:**

- 1) The Head of Audit and Assurance check how much of the Internal Audit Team's work in the previous year had been Covid related**
- 2) The 2021/22 Internal Audit Plan be approved.**
- 3) The Internal Audit Charter be approved.**

**67 INTERNAL AUDIT PROGRESS REPORT**

**FSD 21012**

The Committee was updated with respect to the audit of **purchasing cards**. This was because it was noted in the audit report dated January 2021, that there were three P1 recommendations outstanding. These had now been addressed. The Committee noted that currently, many controls were effective; however there were still inadequate controls in certain areas. There were issues with direct debit payments, where certain members of staff would set these up for efficiency reasons, but when said member of staff was off sick or left the organisation--then no one knew how to cancel the direct debits. It was also the case that when members of staff had left the organisation, purchasing cards were not being deactivated. There were also issues with inadequate controls for managing credit limits. It was anticipated that all the remaining issues would be ironed out in due course; for now, the audit opinion was '**reasonable**'.

Members were updated concerning the review of **payroll**. It was agreed that more effort should be made by claimants to put in their expenses claims in a timely manner. The audit opinion for payroll was '**reasonable**'. Four P2 recommendations had been made which had been accepted by management.

The Committee was updated regarding the audit of **small business support grants**. The purpose of the audit review was to examine the effectiveness of controls operated by the Finance Directorate and the Council's Exchequer Contractor for the payment of small business support grants that had been made available to small businesses as a result of the Covid pandemic. Controls were in place and were working very well, and the overall audit opinion was '**substantial**'. Members were pleased to note the extensive controls that had been put in place. It was noted that out of 2007 payments made, (totalling over £20m), there had only been 1% of claims associated with fraud, error or non-compliance. Similarly, the review of **Retail, Leisure and Hospitality Support Grants** had also received an overall audit opinion that was '**substantial**'.

Members received an update concerning '**Starters and Leavers**'. The Head of Audit and Assurance acknowledged Members' frustrations that the issues concerning Starters and Leavers had still not yet been fully resolved. He said that he had attended meetings of the CLT (Corporate Leadership Team) and

various managers briefing meetings, and had explained clearly what the current procedures were, and what managers should do—so managers were now without excuse. The Head of Audit and Assurance explained that a simpler process was being developed, so that instead of managers having to fill in separate forms for HR and IT, there would just be one form to fill in. The new streamlined process was anticipated to be operational by the end of April.

The Committee heard that in some cases, accounts had been left open for what the managers would perceive as being ‘practical’ reasons in terms of trying to assist operational processes in handover situations. The Head of Audit and Assurance had reported back on this matter to CLT and the Chief Executive. It was felt that the solution would come when the SharePoint online process was implemented.

The Head of Audit and Assurance briefed the Committee that a new audit report for management was planned which would summarise all of the issues and problems and would be presented to the Committee.

A Member stated that it was part of a manager’s job to manage the members of his team that were leaving, and failure to do so should be a disciplinary matter with respect to the manager. He said that he would not expect HR to issue a P45 until the leaving process had been followed for an employee. A Member suggested that this matter may merit a note from the Committee to the Chief Executive. The note to essentially say that Members were concerned that this matter had not improved. Another Member stated that he would like to see the Chief Executive attend the Audit Sub-Committee with respect to this matter. The Chairman agreed that a note should be drafted for the Chief Executive, which would note the Committee’s irritation that this matter kept coming back to the Audit Sub-Committee. The note to also suggest that the Chief Executive issue a further directive in this regard. The Head of Audit and Assurance agreed to action this.

A Member pointed out that if former staff members were still being given access to their accounts and IT systems—then this represented a significant security risk. Staff members should not be allowed to leave so soon without carrying out a handover process first. This would mean that when they did leave, they would no longer need access to their accounts or IT systems.

Members were updated with respect to the follow up review of **Highway Maintenance**. Internal Audit were waiting for management to supply documentation to show compliance with their agreed procedures and with **Financial Regulations**. Until this information was provided, the two P1 recommendations would remain open. It was noted that the Assistant Director for Highways was also responsible currently for the running of the vaccination centre.

Members heard that with respect to the audit of **Procurement Cards**, progress had been made and the P1 recommendations had been signed off.

The Committee was briefed concerning the follow up audit of **St Olave's Grammar School**. Despite various obstacles faced both by the school and by the Internal Audit Team, progress had been evidenced. The audit of the school was in the process of being completed. The school had now recruited a Head of Finance. It was felt that the school was now on the right course, and that the P1 recommendations had been implemented. A summary of the full audit review for the school would be submitted to the next meeting of the Committee, and it was planned that an onsite visit to the school be undertaken in the autumn.

The Head of Audit and Assurance gave a positive update with respect to **Looked After Children**. New management were going through all 76 placements to ensure that valid contracts were in place, and that Financial Regulations and Contract Procedure rules were being followed. Progress had been made and the Internal Audit Team were confident that the issues were now being addressed.

The Head of Audit and Assurance provided an update concerning **pre-planning advice** issues that had been raised at the last meeting. The Head of Audit and Assurance had followed this matter up with the Assistant Director of Planning and Building Control. This was concerning the service that councils provided with respect to pre-planning advice, and it was noted that government guidance existed for this. There was a service where someone came in and paid a fee for planning advice before submitting a formal planning application. Concerns had been raised regarding the segregation/division of duties. A Member had raised an issue as to how this potentially looked from the perspective of the public. The other issue that had been raised was after a planner had given planning advice, it could be the case that later down the line, he/she may feel that this advice was not correct, but may then find it difficult to penalise a planning application that had been submitted on the advice that was previously given, as a fee had been paid to the Council for this advice.

It was explained that everything that came from the Planning Team was checked by a second person, so that no planning advice that was disseminated would be the sole responsibility of just one person. It would always be reviewed and signed off by another senior member of the team. It was also the case that advice was provided on a 'without prejudice' basis. In other councils it was often the case that this work was undertaken solely by one planning officer. The view of the Assistant Director was that there was no need for a further division of responsibilities, and that this would be counterproductive and may require additional resources. It was noted that the Planning Officers adhered to a professional code of conduct.

The Member who had previously raised concerns around planning advice thanked the Head of Audit and Assurance for his comprehensive update and for investigating the issues further.

The main Council accounts for 19/20 were still being audited. There had been some queries and delays that had partly been caused by the pandemic, but

there had also been some issues relating to property, plant and equipment, where Ernst & Young (the external auditors) required further information. With respect to the objection to the accounts from an elector, it was noted that KPMG (the former external auditor) now had all the information that was required to hopefully bring the matter to a close. A discussion took place regarding the effect of the depreciation on land and buildings.

It was noted that the current P1 list was shorter than was normally the case.

Members commented on the matters relating to the increase in the fees requested by the external auditor. The Head of Audit and Assurance explained the reasons given by the external auditor for the proposed increase in fees. He referenced the fact that in the recent Redmond Review, it was stated that the fees for external auditors should be at least 25% higher than was currently being charged. It was not clear when this matter would be resolved, and so the Head of Audit and Assurance said that he would seek an update from the Director of Finance. The Chairman remarked that this was a matter that the Director was working hard to resolve, and that in this case the PSAA (Public Sector Audit Appointments) had shown themselves to be toothless. A Member expressed concern that increased costs in various forms were being imposed on local councils, and this may be a matter that may need to be escalated upwards. The Head of Audit and Assurance informed Members that the Government was providing an additional £15m to councils to assist in covering the additional costs of external audit for next year.

A Member referenced the fact that the external auditors had commented that Bromley's financial management system was dated and that this had caused them to experience difficulties in the auditing of the Council's accounts. This meant that they could not run some of the automated software that they would normally use in the audit process. The Head of Audit and Assurance explained that this was an older version of Oracle, and he would find out when the upgrade to a newer system was due to take place.

A Member wondered if the fees of the external auditor would decrease when the new Financial Information system was in place.

**RESOLVED that:**

- 1) The Head of Audit and Assurance would try and find out when the fee payable to the external auditors would be agreed**
- 2) The Head of Audit and Assurance would find out when the upgrade to the Council's financial management system would take place**
- 3) The Internal Audit Progress report be noted**
- 4) The list of Internal Audit reports published on the Council's website be noted**

**5) The External Audit update be noted**

- 6) **A note should be drafted for the Chief Executive, which would note the Committee's irritation that the matter of issues around starters and leavers kept coming back to the Audit Sub-Committee. The note to also suggest that the Chief Executive issue a further directive in this regard.**

**68        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.

**69        INTERNAL AUDIT FRAUD AND INVESTIGATION REPORT**

**FSD 21013**

The report provided an overview of Counter Fraud work in 2020/21. The report detailed updates on previous reported cases, expanded on new cases of interest and detailed cases on the fraud register.

As the contents of this report are confidential, the minutes for this item have been detailed in the exempt minutes.

**RESOLVED** that the Internal Fraud and Investigation report be noted.

**70        EXEMPT MINUTES OF THE MEETING HELD ON 3rd  
             NOVEMBER 2020**

The exempt minutes of the meeting held on 3<sup>rd</sup> November 2020 were agreed as a correct record.

The meeting ended at 8.40pm.

Chairman

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Report No.  
CSD 21066

LONDON BOROUGH OF BROMLEY

PART 1 PUBLIC

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

**Date:**                      **8<sup>th</sup> June 2021**

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

**Title:**                      **MATTERS OUTSTANDING**

**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

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1.    Reason for report

To update the Audit Sub-Committee on progress with Matters Arising (Part 1) from previous meetings and noting any matters that are still outstanding.

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2.    **RECOMMENDATION(S)**

**To note and comment on progress with matters arising 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: £358,740
  5. Source of funding: 2021/2022 revenue budget
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### Staff

1. Number of staff: Currently 5 full time staff
  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 so that Committee Members can monitor progress made on matters that are outstanding from previous meetings.
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### 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 the agenda (parts 1 and 2). Once an outstanding matter has been completed it will be removed from the schedule.

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



## Appendix 1

<b>Issue &amp; Date</b>	<b>Summary</b>	<b>Update and/or Action being taken.</b>	<b>By</b>	<b>Status</b>
<b>Minute 66 09/03/21</b>  <b>Annual Internal Audit Plan</b>	A Member enquired as to how much work undertaken by the Audit Team had been related to the Covid Pandemic, and how much resource was likely to be allocated to Covid related work going forward. The Head of Audit and Assurance did not have the information to hand and estimated that over the previous year 60% of the work undertaken by the Audit Team had been Covid related. He said that he would check on this figure and update the Committee.	There is a table in the Annual Internal Audit Report. This shows that if you include staff who were seconded to The Shielding Advice Team then 62% of productive work was Covid related. If you exclude those seconded staff then 48% of productive time was spent on Covid related work by the remaining staff.	Head of Audit and Assurance.	Closed
<b>Minute 67 09/03/21</b>  <b>Internal Audit Progress Report</b>	Regarding the ongoing issues with managing the process for starters and leavers, the Chairman agreed that a note should be drafted for the Chief Executive, which would note the Committee's irritation that this matter kept coming back to the Audit Sub-Committee.	This was actioned and an update is provided in the Internal Audit Progress report.	Head of Audit and Assurance.	Closed.
<b>Minute 67 09/03/21</b>  <b>Internal Audit Progress Report</b>	The Head of Audit and Assurance would try and find out when the fee payable to the external auditors would be agreed.	The audit fee has yet to be agreed. PSAA has set a fee of £91,689, whilst EY has proposed a fee of £188,271. The Director of Finance has asked PSAA to review EY's proposed fee and it is hoped this will lead to agreement on a revised figure in the near future.	Director of Finance	Ongoing
<b>Minute 67 09/03/21</b>  <b>Internal Audit Progress Report</b>	The Head of Audit and Assurance would find out when the upgrade to the Council's financial management system would take place.	It will be updated and operational by April 2022	Head of Audit and Assurance	Ongoing

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Report No.  
FSD21031

London Borough of Bromley

## PART ONE - PUBLIC

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

**Date:**                      **Tuesday 8 June 2021**

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

**Title:**                      **ANNUAL GOVERNANCE STATEMENT**

**Contact Officer:**      David Hogan, Head of Audit and Assurance  
Tel: 020 8313 4886      E-mail: [david.hogan@bromley.gov.uk](mailto:david.hogan@bromley.gov.uk)

**Chief Officer:**              Director of Finance

**Ward:**                      (All Wards)

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1.    Reason for report

The Accounts and Audit Regulations (England) 2015 require the Council to conduct at least annually a review of the effectiveness of its system of internal control and to approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control. The Annual Governance Statement must be prepared in accordance with the requirements of 'Delivering Good Governance in Local Government: Framework' (CIPFA/SOLACE, 2016). The statement must be published with the Statement of Accounts.

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2.    **RECOMMENDATION(S)**

1.    **To comment on the 2020/21 Annual Governance Statement, attached as Appendix A.**
2.    **To agree the 2020/21 Annual Governance Statement subject to any changes made as a result of Recommendation One.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: None
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## 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 and Assurance
  4. Total current budget for this head: £541k including Internal and External Audit, Fraud Partnership, Insurance Management and Claims handling
  5. Source of funding: General Funding, Admin Penalties, Legal cost recoveries
- 

## Personnel

1. Number of staff (current and additional): 7.5 FTE including 1 FTE Insurance and Risk Manager
  2. If from existing staff resources, number of staff hours: 940 audit days were proposed to be spent on the original audit plan, fraud and investigations – excludes RB Greenwich time.
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## Legal

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

## Procurement

1. Summary of Procurement Implications: None
- 

## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A. Relevant to all stakeholders of the Council
- 

## Ward Councillor Views

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

### **3. COMMENTARY**

3.1 The Accounts and Audit Regulations (England) 2015 require the Council to conduct at least annually a review of the effectiveness of its system of internal control and to approve an Annual Governance Statement (AGS), prepared in accordance with proper practices in relation to internal control.

3.2 The Council must assure itself that its internal control environment is effective. Regulation 3 of the Accounts and Audit Regulations 2015, requires audited bodies to ensure that it has a sound system of internal control which:

- (a) facilitates the effectiveness of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial management and operational management of the authority is effective
- (c) includes effective arrangements for the management of risk.

Regulation 6 requires that each financial year, the authority must:

- (a) conduct a review of the effectiveness of the system of internal control;
- (b) prepare an Annual Governance Statement.

3.3 The AGS must be prepared in accordance with proper practices as defined in the CIPFA publication 'Delivering Good Governance in Local Government: Framework 2016'. The guidance outlines seven core principles of governance focusing on the systems and processes for the direction and control of the Council and its activities whereby it engages with and leads the community. There is no prescribed format.

#### **3.4 Annual review of LB Bromley's Governance Framework**

3.4.1 The annual review and development of the Annual Governance Statement was led by Internal Audit in consultation with the Corporate Leadership Team, and included input from the Monitoring Officer, Section 151 Officer, Democratic Services Manager and Corporate Risk Management Group.

3.4.2 The assurance framework sets out the sources of assurance that are relied upon to enable preparation of the Annual Governance Statement. These include the work of Internal Audit, and of Directors and managers within the Council who have responsibility for the development and maintenance of the internal control environment. It also includes the comments made by the external auditors and other review agencies and inspectorates. The Head of Audit & Assurance's opinion set out in the Internal Audit annual report forms a key element of the review.

#### **3.5 Governance Issues**

3.5.1 As a result of our annual review, we have identified the following areas where further work is required to monitor how the key risks facing the Council are being managed, or where further work is required to improve systems. The issues and actions highlighted in the Annual Governance Statement are as follows:

##### **3.5.2 Finance**

3.5.3 A potential balanced budget for the next two years has been achieved through the Transformation Savings Programme, an improved financial settlement from Government and

continuing with prudent financial management, but there remains a “budget gap” of £2.5m in 2023/24 rising to £14.1m per annum in 2024/25. The projections assume mitigation and transformation savings of £16.3m in 2021/22 rising to £40.3m by 2024/25. The projections from 2022/23 have to be treated with some caution, particularly as the Government’s next Spending Review, outcome of the Fair Funding Review and Business Rate Devolution is now expected to be implemented from 2022/23 – the outcome, including the impact on individual councils, is still awaited. The Government has provided funding support to address the impact of the Covid 19 pandemic, but uncertainty remains on the medium and longer term impact from the ‘new normal’.

#### **3.5.4 Valuation of Fixed Assets**

3.5.5 Issues have been identified relating to the methodologies used for accounting and the valuation of fixed assets for reporting in the Council’s 2019/20 Statement of Accounts.

#### **3.5.6 Impact of COVID-19 pandemic on service delivery**

3.5.7 Despite the many challenges presented by the COVID-19 pandemic, the Council has delivered some key achievements through the COVID-19 response programmes and business-as-usual work, including a balanced budget for 2021/22.

3.5.8 The pandemic has highlighted a number of long-term challenges that will need to continue to be addressed. In particular, the Council will continue to face ongoing cost pressures on the organisation which will need to be locally managed, particularly with regard to social care provision and ongoing local contact tracing response.

3.5.9 However, there are also a number of potential opportunities for greater partnership working, particularly with the voluntary and community sector, that will form part of the recovery planning approach.

3.5.10 The Council’s work this year will be critical not only for ongoing response to the pandemic supporting Bromley’s residents, but also its commitment to the delivery of the Transformation Programme, as well as managing growth and delivering budget mitigations as part of the long-term financial management strategy.

### **3.6 Looking back on 2019/20**

3.6.1 Section 9 of the statement outlines the progress made on issues identified in the 2019/20 statement.

## **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

None

## **5. POLICY IMPLICATIONS**

None

## **6. FINANCIAL IMPLICATIONS**

None

## **7. PERSONNEL IMPLICATIONS**

None

## **8. LEGAL IMPLICATIONS**

- 8.1 The Accounts and Audit Regulations (England) 2015 require the Council to conduct at least annually a review of the effectiveness of its system of internal control and to approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control. The Annual Governance Statement must be prepared in accordance with the requirements of 'Delivering Good Governance in Local Government: Framework' (CIPFA/SOLACE, 2016).
- 8.2 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts. Regulation 6(1)(b) of the Regulations 2015 requires that for a local authority in England the statement is an Annual Governance Statement. It is also included within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

## 9. PROCUREMENT IMPLICATIONS

None

<b>Non-Applicable Sections:</b>	Impact on Vulnerable adults and children, policy, financial, personnel, legal, procurement
Background Documents: (Access via Contact Officer)	None

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# Annual Governance Statement 2020/21

## **DRAFT**

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## 1. Executive Summary

The Leader of the Council and Chief Executive recognise the importance of having appropriate processes and controls in place to run the Council and ensure its services are delivered effectively.

The Council is required to produce an Annual Governance Statement (AGS) which describes how its corporate governance arrangements have been working. The Council's Audit Sub-Committee review the production of the AGS and considers and scrutinises the content.

Bromley is a Member led, commissioning authority, delivering services through whoever is best placed to provide quality and value for money to its residents, who are supported to manage their lives with the minimum of intervention from the Council. 'Building a Better Bromley' contains the guiding principles for Bromley Council, our vision and links with key partner organisations to help deliver important outcomes for residents, businesses and visitors to Bromley

### [Building a Better Bromley](#)

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

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

The governance framework has been in place at Bromley for the year ended 31<sup>st</sup> March 2021 and up to the date of approval of the Leader's Foreword and Statement of Accounts.

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

With substantial additional savings to be made over the next four years, the financial situation continues to drive the future direction and work of the Council.

## 2. Significant Governance Issues

Overall, we can confirm that the Council has appropriate systems and processes in place to ensure that good governance is maintained in line with the 'Delivering Good Governance in Local Government Framework, 2016 Edition'. Whilst we are satisfied that these generally work and can be regarded as fit for purpose, we have identified a number of areas for improvement.

Progress made in dealing with the governance issues identified in the 2019/20 Annual Governance Statement is detailed on pages 20 to 23.

Three areas, detailed overleaf, have been identified as requiring further work during 2021/22:

Governance Issue	Action	Lead Officer
<p><b>Finance</b></p> <p>A potential balanced budget for the next two years has been achieved through the Transformation Savings Programme, an improved financial settlement from Government and continuing with prudent financial management, but there remains a “budget gap” of £2.5m in 2023/24 rising to £14.1m per annum in 2024/25. The projections assume mitigation and transformation savings of £16.3m in 2021/22 rising to £40.3m by 2024/25. The projections from 2022/23 have to be treated with some caution, particularly as the Government’s next Spending Review, outcome of the Fair Funding Review and Business Rate Devolution is now expected to be implemented from 2022/23 – the outcome, including the impact on individual councils, is still awaited. The Government has provided funding support to address the impact of the Covid 19 pandemic, but uncertainty remains on the medium and longer term impact from the ‘new normal’.</p>	<p>In considering action required to address the medium term “budget gap”, the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer term solutions. Significant savings of around £100m were realised since 2011/12. Our council has to balance between the needs of service users and the burden of council tax on council tax payers. With the Government not providing funding to keep pace with growth/cost pressures, the burden of financing increasing service demand falls primarily upon the level of council tax and business rate income. Further information can be found in:</p> <p><a href="#">Draft 2021/22 Budget and Update on Council's Financial Strategy 2022/23 to 2024/25</a></p>	<p><b>Director of Finance</b></p>
<p><b>Valuation of Fixed Assets</b></p> <p>Issues have been identified relating to the methodologies used for accounting and the valuation of fixed assets for reporting in the Council’s 2019/20 Statement of Accounts.</p>	<p>Work will be required to ensure that Fixed Assets are accounted for in full compliance with the CIPFA Code of Practice in Local Authority Accounting, specifically:</p> <ul style="list-style-type: none"> <li>• Asset Valuations are fully supported and are undertaken in line with the requirements of the CIPFA Code</li> <li>• Depreciation and Impairment are properly calculated and appropriately applied to relevant asset categories</li> <li>• Furniture and Equipment Assets are properly identified and valued on an ongoing basis</li> </ul>	<p><b>Assistant Director, Strategic Property</b></p>

## Ongoing impact of COVID-19 pandemic on service delivery

Despite the many challenges presented by the COVID-19 pandemic, the Council has delivered some key achievements through our COVID-19 response programmes and our business-as-usual work, including a balanced budget for 2021/22.

The pandemic has highlighted a number of long-term challenges that we will need to continue to address. In particular, we will continue to face ongoing cost pressures on the organisation which will need to be locally managed, particularly with regard to social care provision and our ongoing local contact tracing response.

However, there are also a number of potential opportunities for greater partnership working, particularly with the voluntary and community sector, that will form part of our recovery planning approach.

Our work this year will be critical not only for our ongoing response to the pandemic supporting Bromley's residents, but also our commitment to the delivery of the Transformation Programme, as well as managing growth and delivering budget mitigations as part of our long-term financial management strategy.

The Council will continue its ongoing work to support the COVID-19 response:

- Continued lateral flow testing offer in line with local requirements
- Bromley's mass vaccination centre at the Civic Centre site will run until at least September 2021, with a maximum potential vaccination rate of 1300 residents per day
- Ongoing local contact tracing in close partnership with the national scheme
- Preparing agile and ready-to-implement testing plans if surge testing is required in the borough
- Close monitoring of hospital discharges and any longer term potential pressure on adult social care capacity due to Covid-19 pressures
- Prudent financial management of COVID-19 grants distributed by the local authority
- Appropriate enforcement measures through the Public Protection service to ensure compliance with COVID-19 legislation
- Determining the longer-term approach to working with the voluntary and community sector, including the retention and engagement of the 4500 volunteers who registered with the Council to support the COVID-19 response
- Supporting the longer-term economic recovery of the borough
- Ongoing partnership working through the Borough Partnership Forum to ensure a co-ordinated and mutually supportive local area response across all agencies

Some of our key organisational priorities for 2021/22 include:

- Delivering the new Council's intranet site for our staff and launching Bromley's Digital Roadmap
- Relaunching the new 'Building a Better Bromley' Corporate Plan later this year, which will articulate key priorities for the Council over the next five years.
- Delivering the £10 million investment in new housing to boost our housing supply and tackle homelessness
- Our ongoing operational property review to determine the future of the Civic Centre site and satellite offices
- Successful rollout of the 2021 GLA elections
- Continuing our ongoing staff wellbeing engagement work, including addressing

**Chief Executive and Corporate Leadership Team**

	<p>the findings of the second Staff Wellbeing Survey</p> <ul style="list-style-type: none"> <li>• Reviewing the progress of the Transforming Bromley programme at the mid-way point and identifying future transformation priorities to be delivered by 2023.</li> </ul> <p>To achieve the identified transformation and mitigation savings set out the 2021/22 budget, the Chief Executive's leadership team have agreed the following monitoring activity:</p> <ul style="list-style-type: none"> <li>• Regular 'Are We On Track' monthly assessments through departmental meetings to determine whether we are on course to deliver the projections</li> <li>• Monthly overview discussion of transformation/mitigation savings and financial impact of COVID-19 at Transformation Board</li> <li>• Bi-monthly 'hot spot' monitoring will continue</li> <li>• Full quarterly financial monitoring reports will be undertaken quarterly as at present.</li> </ul>	
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### 3. What is Corporate Governance?

#### 3.1 Definition

The CIPFA International Framework 'Good Governance in the Public Sector' defines governance as:-

*'The arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved'*

It also states that:-

*'To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times'*

*'Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders'*

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

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

Our governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. It brings together an underlying set of legislative and regulatory requirements, good practice principles and management practice.

**Bromley Council recognises that:**

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

### 3.2 The Principles

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
How we do this
<ul style="list-style-type: none"> <li>• Having regard for the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership</li> </ul>
<ul style="list-style-type: none"> <li>• Being accountable for decisions to the public and co-operating fully with whatever scrutiny is appropriate to one's office</li> </ul>
<ul style="list-style-type: none"> <li>• Commitment to promoting an anti-fraud and corruption culture evidenced through a detailed anti-fraud and corruption policy and ensuring fraud and corruption are dealt with effectively</li> </ul>
<ul style="list-style-type: none"> <li>• Adherence to ethical values and respect for the rule of law</li> </ul>
<ul style="list-style-type: none"> <li>• Creating a culture where statutory officers and other key post holders are able to fulfil their responsibilities</li> </ul>

Principle B – Ensuring openness and comprehensive stakeholder engagement
How we do this
<ul style="list-style-type: none"> <li>• Ensuring transparency of decisions supported by an effective scrutiny and challenge process</li> </ul>
<ul style="list-style-type: none"> <li>• Consulting with residents during the budget setting process for 2021/22 and beyond</li> </ul>
<ul style="list-style-type: none"> <li>• Demonstrating engagement with all groups of stakeholders to determine the most appropriate course of action/effective intervention</li> </ul>
<ul style="list-style-type: none"> <li>• Ensuring a clear, evidence based, decision making path</li> </ul>

## **Principle C – Defining outcomes in terms of sustainable, economic, social and environmental benefits**

### **How we do this**

- Having a clear vision and strategy, with key partner organisations through ‘Building a Better Bromley’
- Delivering defined, sustainable outcomes within the limits of resources and authority
- Balancing competing demands with finite resources when determining priorities; managing service users’ expectations effectively with regard to determining priorities and making the best use of the available resources
- Taking a longer term view with regard to decision making, taking account of potential conflicts between the organisation’s vision and short term factors such as financial constraints

## **Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes**

### **How we do this**

- Having a clear vision and strategy setting out our intended outcomes for citizens and service users
- Ensuring decision makers receive a robust best value option analysis detailing associated risks and outcomes to be achieved
- Considering stakeholder feedback and future impact when making decisions about service delivery, prioritising competing demands

## **Principle E – Developing capacity including the capability of leadership and individuals**

### **How we do this**

- Ensuring that the decision making process is clearly defined and supported by protocols to ensure a shared understanding of roles and objectives is maintained
- Ensuring Members and Officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities, reflecting the structure and diversity of the community
- Evaluating, and supporting, staff performance through regular reviews which take into account training and development needs
- Supporting the workforce to maintain their health and wellbeing



## **Principle F – Managing risks and performance through robust internal control and strong public financial management**

### **How we do this**

- Regular review of Corporate and Departmental Risks and Risk Registers
- Integration of effective risk management arrangements into the decision making process
- Ensuring an effective scrutiny function which provides a constructive challenge and allows for debate at all stages of the decision making process
- Ensuring effective counter fraud and anti-corruption policies are in place and there is good staff awareness
- Having an effective Audit Sub-Committee whose remit incorporates financial delegation, fraud prevention, internal and external audit

## **Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability**

### **How we do this**

- Publishing information on our activities and decisions
- Maintaining a rigorous, effective and transparent decision making and scrutiny process
- Ensuring that public reports are easily accessible and use a style appropriate to the intended audience
- Embracing peer challenge, reviews and inspections from regulatory bodies, implementing recommendations for corrective action as required
- Maintaining an effective internal and external audit service, with direct access to Members

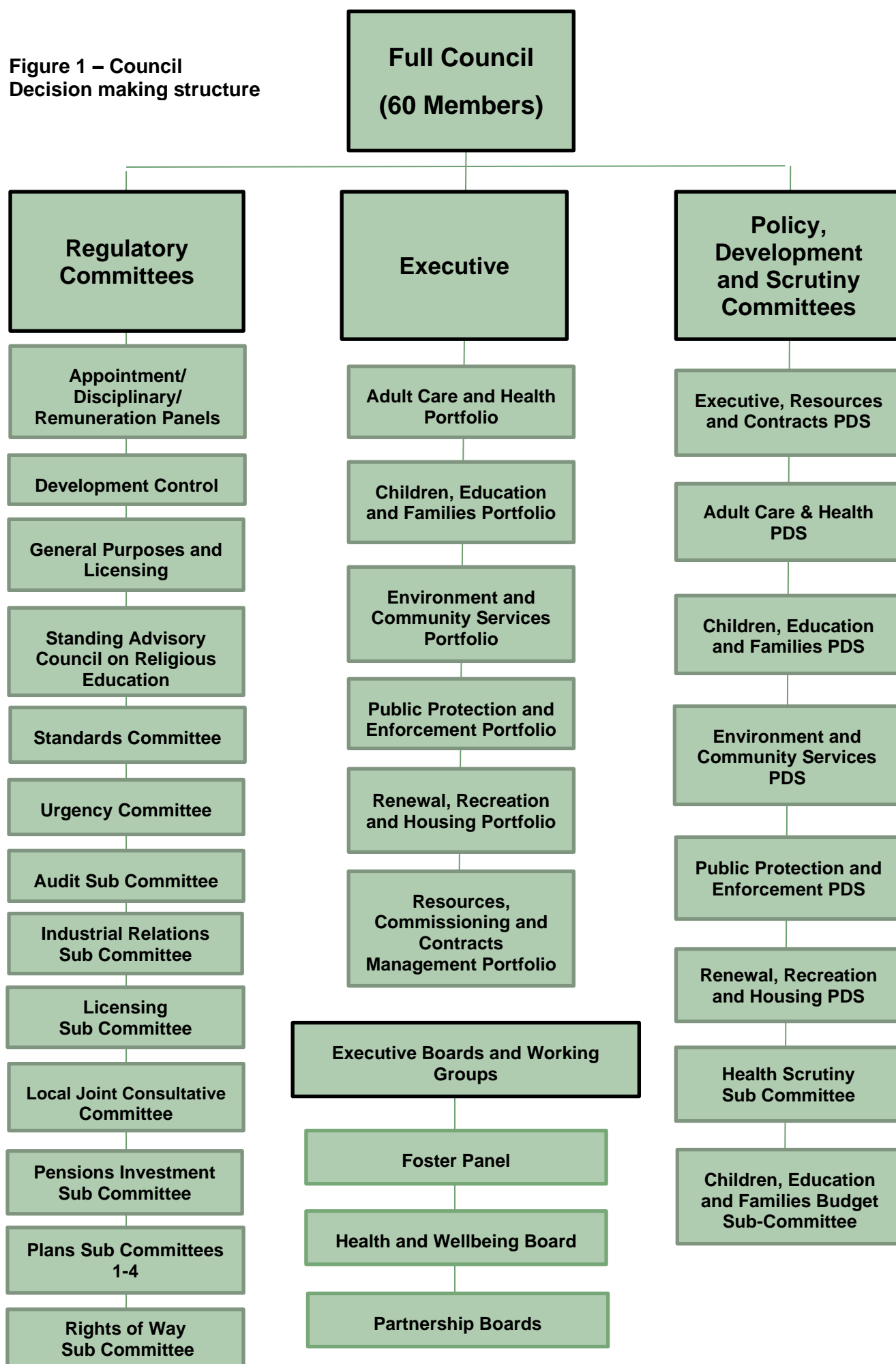
## **4. The Council: How it Works**

This Annual Governance Statement covers the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, but it should remain up to date until the accounts are approved and audited.

The Council is made up of 60 Councillors with the decision making structure divided between Executive and non-Executive matters. Executive duties are carried out by an Executive body of Councillors, which includes the Leader and six Councillors with specific Portfolio responsibilities. Non-Executive duties are performed mainly by the Development Control Committee and the General Purposes and Licensing Committee.

The established decision making structure is depicted overleaf:

**Figure 1 – Council  
Decision making structure**



## 5. COVID-19: Amendments to the Governance Process

### 5.1 Democratic Principles

In response to the Covid 19 pandemic, the Council considered as a matter of urgency a number of amendments to its governance processes in order to ensure that effective decision making could continue whilst democratic accountability was preserved during the coronavirus pandemic.

The measures were designed to help the Council redeploy its resources to deal with the pandemic and ensure essential business continued whilst upholding democratic principles and protecting the health and safety of Members, officers and the public, in line with official public health guidance.

This included:

- ▶ The rules and protocols for virtual meetings
- ▶ The programme of meetings was suspended with the exception of Executive, Resources and Contracts PDS Committee, Development Control Committee, Planning Sub-Committees and Licensing Sub-Committee meetings
- ▶ The Chief Executive with the agreement of the Mayor and the Leader was authorised to reinstate the meeting programme as soon as possible
- ▶ During the period that the meeting programme was suspended, the Mayor or the Chairman of a relevant committee or sub-committee could require that a meeting of Council or a relevant committee is called
- ▶ Where a non-executive matter (save for a licensing or planning decision) was not reserved to Members, the Chief Executive with the agreement of the Mayor or the relevant committee Chairman could make that decision
- ▶ Attendance at a virtual meeting would count towards attendance under the 6 month rule
- ▶ There would be a regular review of the arrangements as and when the advice/approach from the Government changes

The meeting programme has been gradually re-instated with meetings taking place virtually using Webex and live-streamed for the public on Youtube via the Council website.

### 5.2 Procurement Process

In March 2020, the Cabinet Officer issued Procurement Policy Note (PPN) 01/20, followed shortly thereafter by PPN 02/20. Both provided guidance to contracting authorities (which includes local authorities) on procurement action that could be taken in response to the Covid 19 pandemic.

PPN 01/20 largely reminded contracting authorities of existing flexibilities within the Public Contract Regulations 2015, including the ability to directly award contracts, to utilise existing framework (or similar) agreements, to apply accelerated procedures or to extend or modify existing contracts.

PPN 02/20 set out principles for provider support during the pandemic, including relaxation of contractual requirements, continuity funding arrangements or additional funding.

In both cases, Bromley Council had anticipated the potential procurement issues raised by the pandemic and had prepared policy and guidance consistent with, and endorsed by, the Cabinet Office guidance. A formal decision was taken by the Leader in April 2020 on the policy and process, which included granting delegated authority for a six month period to Chief Officers (in Agreement with the Portfolio Holder as required) to take suitable procurement action in response to the pandemic. Where

a proposed action resulted in additional expenditure over £100k, this would continue to be a Member decision, as set out in the Special Meeting of Executive on 19<sup>th</sup> March 2020.

Consideration of alternative procurement action – primarily extending contracts beyond term to avoid the capacity, resource and cost issues that would arise from implementing a tender during the period of disruption caused by the pandemic – was overseen by the Procurement Board. Where required, all decisions taken were reported to Audit Sub-Committee in the usual way. Members also continued to receive the quarterly Contract Register reports which updated them on the status of all contracts with a value higher than £50k.

In December 2020, the Leader extended the period of delegated authority to take suitable alternative procurement action for a further six months.

## 6. Outcomes and Value for Money

### 6.1 Building a Better Bromley

Bromley Council will continue to reduce bureaucratic burdens whilst meeting its role in providing key services. An environment will be created where individuals and communities can thrive and where people can lead healthier, more independent and self reliant lifestyles. This means that the authority can focus on supporting the Borough's most vulnerable residents with services underpinned by the principles of early intervention and prevention.

Bromley aims to create an environment where children and young people can be successful: supporting people into work; offering advice and signposting to self-help solutions, and working with partners to minimise crime and antisocial behaviour.

Bromley recognises that this activity cannot be done in isolation, so will continue strong support for the voluntary sector as well as working closely with outside bodies in the private and public sector.

Despite the unprecedented financial challenge, Bromley will serve and advocate on behalf of its residents and aim to deliver cost-effective services. Working with strategic partners, it will also continue to ensure that it receives the fairest deal from the Government on issues that are important to Bromley residents.

Bromley's achievements over the past year and plans for the future are reported in the Leader's Foreword and Statement of Accounts.

### 6.2 Portfolio Plans

Portfolio Plans set out each Portfolio Holder's aims in the current year and the supporting performance targets, using a range of national and local indicators. Overseeing the successful delivery of each plan is the joint responsibility of the Portfolio Holder and the Members of the appropriate Policy Development and Scrutiny Committee (PDS). The Portfolios are aligned to the priorities identified in Building a Better Bromley. In addition, the Health and Wellbeing Board is a collaboration between Bromley Council and various partner agencies whose role is to understand their local community's needs, agree priorities and encourage commissioners to work in a more joined up way

[Adult Care and Health Portfolio Plan 2018-22, 2020/21 Refresh](#)

[Children, Education and Families Portfolio Plan 2020/21](#)

[Housing, Regeneration and Planning Portfolio Plan, 2020/21 Refresh](#)

[Environment and Community Services Portfolio Plan 2020/21](#)

[Public Protection and Enforcement Portfolio Plan 2020/21](#)

Updates on progress are reported to Members through the Policy, Development and Scrutiny process. Examples of this include:

[Adult, Care and Health Portfolio Plan 2018/2022 - Quarter Three Update Covering Report \(March 2021\)](#)

[Adult, Care and Health Portfolio Plan 2020/21 Quarter Three Update \(March 2021\)](#)

[Children, Education and Families Portfolio Plan 2018/22 - Quarter Three Update 2020/21 Covering Report \(March 2021\)](#)

[Children, Education and Families Portfolio Plan 2018/22 - Quarter Three 2020/21 Update \(March 2021\)](#)

[Housing, Planning and Regeneration Portfolio Plan 2020/21 Quarter Three Update Covering Report \(March 2021\)](#)

[Housing, Planning and Regeneration Portfolio Plan 2020/21 - Quarter Three Update \(March 2021\)](#)

[Environment and Community Services Performance Overview \(March 2021\)](#)

[Public Protection and Enforcement Performance Overview \(March 2021\)](#)

### 6.3 Managing our Resources (Value for Money)

#### Statement of Accounts

The Accounts and Audit Regulations (2015) require the Statement of Accounts to be considered and approved by resolution of a Committee or Full Council. Following approval, the Statement of Accounts must be signed and dated by the person presiding at the meeting at which that approval was given. Before the Committee is able to approve, the Director of Finance must re-confirm on behalf of the authority that he is satisfied that the Statement of Accounts presents a true and fair view of the financial position of the authority at the end of the financial year and of the authority's income and expenditure for that year.

The Accounts and Audit Regulations were amended during 2020 in light of the Coronavirus pandemic, extending the deadline for publication of the draft accounts from 31<sup>st</sup> May to 31<sup>st</sup> August. The Regulations also extended the deadline for publication of the final audit accounts from 31<sup>st</sup> July to 30<sup>th</sup> November.

The Regulations have been further amended during 2021 with the deadlines for draft and final audited accounts set at 31<sup>st</sup> July and 30<sup>th</sup> September. These updated Regulations will apply for 2020/21 and 2021/22 and then be subject to a further review.

In relation to the Council's Statement of Accounts for 2018/19, an unqualified audit opinion was signed by the external auditor on 13 August 2020. The external auditor, EY, presented its audit findings to the General Purposes and Licensing Committee on 30<sup>th</sup> July 2020. The audit was substantially delayed owing to material mis-statements in the valuations used for the Council's fixed assets which required new valuations to be completed and significant adjustments to be made to the accounts, including a prior period adjustment.

In relation to the Council's Statement of Accounts for 2019/20, draft accounts were published on 30<sup>th</sup> June, with the external audit starting during August. Whilst good progress was made in most areas, there were delays in the provision of information to EY and in responding to auditor queries. Some delays occurred due to the Coronavirus pandemic, with officers working off site and documentation not being readily accessible in an electronic format (in some cases paper documents and records required bulk scanning). Most significantly, the audit revealed a number of errors in relation to the Council's accounting treatment of fixed assets. These have required significant work by officers to rectify and owing to this and other outstanding matters completion of the audit has been delayed to 2021.

### Value For Money (VFM) Conclusion

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the Authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

For 2018/19 the Council's external auditor stated that it would not be able to issue a VFM conclusion owing to outstanding objections for that year and the two preceding years (2016/17 and 2017/18). The objections to the 2016/17, 2017/18 and 2018/19 accounts are from the same elector. Matters in relation to 2016/17 and 2017/18 fall within the remit of KPMG who was appointed external auditor for those years. The objection in relation to 2018/19 will be reviewed by EY and it has indicated that it will await the result of KPMG's work before it formally commences its review. As a result of these objections the audit for these years cannot be formally concluded and an audit certificate issued.

The detailed approach of the Council towards budgeting over the medium to longer term was reported to Executive on 13<sup>th</sup> January 2021 with the approach on using reserves and other key financial matters reported to Executive on 10<sup>th</sup> February 2021. Forward financial planning and financial management is a key strength at Bromley. These reports continue to forecast the financial prospects for the next 4 years and includes the outcome of the Provisional Local Government Finance Settlement 2021/22. It is important to note that some caution is required in considering any projections for 2022/23 to 2024/25 as this depends on the outcome of the Government's next awaited Spending Review period as well as the awaited impact of the Fair Funding Review and Devolution of Business Rates. The report on 13<sup>th</sup> January 2021 provided an update on the funding and costs of the Covid 19 pandemic and the estimated financial impact for 2021/22. The Covid 19 pandemic has created a higher level of uncertainty for the financial forecasting in future years, particularly with uncertain outcome of the 'new normal'.

[Draft 2021/22 Budget and Update on Council's Financial Strategy 2022/23 to 2024/25](#)

[2021/22 Council Tax](#)

## 7. How do we know our arrangements are working?

### 7.1 The Role of Management

The senior officer forum is the Chief Officer's Executive (COE). Membership includes the Chief Executive and his senior leadership team:

- Chief Executive
- Director of Children Education and Families
- Director of Environment and Public Protection
- Director of Housing, Planning and Regeneration
- Director of Corporate Services
- Director of Adult Services
- Director of Public Health
- Director of Finance
- Director of Human Resources and Customer Services



The purpose of the Chief Officer's Executive (COE) is:

- ▶ High-level officer decision making: COE is the highest officer forum for high-level decision making to facilitate the effective working of the organisation
- ▶ Discussion of governance issues / review of the Council's Forward Plan: COE is the officer forum for the discussion of any key governance issues and reviews the Council's Forward Plan on a regular basis to ensure smooth and timely decision making
- ▶ Information sharing: an opportunity for Directors to provide high-level updates of activity in their respective service areas in an informal environment
- ▶ Review progress of COE sponsored working groups reporting to Corporate Leadership Team (CLT): CLT working groups will report into COE for advice and guidance prior to reporting back to CLT
- ▶ Overview of the delivery of the Transforming Bromley agenda: COE Transformation Board is an extension of COE and meets fortnightly to oversee the successful delivery of the Transformation Programme and the key principles of the Transforming Bromley Roadmap.

The Corporate Leadership Team is responsible for the Strategic Leadership of the organisation, with managers having day to day responsibility for the management and control of service delivery. Our managers set the 'tone from the top' and develop and implement policies, procedures, processes and controls. They ensure compliance.

The Corporate Risk Management Group (CRMG), chaired by the Director of Finance and including the Head of Audit & Assurance in its membership, oversees the Council's governance arrangements and delivery of the Annual Governance Statement.

Each Director retains responsibility for the Risks and Controls within their division, with Internal Audit coordinating the Risk Management process via the Corporate Risk Management Group and Audit Sub Committee.

During 2020/21, the Corporate Risk Management Group met twice (September 2020 and January 2021), undertaking its usual programme of scrutiny. Although the meeting scheduled for April 2020 was postponed, the draft Annual Governance Statement for 2019/20 was circulated to all members of CRMG for comment.

Risk Registers remained live documents throughout the year, with the Risk Reporting cycle to the Corporate Leadership Team and Committee completed in full. Audit Sub Committee received the refreshed Corporate Risk Register and all Departmental Risk Registers at their meetings of July and November 2020. Executive, Resources and Contracts PDS received five Risk Information Briefings and each relevant PDS Committee had the opportunity to scrutinise the Departmental Risk Register falling within its remit.

The Standards Committee of 2<sup>nd</sup> March 2021 considered the Monitoring Officer's General Report. This updated the Committee on a number of Standard issues including the protocol for Co-opted Members, the LGA (Local Government Association) draft Code of Conduct consultation, Complaints, Dispensations granted by the Monitoring Officer and Members' Gifts and Hospitality Register entries.

[Monitoring Officer's General Report 2nd March 2021](#)

[Appendix 1 \(Work Programme\)](#)

[Appendix 2 \(Guidance to Co-opted Members\)](#)

The Council's Constitution requires that a report is made each year to full Council which summarises work carried out by Policy Development and Scrutiny (PDS) Committees. This report was considered by the Executive, Resources and Contracts PDS Committee on 24<sup>th</sup> March 2021 and Full Council on 19<sup>th</sup> April 2021.

#### [Policy, Development and Scrutiny Annual Report 2020/21](#)

The outcome of this is that we have adequate governance arrangements in place and relevant to the environment we work in.

### **7.2 The Role of the Audit Committee**

The Council has appointed an Audit Sub-Committee which considers financial delegations, fraud prevention, internal and external audit. It is a sub-committee of the General Purposes and Licensing Committee and meets three times a year.

#### [Audit Sub Committee Meetings \(Agendas, Papers, Minutes\)](#)

The Audit Sub-Committee plays an important role in ensuring that the Council learns from Internal Audit findings and rectifies identified weaknesses in control. All Priority One recommendations from Internal Audit are tracked by the Committee until implemented.



### 7.3 Our Governance Framework

Key Policies/Processes/Posts/Functions in our Governance Framework include:

	Policy/Process
<b>A</b>	Annual Audit Letter
	Annual Governance Statement
	Anti-Bribery Policy and Procedures
	Anti-Fraud and Corruption Strategy
	Anti-Money Laundering Policy
	Audit Sub Committee
<b>B</b>	Building a Better Bromley
<b>C</b>	Capital Strategy
	Code of Conduct for Members
	Complaints System
	Constitution
	Contract Procedure Rules/Standing Orders
	Corporate Induction Process
	Corporate Leadership Team
	Corporate Operating Principles
	Customer Access Channel Strategy
	Customer Services Charter
	DISCUSS Appraisal Scheme
	Executive and Resources PDS Committee Annual Report
	Financial Regulations
	Financial Strategy
	Forward Plan of Key Decisions
<b>G</b>	'Getting it Right' – Complaints, Compliments and Suggestions
	Gifts and Hospitality Code of Conduct
<b>H</b>	Head of Audit
	Head of Paid Service
<b>I</b>	Internal and External Audit Reports
	Internal Audit Opinion and Annual Report
	Internal Controls
	IT Governance
<b>L</b>	Leader's Foreword and Statement of Accounts
	Learning and Development
	Local Development Framework
<b>M</b>	Member/Officer Protocol
	Monitoring Officer (Director of Corporate Services)
<b>P</b>	Portfolio Plans
	Public Consultations/Meetings
<b>R</b>	'Raising Concerns' whistle blowing
	Register of Interests
	Risk Management Strategy
<b>S</b>	Scheme of Delegation
	Section 151 Officer (Director of Finance)
	Statement of Accounts
<b>T</b>	Treasury Management Strategy

## 7.4 Annual Governance Assurance Statement

Each member of the COE is required to confirm that:

**‘In meeting my responsibilities above, I have:**

- ▶ Contributed to the review of Risk Registers and the outcomes
- ▶ Ensured that there are controls in place to mitigate the risks highlighted in the above exercise
- ▶ Considered relevant assessments of key service areas within the Department  
e.g. benchmarking, peer review
- ▶ Taken into account internal and external audit and inspection reports and results of follow ups regarding implementation of recommendations

**I am satisfied that to the best of my knowledge, the following procedures are in place:**

- ▶ The service is planned and managed in accordance with the Council’s Corporate Operating Principles
- ▶ Business risks are identified, assessed and reported on a regular basis
- ▶ Key controls over systems and processes are in place to ensure the Council’s assets are safeguarded
- ▶ Business Continuity Plans are maintained and reviewed as circumstances change
- ▶ The monthly Cumulative Spend Report has been reviewed and agreed as part of the Full Budget Monitoring System
- ▶ Key contract information is kept up to date in the Contracts Database to allow Contract Registers and other management information to be reported

Where unable to confirm all, or some of these, the areas for improvement and planned actions must be detailed’.

## 7.5 External Inspections/Peer Reviews

The Council received the annual Local Government & Social Care Ombudsman letter for the year ending 31st March 2020, which summarised Ombudsman complaints/enquiries received, and the decisions made about, the London Borough of Bromley. With a commitment to an ethos of continuous improvement and using feedback from a variety of sources to learn, understand and take action to improve services; we continue to place our focus on the outcomes of complaints and what can be learned from them.

[Local Government and Social Care Ombudsman Annual Review Letter 2020 \(22nd July 2020\)](#)

## 7.6 The Role of Internal Audit

Internal Audit provides independent and objective assurance to the Council through its Audit Sub-Committee, to support them in discharging their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council’s financial affairs, and is a key component of Corporate Governance within the Council.

An independent Internal Audit function will, through its risk-based approach to work, provide assurance to the Council's Audit Sub-Committee and senior management on the higher risk and more complex areas of the Council's business, allowing management to focus on providing coverage of routine operations.

Internal Audit's objectives include supporting a positive culture of internal control improvement, effective risk management and good governance. The purpose, authority and responsibility of the internal audit activity are formally defined in the Internal Audit Charter, which will be periodically reviewed and presented to senior management and the Audit Sub-Committee for approval. The latest updates to the Charter were approved by the Audit Sub Committee on the 9<sup>th</sup> March 2021.

## 7.7 The Role of the Head of Audit and Opinion on Governance Risk and Control

The Council is responsible for ensuring that it has a sound system of governance (incorporating the system of internal control).

The Head of Audit & Assurance is required to provide an independent opinion on the overall adequacy of the effectiveness of the Council's governance, risk and control framework. Their Annual Report and Opinion has been considered and any significant issues incorporated as a result.

In view of the unprecedented impact of Covid 19 with Internal Audit Staff being seconded to Covid Work programmes and revisions to audit plans, the Annual assessment is based on the following:

- The Audit work undertaken including the assurance opinion ratings
- The follow up reviews determining how the authority responds to identified weaknesses and in particular Priority 1 recommendations
- Contributing advice and challenge to management to find new ways of working
- Providing real time assurance in respect of Covid 19 work programmes, including advice and guidance on establishing control systems
- Providing pre event and post event assurance on high risk and high spend Covid 19 work programmes
- The Council's approach to risk management
- Internal Audit's review of the supporting evidence for the Annual Governance Statement
- Assurance Statements from Directors
- Assurance Statements from Lead Officers for Second Line of Defence functions

**The results of the above provide reasonable assurance that there is an adequate and effective framework of governance, risk management and a sound system of control within the Council designed to meet the organisation's objectives and that controls are applied consistently.**

Where weaknesses are identified, i.e. Limited Assurance reports and Priority 1 recommendations are made; these are tracked by the Corporate Leadership Team and the Audit Sub Committee until implemented or discharged. The Head of Internal Audit's Annual report (Audit Sub Committee June 2021) provides details of exceptions and provides further context. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

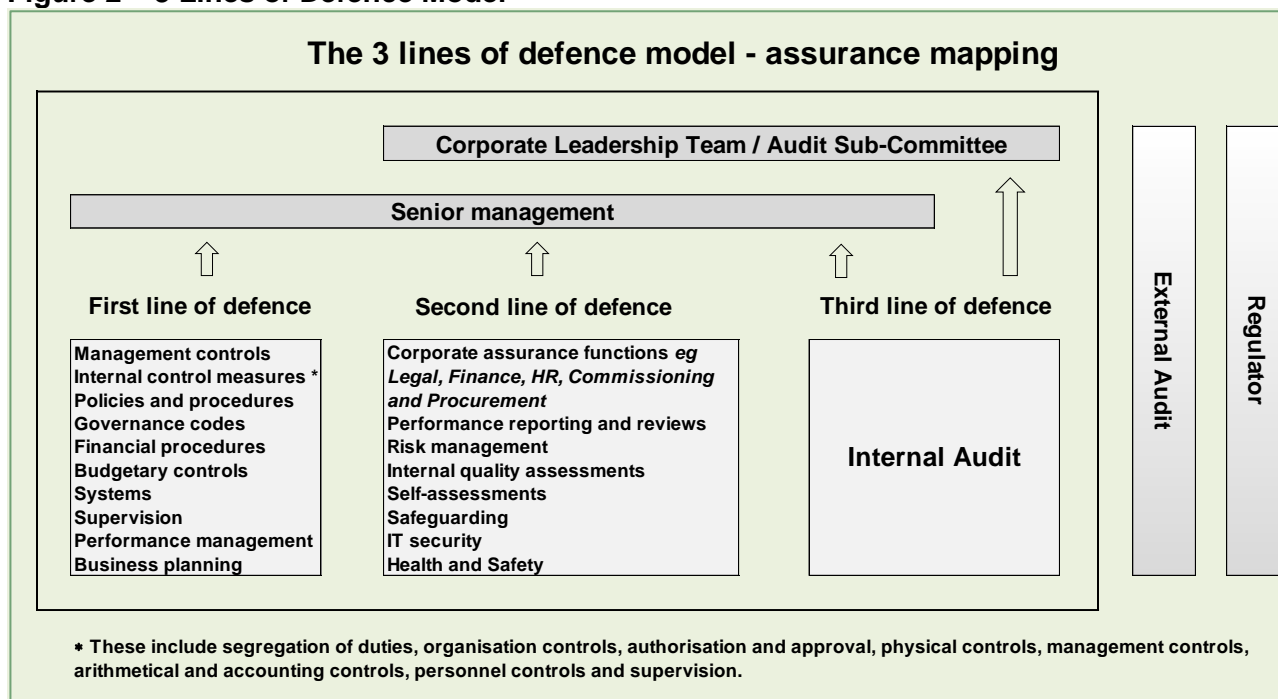
## 8. Our Strategic Risks

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, as detailed below, 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, e.g. the policy or system owner / sponsor
- ▶ Third line – independent assurance

The Council's third line of defence includes Internal Audit, who should provide independent assurance to senior management and the Audit Sub-Committee on how effectively the first and second lines of defence have been operating.

**Figure 2 – 3 Lines of Defence Model**



Risk management is an important element of the system of internal control at Bromley Council. It is based on a process designed to identify, prioritise and control the risks to achieving Bromley's policies, aims and objectives.

The Corporate Risk Register is a key document in the Council's approach to risk management; it captures the key strategic risks to the delivery of the corporate objectives as set out in the 'Building a Better Bromley' vision. It also provides a context through which high level risks are identified and is used to inform decision making about business planning and service delivery. Chief Officers assume the lead role for Strategic Risks affecting their own service areas with the Corporate Risk Register reviewed at least annually. The Corporate Risk Management Group takes the lead in championing and co-ordinating the Council's approach to risk management, and ensures that effective risk management processes are fully embedded.

The published Corporate Risk Register can be viewed via following the link

[Corporate Risk Register](#)

## 9. Looking Back on 2019/20

Governance Issue	Action	Progress
<p><b>Finance</b></p> <p>A potential balanced budget for next year has been achieved through identifying savings, generating income, an improved financial settlement from Government and continuing with prudent financial management, but there remains a “budget gap” of £0.8m in 2021/22 rising to £16.9m per annum in 2023/24. The projections from 2021/22 have to be treated with some caution, particularly as the Government’s next Spending Review, outcome of the Fair Funding Review and Business Rate Devolution is now expected to be implemented from 2021/22 – the outcome, including the impact on individual councils, is still awaited. The impact of the Covid 19 Pandemic is yet to be fully assessed but is expected to have a significant effect on Public Services, including the Council’s financial forecast projections.</p>	<p>In considering action required to address the medium term “budget gap”, the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer term solutions. Significant savings of around £100m were realised since 2011/12. Our council has to balance between the needs of service users and the burden of council tax on council tax payers. With the Government placing severe reductions in the level of grant support, the burden of financing increasing service demand falls primarily upon the level of council tax and business rate income. Further information can be found in:</p> <p><a href="#">Draft 2020/21 Budget and update on the Council's Financial Strategy 2021/22 to 2023/24</a></p>	<p>The Council contained overall spend within the 2019/20 Budget as well as delivered significant investment resources available for future housing schemes through the Housing Investment Fund Reserve.</p> <p>Robust financial management, whilst ensuring effective service delivery approach, has continued to ensure overall costs are contained within the overall budget. This approach also helps reduce the future years cost pressures.</p> <p>The Council continues to have challenges with low government funding levels but remains ‘better placed’ than many other authorities due to its approach to managing resources effectively.</p>
<p><b>Valuation of Fixed Assets</b></p> <p>Issues have been identified relating to the methodology used for the valuation of fixed assets for reporting in the Council’s 2018/19 Statement of Accounts. It is clear that a revised approach is necessary which will require significant work relating to a full re-valuation of the Council’s assets.</p>	<p>The agreed sample of assets for the 19/20 Valuation was undertaken by a new external valuation team – meeting the valuation deadline for 31 March 2020. Valuation methodology has been shared with the external auditors. Recommendations as to employ a Registered Valuer and to agree valuation methodology together with source data/record keeping for Asset Valuations have been made as part of the Transforming Property to a Corporate Landlord proposals which will see the Council recruiting a Registered Valuer, agreeing methodology statements and enhancing its data sets and source data/record keeping for Asset Valuations during 2020.</p>	<p>The Council has appointed a Registered Valuer to the position of Head of Assets and Investment Management as part of its Transforming Property Programme. In July, the Leader acting as Executive Decision Maker, agreed to the recommendation to allocate an annual budget for future external valuers to undertake the Council’s annual statutory valuations. The 2020/21 sample of assets will be undertaken by the same external team who undertook the 19/20 valuation work. Work is currently underway to provide a new Property Data base for the Council and to market test future statutory valuation works for 2021/22 onwards.</p>



### **Impact of COVID-19 pandemic on service delivery**

The Covid-19 pandemic has had disruptive and unprecedented effects on individuals, businesses, governments and society.

This pandemic is causing a significant impact on Local Government and the Council has had to adapt to this changing landscape.

There are risks to service delivery; from for example an increase in staff absence rates amongst employees and contractors. At the same time there have been increased workloads, in key defined critical services.

In common with many organisations the Council has shifted to employees working from home and adopted new operating models to continue business.

It faces a possible reduction in Council funds through significant falls in income and additional costs. These bring the risk of an impact upon delivering statutory responsibilities, an impact on the delivery of the Council's Transformation Programme 2020/23, and its ability to close the Council's budget gap of £16.9m Million by 2023/24.

The Government has provided additional grant funding. To aid cash flow, the Government made up front payments of grants, including pre-COVID-19 business rates relief compensation and support grant. The Government announced that councils would also be allowed to defer business rates central share payments due to the Government over the next three months and social care grants would all be paid in April 2020 rather than monthly in April, May and June.

The Council is doing remarkable work to address the challenges brought by COVID-19.

Strategic and Tactical Coordination Groups have been established to mitigate the impact on the Council's services:

- Meeting and reporting structures are in place
- Decision making processes have been streamlined
- Action has been taken to mitigate surge in identified critical services
- Effective partnership working has taken place to collectively mitigate risks
- Overarching command and control structure for London Local authorities are in place
- Effective communications strategy and delivery are in place
- Mutual aid agreement is in place across the South East Boroughs
- Adoption of financial relief measures offered by Government
- HR processes refined and in place to support

The Council will develop and implement a recovery strategy

Bromley's response to the impact of COVID-19 has been mobilised through the hard work and commitment of elected Members, residents, local businesses, partner organisations, local voluntary and community groups, and officers across the Council. These key groups have come together to support the most vulnerable and at risk people in our communities during these unprecedented times, while keeping business-as-usual services running and ensuring a balanced budget for 2021/22 through the Transformation Programme.

In Bromley, the Council's governance arrangements for the COVID-19 strategic response programme have been as follows:

- The Leader of the Council is the strategic sponsor and lead for the Council's response
- The Chief Executive maintains operational leadership on a daily basis
- Executive Portfolio Holder for Care and Health maintains leadership at the political level with the Deputy Leader and the Executive acting as critical friends.

The weekly COVID-19 strategic group is chaired by the Chief Executive and is attended by all Directors, as well as a number of key senior officers. The purpose of this group has been to oversee the strategic response to the crisis, ensure continued service provision in all key areas across the Council and to oversee the delivery of the communications plan for Members, staff and residents.

Some of the key achievements of our COVID-19 response programmes include:

- Providing support for over 20,000 residents during the pandemic who were identified as 'clinically extremely vulnerable'.

- Registering over 4500 residents as volunteers and matching over a thousand of them with residents to assist with day-to-day tasks, including shopping, collecting prescriptions and dog-walking
- Distributed and managed a number of grants in excess of £200m including the COVID-19 Grant, Infection Control Grant and Emergency Assistance Grant.
- Developing a local Test and Trace team to support the national NHS scheme. We consistently achieved an 88% success rate for reaching patients to obtain their contacts and offer support with self-isolation
- 24,000 Lateral Flow Tests (LFTs) in our 2 Centres (Civic and Kentwood)
- Almost 18,000 vaccines delivered through the Bromley Civic Centre Mass Vaccination Site in its first month of operation (March 2021).
- Modelling hospital discharge pathways to manage pressure on adult social care capacity, which has been shared nationally as a beacon of good practice.
- Procuring and delivering over one million items of PPE.
- Providing testing to all providers of residential and nursing care, domiciliary care and testing for residents.
- Introduced new discharge arrangements with Bromley Healthcare and the CCG by setting up a Single Point of Access (SPA) system to ensure swift and timely hospital discharges and keep hospital beds free
- Displayed COVID-19 social distancing signage in parks, green spaces and local high streets
- Accommodated 92 people who were identified as sleeping rough or at risk of rough sleeping during the government's 'Everyone In' initiative.
- Supporting schools to remain open for those children and young people who have a

		<p>named social worker or are the children of key workers</p> <ul style="list-style-type: none"> <li>• Enabled multi-agency teams to be put around every school in the borough through the Council's 'Trailblazer' status to ensure that a full range of mental health and wellbeing services is accessible to children and young people.</li> <li>• An overarching recovery plan for the Council has been drafted, with local departmental recovery plans owned by each member of the Chief Officers' Executive Group.</li> </ul> <p>The Council has managed to deliver a balanced budget for 2021/22. The 2021/22 Draft budget includes transformation savings of £3.6m and mitigation savings (to offset growth/cost pressures) of £12.7m – a total of £16.3m that needs to be delivered in 2021/22 towards balancing the budget.</p>
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To the best of our knowledge, the governance arrangements as defined above, have been operating effectively during the year and remain fit for purpose.

We propose to take steps over the coming year to address the Significant Governance Issue defined on pages 3 and 4 to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Signed

Chief Executive

Leader of the Council

Date

Date



## Appendix 1 – Links to Documents

<b>Page 2</b>	<b>Building a Better Bromley</b>
<a href="http://www.bromley.gov.uk/downloads/file/2005/building_a_better_bromley">http://www.bromley.gov.uk/downloads/file/2005/building_a_better_bromley</a>	
<b>Page 3</b>	<b>Draft 2021/22 Budget and Update on Council's Financial Strategy 2022/23 to 2024/25</b>
<a href="https://cds.bromley.gov.uk/documents/s50085405/Executive%20130121%20Draft%20Budget%20Report.pdf">https://cds.bromley.gov.uk/documents/s50085405/Executive%20130121%20Draft%20Budget%20Report.pdf</a>	
<b>Page 11</b>	<b>Adult Care and Health Portfolio Plan 2018-22 - 2020/21 Refresh</b>
<a href="https://cds.bromley.gov.uk/documents/s50083488/ACH20-044%20APPENDIX%201%202020%2009%2029%20Adult%20Care%20and%20Health%20Portfolio%20Plan%202020-21.pdf">https://cds.bromley.gov.uk/documents/s50083488/ACH20-044%20APPENDIX%201%202020%2009%2029%20Adult%20Care%20and%20Health%20Portfolio%20Plan%202020-21.pdf</a>	
<b>Page 11</b>	<b>Children, Education and Families Portfolio Plan 2020/21</b>
<a href="https://cds.bromley.gov.uk/documents/s50084372/CEF20027%20CEF%20Portfolio%20Plan%202020-21%20-Q2%20update.pdf">https://cds.bromley.gov.uk/documents/s50084372/CEF20027%20CEF%20Portfolio%20Plan%202020-21%20-Q2%20update.pdf</a>	
<b>Page 11</b>	<b>Housing, Regeneration and Planning Portfolio Plan</b>
<a href="https://cds.bromley.gov.uk/documents/s50084242/Housing%20Planning%20and%20Regeneration%20Portfolio%20Plan%202020-21.pdf">https://cds.bromley.gov.uk/documents/s50084242/Housing%20Planning%20and%20Regeneration%20Portfolio%20Plan%202020-21.pdf</a>	
<b>Page 11</b>	<b>Environment and Community Services Portfolio Plan</b>
<a href="https://www.bromley.gov.uk/downloads/file/547/environment_and_community_services_portfolio_plan">https://www.bromley.gov.uk/downloads/file/547/environment_and_community_services_portfolio_plan</a>	
<b>Page 11</b>	<b>Public Protection and Enforcement Portfolio Plan</b>
<a href="https://www.bromley.gov.uk/downloads/file/548/public_protection_and_enforcement_portfolio_plan">https://www.bromley.gov.uk/downloads/file/548/public_protection_and_enforcement_portfolio_plan</a>	
<b>Page 12</b>	<b>Adult, Care and Health Portfolio Plan 2018-2022 Update - 2020/21 Refresh and Quarter Three Update Covering Report (March 2021)</b>

<a href="https://cds.bromley.gov.uk/documents/s50087009/ACH21-007%20ACH%20Portfolio%20Plan%202020-21%20Q3%20update%20ACH%20PDS%2017.03.21.pdf">https://cds.bromley.gov.uk/documents/s50087009/ACH21-007%20ACH%20Portfolio%20Plan%202020-21%20Q3%20update%20ACH%20PDS%2017.03.21.pdf</a>	
<b>Page 12</b>	<b>Adult Care and Health Portfolio Plan 2020/21 - Quarter Three Update (March 2021)</b>
<a href="https://cds.bromley.gov.uk/documents/s50087010/ACH21-007%20APPENDIX%201%202020-21%20ACH%20Portfolio%20Plan%20Q3%20Update%20ACH%20PDS%2017.03.21.pdf">https://cds.bromley.gov.uk/documents/s50087010/ACH21-007%20APPENDIX%201%202020-21%20ACH%20Portfolio%20Plan%20Q3%20Update%20ACH%20PDS%2017.03.21.pdf</a>	
<b>Page 12</b>	<b>Children, Education and Families Portfolio Plan 2018-22 - Quarter Three Update Covering Report (March 2021)</b>
<a href="https://cds.bromley.gov.uk/documents/s50086779/CEF21009%20CEF%20Portfolio%20Plan%202020-21%20Q3%20update%20report.pdf">https://cds.bromley.gov.uk/documents/s50086779/CEF21009%20CEF%20Portfolio%20Plan%202020-21%20Q3%20update%20report.pdf</a>	
<b>Page 12</b>	<b>Children, Education and Families Portfolio Plan 2020/21 - Quarter Three Update (March 2021)</b>
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<b>Page 12</b>	<b>Housing, Planning and Regeneration Portfolio Plan 2020/21 Quarter Three Update Covering Report (March 2021)</b>
<a href="https://cds.bromley.gov.uk/documents/s50088343/2021%20Q3%2030%20HPR%20Portfolio%20Plan%20Q3%20update.pdf">https://cds.bromley.gov.uk/documents/s50088343/2021%20Q3%2030%20HPR%20Portfolio%20Plan%20Q3%20update.pdf</a>	
<b>Page 12</b>	<b>Housing, Planning and Regeneration Portfolio Plan 2020/21 - Quarter Three Update (March 2021)</b>
<a href="https://cds.bromley.gov.uk/documents/s50088344/2020-21%20HPR%20Portfolio%20Plan%20Q3%20Updatefinal.pdf">https://cds.bromley.gov.uk/documents/s50088344/2020-21%20HPR%20Portfolio%20Plan%20Q3%20Updatefinal.pdf</a>	
<b>Page 12</b>	<b>Environment and Community Services Performance Overview (March 2021)</b>
<a href="https://cds.bromley.gov.uk/documents/s50086994/21.03%20ECS%20Performance%20Overview%20vFINALRELEASED%20SW.pdf">https://cds.bromley.gov.uk/documents/s50086994/21.03%20ECS%20Performance%20Overview%20vFINALRELEASED%20SW.pdf</a>	
<b>Page 12</b>	<b>Public Protection and Enforcement Performance Overview (March 2021)</b>
<a href="https://cds.bromley.gov.uk/documents/s50086932/PPE%20Performance%20Overview.pdf">https://cds.bromley.gov.uk/documents/s50086932/PPE%20Performance%20Overview.pdf</a>	

<b>Page 13</b>	<b>Draft 2021/22 Budget and Update on Council's Financial Strategy 2022/23 to 2024/25</b>
<a href="https://cds.bromley.gov.uk/documents/s50085405/Executive%20130121%20Draft%20Budget%20Report.pdf">https://cds.bromley.gov.uk/documents/s50085405/Executive%20130121%20Draft%20Budget%20Report.pdf</a>	
<b>Page 13</b>	<b>2021/22 Council Tax</b>
<a href="https://cds.bromley.gov.uk/documents/s50085962/Exec%20100221%20Council%20Tax%20Report.pdf">https://cds.bromley.gov.uk/documents/s50085962/Exec%20100221%20Council%20Tax%20Report.pdf</a>	
<b>Page 14</b>	<b>Monitoring Officer's General Report 2nd March 2021</b>
<a href="https://cds.bromley.gov.uk/documents/s50086645/MONITORING%20OFFICERS%20GENERAL%20REPORT.pdf">https://cds.bromley.gov.uk/documents/s50086645/MONITORING%20OFFICERS%20GENERAL%20REPORT.pdf</a>	
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<b>Page 15</b>	<b>Policy, Development and Scrutiny Annual Report 2020/21</b>
<a href="https://www.lgo.org.uk/documents/councilperformance/2020/london%20borough%20of%20bromley.pdf">https://www.lgo.org.uk/documents/councilperformance/2020/london%20borough%20of%20bromley.pdf</a>	
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<a href="http://cds.bromley.gov.uk/ieListMeetings.aspx?CId=135&amp;Year=0">http://cds.bromley.gov.uk/ieListMeetings.aspx?CId=135&amp;Year=0</a>	
<b>Page 17</b>	<b>Local Government and Social Care Ombudsman Annual Review Letter 2020 (22<sup>nd</sup> July 2020)</b>
<a href="https://cds.bromley.gov.uk/documents/s50087144/Annual%20Scrutiny%20Report%202020-21.pdf">https://cds.bromley.gov.uk/documents/s50087144/Annual%20Scrutiny%20Report%202020-21.pdf</a>	
<b>Page 19</b>	<b>Corporate Risk Register</b>
<a href="https://cds.bromley.gov.uk/documents/s50064510/Appendix%20A2%20-%20Corporate%20Risk%20Register.pdf?CT=2">https://cds.bromley.gov.uk/documents/s50064510/Appendix%20A2%20-%20Corporate%20Risk%20Register.pdf?CT=2</a>	



Report No.  
FSD21030

London Borough of Bromley

## PART ONE - PUBLIC

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

**Date:**                      **Tuesday 8 June 2021**

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

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

**Contact Officer:**      David Hogan, Head of Audit and Assurance  
Tel: 020 8313 4886      E-mail: [david.hogan@bromley.gov.uk](mailto:david.hogan@bromley.gov.uk)

**Chief Officer:**              Director of Finance

**Ward:**                      (All Wards)

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### 1.      Reason for report

This report informs the Audit Sub Committee of Internal Audit activity in 2020/21. It assists the Council in meeting the financial management and internal control requirements of the Accounts and Audit Regulations 2015. In particular it includes:

- an overview of work undertaken and the levels of assurance;
- an analysis of the quality and effectiveness of Internal Audit confirming that the service generally conforms with the Public Sector Internal Audit Standards;
- the Head of Audit and Assurance's opinion on the internal control environment.

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### 2.      **RECOMMENDATION**

**Members are asked to note the report and the Head of Audit and Assurance's opinion on the soundness of the internal control environment within the London Borough of Bromley.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: None
- 

## 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 and Assurance
  4. Total current budget for this head: £541K including Internal and External Audit, Fraud Partnership, Insurance Management and Claims handling.
  5. Source of funding: General Fund, Admin Penalties, Legal cost recoveries
- 

## Personnel

1. Number of staff (current and additional): 7.5 FTE including 1 FTE Insurance and Risk Manager
  2. If from existing staff resources, number of staff hours: 2020/21 940 audit days were proposed to be spent on the audit plan, fraud and investigations – excludes RB Greenwich time.
- 

## Legal

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

## Procurement

1. Summary of Procurement Implications: None
- 

## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A relevant to all stakeholders of the Council
- 

## Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 The annual report is for Member information and intended to assist the Council in meeting the requirements of the Accounts & Audit Regulations 2015. The regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, and taking into account the Public Sector Internal Auditing Standards (PSIAS). The work forms the basis of the annual opinion of the Head of Audit and Assurance and provides supporting evidence for the Annual Governance Statement, which is also considered on the agenda.
- 3.2 Internal Audit's objectives have been to assist management and Members in managing risks, maintaining good standards of control and continuously improving service delivery through independent appraisal, review and advice. Due to the unprecedented impact of Covid 19 this has been a far from usual year which presented us with the challenge of how to provide a meaningful level of assurance in our annual opinion based on the work we've undertaken and the assurances we have received. As already reported during the year some Members of the Audit team had been redeployed on Covid 19 workstreams and much of the remaining resources focused on the revised risk profile of the organisation. In particular work was directed to protect the public interest and provide real time assurance over Covid workstreams.
- 3.3 In line with professional guidance it has been established that it is possible to give an audit opinion based on work undertaken this year, cumulatively over the past few years and by relying on other sources of assurance. The annual audit opinion should never only be a snapshot. The reliance placed on other sources of assurance is more detailed this year and disclosed in forming the opinion.
- 3.4 Over the last few years, the results of audit work have led to assurance opinions that the organisation is adequately governed, risks are managed and that there is an adequate framework of control. This has been reported in both the Head of Audit's Annual Opinion reports and the Annual Governance Statements. There were 6 audits completed in May or June 2020 which informed the opinion for 2019/20. In view of the fact they are reasonably current they have been included as part of the underlying evidence for 2020/21.
- 3.5 In a normal year, the opinion would be based on the completion of the audit plan and other external assurance. Early in the pandemic the Internal Audit Standards Advisory Board produced guidance to support Heads of Internal Audit in the UK public sector, and the Internal Audit Service used this to guide its activities. It acknowledged that all internal auditors of any organisation in countries significantly affected by COVID-19 would reassess their work plans and staff priorities. For public sector internal auditors there was an additional responsibility. All staff in a public service body have a responsibility to work in the public interest and as result few internal auditors will be operating under 'business as usual' conditions with staff in many teams likely to be taking on different roles to support their organisation and the public interest.
- 3.6 The guidance stated that the Mission of Internal Audit is 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.' In the current circumstances internal auditors will be fulfilling their Mission in different ways than usual. However, the critical point is that they should still fulfil that Mission. Ideally, this will provide enough assurance to support audit opinions, and for the Governance Statement, although it will certainly be appropriate to draw attention to the context within which this assurance was gained and potential limitations. The guidance gave examples of ways that internal audit could protect organisational value during the pandemic which have been followed by the Bromley team.
- Helping to protect the organisation's operations by working with management to find new ways of working

- Providing real-time advice and insight in the development of new systems and controls. For example, where the organisation has had to implement a new and urgent government policy.
- Ensuring that internal audit's work remains risk-based, but continuously reassessed to reflect the significant changes and escalation of risk levels being experienced.
- Providing real-time assurance to the Council's Senior Leadership Team and Audit Sub-Committee on the actions and decisions being made.
- Helping the organisation to understand and plan for longer term risks resulting from the current crisis to protect the organisation and its services going forward.

This year we have arrived at the opinion for 2020/21 by:

- Independently reviewing, appraising and providing assurance reports
- Contributing advice and challenge to management to find new ways of working
- Providing real time assurance in respect of Covid 19 work programmes, including advice and guidance on establishing control systems
- Providing pre event and post event assurance on high risk and high spend Covid 19 work programmes
- Ascertaining the extent of compliance with procedures, policies, regulations and legislation
- Reviewing client contract and monitoring arrangements
- Reviewing and refreshing the arrangements for Risk Management and departmental and corporate risk registers
- Identifying fraud and irregularity and working in partnership with RB Greenwich
- Providing advice for officers on governance and controls, risk management and fraud awareness
- Obtaining assurances from the key second line of defence operations
- Obtaining signed annual assurance statements from Directors
- Using the evidences obtained when compiling and reviewing the Annual Governance Statement

3.7 Internal Audit has ensured that controls operate in an efficient and effective manner, statutory and management requirements are complied with, completeness and accuracy of records are secured and identified weaknesses are corrected. Due to the emergency created by the global pandemic much of this was done at pace and in real time this year. However, the Council's successful response to the pandemic and its willingness to engage Internal Audit as a key advisor demonstrate that its risk management, governance and control processes are working adequately.



### **3.8 Analysis of 2020/21 activity and use of resources**

- 3.8.1 The 2020/21 Audit Restart and Recovery plan was agreed at the November Audit Sub Committee. At the time of drafting that plan it was not envisaged that further restrictions and lockdowns were to continue throughout the rest of the year.
- 3.8.2 The Audit Restart and Recovery plan identified a total of 45 separate tasks. 4 tasks will be undertaken in 2021/22. 3 were cancelled. 9 new tasks were added. By the end of the year work was either completed or in progress on a total of 48 projects. Unplanned investigations were also carried out involving Internal Audit as opposed to the Anti-Fraud work separately completed by the Royal Borough of Greenwich Team. Detailed analysis on the tasks undertaken are included in Appendix A.
- 3.8.3 **Impact of Covid 19 Lockdown, Restrictions and Additional Responsibilities placed on the Council**
- 3.8.4 The pandemic caused widespread disruption to all services including Internal Audit. Internal Audit has concentrated on enabling the Council to deliver front line services with resources redirected to provide real time assurance in respect of significant additional work generated by the pandemic and supporting service delivery. This resulted in changes to work plans reported to the Committee. The service was delivered remotely. Advice from the PSIAS was followed that work in the Public Interest was appropriate.
- 3.8.5 The support work included giving advice on new controls, processes, governance and financial procedures being put in place temporarily across the Council to reflect new ways of working, including home working and greater use of IT, as well as new responsibilities being placed on the Council.
- 3.8.6 Staff were redeployed to services including Operation Shielding and the plan was redrafted to include additional work around business support grant payments. The number and complexity of these different schemes was reported to the Audit Sub Committee at the last meeting in March and is not repeated here. Presently, additional work has continued on Restart Grants and Additional Restriction Grants schemes. Internal Audit provided real time advice and challenge in setting up payment scheme processes. Additional work was carried out to create Fraud Risk Assessments, completing checks to identify any instances of fraud and irregularity in schemes to distribute emergency funding and grants both pre and post payment. Internal Audit also liaised with government and public sector counter fraud organisations to share intelligence reports, counter fraud tools and best practice in response to risks arising from those using the pandemic to commit fraud.
- 3.8.7 The team has endeavoured to progress other planned work where it has been possible to do so. However, this has been impacted by the ability of operational services to prioritise responses to Internal Audit as they have also had staff seconded and additional obligations and responsibilities to address with respect to Covid 19. At the last Committee meeting the Vice Chairman asked (given the extra workload) if the current staffing levels of the Internal Audit Team were sufficient. The response was that the Internal Audit Team were coping for now, but the position on a long-term basis was not sustainable. It was noted that the services of Mazars had not been called upon in the last financial year. I am pleased to note that the Director of Finance has agreed to seek authorisation for an additional £30,000 budget from a Finance Department underspend to be used for additional resources of Mazars staff commissioned through the LB Croydon Apex framework. Meetings have already been held with Mazars and some work is underway which will go some way to catch up on planned work.

- 3.8.8 Risk Management, overseen by Internal Audit, continued to operate as normal throughout the year. The work of the Corporate Risk Management Group has been satisfactorily progressed virtually.
- 3.8.9 Counter Fraud work continued to throughout the year although all face to face interviews under caution have been postponed for much of the time. There has been some opportunity with lower numbers of Blue Badge Referrals to review and progress current cases. There is more detail in the Part 2 report.
- 3.8.10 The impact on many front-line services has also been profound, with many impacted by Covid 19 in terms of staff and clients. This meant that finalising some audits and reports and agreeing with management the action required to implement the audit recommendations have been delayed.
- 3.8.11 The allocation of time is set out in Table 1 with a comparison to 2019/20. Additional time is accounted for as staff have used less leave this year,

**Table 1**

<b>Department</b>	<b>Actual Days 19/20</b>	<b>Department</b>	<b>Actual Days 20/21</b>
Corporate	215	Corporate	127
Chief Executive's	277	Chief Executive's	136
Education Care and Health Services including Public Health	231	People	41
Environment and Community Services	97	Place	32
Anti-Fraud and Investigations	61	Anti-Fraud and Investigations	54
Covid 19 Advice on Finance/Governance & Control	51	Covid 19 Advice on Finance/Governance & Control	49
		Covid 19 work streams Real time assurance (support grants etc)	316
		Secondment to Shielding advice team etc	220
<b>Total</b>	<b>936</b>		<b>975</b>

### **3.9 Summary of work undertaken and audit opinions**

- 3.9.1 Audits are conducted in accordance with prescribed standard. Not all tasks result in an opinion.

3.9.2 A summary of work undertaken follows in Table 2 below. *(these figures are yet to be finalised)*

**Table 2**

Planned tasks at Audit Restart and Recovery Plan 2020/21	46
Work to be commenced in 21/22 (4), cancelled (3),	7
New Assignments added to the plan	9
Completed tasks including reports at draft stage and ongoing tasks	42
Work in progress	6

3.9.3 Further analysis is detailed in Appendix A

In order to provide evidence for the overall opinion an Assurance rating was given in respect of 21 reviews at draft or final stage (including the 6 audits completed May/June 20 referred to in paragraph 3.4. In order to provide comparative assurance for our overall opinion we have scored the systems reasonable where we provided Real Time Assurance on Covid 19 work streams such as business grants, or provided assurance on grant schemes to government. This makes 39 auditable areas where we have been able to give an opinion.

**Table 3**

Substantial Assurance	8
Reasonable Assurance	9
Limited Assurance	4
No Assurance	0
Sufficient evidence to support grant claims requiring Internal Audit verification/Overall opinion resulting from work on AGS	6
Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud in	12

3.9.4 Following an Internal Audit review and after consultation with management, auditors form an overall opinion on the extent that actual controls in existence provide reasonable assurance that significant risks are being managed. They grade the control system accordingly. The opinions given are currently graded according to the criteria in Table 4.

**Table 4**

<b>Assurance Level</b>	<b>Definition</b>
<b>Substantial Assurance</b>	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
<b>Reasonable Assurance</b>	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
<b>Limited Assurance</b>	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
<b>No Assurance</b>	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

- 3.9.5 Members will be aware of the assurance categories and definitions for these. In addition there are some claims for external funding such as The Troubled Families Programme and the Disabled Facilities Grant where the Internal Audit function of each of the recipient authorities are required to investigate and check that the conditions attached to the specific grants have been complied with.
- 3.9.6 Summaries of all individual reports have been reported to the Audit Sub-Committee following a formal report to management and it is not necessary to detail them again here. Each audit is conducted according to the Public Sector Internal Audit Standards. Final reports are agreed with the client prior to release. They are followed up systematically. Finalised audit reports are published on the Council's web site.
- 3.9.7 The past year has been like no other and resulted in fewer traditional audit reports with audit opinions. This caused concern amongst Heads of Audit (HIA) as although the work being undertaken was of importance and was addressing key risks faced by the authority, they were concerned about having sufficient evidence on which to place reliance. Fortunately, there was advice from professional bodies and professional network bodies. The advice included revising audit plans and to focus on key areas of risk, focussing on Covid response. Work of lower priority could wait until next year. It would be acceptable to use work on real time assurance on new systems to address Government policies even without full audit testing. Additionally, greater focus on other internal sources of assurance was recommended.
- 3.9.8 Where an organisation has adopted a comprehensive assurance framework then this may be used by the HIA to support the opinion, if those other sources of assurance are demonstrated to be robust. The CIPFA Statement on the Role of the Head of Internal Audit also emphasises the responsibility of the leadership team for establishing wider frameworks of assurance and accountability. The Head of Audit and Assurance attends all meetings of the Corporate Leadership Team. The leadership team has demonstrated in its actions and behaviours responsibility for governance and internal control.
- 3.9.9 As part of the annual assurance process for the 2020/21 financial year, each Chief Officer completed a Statement of Internal Control, which reminds them of their responsibilities to maintain systems of control and confirming that: **'In meeting my responsibilities, I have:**

- ▶ Contributed to the review of Risk Registers and the outcomes
- ▶ Ensured that there are controls in place to mitigate the risks highlighted in the above exercise
- ▶ Considered relevant assessments of key service areas within the Department e.g. benchmarking, peer review
- ▶ Taken into account internal and external audit and inspection reports and results of follow ups regarding implementation of recommendations

**I am satisfied that to the best of my knowledge, the following procedures are in place:**

- ▶ The service is planned and managed in accordance with the Council's Corporate Operating Principles
- ▶ Business risks are identified, assessed and reported on a regular basis
- ▶ Key controls over systems and processes are in place to ensure the Council's assets are safeguarded
- ▶ Business Continuity Plans are maintained and reviewed as circumstances change
- ▶ The monthly Cumulative Spend Report has been reviewed and agreed as part of the Full Budget Monitoring System
- ▶ Key contract information is kept up to date in the Contracts Database to allow Contract Registers and other management information to be reported'

3.9.10 Exceptions have been disclosed and reviewed and there is nothing that indicates a deterioration in control.

3.9.11 Whilst assurance for the Finance and Human Resources functions was captured as part of the Chief Officer sign off process, assurance was sought from the relevant Head of Service for the following "second line of defence functions" that, in their professional opinion, the system of control, including standards of practice and Council policies, remained adequate and effective throughout 2020/2021.

- ▶ Legal Services
- ▶ Health and Safety
- ▶ Information Technology
- ▶ Performance Reporting and Reviews, Internal and Self Assessments (Chief Executives, People, and Environment and Public Protection)
- ▶ Safeguarding (Adults and Children's)

3.9.12 The request for assurance was also extended to the Engagement and Complaints function, which has a unique insight into people's perception of the standards of practice and implementation of Council policies.

3.9.13 In July 2020, 20 Priority 1 recommendations were reported to the Audit Committee, brought forward from 2019/20; 16 of these recommendations were implemented during 2020/21. No new Priority 1 recommendations were reported during 2020/21 and 4 Priority 1 recommendations have been carried forward to 2021/22.

- 3.9.14 Following a decision by Members, all audit reports suitably redacted, are published on the internet unless exemption is sought. A summary of the key issues and challenges for the authority arising from our work is detailed in the Head of Audit and Assurance's opinion in Section 3.11.5.

### **3.10 Risk Management**

- 3.10.1 It was agreed by the Committee that Risk Registers would be reviewed at least six monthly, updated and reported first to Audit Sub Committee and then to the respective PDS Committees. The latest iterations of the departmental and corporate risk registers are attached as Appendices of the Internal Audit Progress Report.
- 3.10.2 Since the last meeting of the Audit Sub Committee on 9<sup>th</sup> March 2021, one key amendment has been made to the Corporate Risk Register, by way of the deletion of the 'Potential detrimental impact of BREXIT upon service delivery' risk with individual departments affected by any aspect of the Brexit agreement managing the risk on an individual service basis and recording in the Departmental Risk Register as appropriate.
- 3.10.3 During 2020/21, the Corporate Risk Management Group met twice (September 2020 and January 2021), undertaking its usual programme of scrutiny. The 2021/22 cycle commenced with the meeting of 26<sup>th</sup> April 2021. The Corporate Risk Management process continued to operate fully though out the year.

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

- 3.11.1 Internal Audit engagements are subject to a thorough internal review of quality to ensure that its work meets the standards expected from its staff. For example, review is carried out of all audit work to confirm that:
- It is undertaken in accordance with the PSIAS
  - The work is planned and undertaken in accordance with risks associated with the areas under review
  - The conclusions are fully supported by detailed work undertaken
- 3.11.2 Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards, ongoing performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor. A peer review was carried out in March 2016. The review concluded that the section generally conforms to the standards.
- 3.11.3 It is a requirement of the Public Sector Internal Audit Standards to have an External Quality Assessment (EQA) carried out at least every 5 years and it can be done either by peer review, or you can pay for an outside organisation to do it. The London Audit Group have organised a system of Peer Reviews with safeguards to make it as independent as possible, such as the reviewer and reviewee councils are not neighbours and the audit teams do not have a regular relationship. In July 2019 the Head of Audit & Assurance confirmed to the organisers that Bromley Internal Audit would potentially like a review in Quarter 4 of 2020/21 and would be prepared to carry out a review of another authority. In February of 2020 preliminary confirmation was sought for LB Bromley to undertake a review of another authority and time was allocated in the 2020/21 Audit Plan for the Peer Review of Bromley. However, the National lockdown and the effects of the pandemic understandably put any such arrangements on hold. We are now scheduled for a review by the Royal Borough of

Kensington and Chelsea in quarter 4 of 2021/22 and LB Bromley is scheduled to review the London Borough of Hackney in 2023/24.

- 3.11.4 Periodic reviews of compliance to the standards are required and the Head of Audit and Assurance has reviewed compliance with the standards and the Local Government Application Note. It can be confirmed that the section generally conforms to the PSIAS. Of the 112 areas that were applicable to the service, conformance was confirmed in 101 areas (90%) partial conformance in 10 areas (9%) and 1 where there was non-conformance (0.9%). The non- conformance is a technicality that is easily remedied and has had no adverse impact. The Public Sector Internal Audit Standards require that the internal audit charter defines the terms 'board' and 'senior management' in relation to the work of internal audit. For the purposes of internal audit work, the 'board' refers to the Council's Audit Sub Committee which has delegated responsibility for overseeing the work of internal audit. Senior management is defined as the Chief Officer's Executive (COE), which includes the Chief Executive and his senior leadership team of Directors. Additionally, senior management includes the Corporate Leadership Team (CLT) which comprises COE Members, Assistant Directors and some Heads of Service. The revised Charter has been updated accordingly and is attached as Appendix B. The opportunity has also been taken to clarify additional wording in the Charter.
- 3.11.5 There are no significant findings from Internal Audit's Quality Assurance and Improvement Programme that require reporting to the Audit Sub-Committee or referred to in the Annual Governance Statement. In addition to the External Quality Assessment to be completed, the areas identified have led to the following items for inclusion in our improvement plan:
- Reviewing auditor's skills gaps and training needs particularly focusing on IT risks and controls
  - Reviewing rotation of assignments to address the risks of over familiarity in some areas
  - Develop review documentation for audit assignments to ensure consistency and clarity for inclusion in the audit manual
  - Review fraud risks for the authority
  - Update the audit planning checklist to incorporate suggestions from the PSIAS and for inclusion in the audit manual.
- 3.11.6 The IASAB guidance on Conformance with the PSIAS during the Coronavirus pandemic states that Assessors undertaking a PSIAS review in the next year should take into account the significant interruption to business as usual experienced by internal audit teams in the public sector and that the IASAB would encourage assessors to have regard to the guidance note.
- 3.11.7 Reporting and management arrangements have been put in place which preserve the Head of Audit and Assurance's independence and objectivity and it can be confirmed that there have been no impairments or restrictions in scope.
- 3.11.8 When preparing the plan for 2020/21 we said that we aimed to meet the following performance targets:

**Table 5**

Description	Target	Out-turn
Percentage of audit plan delivered*	90%	Because of significant disruption and changes to the plan caused by the pandemic this is not a meaningful target this year (see analysis in section 3.8 instead)
Percentage of P1/P2 & P3 recommendations accepted at final report stage	95%	100%
Percentage of P1 recommendations followed up	100%	100%
Completion of Internal Audit Annual Report and Opinion	By June Audit Sub-Committee	Achieved
Completion of Internal Audit Plan for Audit Sub Committee Approval	By March Audit Sub Committee	Achieved

\* This would be the number of tasks completed as a percentage of planned tasks (adjusted for deferred/cancelled brought forward and carried forward tasks)

### 3.11.9 Head of Audit – Annual Opinion

3.11.10 The Annual assessment is based on the work reported between April 2020 and the date of this report. In formulating this opinion, the assurance activity undertaken by the Council and other external assurance providers is taken into account along with the following:

- The Audit work undertaken including the assurance opinion ratings
- The follow up reviews determining how the authority responds to identified weaknesses and in particular Priority 1 recommendations
- Contributing advice and challenge to management to find new ways of working
- Providing real time assurance in respect of Covid 19 work programmes, including advice and guidance on establishing control systems
- Providing pre event and post event assurance on high risk and high spend Covid 19 work programmes
- The Council's approach to risk management
- Internal Audit's review of the supporting evidence for the Annual Governance Statement
- Assurance Statements from Directors
- Assurance Statements from Lead Officers for Second Line of Defence functions



- 3.11.11 The concept of continuous improvement is applied in that even in the best performing authorities, errors will occur, or control failures may result despite good intentions. However, the Council should learn from its past performance, rectify defects, and not continue along a path when control failure is evident. The Corporate Leadership Team considers Priority 1 recommendations on a regular basis and managers are held to account. Audit reports highlight those areas where internal control systems need to be improved and the Internal Audit Plan for 2021/22 has time allocated for undertaking follow up work. Internal Audit will pay particular attention to those areas where the Internal Audit opinion was Limited and Priority 1 recommendations have been raised.
- 3.11.12 The work reviewing the Annual Governance Statement also clearly demonstrates the range of organisational controls which serve to provide an effective level of governance.
- 3.11.13 The work in co-ordinating and reviewing Risk Registers in conjunction with the Corporate Risk Management Group demonstrates Risk Management to be effective.
- 3.11.14 In any organisation there are areas where control needs to be enhanced. Individual reports which have identified Limited Assurance opinions are exceptions to the sound system of control until recommendations are implemented. The following paragraphs also provide context where further action is required to maintain the adequacy and effectiveness of the system of control. The Annual opinion also continues in the Part 2 report under the exempt items section of the Fraud and Exempt items report.
- 3.11.15 **Progress and Update on the 2019/20 and 2020/21 accounts:**
- 3.11.16 The external audit of the 2019/20 accounts is ongoing. Members have previously been advised of significant issues in relation to the accounting and valuation of Property, Plant & Equipment and Investment Properties, which will require the accounts to be amended including a prior period adjustment. The current focus of external audit work concerns the methodology used to value Investment Properties and discussions are continuing between the external auditor and the Council's valuer to resolve this and determine whether the methodology needs to be revised and the valuations of Investment Properties amended accordingly.
- 3.11.17 Work in underway to close the Council's main accounts and pension fund for 2020/21. A timetable for the audit has yet to be confirmed with the external auditor.

#### **Electors Objections:**

- 3.11.18 The Council has objections outstanding for three years of account. No objections were received in relation to the 2019/20 accounts and the inspection period is now closed. For the 2016/17 and 2017/18 objections, officers are in regular contact with KPMG to discuss resolving this matter as soon as possible. KPMG has recently requested further information from the Council to inform its review and officers are collating and passing their response back to KPMG. Once KPMG has concluded its work, it will report the outcome to officers. There are four potential options available to KPMG:
- Considering if there is an unlawful item of account that they need to ask the court to consider
  - Issuing a report in the public interest on this matter
  - Reporting on this matter with recommendations for Council action (these could be statutory recommendations under the Local Audit and Accountability Act)
  - Taking no action and dismissing the objection

- 3.11.19 Subsequently, EY will consider the objection received in relation to the 2018/19 accounts, informed by the conclusions that KPMG has made. Whilst outstanding, the objections prevent the external audits for those years from being formally concluded and a completion certificate being issued
- 3.11.20 **The results of internal audit work concluded during the year and the Assurance Statements provided by Directors and the Lead Officer for key second line of defence statements, together with the work undertaken in compiling the Annual Governance Statement, provide reasonable assurance that overall, there is an adequate and effective framework of governance, risk management and a sound system of control within the Council designed to meet the organisation's objectives and that controls are applied consistently.** Where weaknesses are identified, i.e. Limited Assurance reports and Priority 1 recommendations are made; these are tracked by the Corporate Leadership Team and the Audit Sub Committee until implemented or discharged. There is further information in part 2 of the report which consider issues not previously reported in part 1 which should be considered as part of this report. In giving this opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.
- 3.11.21 As part of our work on risk management and identifying areas for inclusion in the Annual Governance Statement, we have identified key areas for management attention over the next year. These are summarised below, and further detail is included in the Annual Governance Statement report on the agenda.
- 3.11.22 **Finance**
- 3.11.23 A potential balanced budget for the next two years has been achieved through the Transformation Savings Programme, an improved financial settlement from Government and continuing with prudent financial management, but there remains a "budget gap" of £2.5m in 2023/24 rising to £14.1m per annum in 2024/25. The projections assume mitigation and transformation savings of £16.3m in 2021/22 rising to £40.3m by 2024/25. The projections from 2022/23 have to be treated with some caution, particularly as the Government's next Spending Review, outcome of the Fair Funding Review and Business Rate Devolution is now expected to be implemented from 2022/23 – the outcome, including the impact on individual councils, is still awaited. The Government has provided funding support to address the impact of the Covid 19 pandemic, but uncertainty remains on the medium and longer term impact from the 'new normal'.
- 3.11.24 **Valuation of Fixed Assets**
- 3.11.25 Issues have been identified relating to the methodologies used for accounting and the valuation of fixed assets for reporting in the Council's 2019/20 Statement of Account.
- 3.11.26 **Impact of COVID-19 pandemic on service delivery**
- 3.11.27 Despite the many challenges presented by the COVID-19 pandemic, the Council has delivered some key achievements through the COVID-19 response programmes and business-as-usual work, including a balanced budget for 2021/22. The pandemic has highlighted a number of long-term challenges that will need to continue to be addressed. In particular, the Council will continue to face ongoing cost pressures on the organisation which will need to be locally managed, particularly with regard to social care provision and ongoing local contact tracing response. However, there are also a number of potential opportunities for greater partnership working, particularly with the voluntary and community sector, that will form part of the recovery planning approach. The Council's work next year will be critical not

only for ongoing response to the pandemic supporting Bromley's residents, but also its commitment to the delivery of the Transformation Programme, as well as managing growth and delivering budget mitigations as part of the long-term financial management strategy..

### **3.12 Counter Fraud**

- 3.12.1 Internal Audit works in partnership with the Royal Borough of Greenwich in respect of Counter Fraud Investigations. In total there were 188 referrals from 01/04/2020 to 31/03/2021. These are detailed in Appendix A of the Fraud Report on the agenda. Since last year's annual report, 57 cases were successfully prosecuted. All 57 cases related to Blue Badge misuse,

## **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

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

## **5. POLICY IMPLICATIONS**

None

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Some of the Internal Audit findings have financial implications.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 Where appropriate and following a reasonable management investigation, a disciplinary process may be initiated in response to poor practices or/and misconduct.

## **8. LEGAL IMPLICATIONS**

- 8.1 Internal Audit is a statutory function under the Accounts & Audit Regulations 2015.

## **9. PROCUREMENT IMPLICATIONS**

- 9.1 The contents of this report have implications for procurement relating to Contract Procedure Rules, Financial Regulations and VFM issues.

<b>Non-Applicable Sections:</b>	Policy
Background Documents: (Access via Contact Officer)	None

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Audit	Status	Assurance rating
<b>Reports finalised in May/June 20 which were included in previous opinion.</b>		
Review of a sample contracts coming to an end	Final	Substantial
Mitigation of ICT Systems failures	Final	Limited
Registrars	Final	Substantial
Care Act	Final	Reasonable
Looked After Children	Final	Limited
More Homes for Bromley LLP – Residential Property acquisitions	Final	Reasonable
<b>Progress on Recovery Plan 2020/21</b>		
COVID-19 grant - Funding for small and medium business grants (for business rate payers only) - £52.5m (Assurance work/Advisory work/Government reporting/Fraud Risk Assessment)	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in.
COVID-19 grant - Discretionary business grant - Funding of £2.4m from above (within £52.5m) has been diverted to support this. (Assurance work/Advisory work/Government reporting/Fraud Risk Assessment)	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in.
COVID 19 – Support and advice. Redeployment of staff to shielding team, advice and service support e.g. business and discretionary grants.	Completed	N/A
High level review of key areas of risk to examine the Council's response to the COVID-19 pandemic.	Completed	N/A

Ad hoc advisory support - New processes/controls/projects in response to the COVID-19 emergency	Completed- Real time assurance to ensure adequate control in system design	N/A
Recovery Programme - Advisory support to validate any decisions to Retain / Reinvent / Restore services	Completed	N/A
Information Governance and General Data Protection Regulations (GDPR) (To focus on flexible working arrangements during the pandemic)	Draft	Limited
National Fraud Initiative 2020, including data upload and new data sets	All data Sets uploaded to timetable. Additional data sets for business support grants uploaded	Completed
Follow up and implementation of high priority (P1/P2) recommendations	Due to Covid 19 priorities focus has been on Priority 1 rec's Progress reports to all Audit Sub Cttee meetings	Individual Conclusions as to whether recommendations considered implemented
Provision of training	Ongoing	Completed
External liaison with other authorities and agencies	Ongoing	Completed
Audit Report and Internal Audit Plan	Audit Report July 2020 Audit Plan November 20 and March 21	Completed
Risk Management	Regular reports to Audit Sub-Committee, CRMG and PDS Committees	Completed

Annual Governance Statement	Governance Statement prepared for July 20 and June 21 Committee.	Completed both Statements Indicated the Authority has maintained a sound system of control.
Provision for investigations and irregularities	Progress reports to all meetings of Audit Sub Committee	Ongoing
Pension Fund	Final	Reasonable
Debtors	Final	Reasonable
Business Rates (Including business rates holiday due to COVID-19)	Final	Substantial
Post implementation review of action taken during COVID-19 pandemic to support providers of Council services in compliance with PPN 02/20 and with PPN 01/20	Work in Progress	
Health & Safety - Review of COVID-19 risk assessment and arrangements	Transferred to 21/22	
COVID-19 grant - Discretionary business grant	Final	Substantial
COVID-19 grant – Post Event Assurance Plan for business grants. Retail Hospitality and Leisure	Final	Substantial
COVID-19 grant – Post Event Assurance Plan for business grants. Small Business Grants	Final	Substantial
COVID-19 grant – Lockdown payments business support grant	Real Time Assurance to quality check Reconciliations to Dept for BEIS	N/A although submissions have been checked and are reasonable
Creditors sample check of payments made/operation of controls during lockdown procedures and following up recommendations made in previous audit	Draft	Substantial
IT Asset Register	Transferred to 21/22	
Housing Benefit	Draft	Substantial
Procurement Cards sample check of payments made/operation of controls during lockdown procedures and following up recommendations made in previous audit	Final	Reasonable

Payroll	Final	Reasonable
Appointeeship and Deputyship	Transferred to 21/22	
Blue Badge Scheme operation and grant certification	Only the grant certification has been carried out	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
Learning Disability Supported Living Schemes	Work in progress – was suspended due to resource availability and client request now resumed	
Discharge to Assess	Cancelled	
Troubled Families Claim 1	Completed	The evidence seen by Internal Audit demonstrates that the grant claim conditions have been met
Troubled Families Claim 2	Completed	The evidence seen by Internal Audit demonstrates that the grant claim conditions have been met
Marjorie McClure Special School	Work in progress	
Poverest Primary School	Final	Reasonable
Downe Primary School	Work in progress	
St Olaves Grammar School	Final	Reasonable
Social Care Management System replacement (Risk & control advice)	Ongoing	N/A
COVID-19 grant - Test and Trace - £1,369,923 Grant Certification	Preliminary work and discussions have taken place with Management but as yet to have final submissions for checking and sign off	
Section 106 contributions	Cancelled	
Street lighting	Final	Reasonable
Mortuary	Cancelled	



Contract Monitoring Environmental Services Contracts	Work in progress focusing on Waste Contract	
Housing Needs Early intervention & advice	Preliminary discussions and planning but suspended due to staff secondments Transferred to 21/22	
Integration and Better Care Fund: The Disabled Facilities Capital Grant (DFG) determination (2019/20): No. 31/3710	Final	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
<b>Additional Assurance Report</b>		
Leavers Process	Final	Limited
<b>Additional Grant Certification</b>		
Local Authority Community Testing Funding Grant Determination 2020/21 No: 31/5301 (Revenue Ringfenced).	Final	The evidence seen by Internal Audit demonstrates that the grant conditions have been met for the interim period
<b>Additional work following post November restrictions and lockdown</b>		
Test and Trace Support Payments	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in

Local Restrictions Support Grant - (Closed) Addendum	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in
Local Restrictions Support Grant - (Closed)	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in
Christmas Support Payment for wet-led pubs	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in
Local Restrictions Support Grant - (Closed) Addendum Tier 4	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in

Closed Business Lockdown Payment	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in
Additional Restrictions Grants	Completed- Real time assurance to ensure adequate control in system design and real time checks to prevent error/fraud	N/A however reasonable and proportionate controls built in
Business Restart Grants	Completed- Real time assurance to ensure adequate control in system design and carried out checks on business likely to apply before the 1 <sup>st</sup> April date to streamline process to prevent error/fraud.	N/A however reasonable and proportionate controls built in

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# **Internal Audit Charter**

## **June 2021**

## Internal Audit Charter

### 3.1 Purpose

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

Internal Audit is a statutory requirement. The Accounts and Audit Regulations 2015 require the Council as a "relevant body" to maintain an "adequate and effective system of internal audit of their accounting records and control systems".

The Public Sector Internal Audit Standards (PSIAS) set down the scope, powers and responsibilities of internal audit functions and internal auditors and are mandatory. Internal Audit supports the Director of Finance in undertaking statutory responsibilities for the proper administration of the Council's financial affairs and for reporting unlawful actions under the Local Government Act 1972 Section 151. The Accounts and Audit Regulations (2015) specifically require the provision of an internal audit service.

### 3.2 Authority

Internal Audit, with strict accountability for confidentiality and the safeguarding of records and information, is authorised full unrestricted access to any and all of the organisation's records, physical properties, assets and personnel pertinent to carrying out any engagement. All employees are requested to assist Internal Audit in fulfilling its roles and responsibilities. The Head of Audit and Assurance will also have unrestricted access to the Chief Executive and the Chairman of the Audit Sub-Committee.

To enable the external auditors to discharge their responsibilities, Internal Audit will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised.

### 3.3 Responsibility

The Head of Audit and Assurance provides an annual opinion in the Annual Governance Statement to the Council and to the Section 151 Officer, through the Audit Sub-Committee, on the adequacy and the effectiveness of the internal control system for the whole Council. To achieve this, Internal Audit has the following objectives:

- ▶ Provision of an independent and objective audit service that effectively meets the Council's needs, adds value, improves controls and helps protect public resources,
- ▶ Assure management that the Council's business is being conducted in accordance with statutory requirement, internal regulations and procedures,
- ▶ To impact on the effectiveness of governance, risk management and internal control of the organisation,
- ▶ Provision of advice and support to management to enable an effective control environment to be maintained,
- ▶ To promote, in conjunction with the Royal Borough of Greenwich, an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud,
- ▶ To investigate, in conjunction with the Royal Borough of Greenwich, allegations of fraud, bribery and corruption,

- ▶ Co-ordinating the National Fraud Initiative (NFI) exercises for the Council,
- ▶ Liaising with and advising the Royal Borough of Greenwich about other proactive exercises to identify fraud,
- ▶ Advising on and carrying out, as required, the investigation of suspected irregularities and advising on the appropriate action to be taken,
- ▶ Provision of relevant training , fraud awareness, audit controls on key findings and risk management..

Sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal Audit procedures are designed to focus on areas identified by the organisation as being of greatest risk and significance.

### Counter fraud

The role of Internal Audit in relation to Counter Fraud is set out in the Anti-Fraud and Corruption Strategy. Internal Audit may assist or lead in the identification and investigation of suspected fraudulent activity in conjunction with its partnership with the Royal Borough of Greenwich Fraud Team. This may include referrals through the Council's Whistleblowing Policy (Raising Concerns), the National Fraud Initiative, or matters identified in the course of audit work. The outcomes of counter fraud work are communicated to the Audit Sub-Committee and senior management where appropriate. The Head of Audit & Assurance must be notified of all suspected or detected fraud, corruption or impropriety.

### Risk management

Internal Audit is responsible for co-ordinating risk management work and developing the risk management approach with the Corporate Risk Management Group. These roles, together with authoring risk reports and providing advice, are legitimate roles for Internal Audit so long as safeguards are in place. The Chartered Institute of Internal Auditors' position paper on 'The role of internal audit in Enterprise-wide Risk Management' defines what is considered legitimate. These include:

- Ensuring that overall responsibility for risk management sits with the Corporate Leadership Team, Directors and the Audit Sub-Committee,
- A resource to provide risk management services is made available and reported in the audit plan, agreed by the Audit Sub-Committee,
- Internal Audit do not set the risk appetite for the Council, or take operational responsibility for risk actions and
- Any review or internal audit of the effectiveness of the risk management process will be undertaken independently. This enables independent assurance to be provided to the Audit Sub-Committee.

### Insurance

The Head of Audit and Assurance has line management responsibility for the Insurance service. This is a separate service to the Internal Audit function. Any audit of Insurance will be audited independently and reported to the Director of Finance.

### Advice and consultancy

Internal Audit resources may, occasionally, be better focussed on providing advice and consultancy reviews rather than assurance. Consultancy activities (eg guidance, advice and training) carried out are intended to improve governance, risk management and control processes and add value.

## The impact of the Coronavirus Pandemic

It is important to note that the IASAB has developed guidance to support heads of internal audit and individual internal auditors in the UK public sector during the pandemic. It has the backing of all of the UK Relevant Internal Audit Standard Setters (RIASS). All internal auditors of any significantly affected by COVID-19 will be reassessing their work plans and staff priorities. For public sector internal auditors there is an additional responsibility. All staff in a public service body have a responsibility to work in the public interest. At a time of national crisis there is a need to act in the best interests of the health, safety and livelihoods of the public as well as supporting the operational needs of the organisation. The IASAB recognised that as a result very few internal auditors will be operating under 'business as usual' conditions and staff in many teams are likely to be taking on different roles to support their organisation and the public interest.

The guidance aims to reassure heads of internal audit and the audit committee that diversion from planned audit work will not automatically mean that they do not conform. The Mission of Internal Audit is 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.' In the current circumstances internal auditors will be fulfilling their Mission in different ways than usual. However, the critical point is that they should still fulfil that Mission. Ideally, this will provide enough assurance to support audit opinions, and for the Governance Statement, although it will certainly be appropriate to draw attention to the context within which this assurance was gained and potential limitations

## Management responsibilities

Internal Audit requires the full co-operation of senior management if it is to be effective. In approval of this Charter, the Audit Sub-Committee and the Director of Finance require management to co-operate with Internal Audit in the delivery of their work. This includes, but is not limited to, agreeing the terms of reference for audit assignments, providing access to appropriate records, systems and personnel, responding to draft reports and implementing audit recommendations in line with agreed timescales.

Senior management will also update the Head of Audit and Assurance of significant proposed changes to systems, processes, organisation structures, newly identified significant risks and cases of suspected or detected fraud, impropriety or corruption.

Senior management will also ensure that Internal Audit has sufficient resources to fulfil the Annual Audit Plan agreed by the Audit Sub-Committee.

## **3.4 Due professional care**

In carrying out our Internal Audit work we are bound by the requirements of:

- UK Public Sector Internal Audit Standards,
- Chartered Institute of Internal Audit's Code of Ethics and
- All Council policies and procedures,
- Bromley's Code of Corporate Governance,
- All relevant legislation,
- Seven Principles of Public Life (Nolan Principles),
- Bromley's Financial Regulations and Contract Procedure Rules.

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards, ongoing performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor.

A programme of Continuous Professional Development (CPD) is maintained for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies.



### 3.5 Independence

Internal Audit is part of the Finance Department. The Head of Audit & Assurance reports on a day to day basis to the Director of Finance. However, he has free and unfettered access to the following:

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

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

### 3.6 Reporting

The Public Sector Internal Audit Standards require that the internal audit charter defines the terms 'board' and 'senior management' in relation to the work of internal audit. For the purposes of internal audit work, the 'board' refers to the Council's Audit Sub Committee which has delegated responsibility for overseeing the work of internal audit. Senior management is defined as the Chief Officer's Executive (COE). Membership includes the Chief Executive and his senior leadership team of Directors, and the Corporate Leadership Team (CLT).

The UK Public Sector Internal Audit Standards require the Head of Audit to report at the top of the organisation and this is done in the following ways:

- ▶ The Internal Audit Charter and any amendments to it are reported to the Audit Sub-Committee for formal approval annually,
- ▶ The annual Internal Audit Plan is compiled by the Head of Audit and Assurance taking account of the Council's risk framework and after input from Senior Management. It is then presented to the Audit Sub-Committee for formal approval. The Internal Audit Plan includes as budget resource requirements for the financial year,
- ▶ The Internal Audit budget is reported to Members and Full Council for approval annually as part of the overall Council budget,
- ▶ The adequacy, or otherwise, of the level of Internal Audit resources (as determined by the Head of Audit and Assurance) and the independence of Internal Audit will be reported annually to the Audit Sub-Committee,
- ▶ Performance against the Internal Audit Plan and any significant risk and control issues arising from audit work are reported to the Audit Sub-Committee periodically. Any significant deviation from the approved Internal Audit Plan will be communicated through this reporting process,
- ▶ Any significant unplanned activity not included in the Audit Plan and which might affect the level of assurance work undertaken will be reported to the Audit Sub-Committee,
- ▶ Any significant findings from Internal Audit's Quality Assurance and Improvement Programme will be reported to the Audit Sub-Committee.

Management will receive a timely written report at the conclusion of each Internal Audit engagement which:

- will have a short management summary,
- will detail any matters of significance that have arisen with priority one issues highlighted,

- will provide an opinion of the adequacy of controls reviewed with one of four assurance opinions given i.e. substantial, reasonable, limited or no assurance,
- will recommend practical ways in which system weaknesses can be addressed.

The distribution of reports will be set out within the terms of reference issued prior to an audit. In the event of major findings, these are reported to Chief Officers, the Chief Executive and Audit Sub-Committee.

### 3.7 External Auditors

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

Report No.  
FSD21029

## London Borough of Bromley

### PART ONE - PUBLIC

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

**Date:**                      **Tuesday 8 June 2021**

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

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

**Contact Officer:**      David Hogan, Head of Audit and Assurance  
Tel: 020 8313 4886      E-mail: [david.hogan@bromley.gov.uk](mailto:david.hogan@bromley.gov.uk)

**Chief Officer:**              Director of Finance

**Ward:**                      (All Wards);

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1.    Reason for report

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

- Audit Activity (Key Findings)
- Impact of COVID-19
- Audit Activity (Priority 1 Commentary)
- Audit Report Summaries
- Audit Activity (Other work)
- Publication of Internal Audit Reports
- Risk Management
- Waivers
- Update on the Statement of Accounts and Objections

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2.    **RECOMMENDATION(S)**

- a)    Note the Progress Report and comment on matters arising
- b)    Note the list of Internal Audit Reports published on the Council's website

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Some of the audit findings could have an impact on Adult 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: £541k including Internal Audit and External Audit, Fraud Partnership, Insurance Management and Claims handling
  5. Source of funding: General Fund/Legal Cost recoveries
- 

### Personnel

1. Number of staff (current and additional): 7.5 FTE, including 1 FTE Insurance and Risk Manager
  2. If from existing staff resources, number of staff hours: 2020/21 – 881 days are proposed to be spent on the audit plan, fraud and investigations – excludes RB Greenwich investigators' time.
- 

### Legal

1. Legal Requirement: Statutory Requirement None:
  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
- 

### Ward Councillor Views

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

### **3. COMMENTARY**

#### **3.1 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 Audit Activity (Key Findings)**

##### **Impact of COVID-19**

- 3.2.1 Whilst the impact of the COVID-19 pandemic has become less disruptive as infection rates fall, the authority and the Internal Audit Team has had a significant additional workload arising from, amongst other things, Restart Grants and Additional Restriction Grants to support businesses. Added to this the requirements on Pre and Post Event Assurance work required by the Department for BEIS has become more stringent. It is useful for Members to recap where the team has contributed over the last year and continues to do so.
- 3.2.2 Prior to the last meeting when this year's restart and recovery plan was drafted it was not possible to forecast the Government's roadmap or additional Covid 19 support grants to be provided to business. As reported previously the team have been significantly involved in the numerous mandatory and discretionary business grant schemes which the Council has operated during the past year and, at the time of writing this report, that work continues. Mandatory grant schemes such as the small business grant, retail, hospitality and leisure grant, local restriction support and the recent re-start grant schemes are just some of those schemes where criteria, including thresholds are set by central government and the Council facilitate payments. In contrast, the discretionary grant schemes such as the business hardship fund, innovation grant and the independent public house and clubs grant are those where the Council has received funds to direct to the local economy and local businesses as appropriate. The discretionary grants come with government guidelines, and then have an element of discretion which the Council can apply.
- 3.2.3 Our role has included giving advice on controls and processes, both at the design stage of the application and payment systems, and when queries have arisen on individual applications prior to payment being approved. We have also carried out checks on large numbers of businesses applying for funding and advised on further action for any applications which have been identified as potentially fraudulent or paid in error.
- 3.2.4 For the re-start grant scheme (effective from the 1 April), as with the other business grant schemes, we have been involved in planned weekly and ad-hoc meetings and discussions

with key personnel in the Council and our Exchequer Contactor prior to and during the operation of the scheme. We have provided advice and guidance on the system and process, and undertaken checks on businesses which apply.

- 3.2.5 The Department for Business, Energy & Industrial Strategy (BEIS) has required the Council to report to them each month the number and value of business grant payments made for the original schemes and the number and value of cases of fraud, error and non-compliance identified by the Council. We have carried out quality assurance checks for the payment information provided by Liberata before it is sent to the BEIS.
- 3.2.6 We have also had to put in place Fraud Risk Assessments and Post Payment Assurance plans for each of the business grant schemes. Furthermore, last month, BEIS selected a random sample of payments from the small business grant, retail, hospitality and leisure grant and local discretionary grant schemes and asked us to provide evidence of the pre-payment and post-payment checks which had been carried out.
- 3.2.7 The volume of work required on the numerous business grants since April 2020 has been unremitting and has had a significant impact on the time and staff resources available to complete the annual audit plan.
- 3.2.8 We have been carrying out checks on businesses using government tools and credit company data to verify businesses across a range of schemes. Pre-payment and post-payment checks have been carried out using Spotlight a central government tool to ensure a business was legitimate and trading during the relevant period, the National Fraud Initiative validation tools which utilises Experian data, or open source checks on payments made under those schemes where the company did not have limited company status.
- 3.2.9 2 members of staff remained as part of the Operation Shielding team until it was wound down on the 28 May, although they had greater availability to contribute to Internal Audit work when they were not involved in calls as demand dropped.
- 3.2.10 In summary the since the last meeting and in the first quarter of this year we have been heavily involved in the following:
- Business Restart Grants-Real Time Assurance
  - Additional Restriction Grants-Real Time Assurance
  - Providing Evidence and Assurance to the Department for BEIS for earlier schemes
  - Restarting suspended work as staff have returned to duties from secondment
  - Completion of our work to co-ordinate and produce the Annual Governance Statement which is considered in full as a separate item elsewhere on the agenda.
- 3.2.11 In order to address the risks to the 2021/22 plan caused by the redirection of resources the Director of Finance has approved additional funding of £30,000 to be carried forward from departmental underspends to allow Mazars staff to carry out additional work via the LB Croydon Apex framework. Meetings have been held with Mazars and the first tranche of this work has been commissioned and is underway.
- 3.2.12 The latest list of outstanding Priority 1 recommendations is shown in Appendix A. There has been some movement in Priority 1 recommendations, and these are detailed further in the report
- 3.2.13 We have made progress on several restarted audits. Whilst we have completed these to a level where we have been able to form a draft opinion to inform our overall opinion as detailed in our Annual Report they have not progressed to the stage of final clearance with

the client department or quality review. There is potential for the risk rating to change if managers provide sufficient evidence to justify it. They will therefore not be included in this report or be published until the Committee next meets. In summary these include:

Audit Title	Draft opinion
GDPR (Focus on staff working from home)	Limited
Housing Benefit	Substantial
Creditors	Substantial

- 3.2.14 A summary of key findings from audits completed to date follows. Members are reminded that the full redacted reports have been published with the agenda if they require further detail.

### Follow up to the Leavers Process

Audit opinion	Limited
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- 3.2.15 The audit review of Starters and Leavers was finalised in September 2019 identifying one priority 1, four priority 2 and one priority 3 findings. The priority 1 recommendation related specifically to the process to alert all appropriate departments when an officer left the Authority but the updates to this Committee have included the other issues identified such as system access, termination of the security pass and updating the leavers procedures
- 3.2.16 The Leavers priority 1 has been considered by this committee since the first update in October 2019 initially reporting on the progress of the IT solution and an online movement form to update all interested parties. For the November 2020 and March 2021 committee updates, Internal Audit completed sample testing of leavers (LBB and agency officers) to evidence compliance to the leavers procedures, collection of security passes, LBB equipment and for their access to the IT system to be disabled. This sample testing included a phone round to all line managers. The sample testing identified areas of concern that fell outside the scope of the priority 1 follow up but needed to be reported and considered by management. The purpose of the follow up report was to consider those issues.
- 3.2.17 The four findings identified in the follow up report related to:-
- 3.2.18 Keeping active accounts open past the leaving date – in two instances managers had not completed the workforce amendment form to intentionally keep the account open; in one case this was to allow access to an old system and allow business continuity. The other was to allow an agency officer to assist the service on a specific task.
- 3.2.19 Agency engagements open past the leaving date – for two officers their leaving date on the agency system was December 2020 but their actual last day of work was in the May and July. This raised a control issue regarding open assignments and inflated the number of agency assignments
- 3.2.20 Leavers procedures (advice and guidance) – the interviews with managers identified a gap in knowledge with regard to collecting equipment with officers working remotely, accounting for and processing security passes, and the need to review IT user profiles as officers change roles.

- 3.2.21 In respect of business continuity and service delivery, the “out of office” message displayed on Outlook varied in standard and effectiveness. In addition, the workforce amendment form would be the managers opportunity to assign the leavers mailbox, for example, to a replacement officer or to be monitored by the line manager but this had not been utilised.
- 3.2.22 Following the Audit Sub Committee in March 2021, the Chief Executive assigned the leavers process review and resolution of priority 1 issues to the Assistant Director, Performance Management and Business Support, EPP and Head of Policy, Projects and Programmes (CEX) working with HR and IT. Two key documents were developed; the action plan to implement remedial action and a revised leavers procedure to support managers. The four priority 2 recommendations raised in this Leavers follow up report were considered by the project group and the recommendations agreed. The action plan and revised procedures should address the audit issues identified and reported.

	Number of recommendations made	Number of recommendations accepted	Risk accepted but no action proposed
Priority 1	0	0	0
Priority 2	4	4	0
Priority 3	0	0	0

### **Discretionary Business Grants**

Audit opinion	Substantial
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- 3.2.23 In response to Covid-19, the Government announced there would be support aimed at small businesses who were not eligible for the Small Business Grant Fund, the Retail, Leisure and Hospitality Fund or other forms of support, called the Local Authority Discretionary Grants Fund, and this was launched in May 2020.
- 3.2.24 £2.275 m in payments of Local Discretionary Grant were made to businesses. This report sets out our review of the controls put in place by the Housing, Planning & Regeneration Directorate, Finance Directorate, and the Council’s Exchequer contractor for the Local Authority Discretionary Grant Fund process.
- 3.2.25 In line with the eligibility criteria set by the government, businesses that were eligible for cash grants from any central government COVID-19 related scheme were ineligible for funding from the Discretionary Grants Fund. However, businesses that were eligible for the Self-Employment Income Support Scheme or Coronavirus Job Retention Scheme could receive grants under the Local Authority Discretionary Grants Fund. Additionally, only businesses that were trading on 11 March 2020 were eligible for this scheme. Businesses that were in administration, were insolvent or where a striking-off notice had been made were not eligible for funding under this scheme.
- 3.2.26 The Local Discretionary Grant fund was aimed primarily at businesses in shared spaces and with significant fixed property costs, however Local Authorities were given the discretion to prioritise businesses depending on their local economy and to determine which businesses fit their locally-established criteria.



- 3.2.27 On announcement of the financial support schemes, we were consulted by and worked closely with the Housing, Planning & Regeneration Directorate and the Council's Exchequer Contractor advising on the risks and controls to mitigate those risks. We provided advice on interpretation of the eligibility criteria and setting up the application process including appropriate supporting evidence which should be requested for verification. We also provided support in real time on issues that were arising. We also linked with government agencies such as the Government Counter Fraud Function and the Cabinet Office to utilise anti-fraud tools and data sharing to undertake pre-payment checks and validate applicants as these tools and facilities became available. We also carried out significant post-payment assurance work, as would be expected in respect of a new system, introduced at pace, and as expected by central government given the significant public expenditure. We knew the risk of irregular payments was high and that we would not be able to stop all fraud and irregular payments. By scrutinising the payments that we made and who they went to, we could however help to reduce the loss overall to a minimum. Our ongoing work through the National Fraud initiative where we share and match data with other public sector bodies will address any residual risk.
- 3.2.28 A total of 178 payments were made for Local Discretionary grants, totalling £2,275,000.
- 3.2.29 The post payment assurance work and risk assessment which we have carried out has enabled us to place reliance on the effectiveness of the controls and processes put in place by the Housing, Planning & Regeneration Directorate and the Council's Exchequer contractor for the Local Discretionary Grant claims. No cases of potential fraud relating to the Local Discretionary grant scheme were identified. The scheme has now closed.

	Number of recommendations made	Number of recommendations accepted	Risk accepted but no action proposed
Priority 1	0	NA	NA
Priority 2	0	NA	NA
Priority 3	0	NA	NA

### **St Olave's Grammar School Follow Up**

Audit opinion	Reasonable
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- 3.2.30 The overall objective of the audit was to review the 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.
- 3.2.31 Given the audit coverage in previous years, the span of recommendations raised in February 2020 and the Priority 1 updates to Audit Sub Committee in November 2020 and March 2021 it was agreed that this would be a follow up audit review although sufficient testing of controls has been undertaken to allow an audit opinion to be formed.
- 3.2.32 The audit review was completed remotely to comply with Government guidelines prevailing to work from home. The information required for audit examination was scanned and e-mailed by the Finance Manager (FM). The Internal Audit Questionnaire has been revised for 2020/21 to include the impact and response to COVID-19. The questionnaire formed part of the audit review as a self-assessment. As such, the questionnaire, completed by the FM was

certified by the Headteacher and the Chair of Governors to give an adequate assurance that the return was representative of current working arrangements; the certification was independent of the Finance function.

- 3.2.33 This follow up review considered the Internal Audit report issued on 27 February 2020 and the progress made to implement the twelve recommendations. The original audit report identified two priority 1 recommendations relating to Expenditure processes and Financial Management. At the Audit Sub Committee meeting 8 March 2021 Members were advised that the school had satisfactorily progressed both recommendations to be implemented.
- 3.2.34 Of the 7 priority 2 recommendations, 5 relating to HMRC (payments to individuals), Cash Flow, Bank Reconciliation, Petty Cash and Income have been satisfactorily implemented, however the recommendations relating to the Asset Register and Cyber Security are outstanding. Of the three priority 3 recommendations, the two relating to controls accounts (aged creditors and debtors) and the purchase card have been implemented, however the recommendation relating to pecuniary interests is outstanding.
- 3.2.35 The three outstanding recommendations have been re-recommended and one new recommendation was raised for the expenditure process.
- 3.2.36 A sample of 10 payments was selected for audit examination. The main issues arising related to the procurement and project management of one contract, similar issues were identified with the tender to award a second contract. In summary, inadequate planning and preparation was undertaken before the specification was put out to tender. In both cases the tenders received exceeded the budget available. The evaluation completed by the project management and surveying provider recommended to award based on cost, it is not clear if there was any consideration of technical ability, performance or financial viability. The school were advised to complete financial due diligence, but this has not been evidenced for the first contract and as the contractor went into liquidation mid-way through the work, this financial assessment may have been pivotal. It is acknowledged that both contracts were awarded prior to the Head of Finance being appointed in November 2020 and the improvements evidenced in other areas of Financial Management. However, the School Business Manager function has now been split and the responsibility for procurement and contracts transferred to the Premises Manager. Going forward the roles and responsibilities for the one-off projects needs to be clarified and ownership and accountability assigned. The Head of Finance is reviewing the provision of professional services for surveying and project evaluation and will implement a detailed financial risk assessment by an approved Finance company for future projects. The project folders and checklist have been set up and need to be completed to evidence a comprehensive audit trail. The need to seek procurement advice has been discussed and appropriate modules of the contract and compliance training delivered by Corporate Procurement shared with the school. There were minor issues also included in the recommendation; raising a purchase order; completing the IR 35 assessment and checking the invoice to evidence the VAT registration number before payment.

	Number of re-recommendations made	Number of re-recommendations accepted	Risk accepted but no action proposed
Priority 1	0	0	0
Priority 2	2 (1 new)	2 (1 new)	0
Priority 3	1	1	0

## Poverest School

Audit opinion	Reasonable
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- 3.2.37 The overall objective of the audit was to review the 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.
- 3.2.38 The audit review was completed remotely to comply with Government guidelines to work from home. The information required for audit examination was scanned and e-mailed by the Finance Manager (FM). The Internal Audit Questionnaire has been revised for 2020/21 to include the impact and response to COVID-19. The questionnaire formed part of the audit review as a self-assessment. As such, the questionnaire, completed by the FM was certified by the Headteacher and the Chair of Governors to give an adequate assurance that the return was representative of current working arrangements; the certification was independent of the Finance function.
- 3.2.39 Controls were in place and working well for financial management, income, asset management and governance. However, there were five priority 2 recommendations raised relating to the expenditure process (authorised signature list, evaluation of quotes and declaration of interests), IR35, lettings policy, scheme of delegation and assignment of the FMS system administrator role. Three priority 3 recommendations were raised with regard to the contracts register, financial reporting (routine generation of control accounts) and procedures to support the finance function.

	Number of recommendations made	Number of recommendations accepted	Risk accepted but no action proposed
Priority 1	0	0	0
Priority 2	5	5	0
Priority 3	3	3	0

## Troubled Families Claim – Claim 2 March 2021

<b>Audit opinion</b>	<b>The evidence seen by Internal Audit demonstrates that the grant claim conditions have been met for expenditure as at 31<sup>st</sup> March 2021</b>
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- 3.2.40 The Troubled Families Programme is a programme of targeted intervention for families with multiple problems, including crime, anti-social behaviour, truancy, unemployment, mental health problems and domestic abuse.
- 3.2.41 It is led by the Ministry of Housing, Communities and Local Government (MHCLG), 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.

- 3.2.42 For the claim due to be submitted in March 2021 we analysed a random sample of the 215 individual claims for the claim period between 1 October 2020 and 31 March 2021. From our testing we found that there was documented evidence to support that the individual claims sampled met the significant and sustained criteria, enabling a claim to be made.
- 3.2.43 We also checked to confirm that the families in our sample had not been claimed for previously and we identified a claim which had been submitted before, in September 2019. This was notified to the Intelligence & Operations Lead, who removed the claim from the list and added another claim which had been closed and set aside to be claimed for in the next reporting period.
- 3.2.44 Our previous audit work has confirmed that the Early Intervention Team have arrangements in place to identify any claims which have been made previously, prior to submission. On this occasion however, the incorrect submission resulted from a human error. At our request, they completed further checks on the batch of claims and found no evidence of any other duplicate claims. They are confident that they have robust systems in place and will continue to be vigilant going forward. It should be noted that the Troubled Families Programme (renamed recently as the Supporting Families Programme) now allows for 're-claiming' should certain requirements be met.
- 3.2.45 We also confirmed that the total amount claimed for payment by results for the 215 individual claims submitted between the period 1 October 2020 and 31 March 2021 was £172,000.

### **3.3 Priority 1 Follow Up**

#### **3.3.1 Starters and Leavers – Priority 1 update**

- 3.3.2 The audit review of Starters and Leavers finalised in September 2019 reported 1 priority 1 recommendation relating to the notification process for managers to inform IT and other relevant departments of staff leaving the Authority. The responsibility to implement was shared between IT and HR.
- 3.3.3 Previous updates to this Committee reported that the IT solution would be the online form to be held on SharePoint Online. This would allow managers to update the leavers information once and the information to be distributed to all appropriate departments, primarily HR, Payroll and IT but also Facilities Management for access and parking and Finance for Procurement card and authorised signatories.
- 3.3.4 Since the last update in March there has been significant progress to review and improve the leavers process including the launch of the online movement form and training. The Assistant Director, Performance Management and Business Support, EPP (PM&BS EPP) and Head of Policy, Projects and Programmes (CEX) were tasked with developing a Leavers Action Plan in consultation with the Assistant Director &SIRO, IT Services and Head of HR Business, System & Reward. The action plan set out 10 areas for improvement with 36 action points assigned to an action owner, a target implementation date and a ongoing progress to implement that is reported to CLT. The areas of improvement are: -
- removal of leavers from the system in a timely way
  - managers adhering to the leavers process
  - return of LBB property

- oversight of software licences
- application of data and information policy
- agency workers remaining on the system
- update the list of system administrators
- correction of job titles on the system
- loss of corporate memory
- workforce amendment forms

- 3.3.5 The action plan includes the original priority 1 recommendation and the findings identified in the recent Internal Audit follow up report. The action plan was formally agreed at COE on the 30 March and presented at the Managers Briefing on 1 April. Managers were informed that a new policy and procedure was being developed to clarify manager's responsibility with regard to leavers; the need for sufficient handover to allow business continuity; the disablement of system access for all leavers on their last day; to consider the retention of data stored in personal areas; development of a new Information policy to support the move to SharePoint Online; the need to collect LBB equipment and security passes when an officer left.
- 3.3.6 The update to CLT on the 18 May confirms significant progress to implement. The SharePoint Online movement forms went live on the 13 May supported by training sessions for system administrators. There had been 275 system administrators this has now been reduced to one lead and deputy for each department with access to the "leave" function on the new movement form. Additional administrators will be nominated for Children's Social Care, given the size of the department. By limiting the number of system administrators, it allows IT to target training and allow oversight of the leavers process with less officers potentially involved.
- 3.3.7 Since the last committee meeting IT have been reviewing leavers information and quality checking to the Active Directory (AD). Non active officers (agency and LBB) showing on Active Directory that did not match to either Resource Link, HR or the agency system were identified for further investigation and validation from the Directorates. 144 officers were initially identified, and e-mails issued on 16 April to Directors and Head of Service. Management were given 5 working days to respond to IT with a sign off at Director level that the account needed to stay active. No responses were received so all 144 accounts were disabled, 5 follow up emails, all from ASC, were received to reactivate accounts.
- 3.3.8 During the first week of May the IT management team have sampled more than 50% of these accounts to evidence that the account is disabled and confirm that the officer is not showing on the Global Address List.
- 3.3.9 Going forward there will be a monthly report taken from Resource Link and Matrix uploaded to the AD to identify the leavers. The Helpdesk team will access this report and part of end of month procedures will be to disable officers identified as leavers. This check and procedure will be the backup, the primary control is for the managers to inform their system administrators of the need to complete the online movement form.
- 3.3.10 Internal Audit acknowledge the work undertaken by colleagues in IT, HR and the AD PM&BS, EPP and Head of Policy, Projects and Programmes, CEX to progress the leavers process. To comply with our independent reporting and evaluation of priority 1 recommendations a sample of 10 leavers in April and May 2021 (5 agency and 5 LBB officers) was selected to confirm that the leavers process had been followed. For all 5 LBB officers their system access has been disabled and LBB equipment and passes collected. For the 5 agency officers, 2 had been disabled from system access, 2 had been transferred to permanent officer status and therefore still active. For 1 agency officer still showing as active on the

system the line manager confirmed that this placement did not commence, although the leavers report showed a start and end date 3 months later. The system administrator was advised and the account will be disabled via the online leavers form.

- 3.3.11 Given the evidenced progress of the leavers action plan, the draft leavers procedures, the testing and cleansing of data held by IT management, the launch of the online movement form with training and the satisfactory testing by Internal Audit this priority 1 recommendation is considered closed.

### **3.3.12 Highways Maintenance – Priority 1 update**

- 3.3.13 The Review of Highways Maintenance was finalised in October 2019. There were 3 priority 1 recommendations identified and at the previous meeting Members were informed that the recommendation relating to the selection of schemes had been implemented. The two remaining priority 1 recommendations related to the management and delivery of agreed highways scheme and secondly the controls on the widening and reconstruction of vehicle crossovers as part of footway schemes.
- 3.3.14 To review progress to implement these outstanding recommendations Internal Audit have undertaken sample testing to be reported to both the November 2020 and March 2021 committees. For both updates information to support the payment and evidence compliance to the Department's agreed procedure and Financial Regulations was lacking. Sample testing for three additional schemes highlighted concerns with the completeness and quality of supporting documentation for key elements of the ordering, checking and payment process.
- 3.3.15 Prior to the March committee meeting Internal Audit met with the Highways Manager on the 22 February 2021 to confirm the current procedures and outline the information that was outstanding for the schemes selected for audit testing. The information was not submitted to Internal Audit at that time and some information is still outstanding.
- 3.3.16 The information provided so far is insufficient to conclude the audit testing and the two priority 1 recommendations will therefore remain open.
- 3.3.17 At the time of writing this report management are looking to provide the outstanding information required by audit for the sample schemes. Members will be updated at the meeting on the outcome of the audit testing, progress to implement the priority 1 recommendations and the remedial action agreed with management. Dependent on the outcome of this follow up review, an audit of Highways may be planned for inclusion in the next year's Audit plan to ensure ongoing compliance with departmental procedures and Financial Regulations.

### **Work on additional Certification of Grants**

- 3.3.18 Members will be aware that alongside our normal workload, the government have made a condition of certain grants both Covid and Non- Covid, that they are certified (by the Chief Internal Auditor and Chief Executive) that the terms and conditions of the grant are complied with. In some cases, we are not aware of these until the last moments. Where we are aware, we try to plan accordingly so that we can meet those conditions. We are therefore doing preliminary work in order to achieve deadlines. A summary follows:

**Disabled Facilities Capital Grant (DFG) Determination 2020-21 [31/5037] - £2,152,696**  
**Disabled Facilities Capital Grant (DFG) Determination 2020-21 [31/5267] - £289,868**

- 3.3.19 During 2020/21, two tranches of DFG funding were received: £2,152,696 in May 2020 as per determination 31/5037 and £289,868 in December 2020 as per Determination 31/5267. As in previous years, the Chief Executive or Chief Internal Auditor are required to certify to the

Ministry of Housing, Communities and Local Government (MHCLG), no later than 31<sup>st</sup> October 2021 that:-

- 3.3.20 “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 Disabled Facilities Capital Grant Determination (2020-21) No [31/5037] and [31/5267] have been complied with”.
- 3.3.21 Whilst this workstream is programmed for quarter two, discussions were held with the Group Manager, Housing Improvement, prior to his retirement. Based on these discussions and a high level review of the records held at that time, indications are that the conditions of the grant determination are being met. Spend will, however, have been below budget within the 2020/21 Financial Year, with work restricted at the beginning of the year by Covid-19. Work continues, with schemes approved for completion in the current year.

**Local Authority Community Testing Funding Grant Determination 2020/21 [31/5301] (Revenue Ringfenced) - £228,900 and £457,800**

- 3.3.22 On 11th January 2021, the Department of Health and Social Care (DHSC) advised by E mail of the Local Authority Revenue Ringfenced Community Testing Funding Grant Determination (2020/21) No: [31/5301]. Annex A of the document confirmed that Bromley’s allocation was £228,900 (first payment) and £457,800 (second payment). The purpose of grant was to ‘provide support to the Local Authority towards expenditure lawfully incurred or to be incurred in relation to Community Testing in response to the COVID-19 outbreak’.
- 3.3.23 As reported to Audit Sub Committee on 9th March 2021, an interim declaration by the Chief Internal Auditor and the Chief Executive was requested by the DHSC on 26<sup>th</sup> January, with a 48 hour timescale for receipt, confirming that:-
- 3.3.24 “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 Local Authority Test and Trace Service Support Grant Determination 2020/21: No 31/5301 have been complied with as detailed in the Grant Determination letter dated 30 December 2020”. The timescale was achieved, with the testing completed within one working day.
- 3.3.25 The conditions attached to the Grant funding state sign off requirements as ‘with timings in line with normal MHCLG reporting processes’ therefore further testing will be carried out at the end of the scheme, or as directed by the DHSC to ensure continued compliance with the grant conditions. We are not clear at this stage as to exact timings.

**HIV pre-exposure prophylaxis (PrEP) grant determination 2020 to 2021 [31/5179] - £52,330**

- 3.3.26 On 25th September 2020, the Department of Health and Social Care (DHSC) advised by E mail of the HIV pre-exposure prophylaxis (PrEP) grant determination 2020 to 2021 No: [31/5179]. Annex A of the document confirmed that Bromley’s allocation was £52,330.00. The purpose of the grant was to fund additional service costs associated with provision of HIV PrEP.
- 3.3.27 Part of the sign off process for the funding is that the Chief Executive/Chief Finance Officer is required to state in a Statement of Grant usage, submitted by 30th June, whether ‘he or she has received an audit opinion from the authority’s Chief Internal Auditor that he can provide reasonable assurance that the statement of grant usage, in all material respects, fairly presents the eligible expenditure in the period 1 April 2020 to 31 March 2021 in accordance with the definitions and conditions in this determination’

3.3.28 Testing for this workstream has now been completed and submitted for review.

**Revenue Grant Determination (Ringfenced) Local Authority Covid-19 Test and Trace Services Support Grant Determination 2020/21 [31/5075] - £1,369,923**

- 3.3.29 On 10th June 2020, the Department for Health and Social Care (DHSC) advised of the Revenue Grant Determination (Ringfenced) Local Authority Covid-19 Test and Trace Services Support Grant Determination 2020/21 No: [31/5075]. Annex A of the document confirmed that Bromley's allocation was £1,369,923. The purpose of the grant was to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred in relation to the mitigation against and management of local outbreaks of COVID-19
- 3.3.30 The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the Public Health Policy and Strategy ([publichealthpolicyandstrategy@dhsc.gov.uk](mailto:publichealthpolicyandstrategy@dhsc.gov.uk)) of the Department for Health and Social Care a declaration, confirming that:-
- 3.3.31 "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 Local Authority Test And Trace Service Support Grant Determination 2020/21: No 31/5075 have been complied with".
- 3.3.32 The conditions attached to the Grant funding state sign off requirements as 'with timings in line with normal MHCLG reporting processes' therefore testing will be carried out at the end of the scheme, or as directed by the DHSC to ensure compliance with the grant conditions. Again, we are not yet certain of the timings on this.

**3.4 Publication of Internal Audit Reports**

- 3.4.1 Since the last cycle of this Committee, we have published 5 redacted final reports, listed in the table below.

AUDIT	OPINION
Leavers Process	Limited
Poverest School	Reasonable
St Olave's Follow Up	Reasonable
Discretionary Business Grants	Substantial
Troubled Families Claim (March 21)	The evidence seen by Internal Audit demonstrates that the grant claim conditions have been met



### 3.4.2 For current definitions of audit opinions, see below:-

Assurance Level	Definition
<b>Substantial Assurance</b>	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
<b>Reasonable Assurance</b>	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
<b>Limited Assurance</b>	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
<b>No Assurance</b>	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

### 3.4.3 We have also carried out the following

- Fraud and investigations work – 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. Internal Audit also attend working groups to advise on system controls and good practice.
- Monitoring/authorisation role for the Greenwich Fraud partnership.
- Committee work.
- Internal Liaison with the Corporate Leadership Team/COE; Directorate Management Teams and Corporate Risk Management Group.
- External liaison with the London Audit Group, and our External Auditors

## 3.5 Risk Management

- 3.5.1 It was agreed by the Committee that risk registers would be reviewed at least six monthly, updated and reported first to Audit Sub Committee and then to the respective PDS Committees. Risks marked as 'Red' (High) are presented to every other meeting of the relevant PDS committee for noting.
- 3.5.2 Since the last meeting of the Audit Sub Committee on 9<sup>th</sup> March 2021, one key amendment has been made to the Corporate Risk Register, by way of the deletion of the 'Potential detrimental impact of BREXIT upon service delivery' risk with individual departments affected by any aspect of the Brexit agreement managing the risk on an individual service basis and recording in the Departmental Risk Register as appropriate.
- 3.5.3 During 2020/21, the Corporate Risk Management Group met twice (September 2020 and January 2021), undertaking its usual programme of scrutiny. The 2021/22 cycle commenced with the meeting of 26<sup>th</sup> April 2021. The current risk registers are attached at Appendices B1 to B9.

### **3.6 Waivers**

- 3.6.1 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.
- 3.6.2 The Assistant Director Governance and Contracts (AD G&C) has written and issued a series of practice notes related to the information and actions stipulated by the Contract Procedure Rules. Practice note 1 issued to all contract owners included a section on waivers:-
- 3.6.3 *Waivers (extensions, variations, exemptions) – Contract Owners need to report these to Audit Sub bi-annually where they are over £50k. Make sure you are recording these so you can pass the information to Internal Audit upon request, who then make the report to Audit Sub on your behalf.*
- 3.6.4 For this committee cycle, the Assistant Director Governance and Contracts (AD G&C) generated a report from the Contract Database and the Procurement Board Planner to identify contracts that met the criteria for the period October 2020 to March 2021. For this cycle, Internal Audit have not completed the usual validation checks on supporting documentation due to current resource pressures. However, the AD G&C confirmed the governance procedures for each entry, except where indicated.
- 3.6.5 The waivers detailed at Appendix C meet the criteria to be reported to Audit Sub Committee. 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.

### **3.7 External Audit Update**

#### **Progress and Update on the 2019/20 and 2020/21 accounts:**

- 3.7.1 The external audit of the 2019/20 accounts is ongoing. Members have previously been advised of significant issues in relation to the accounting and valuation of Property, Plant & Equipment and Investment Properties, which will require the accounts to be amended including a prior period adjustment. The current focus of external audit work concerns the methodology used to value Investment Properties and discussions are continuing between the external auditor and the Council's valuer to resolve this and determine whether the methodology needs to be revised and the valuations of Investment Properties amended accordingly.
- 3.7.2 Work is underway to close the Council's main accounts and pension fund for 2020/21. A timetable for the audit has yet to be confirmed with the external auditor.

#### **Update on Electors Objections:**

- 3.7.3 The Council has objections outstanding for three years of account. No objections were received in relation to the 2019/20 accounts and the inspection period is now closed. For the 2016/17 and 2017/18 objections, officers are in regular contact with KPMG to discuss resolving this matter as soon as possible. KPMG has recently requested further information from the Council to inform its review and officers are collating and passing their response back to KPMG. Once KPMG has concluded its work, it will report the outcome to officers. There are four potential options available to KPMG:

- Considering if there is an unlawful item of account that they need to ask the court to consider
- Issuing a report in the public interest on this matter
- Reporting on this matter with recommendations for Council action (these could be statutory recommendations under the Local Audit and Accountability Act)
- Taking no action and dismissing the objection

3.7.4 Subsequently, EY will consider the objection received in relation to the 2018/19 accounts, informed by the conclusions that KPMG has made. Whilst outstanding, the objections prevent the external audits for those years from being formally concluded and a completion certificate being issued.

### **Audit Fees**

3.7.5 Whilst our external auditor, EY, has produced an audit plan for 2019/20, the audit fee has yet to be agreed. PSAA has set a fee of £91,689, whilst EY has proposed a fee of £188,271. The Director of Finance has asked PSAA to review EY's proposed fee and it is hoped this will lead to agreement on a revised figure. EY has yet to issue its plan for 2020/21, including the proposed fee for this period.

### **Redmond Review Government Update**

3.7.6 The MCHLG has published the update report that was promised in the Government's December response to Sir Tony Redmond's Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting.

3.7.7 A copy of the report is available on Gov.uk at the following link:  
<https://www.gov.uk/government/news/government-publishes-update-to-audit-review-response>

3.7.8 The report provides an update on progress implementing the Government's response to the Redmond Review, including on the delivery of measures to support immediate market stability and towards implementation of Sir Tony's other recommendations. In particular, the report sets out the Government's views on systems leadership for local audit.

3.7.9 The Government agrees that a clearly accountable system leader with overarching responsibility is needed to make sure the local audit framework operates in a coherent and joined up manner, however they do not believe a new arm's length body is needed to achieve this. The update report sets out the Government's view that the new Audit, Reporting and Governance Authority (ARGA), being established to replace the Financial Reporting Council (FRC), as part of BEIS's broader corporate audit reforms, would be best placed to take on this role.

3.7.10 The FRC already undertakes the core functions relating to the audit quality framework necessary for a single responsible body to have. Establishing ARGA as system leader for the local audit framework will, the MCHLG says also ensure alignment with, and harness the positive impact of, the broader audit reforms in train.

3.7.11 To ensure the new regulator acquires the necessary focus and expertise on local audit, a standalone unit will be established within ARGA. The Code of Audit Practice will transfer from the National Audit Office to ARGA, however the latest Code, which includes the new Value for Money commentary, will be retained. ARGA will not conduct procurement or contract management as this could create a conflict of interest. Therefore, the new arrangements will encompass a separate appointing body, in which role PSAA will be reconfirmed, with commercial support from MHCLG for the next procurement.

- 3.7.12 As the proposed reforms to the local audit framework will take time, MHCLG will take an increased leadership role in the interim, including setting up and chairing the Liaison Committee of key stakeholders which Sir Tony Redmond recommended be created.
- 3.7.13 The Government intends to launch a public consultation on the proposals ahead of summer recess. With regard to other key aspects of the Redmond Review of particular interest to this Committee the Government's latest position is as follows:

<p>4. The governance arrangements within local authorities be reviewed by local councils with the purpose of:</p> <ul style="list-style-type: none"> <li>• an annual report being submitted to Full Council by the external auditor;</li> <li>• consideration being given to the appointment of at least one independent member, suitably qualified, to the Audit Committee; and</li> <li>• formalising the facility for the CEO, Monitoring Officer and Chief Financial Officer (CFO) to meet with the Key Audit Partner at least annually.</li> </ul>	<p><b>Accept;</b> we will work with the LGA, NAO and CIPFA to deliver this recommendation</p>	<p><b>In progress.</b></p> <ul style="list-style-type: none"> <li>• We committed to working with stakeholders, including the LGA, NAO and CIPFA, to deliver this recommendation. We have established a working group to deliver this recommendation, which is currently considering proposals to deliver it and we will provide an update ahead of summer recess.</li> <li>• This includes consideration of new guidance developed with the stakeholders listed above, as well as the ICAEW and PSAA Ltd, and local bodies and audit firms.</li> </ul>
<p>9. External Audit recognises that Internal Audit work can be a key support in appropriate circumstances where consistent with the Code of Audit Practice.</p>	<p><b>Accept;</b> we will work with the NAO and CIPFA to deliver this recommendation</p>	<p><b>In progress.</b></p> <ul style="list-style-type: none"> <li>• We committed to working with stakeholders, including the LGA, NAO and CIPFA, to deliver this recommendation. We have established a working group to deliver this recommendation, which is currently considering proposals to deliver it and we will provide an update ahead of summer recess.</li> <li>• This includes consideration of new guidance developed with the stakeholders listed above, as well as the ICAEW and PSAA Ltd, and local bodies and audit firms.</li> </ul>
<p>12. The external auditor be required to present an Annual Audit Report to the first Full Council meeting after 30 September each year, irrespective of whether the accounts have been certified; OLAR to decide the framework for this report.</p>	<p><b>Accept;</b> we will work with the LGA, NAO and CIPFA to deliver this recommendation, including whether changes to statute are required</p>	<p><b>In progress.</b></p> <ul style="list-style-type: none"> <li>• We committed to working with stakeholders, including the LGA, NAO and CIPFA, to deliver this recommendation. We have established a working group to deliver this recommendation, which is currently considering proposals to deliver it and we will provide an update ahead of summer recess.</li> <li>• This includes consideration of new guidance developed with the stakeholders listed above, as well as the ICAEW and PSAA Ltd, and local bodies and audit firms.</li> </ul>
<p>18. Key concerns relating to service and financial viability be shared between Local Auditors and Inspectorates including Ofsted, Care Quality Commission and HMICFRS prior to completion of the external</p>	<p><b>Accept;</b> we will work with other departments and the NAO to deliver this recommendation</p>	<p><b>In progress.</b></p> <ul style="list-style-type: none"> <li>• We committed to working with stakeholders, including the LGA, NAO and CIPFA, to deliver this recommendation. We have established a working group to deliver this recommendation,</li> </ul>

auditor's Annual Report.		<p>which is currently considering proposals to deliver it and we will provide an update ahead of summer recess.</p> <ul style="list-style-type: none"> <li>• This includes consideration of new guidance developed with the stakeholders listed above, as well as the ICAEW and PSAA Ltd, and local bodies and audit firms.</li> </ul>
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#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1 The content of this report will have implications for both adults and children in respect of audits that will be undertaken in both Adult and Children's Services

#### **5. POLICY IMPLICATIONS**

None

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 Some of the findings identified in the audit reports will have financial implications

#### **7. PERSONNEL IMPLICATIONS**

- 7.1 Where appropriate and following a reasonable management investigation, a disciplinary process may be initiated in response to poor practices or/and misconduct.

#### **8. LEGAL IMPLICATIONS**

- 8.1 Under section 1 of the Local Government Act 1972, the authority is required to make proper arrangements in respect of the administration of its financial affairs.
- 8.2 The provisions of the Accounts and Audit Regulations 2015 require the Council to maintain an adequate and effective Internal Audit Function.

#### **9. PROCUREMENT IMPLICATIONS**

- 9.1 The content of this report includes planned audits that will have implications for procurement relating to contract procedure rules, financial regulations and Value for Money issues.

<b>Non-Applicable Sections:</b>	Policy
Background Documents: (Access via Contact Officer)	None

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Priority 1 list - June 2021

Appendix A

Report Number/Date	Title	Opinion	No. of Priority Ones	Details of original Recommendation	Responsible Officer	Lead Officer	Comments
<b>ECS/2/2018/AU</b>  <b>Finalised 2nd October 2019</b>	<b>Review of Highways Maintenance</b>	Limited	3 20/s	1) Management of the delivery of agreed Highways Investment schemes for both carriageway and footways including written procedures, ordering, variations, documentation to support inspections and confirmation to remedy defects before payment. 2) Reconstruction of vehicle crossovers as part of footways schemes should be supported by written procedure notes, documentation for each job including request form, date of instruction and inspection report when completed. Income to be reconciled to reconstructions invoiced.	Director of Environment and Public Protection	Assistant Director Highways	See Progress Reports October 2019, February 2020, July 2020, November 2020 and March 2021  See Progress Report June 2021
<b>CEX/03/2018/AU</b>  <b>Finalised 29th May 2020</b>	<b>Review of Controls to Mitigate the Risk of ICT System Failures</b>	Limited	1	Management should ensure that :- -The replacement of the electrical mains and generator control is completed by the TFM contractor as soon as possible - A review of the process to escalate outstanding job requests to Amey in a timely and formal manner is undertaken -The roles and responsibilities with regard to the electrical supply on the Civic Centre site and the need to mitigate the risk of system failure and loss of data is clarified.	Director of Corporate Services	Head of Information System Services  Senior Property Manager	July 2020 See Part II Report  November 2020 See Part II Report  March 2021 See Part II Report  June 2021 See Part II Report

Report Number/Date	Title	Opinion	No. of Priority Ones	Details of original Recommendation	Responsible Officer	Lead Officer	Comments
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The following P1 recommendations have been implemented :  
 Starters and Leavers - see Progress Report



**Risk Assessment Guidance**

Likelihood	Almost Certain (5)	5	10	15	20	25	15+	High Risk - review controls and actions every month
	Highly likely (4)	4	8	12	16	20	10 - 12	Significant Risk - review controls and actions every 3 months
	Likely (3)	3	6	9	12	15	5 - 9	Medium Risk - review controls and actions every 6 months
	Unlikely (2)	2	4	6	8	10	1 - 4	Low Risk - review controls and actions at least annually
	Remote (1)	1	2	3	4	5		
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)	Impact	

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

Risk Impact Key					
Risk Impact	Score - 1 Insignificant	Score - 2 Minor	Score - 3 Moderate	Score - 4 Major	Score - 5 Catastrophic
<b>Compliance &amp; Regulation</b>	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
<b>Financial</b>	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
<b>Service Delivery</b>	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)
<b>Reputation</b>	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
<b>Health &amp; Safety</b>	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 B2

DATE COMPLETED:										20/04/2021			
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
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
1	Corporate Risk	Failure to deliver a sustainable Financial Strategy which meets with BBB priorities and failure of individual departments to meet budget	<p><b>Cause(s):</b></p> <p>1. The 2021/22 Draft Budget report to Executive identified the need to reduce the Council's 'budget gap' of £14.1m per annum by 2024/25. The Council received a one-year financial settlement for 2021/22, which creates uncertainty on funding levels for future years.</p> <p>2. The fundamental review of local government funding through the Fair Funding Review and Business Rate review has been delayed until at least 2022/23 which adds to financial uncertainty in considering the impact on the financial forecast for 2022/23 to 2024/25. A significant challenge to the future year's financial position relates to the ongoing impact of the Covid 19 situation and the uncertainty relating to the cost implications of the 'new normal'. Further details are included in the Draft 2021/22 Budget and Update on the Council's Financial Strategy 2021/22 to 2024/25 report to Executive on 13th January 2021. It is not clear whether local authorities will be fully compensated for the Covid 19 impact from Government.</p> <p>3. Failure to meet departmental budgets due to increased demand on key services resulting in overspends: Housing (homelessness and cost of bed and breakfast); Adult Social Care (welfare reform and ageing population); Children's Social Care, Education (central costs), Waste (growing number of households) and limited delivery of planned mitigation savings .</p> <p>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 pressures not being met.</p> <p>5. Dependency on external grants to fund services (schools and housing benefits are ring-fenced) - effect if grant reduces (Public Health services) or ceases.</p> <p>6. The new national living wage will have cost implications to the Council over the next few years (e.g. care providers and carers).</p> <p>7. Local government may be required to take on new funding responsibilities in the future without adequate funding.</p> <p>8. Impact of welfare reforms and the phased roll out of Universal Credit.</p> <p>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).</p> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Increased overspends in particular services</li><li>- Council unable to carry out its statutory duties due to services cuts</li><li>- Reputational damage</li></ul>	Finance  Financial	5	5	25	<ul style="list-style-type: none"><li>- Regular update to forward forecast</li><li>- Ongoing monitoring of impact of COVID situation and trends re 'new normal'</li><li>- Regular analysis of funding changes and new burdens particularly on Covid situation and full year impact</li><li>- Early identification of future savings required</li><li>- Transformation options considered early in the four year forward planning period</li><li>- Budget monitoring to include action from relevant Director to address overspends including action to address any full year additional cost</li><li>- Mitigation of future cost pressures including demographic changes</li><li>- Quarterly review of growth pressures and mitigation</li><li>- Continue to progress with opportunities for the Transformation Reviews towards meeting future years' budget gap.</li></ul>	4	5	20	The Council continues to explore transformation opportunities to help meet the ongoing budget gap	Director of Finance
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><b>Cause(s):</b></p> <p>1. Difficulty in achieving rapid change in a system as complex as health and social care.</p> <p>2. Rising social care costs due to ageing population and people living longer with increasing complex needs.</p> <p>3. Difficulties with agreeing budgets (given likely funding reductions going forward), complex governance arrangements, and workforce planning.</p> <p>4. Need to focus on collaborative working (cultural differences).</p> <p>5. 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.</p> <p>6. 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> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Failure to deliver statutory duties</li><li>- Failure to achieve our Building a Better Bromley priorities.</li></ul>	Health and Social Care Integration  Contractual and Partnership	2	3	6	<ul style="list-style-type: none"><li>- A draft 2020 integration plan for health and social care integrated service delivery and commissioning across the borough was developed by May 2018 by Education, Care and Health Services and the Bromley Clinical Commissioning Group</li><li>- Continued work with health partners to deliver the main transformation programmes e.g. Bromley Well and the transformation of prevention</li><li>- Building on the work already delivered through S75 agreement with Oxleas 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.</li><li>- 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)</li></ul>	2	3	6		Director of Adult Services
4	Corporate Risk	Failure to manage change and maintain an efficient workforce to ensure that BBB priorities are met	<p><b>Cause(s):</b></p> <p>1. The on-going need to reduce the size and change the shape of the organisation to secure priority outcomes within the resources available.</p> <p>2. Having the right people in place by implementing effective recruitment and retention strategies.</p> <p>3. 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).</p> <p>4. Disruption while services realigned and staff appointed to new structure.</p> <p>5. Increasing demands and pressures on remaining staff given increased customer expectation levels, could lead to morale issues.</p> <p>6. Increased potential for internal controls to be bypassed due to flatter reporting structure.</p> <p>7. Lack of capacity to lead projects / manage change agenda and consequent ability to respond to change initiatives and the achievement of outcomes and benefits.</p> <p>8. Potential future shortage of professionally qualified practitioners in key areas, particularly around the Safeguarding agenda.</p> <p>9. 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.</p> <p>10. Adverse industrial relations climate with individual and collective grievances including trade disputes with the unions, causing some disruptions to vital Council services.</p> <p>11. Increasing number of employment tribunal cases causing financial and administrative inconveniences.</p> <p>12. Having the right buildings and facilities to support fewer, more professional, differently organised staff.</p> <p>13. 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).</p> <p>14. Adequacy of consultation on issues that affect residents across the borough i.e. re-organisation of libraries, Biggin Hill expansion.</p> <p>15. Adverse external audit comment and resulting ratings in relation to 'excellent in the eyes of local people'.</p> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Skill gaps</li><li>- Deterioration of service quality through loss of experienced staff</li><li>- Disruption while services are realigned</li><li>- Weaker internal controls</li><li>- Lack of capacity to lead on projects / initiatives</li></ul>	Organisational Change  Personnel	4	2	8	<ul style="list-style-type: none"><li>- Continuously address the recruitment and retention of key individuals in critical posts.</li><li>- Effective succession planning and grow your own initiatives, and using the Apprenticeship Levy to address recruitment challenges in the medium-long term</li><li>- Ensure the organisation has the HR capacity and employment law expertise to manage change.</li><li>- Address the transformational and transitional capabilities (including leadership) required for a successful commissioning journey/process.</li><li>- Provide adequate resources to support and improve staff engagement and communications.</li></ul>	4	2	8		Director of Human Resources and Customer Services
5	Corporate Risk	Ineffective governance and management of contracts	<p><b>Cause(s):</b></p> <p>1. Ensuring client side staff have the necessary training and skills to manage and monitor contracts.</p> <p>2. Ensuring effective communication channels between client and provider to ensure contract compliance.</p> <p>3. Need for monitoring officers to check quality of outsourced services and customer satisfaction levels.</p> <p>4. Lack of understanding of the contract deliverables.</p> <p>5. Short cuts in procurement processes e.g. extending contracts rather than retendering.</p> <p>7. Compatibility of different systems and availability of IT support.</p> <p>8. Failure of a contractor / partner / provider to maintain agreed service levels resulting in an interruption to or deterioration of service delivery.</p> <p>9. Potential for operational errors / omissions by contractors (responsibility remains with LBB).</p> <p>10. Managing customer expectations and dealing with complaints where there are failures.</p> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Financial losses</li><li>- Service disruptions</li><li>- Provider fails to maintain agreed service levels routinely</li><li>- Increased resource to handle and manage complaints / customer expectations</li><li>- Failure to achieve our Building a Better Bromley priorities.</li></ul>	Contract Management  Contractual and Partnership	3	4	12	<ul style="list-style-type: none"><li>- Contract Procedure Rules and regular Practice / Guidance notes to all Contract Owners</li><li>- Review of contract management and contract monitoring controls including any issues identified by internal audit</li><li>- Contracts Database and Quarterly Contracts Database Report to all relevant Committees</li><li>- Procurement Board oversight</li><li>- Member scrutiny including regular Contract Monitoring Reports for £500k+ contracts</li><li>- Regular programme of training delivery to staff</li><li>- Quarterly Contract Owners meetings</li></ul>	3	4	12	<ul style="list-style-type: none"><li>- Contract Management guidance on toolkit to be reviewed</li><li>- Review of Contract Procedure Rules</li><li>- Ongoing training delivery</li><li>- Improve compliance with annual Contract Monitoring Requirement</li></ul>	Service Directors supported by Assistant Director, Governance and Contracts
6	Corporate Risk	Failure to maintain and develop ICT information systems to reliably support departmental service delivery	<p><b>Cause(s):</b></p> <p>1. Need to ensure that Information systems are fit for future business purpose.</p> <p>2. Capacity and skill within Corporate ICT to maintain and support systems during a period of significant change and in the future.</p> <p>3. Increasing reliance on stability of ICT infrastructure in all areas of the Council (Lync telephony service).</p> <p>4. Council website now a major channel for the delivery of services (Pay for it, Apply for it, Report it).</p> <p>5. Adequacy of information governance data protection rules to ensure the confidentiality, integrity and availability of information assets.</p> <p>6. IT failure impacting on critical operational systems.</p> <p>7. 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.</p> <p>8. Transfer of IT contract to new ICT 3rd party supplier.</p> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Service disruptions</li><li>- Inability to access key systems</li><li>- Reputation damage</li><li>- Inability to support organisation change and savings targets</li><li>- Failure to achieve our Building a Better Bromley priorities.</li></ul>	ICT  Data and Information  Technological	3	2	6	<ul style="list-style-type: none"><li>- Transfer of IT contract to new BT in 2016 to give greater resilience. Robust backup arrangements</li><li>- Enhanced antivirus/cyber security. tested system restoration arrangements.</li></ul>	3	2	6	<p>Review data storage /hosting arrangements. Carry out at least 4 gateway reviews for major systems.</p> <p>Increase stability of ICT infrastructure including Lync.</p>	Director of Corporate Services

Corporate Risk Register - Appendix B2

											DATE COMPLETED:		20/04/2021
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
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
7	Corporate Risk	Failure to maintain robust Business Continuity and Emergency Planning arrangements	<b>Cause(s):</b> 1. Unavailability of Council offices / depots due to explosion, fire flood or police cordons around Council buildings 2. Operational emergencies due to severe weather conditions, fire, or major incident. 3. 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). 4. Loss of key business systems due to power problems or system failure. 5. Inadequate IT disaster recovery arrangements leading to dislocation of Council services. 6. Sustained industrial action affecting key services. 7. Lack of Business Continuity Plan testing. 8. Adequacy of contractor's business continuity plans. 9. Shortage of staff to deliver key services in the event of a flu pandemic or similar <b>Effect(s):</b> - 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  Physical  Reputational	4	3	12	- Business Continuity Plans - Emergency Planning procedures	4	3	12	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 fall back sites, where there may be a number of departments using the same scarce resource.  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.  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.  To continue to provide a resilient out of hours service to Emergency Planning by having Trained contactable volunteers.	Director of Environment and Public Protection
8	Corporate Risk	<b>Failure to deliver effective Children's services</b> 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	<b>Cause(s):</b> 1. Local authority response to Bromley's Safeguarding Children's Board following Wood Review. <b>Effect(s):</b> - Impact on Life chances and outcomes for children	Children's Social Care  Legal, Reputational	3	5	15	- Multi Agency Bromley Children's Safeguarding Board (BCSB) Training programme 2019 to be set - Dedicated HR programme of support in place to recruit social workers to front line posts - Scrutiny 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 - Quality Assurance Audit Programme Phase3 - Children's Services Practice Improvement Board to commence April 2019 to deliver Ofsted and local authority recommendations - 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	- Ofsted validation - report published 7th January 2019 - Phase 3 - 'to excellence' plan in development	Director of Children's Services
9	Corporate Risk	<b>Temporary Accommodation</b> Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homeless budgets	<b>Cause(s):</b> 1. Changes in government funding 2. Rising numbers of placements (approx. 20 per month). <b>Effect(s):</b> - 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  Social	5	4	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 - New incentive campaign for private sector landlords embedded and benefits being realised	4	4	16	- Housing Transformation Board progressing projects to increase cost effective temporary accommodation and affordable housing supply. Member approval to be sought in May 2019. - Transformation Board action plan in place for next 3-4 years. - 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. - Implement Intake and Early Intervention service to meet Homelessness Reduction Act - Complete tender process for modular homes supplier for temporary accommodation	Director of Housing, Planning and Regeneration
11	Corporate Risk	Failure to deliver the Transforming Bromley Programme	<b>Cause(s):</b> 1. Failure to identify and put forward sufficient transformation proposals to deliver the quantum of savings required by 2022/23 2. Failure to deliver appropriate mitigation of existing projected growth pressures within the financial forecast 3. Failure to appropriately resource each Transforming Bromley workstream with sufficient project support and subject matter expertise to enable the identification of proposals 4. Insufficient management oversight and governance arrangements to shape the delivery of proposals to enable Member decision making and inform budget setting for each financial year 5. Insufficient consultation and engagement with relevant stakeholders to ensure the successful delivery of proposals. <b>Effect(s)</b> - Inability to address the Council's budget gap of £14.1m per annum by 2024/25 - Unable to meet key commitments of the Medium Term Financial Strategy	Finance  Financial	4	5	20	1. Robust governance process: fortnightly meetings of the Transformation Board, chaired by the Chief Executive and attended by Chief Officers 2. Each Transformation Board workstream attends the Transformation Board twice before proposals are reviewed by Cabinet/Directors, Group, PDS Committees and the Executive. 3. Each Transformation Programme Board has its own Project Manager and additional Transformation Leads are brought in to support the successful delivery of proposals 4. Communications Plan will be in place to enable the successful engagement with Members, staff and partners as needed 5. Where transformation proposals have public law implications, an appropriate assessment will be carried out and stakeholders will be engaged. 6. Each Chief Officer will give an standing item update at their respective PDS Committee(s) on the Transforming Bromley Programme 7. Transformation Fund to support the successful delivery of transformation proposals subject to a suitable business case being provided 8. A review of core statutory minimum service requirements will enable each service area to identify where potential savings could be and to evidence that where discretionary services are delivered, they are done so on a cost-recovery basis and/or they reduce long-term dependency on higher levels of statutory intervention which generate longer term growth pressures for the Council 9. All proposals will be submitted to the Executive to inform budget setting for 2020/21.	3	5	15	In the event that the Transformation Programme fails to support the successful identification of the required quantum of savings to address the Council's underlying budget gap by 2023/24, the Council will still be legally required to deliver a balanced budget as set out in the Local Government Finance Act 1988.  As part of the Transformation Programme, the Chief Executive, the Section 151 officer and the senior leadership team have reviewed the delivery of discretionary services across the organisation and this has informed the development of the Transformation Programme workstreams. They will, therefore, report to Members on this review and other administrative decisions in order to meet the statutory requirement for a balanced budget. If funding reductions remain and growth/cost pressures continue, these decisions are likely to have an impact on the delivery of services to our residents and service users	Chief Executive

Corporate Risk Register - Appendix B2

										DATE COMPLETED:		20/04/2021	
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
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
12	Corporate Risk	Impact of COVID-19 pandemic on service delivery	<p><b>Cause(s)</b></p> <p>1. Potential for Increased staff absence rate amongst LBB employees and contractors</p> <p>2. Difficulty in conducting Business as Usual due to pandemic and Government restrictions</p> <p>3. Increased workloads, in key defined critical services</p> <p>4. Provision of new ways of working requiring redeployment of staff</p> <p>5. Reduction in Council funds through reduced income, higher expenditure or longer term Government fiscal policy</p> <p>6. Challenging staff/trade union relationships</p> <p>7. Loss of funded posts in key areas</p> <p>8. Adopted the Department for Work and Pensions' (DWP) "Trust and Protect" principles which enabled residents in receipt of Housing Benefit to submit information and evidence via email.</p> <p><b>Effect(s)</b></p> <p>- Reduction in provision of services across the Local Authority</p> <p>- Impact upon delivering statutory responsibilities</p> <p>- Difficulty with staff deployment and associated contractual issues</p> <p>- Damage to Council's reputation</p> <p>- Impact upon employees' mental health and well being</p> <p>- Impact on the delivery of the Transformation Programme 2020/23</p> <p>- Unable to address the Council's budget gap of £14.1m per annum by 2024/25</p> <p>- Infection of staff volunteering on community testing/vaccination programmes during the pandemic</p>	Corporate	5	4	20	<p>- Strategic and Tactical Coordination Groups established</p> <p>- Meeting and reporting structures in place</p> <p>- Decision making process streamlined</p> <p>- Action taken to mitigate surge in identified critical services</p> <p>- Effective partnership working to collectively mitigate risks</p> <p>- Overarching command and control structure for London Local authorities in place</p> <p>- Effective communication strategy and delivery in place</p> <p>- Preparations for a phased return to work in place</p> <p>- Effective partnership arrangements in place with voluntary sector and communities</p> <p>- Mutual aid agreement in place across the South East Boroughs</p> <p>- Regular dialogues and communications with staff and their representatives</p> <p>- Adoption of financial relief measures offered by Government</p> <p>- Continued lobbying of Government in relation to local financial impact</p> <p>- HR processes refined and in place to support staff</p> <p>- Experience gained during first wave of pandemic</p> <p>- Development of an Outbreak Control plan including track and trace capability</p> <p>- All documentation submitted by vulnerable claimants under the Trust and Protect principles would be reviewed once visits could resume. Any incorrect documentation which had been submitted which resulted in an overpayment would be subject to recovery.</p> <p>- Risk assessments and following public health guidance/PPE/vaccination etc</p>	5	3	15	<p>- Continued preparations for anticipated second wave</p> <p>- Implementation and monitoring of recovery plans</p>	Chief Officers Executive

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## Adult Care and Health Risk Register - Appendix B3

Q3 2020/21

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		
					LIKE	LIHO	OD	IMPA	CT		RISK	RATI	NG	LIKE	LIHO			OD	IMPA
1	All	Failure to deliver Financial Strategy	<p><b>Cause(s):</b></p> <ul style="list-style-type: none"><li>- Continual reduction in Central Government funding</li><li>- Demographic changes</li><li>- Increased demand for services</li><li>- Demand led statutory services (c. 80% of operations) which can be difficult to predict</li><li>- Increasing cost volatility due to rise of complex, high cost families or placements requiring services.</li><li>- Potential employer liability issues for direct payment users</li><li>- Impact of COVID-19 pandemic</li></ul> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Lower than anticipated levels of financial resource</li><li>- Failure to achieve a balanced budget</li><li>- Failure to secure economy, efficiency, and effectiveness of use of resources leading to a Qualified Independent Auditors' Report</li><li>- Objectives of the service not met</li><li>- Reputation is impacted</li><li>- Wider goals of the Council are not achieved</li></ul>	Financial	5			5		25	<ul style="list-style-type: none"><li>- Budget monitoring and forecasting</li><li>- Regular review of medium term strategy</li><li>- Regular reporting to CLT and Members via the Committee reporting process</li><li>- Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money</li><li>- Monitor demographics, economic indicators and develop insight into future demand</li><li>- Match financial planning to Council priorities</li><li>- Internal audit framework</li><li>- Early intervention with service users</li><li>- Constantly reviewing service operations for potential efficiencies</li><li>- Developed a series of commissioning plans, with mitigating actions, for Adult Social Care (Mental Health, Learning Disabilities and Older People) including mitigating actions addressing financial pressures</li><li>- Growth and mitigation discussions</li><li>- Service strategies in place to mitigate growth</li></ul>	5			5		25	<ul style="list-style-type: none"><li>- Delivering commissioning actions in ASC Transformation Board programme.</li><li>- Process to ensure employer liability insurance is held by direct payment users when appropriate</li></ul>	Director, Adult Services Kim Carey  Director, Public Health (Nada Lemic)
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 fulfil its statutory obligations including the safeguarding of Adults	<p><b>Cause(s):</b></p> <ul style="list-style-type: none"><li>- Increasing demand</li><li>- Above compounded by associated longer waiting lists leading to deteriorating condition and ultimately increased service user/ carer costs</li><li>- Failure to deliver effective safeguarding arrangements</li><li>- Failure to comply with statutory requirements including the Care Act</li><li>- Potential instability in social care workforce</li><li>- Impact of COVID-19 pandemic</li></ul> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Impact on life chances and outcomes for service users</li><li>- Failure to keep vulnerable adults safe from harm or abuse</li></ul>	Legal	4			4		16	<p><b>Care Act</b> - Redesigned processes, including amending forms, and operational procedures in place and Care Act compliance training</p> <p>Improved <b>Better Care Fund</b> - Programme overseen by the Joint Assistant Director of Commissioning and the CCG</p> <p><b>Safeguarding</b> - 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</p> <p><b>Recruitment</b> - Dedicated HR programme of support in place to recruit social workers to front line posts</p> <p><b>Performance Monitoring Framework</b> - Review of Performance Management Indicators</p> <p><b>Procurement and Contract Monitoring</b> - Effective procurement framework and contract monitoring arrangements to ensure acceptable quality of service provision and value for money</p>	3			4		12	<ul style="list-style-type: none"><li>- Actions as part of LBB's Adult Social Care Transformation Plan</li></ul>	Director, Adult Services (Kim Carey)
3	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><b>Cause(s):</b></p> <ul style="list-style-type: none"><li>- Failure to identify and meet service users' needs</li><li>- Provision of service to ineligible clients</li><li>- Provision of service prior to/without appropriate authorisation</li><li>- Failure to manage the transition process of service users from Children's Services to Adult Services leading to increased risk of Judicial Review</li><li>- Potential instability in social care workforce</li></ul> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Costs associated with Legal process</li><li>- Ongoing care package costs as a result of Legal process outcome</li><li>- Placement predictions leading to financial pressures (cross refer Budget risk)</li></ul>	Legal	4			4		16	<ul style="list-style-type: none"><li>- Close monitoring of placements and eligibility criteria</li><li>- Budget monitoring and forecasting</li><li>- Regular review of medium term strategy</li><li>- Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money</li><li>- Hold provider to account for poor performance</li><li>- Monitor demographics, economic indicators and develop insight into future demand</li><li>- Learning Disability Strategy agreed</li></ul>	3			4		12	<ul style="list-style-type: none"><li>- Learning Disability Strategy Action Plan in development</li><li>- Actions as part of LBB's Adult Social Care Transformation Plan</li></ul>	Director, Adult Services (Kim Carey)

## Adult Care and Health Risk Register - Appendix B3

Q3 2020/21

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	
					LIKE	LIHO	OD	IMPA	CT		RISK RATING	LIKE	LIHO	OD	IMPA			CT
4	Adult Social Care	<b>Deprivation of Liberty</b> Failure to prevent unlawful deprivation of liberty	<b>Cause(s):</b> - Risk increased due to change in legislation increasing scope. - Any claim by service user with a community package of care if DoL not in place  <b>Effect(s):</b> - Failure to comply with statutory requirements pursuant to Section 4 (Section 4A) and paras 129, 180 and 182 of Schedule A (Schedule A1) of the Mental Capacity Act 2005 (as amended to incorporate the Deprivation of Liberty Safeguards 2009) - Failure to comply with Mental Capacity (Amendment) Act 2019 when implemented if preparations not in place.	Legal		4		4	16	- Core administrative function maintained - All available posts of Best Interest Assessors have been filled - Framework in place to deliver the functions of the Best Interest Assessor and the 'Section 12' doctors through the use of independent providers - Scoping of potential deprivation of liberty cases in the community completed on CareFirst and cases prioritised accordingly. Organisational wide planning and scoping to identify the cases and minimise legal risks before the actual date the amended legislation will come into force. - On-going work with health commissioners, hospitals and care homes in planning for the implementation of the new legislation of Liberty Protection Safeguards - Implementation of government guidance on remote assessments during COVID-19 pandemic		2		2		4		Director, Adult Services (Kim Carey)
5	Adult Social Care	<b>Recruitment and Retention - ASC</b> Failure to recruit and retain key skilled staff with suitable experience/qualifications	<b>Cause(s):</b> - Failure to compete with other organisations to recruit the highest quality candidates to build an agile workforce - Small pool of experienced adult's Social Workers  <b>Effect(s):</b> - 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' services to fulfil statutory safeguarding obligations, impacting on life chances and outcomes	Personnel		5		4	20	- Joint meetings held between HR and employment agencies to improve the quality and speed of locum assignments - Review of the current Recruitment and Retention package through Recruitment and Retention Board - 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 - Dedicated HR worker to focus on Adult Social Care recruitment - Senior management team in place with 76% permanent staff - Wake up to Care programme to recruit, support the training and oversee the development of care workers in Bromley including LBB staff.		2		3		6		Director, Adult Services (Kim Carey)  Director, Human Resources (Charles Obazuaye)
6	Education Adult Social Care	<b>Transport - Children and Adults</b> Failure to provide appropriate home to school transport assistance for children and young people with special educational needs and disabilities and home to day activities for vulnerable adults	<b>Cause(s):</b> - Fluctuating demand year on year - Rising numbers of children meeting criteria for transport provision and associated increase in costs - Impact of COVID-19 on the stability of the provider market  <b>Effect(s):</b> - Disruption to education - Impact on life chances and outcomes for children and young people - Impact on outcomes for vulnerable adults	Legal  Financial		4		3	12	- 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 - Framework contracts to multiple providers via call-off contracts and mini-tender agreements began in September 2020 - Provider support available, but not the amount that some providers have requested, which may impact on post pandemic relations		4		3		12	- Review of policy	Director, Education (Jared Nehra)  Director, Adult Services (Kim Carey)



## Adult Care and Health Risk Register - Appendix B3

Q3 2020/21

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
					LIKE	LIHO	OD	IMPA	CT		RISK	RATI	NG	LIKE	LIHO		
7	Strategy, Performance and Corporate Transformation	<b>Social Care Information System (SCIS)</b> Failure to procure and implement new system	<b>Cause(s):</b> - Failure to establish tender specification of need - Failure to procure within budget - Failure to retain Programme Manager and appoint team to manage implementation - Failure to effectively implement and go live  <b>Effect(s):</b> - Failure to safeguard vulnerable children and adults - Failure to manage children and adult records effectively - Failure to meet government and CQC expectations	Financial Legal Data	4		5	20	- A multi-disciplinary Programme Board in place providing governance - Multi-disciplinary 'SCIS' team appointed and contracts secured. - Award of contract for the new IT system agreed in May 2020. - SCIS team influencing Transformation work streams to maximise digitalisation opportunities.	2		2	4	- Implementation phase development ongoing – reflective of Covid-19 impact - Go live on schedule for April 2022	Assistant Director, Strategy, Performance and Corporate Transformation (Naheed Chaudhry)		
8	Public Health	<b>Inability to deliver an effective Public Health service</b> The Council is unable to deliver an effective Public Health service to fulfil its statutory obligations	<b>Cause(s):</b> - Reduced budget which has led to funding cuts, reduced service and redundancies. Withdrawal of non-statutory services. - Potential fluctuating medicines market - Localised COVID-19 outbreaks - Lack of capacity for contract tracing  <b>Effect(s):</b> - 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	4		4	16	- Working with partners including the CCG and Hospital Trust to jointly deliver Public Health functions and mitigate impact of reduced funding - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Existing COVID-19 assistance processes to be utilised if new outbreaks occur - Outbreak Control Plan published which provides framework for prevention and management of local outbreaks - Frameworks in place for response to COVID-19 outbreaks in specific settings and with vulnerable groups - Communication and engagement plans in place for potential COVID-19 outbreaks - Local Contact Test and Trace programme established	3		4	12	- Plans for further integration of some functions and services with CCG	Director, Public Health (Nada Lemic)		
9	Adult Social Care Public Health Strategy, Performance & Corporate Transformation	<b>Business Interruption / Emergency Planning</b> Failure to provide Council services or statutory requirements of mass illness/fatalities scenario following a business interruption or emergency planning event	<b>Cause(s):</b> - 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)  <b>Effect(s):</b> - Business interruption - failure to deliver services, loss of customer / resident satisfaction. - Emergency planning - failure to deliver statutory duties.	Personnel	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. Reviewed and updated. - 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		4	4	- Business Continuity Plans reviewed annually.	Director, Adult Services (Kim Carey) Director Public Health (Nada Lemic) Director, Strategy, Performance & Corporate Transformation (Naheed Chaudhry)		

## Adult Care and Health Risk Register - Appendix B3

Q3 2020/21

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
					LIKE	LIHO	OD	IMPA	CT	RISK	LIKE	LIHO	OD	IMPA	CT	RISK	
10	Strategy, Performance and Corporate Transformation	<b>Data Collections</b> Failure to undertake statutory statistical data collections; including key housing and adults' social care information, thereby adversely affecting government grant allocations and performance assessments	<b>Cause(s):</b> - Business Interruption  <b>Effect(s):</b> - Failure to commission effectively - Adverse impact on the timing and quality of decision making	Data and Information				3	3	9			1	3	3		Assistant Director, Strategy, Performance & Corporate Transformation (Naheed Chaudhry)
11	Adult Services	<b>Failure to deliver partial implementation of Health &amp; Social Care Integration</b> Plans are not in place to deliver partial integration by 2020	<b>Cause(s):</b> - 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  <b>Effect(s):</b> - Failure to deliver statutory duties - Failure to achieve our Building a Better Bromley priorities	Financial Compliance /Regulation				2	3	6			2	2	4	- Ongoing discussions around the developing Integrated Care System with Bromley CCG; taking learning from the joint health and care response to the COVID-19 pandemic	Director, Adult Social Care (Kim Carey)

## Children, Education and Families Risk Register - Appendix B4

Q4 2020/21

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
					LIKE LIHO	OD	IMPA	RISK		LIKE LIHO	OD	IMPA	RISK		
1	Children's Services	<b>Failure to deliver Children's Services Financial Strategy</b>	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Continual reduction in Central Government funding</li> <li>- Demographic changes</li> <li>- Increased demand for services</li> <li>- Demand led statutory services (c. 80% of operations) which can be difficult to predict</li> <li>- Increasing cost volatility due to rise of complex, high cost families or placements requiring services.</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Lower than anticipated levels of financial resource</li> <li>- Failure to achieve a balanced budget</li> <li>- Failure to secure economy, efficiency, and effectiveness of use of resources leading to a Qualified Independent Auditors' Report</li> <li>- Objectives of the service not met</li> <li>- Reputation is impacted</li> <li>- Wider goals of the Council are not achieved</li> </ul>	Financial	5	5		25	<ul style="list-style-type: none"> <li>- Budget monitoring and forecasting</li> <li>- Regular review of medium term strategy</li> <li>- Regular reporting to Members via the Committee reporting process</li> <li>- Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money</li> <li>- Monitor demographics, economic indicators and develop insight into future demand</li> <li>- Match financial planning to Council priorities</li> <li>- Internal audit framework</li> <li>- Early intervention with service users</li> <li>- Constantly reviewing service operations for potential efficiencies</li> <li>- Developed a series of commissioning plans, with mitigating actions, for Children's Social Care and SEND including mitigating actions addressing financial pressures</li> <li>- Growth and mitigation discussions</li> <li>- Service strategies in place to mitigate growth</li> </ul>	4	5		20	<ul style="list-style-type: none"> <li>- Plans are in place in Children's Social Care for improving sufficiency whilst reducing identified areas of budget.</li> <li>- Transformation work being undertaken on High Needs spend on SEND</li> </ul>	Director, Children's Services (Janet Bailey)  Director, Education (Jared Nehra)
2	Children's Services	<b>Failure to deliver effective Children's services</b> 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	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Local authority response to Bromley Safeguarding Children's Partnership following Wood Review.</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Impact on life chances and outcomes for children</li> </ul>	Legal, Reputational	3	5		15	<ul style="list-style-type: none"> <li>- Multi Agency Bromley Children's Safeguarding Partnership (BCSP) Training programme 2019 set.</li> <li>- Dedicated HR programme of support in place to recruit social workers to front line posts</li> <li>- Scrutiny of Performance Management Framework and Indicators</li> <li>- Effective procurement framework and contract monitoring arrangements to ensure acceptable quality of service provision and value for money - under review</li> <li>- Quality Assurance Audit Programme Phase 3</li> <li>- Children's Service Practice Improvement Board commenced April 2019 to deliver Ofsted and local authority recommendations.</li> <li>- Continued reduction of caseloads &amp; within Caseload Promise on average</li> <li>- Identified training plan for qualified social workers and other professionals reviewed and updated quarterly</li> </ul>	3	4		12	<ul style="list-style-type: none"> <li>- Phase 3 'to excellence' plan continues with Performance Improvement Board (PIB) sessions continuing to be held quarterly.</li> <li>- Practice review cycle has continued as has Practice Assurance Stocktakes (PAS) despite COVID-19</li> <li>- Due to Covid-19, progression of some elements of this work have been delayed.</li> </ul>	Director, Children's Services (Janet Bailey)
3	Children's Services	<b>Recruitment and Retention</b> Failure to recruit and retain key skilled staff with suitable experience/qualifications	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Failure to compete with other organisations to recruit the highest quality candidates to build an agile workforce</li> <li>- Small pool of experienced children's Social Workers</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Failure to identify and meet service user needs</li> <li>- Provision of service to ineligible clients</li> <li>- Provision of service prior to/without appropriate authorisation</li> <li>- Lack of skill set results in an inability to deliver effective children's services to fulfil statutory safeguarding obligations, impacting on life chances and outcomes</li> </ul>	Personnel	5	4		20	<ul style="list-style-type: none"> <li>- Dedicated HR role to support managers in recruiting social workers to front line posts</li> <li>- Joint meetings held between HR and employment agencies to improve the quality and speed of locum assignments</li> <li>- Review of the current Recruitment and Retention package through Recruitment and Retention Board</li> <li>- Recruitment drive to convert locums to permanent staff</li> <li>- Commissioning of improvements to the Council's recruitment web site to include a video virtual tour of the Council</li> <li>- Support in effectively managing staff performance</li> <li>- Provision of training measures to include targeted leadership and management training programmes including partners and other stakeholders</li> <li>- Tailored individual career plan for staff</li> <li>- Launch of Social Work Academy in April 2019.</li> <li>- Bespoke training for first line managers on-going with cohort 2</li> <li>- Training and quality assurance of practice</li> </ul>	3	4		12	- April 2021 - workforce currently 84% permanent, despite challenges of Covid-19	Director, Children's Services (Janet Bailey)  Director, Human Resources (Charles Obazuaye)
4	Children's Services	<b>Business Interruption / Emergency Planning</b> Failure to provide Council services or statutory requirements of mass illness/fatalities scenario following a business interruption or emergency planning event	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Business Interruption could be caused by Loss of Facility (fire, flood etc.), Staff (illness, strike) or IT (cyber attack).</li> <li>- 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)</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Business interruption - failure to deliver services, loss of customer / resident satisfaction.</li> <li>- Emergency planning - failure to deliver statutory duties.</li> </ul>	Personnel, Reputational	2	5		10	<b>Business Interruption</b> <ul style="list-style-type: none"> <li>- Civil protection and emergency planning policies in place at corporate level overseen by the Corporate Risk Management Group</li> <li>- Business Continuity Plans in place at service level</li> <li>- Contracts contain business continuity provision</li> <li>- 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</li> </ul> <b>Emergency Planning</b> <ul style="list-style-type: none"> <li>- Robust plans in place, including Outbreak Plan, Flu Plan and Pandemic Flu Plan</li> <li>- Alert system via the South East London Health Protection Unit (SEL HPU)</li> <li>- Annual Flu vaccination programme in place</li> <li>- Introduction of Humanitarian and Lead Officer (HALO) role</li> </ul>	1	5		5	- Business Continuity Plans reviewed annually. BCP reviewed and activated in response to Covid 19	Director, Children's Services (Janet Bailey)  Director, Education (Jared Nehra)
5	Education	<b>School Place Planning</b> Failure to meet the statutory requirement to ensure sufficient school places to meet the needs of the population in the area	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Failure to secure sufficient Primary and Secondary school places in the area</li> <li>- Failure to secure sufficient educational placements for children with disabilities and special educational needs</li> <li>- Failure to secure sufficient alternative provision</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Disruption to the education of children and impact on their life chances</li> </ul>	Political, Legal, Professional	3	4		12	<ul style="list-style-type: none"> <li>- Strategic needs analysis (birth rate, dwelling stock and migration) to project demand</li> <li>- Review analysis of demand annually</li> <li>- SEN sufficiency strategy will inform long term planning of specialist provision</li> <li>- Implement Basic Need programmes</li> <li>- Maintain relationships with DfE ESFA to support delivery of Free School and PSBP programmes</li> <li>- Monitor contractor performance in uncertain market</li> </ul>	4	3		12	- Continue to work with DfE on delivery of approved new secondary and special Free Schools at the earliest possible opening date	Director, Education (Jared Nehra)

## Children, Education and Families Risk Register - Appendix B4

Q4 2020/21

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
					LIKE LIHO	OD	IMPA CT	RISK RATING		LIKE LIHO	OD	IMPA CT	RISK RATING		
6	Children's Services	<b>Not in Education, Employment or Training (NEET)</b> 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	<b>Cause(s):</b> - Lack of control over Academies <b>Effect(s):</b> - Disruption to Education - Impact on life chances for young people	Professional, Legal	3		2	6	<ul style="list-style-type: none"> <li>- Provision offered by Bromley Youth Support Programme (BYSP)</li> <li>- Advice and Guidance Drop in sessions, One to one support</li> <li>- Looked After Children NEET support and YOT NEET support</li> <li>- Provision offered by Bromley Education Business Partnership (BEBP)</li> <li>- Bromley Youth Employment Scheme (YES)</li> <li>- Bromley Flexible Learning programme</li> <li>- Mentoring programme</li> <li>- Skills Xtra</li> <li>- Work experience and apprenticeships for Children Looked After</li> <li>- Tracking service in conjunction with South London CCIS Service</li> <li>- 'Door knocking'</li> <li>- ETE Strategy for LCT and Care is in place with ETE panel and DWP/Bromley education business partnership, I aspire and social care working to identify new opportunities for young people at risk of NETE</li> <li>- I-aspire, a 4 year pilot programme, in partnership with Lewisham and Greenwich, providing support for care leavers most at risk of NEET is into year 3- all young people are offered 1;1 progression coaching and specialist ETE advice.</li> </ul>	3		2	6	<ul style="list-style-type: none"> <li>- Work experience and apprenticeship programmes are delayed due to Covid 19</li> <li>- Monitoring the length of time YP remain NEET to measure impact of Covid 19 and efficacy of NEET strategy within CLA and Leaving Care service</li> </ul>	Director, Children's Services (Janet Bailey)
7	Education Adult Social Care Programmes	<b>Transport - School and Adult Social Care</b> Failure to provide appropriate home to school transport assistance for children and young people with special educational needs and disabilities and home to day activities for vulnerable adults	<b>Cause(s):</b> - Fluctuating demand year on year - Rising numbers of children meeting criteria for transport provision and associated increase in costs - Interim transport service arrangements for adults currently uncertain <b>Effect(s):</b> - Disruption to education - Impact on life chances and outcomes for children and young people - Impact on outcomes for vulnerable adults	Legal Financial	5		3	15	<ul style="list-style-type: none"> <li>- Budget monitoring and forecasting</li> <li>- Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money</li> <li>- Route review and rationalisation</li> <li>- Gateway review to improve efficiency</li> <li>- Interim arrangements for adult transport in place to cover period from September 2019 to August 2020</li> <li>- Tender exercise completed and framework contract awarded</li> </ul>	3		3	9	<ul style="list-style-type: none"> <li>- Review of policy - consultation being undertaken</li> <li>- Travel training / personal transport budgets work to commence in September 2021</li> </ul>	Director, Education (Jared Nehra)  Director, Adult Services (Kim Carey)
8	Education	<b>SEND Reforms</b> Failure to meet expectation of SEND reforms	<b>Cause(s):</b> - 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 <b>Effect(s):</b> - 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	<ul style="list-style-type: none"> <li>- SEN service realigned to improve decision making and management oversight</li> <li>- Service Level Agreements being established with mainstream settings with additionally resourced provisions to provide clarity across both parties</li> <li>- Legal advice to be drawn in to support complex tribunal cases</li> <li>- Local Area Autism Partnership established</li> <li>- Annual review programme, with additional resource identified</li> <li>- Covid-19 programmes established - data reporting, collaborative risk assessments, vulnerable CYP programme and CFA Modifications</li> <li>- Special Free School tendering process underway, Specialist placement planning model commissioned</li> <li>- Engagement framework finalised, CYP participation officer in place</li> <li>- Additional capacity in the Statutory assessment team agreed, recruitment in train with specific focus on vulnerable groups including CLA/LC cohort, CME/CMoE, NEET and EHE</li> <li>- increased resource identified to support schools in confidence to deliver education for CYP who have Dyslexia and other specific learning difficulties (SpLD)</li> </ul>	3		3	9	<ul style="list-style-type: none"> <li>- QA programme for placements in independent schools revised and programme of visits to recommence September 2021</li> <li>- ASD Joint Strategy in development</li> <li>- CYP Participation Officer post extended with workplan agreed</li> <li>- Bromley Teaching Schools leading SEN training collaborative to support school improvement.</li> <li>- Placement planning for September 2021 and beyond</li> <li>- Additional local placement capacity in development</li> <li>- Options for SEND placement funding review being considered</li> <li>- Additional capacity in the Statutory assessment team identified and recruitment underway</li> <li>- Annual review project reviewed and re-established and broadened with multi-agency task and finish group</li> <li>- Quality Assurance and Improvement Framework revised and changes currently being embedded</li> <li>- Explore commissioning options for therapy capacity</li> <li>- Special Free School - identify Trust to deliver the new school</li> <li>- increase resource for Educational Psychology agreed, challenge with shortage of EP nationally – blended model of delivery in development for September 2021 launch</li> <li>- PRA approach revised, to be launched September 2021</li> </ul>	Director, Education (Jared Nehra)
9	Children's Social Care	<b>Youth Offending</b> Failure to deliver effective youth offending services to protect children and young people and reduce their vulnerability	<b>Cause(s):</b> - Increase in youth offending <b>Effect(s):</b> - 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	<ul style="list-style-type: none"> <li>- Learning from the Youth Justice follow up Inspection of February 2017. Action plan developed, fortnightly Improvement Board implemented to ensure action plan carried out.</li> <li>- Improved inspection result - Good in 2017</li> <li>- Implementation of Strategic Plan 2017/19</li> <li>- Youth Justice Board self-assessment audit of National Standards - 2 moderation exercises carried out and YJB assured that this reflected service standards</li> <li>- Bi-monthly audits with quality assurance check by SIT Team</li> <li>- Monthly YOS performance meeting to review national KPIs, act upon trends and drive improvement plan</li> <li>- Triage support to divert low level offenders from YJS</li> <li>- Packages of support to manage young people's risk appropriately in the community for those who are sent to custody.</li> <li>- YOS Partnership Improvement Board is overseeing the Improvement Plan</li> <li>- YOS Inspection preparation by all partners.</li> <li>- Implementation of YOS Strategic Policy 2020-23</li> <li>- Youth Justice Board self assessment of National standards submitted July/20</li> <li>- Auditing program and QA check by SIT team</li> </ul>	2		4	8	<ul style="list-style-type: none"> <li>- Readiness for Youth Offending Service inspection is monitored through challenge sessions and Improvement Board meetings</li> <li>- SEF is being completed with story board for inspection</li> <li>- Covid 19 has slowed some progress, inspection also will be delayed</li> </ul>	Director, Children's Services (Janet Bailey)

## Children, Education and Families Risk Register - Appendix B4


Q4 2020/21

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
					LIKE LIHO	OD	IMPA	RISK		LIKE LIHO	OD	IMPA	RISK		
10	Children's Social Care	<b>Out of Borough Placements (Children and Young People)</b> Inability to reduce reliance on out of borough placements  Financial implications	<b>Cause(s):</b> - Failure to provide/commission sufficient local placements for children with disabilities and children in care  <b>Effect(s):</b> - Cost implications of out of borough placements (Cross refer Budget risk) - Impact for children's welfare and development	Professional  Financial					- Close monitoring of placements and eligibility criteria at multi agency resource panel - Budget monitoring and forecasting - 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 - Laptop distribution to all NEET over summer 2020 to support accessing online training/learning during pandemic	3		3	9	- Review of children's residential, IFA and semi-supported 16+ market in borough and discussions with Bromley providers to increase our ability to place with them. - Step down from residential to foster care programme in place. - Work with housing to support Young People moving to own tenancy when ready and reduce risk of homelessness	Director, Children's Services (Janet Bailey)
11	Strategy, Performance and Corporate Transformation	<b>Data Collections</b> Failure to undertake statutory statistical data collections; including pupil census, attainment data and key children's social care information, thereby adversely affecting government grant allocations and performance assessments	<b>Cause(s):</b> - Business Interruption  <b>Effect(s):</b> - Failure to commission effectively - Adverse impact on the timing and quality of decision making	Data and Information					- Schedule of statutory returns has been incorporated into the Strategy and Performance 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, Strategy, Performance and Corporate Transformation (Naheed Chaudhry)
12	Education	<b>Funded childcare places for two, three and four year olds of working parents</b> The Council is unable to provide sufficient places within the local sector to fulfil its Statutory Duty	<b>Cause(s):</b> - Early Years Provider businesses failing financially as a result of Covid 19 closures and impact on the childcare sector - Insufficient places within local sector resulting in Local Authority failure to meet its statutory duty - Inability to fully implement IT system to support parental registrations  <b>Effect(s):</b> - Parental dissatisfaction (availability of places or Parental Portal system failures) - Official notification from DfE regarding failure to fulfil statutory duty - Delays in payment to providers, destabilising local businesses and businesses and loss of confidence in LA's processes.	Political, Reputational					- Work to stimulate the market has increased capacity overall and work continues, local pockets at low risk of pressure exist. - These may be exacerbated by impact of C-19 pandemic - Monitoring eligibility, confirmations and take up of places to predict growth of demand, weekly data monitoring of attendance and unmet demand. - Early Years Sufficiency assessment underway with initial findings report due April 2021 - IT funding system resolution rollout of phases 1 and 2 implemented with automated monthly payments to settings now live and Census data captured within system.	2		3	6	- IT solution implementation to include development of parental portal - Completion of Sufficiency Risk Assessment, findings and recommendations for next steps - Pilot re-introduction of "Golden Ticket" for funded 2 year old places to stimulate demand for places thereby improving existing settings sustainability.	Director, Education (Jared Nehra)
13	Education	<b>Speech and Language Therapy</b> Failure to provide appropriate SaLT services to children and young people	<b>Cause(s):</b> - Current service provision not meeting needs of children and young people in a timely way  <b>Effect(s):</b> - Failure to meet the need of children and young people including those with SEN/D and other vulnerabilities	Legal Reputational Professional					- Review of service undertaken to consider impact and effectiveness of current provision and potential service improvements. - Identification of additional funding for 2019/20. £250,000 from BCF funding and £90,000 from Bromley Clinical Commissioning Group.	4		3	12	- Multi-agency review of SaLT provision underway. - Further review of how SaLT is delivered within Bromley is also underway - Occupational Therapy - urgent actions being taken to identify support for EHCP Needs Assessments professional advice - sourcing urgent specialist	Director of Education (Jared Nehra)
14	Strategy, Performance and Corporate Transformation	<b>Social Care Information System</b> Failure to procure and implement new system	<b>Cause(s):</b> - Failure to establish tender specification of need - Failure to procure within budget - Failure to retain Programme Manager and appoint team to manage implementation - Failure to effectively implement and go live  <b>Effect(s):</b> - Failure to safeguard vulnerable children and adults - Failure to manage children and adult records effectively Failure to meet regulators expectations (Ofsted)	Financial Legal Data					- Programme Board established providing governance - Multi-disciplinary 'SCIS' team appointed and contracts secured. - Procurement strategy agreed, tenders evaluated, programme within budget, award of contract brought forward to May 2020 from July. - SCIS team influencing Transformation work streams to maximise digitalisation opportunities.	2		2	4	- Implementation phase development ongoing – reflective of Covid19 impact - Go live on schedule for April 2022.	Assistant Director, Strategy, Performance and Corporate Transformation (Naheed Chaudhry)
15	Education	<b>School Attendance</b> Ensuring return of children to school	<b>Cause(s):</b> - Children not returning to school following Covid-19 lockdown - Increased EHE declarations  <b>Effect(s):</b> - Children may not be in receipt of satisfactory education	Legal Reputational					- EWOs support schools with improving attendance - EHE officers monitor and follow up on new EHE cases & CSC involvement checked - Mental health and wellbeing initiatives being prioritised	2		4	8	- Further monitoring of EHE and non-attendance, working closely with schools to respond to Covid-specific guidance	Director of Education (Jared Nehra)

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## Corporate Services Risk Register - Appendix B5



THE LONDON BOROUGH


											DATE LAST REVIEWED:	16/03/2021	
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	<b>Cause(s):</b> 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  <b>Effect(s):</b> 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 - Information Security Team in place - Patch updates undertaken regularly - IG training programme - PSN Compliant	2	5	10		Vinit Shukle
2	Corporate Services	Telecommunications failure Prolonged telecoms / switchboard failure	<b>Cause(s):</b> Power surge, contractor failure, malicious attack, IT failure  <b>Effect(s):</b> 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 - 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	2	3	6	- 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	<b>Cause(s):</b> Failure of Outlook or similar applications Failure of Novell Filing Registry system which carries details of all departmental files  <b>Effect(s):</b> 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 Norwell System is currently used by legal team for historical file information only on a 'stand alone' PC. As part of any future platform upgrades, investigation 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	<b>Cause(s):</b> Complete loss of data centre and related hardware  <b>Effect(s):</b> 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.	<b>Cause(s):</b> Major malfunction of council's network caused by Cyber Attack or other means  <b>Effect(s):</b> 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		Vinit Shukle

## Corporate Services Risk Register - Appendix B5

												DATE LAST REVIEWED:	16/03/2021
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	<b>Budgetary overspend</b>	<b>Cause(s):</b> Overspending budgets as a result of increased costs outside Council's direct control (e.g. increase in minimum wage, court / legal fees)  <b>Effect(s):</b> Financial	Economic - Strategic	4	3	12	- Effective forward budgetary planning - On-going engagement with stakeholders - On-going management of costs, demand forecasting, allocation of existing resources	3	3	9	- Identify "risk areas" (e.g. contracts using low paid labour)	Director of Corporate Services
7	Corporate Services	<b>Failure to follow Legal Advice</b> Breach of law, statutory duty or carrying out inadequate consultation arising from failure of clients to follow Legal briefing procedures	<b>Cause(s):</b> Advice not being sought and/or followed by clients.  <b>Effect(s):</b> - 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 reviewed for robustness - 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 and service delivery meetings - Continuous learning and feedback - Statutory requirements (awareness and training)	2	3	6		Director of Corporate Services
8	Corporate Services	<b>Data Protection Breach</b>	<b>Cause(s):</b> Failure to adapt to the upcoming change in legislation (GDPR) Failure to ensure the confidentiality, integrity, and availability of information assets.  <b>Effect(s):</b> 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 (CfH IGT). The LBB Information Governance Board formally accepted the CfH 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 - <b>GDPR Training programme in place</b> - <b>Induction programme in place</b> - <b>Additional resources to manage risk</b>	2	3	6		Director of Corporate Services
9	Corporate Services	<b>Failure to publish Register of Electors</b>	<b>Cause(s):</b> Failure of IT systems Insufficient resources provided to Electoral Registration Officer to deliver a comprehensive canvass Failure to follow legislative and regulatory requirements  <b>Effect(s):</b> Disenfranchisement of local residents Potential to challenge any election which relies on an inadequate register Reputational damage	Political - Strategic	2	3	6	<b>Controls:</b> 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



## Corporate Services Risk Register - Appendix B5



THE LONDON BOROUGH

												DATE LAST REVIEWED:	16/03/2021
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		
10	Corporate Services	Failure to manage election process	<b>Cause(s):</b> Failure of Council in its duty to provide sufficient resources to the Returning Officer Failure of IT systems  <b>Effect(s):</b> 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
12	Corporate Services	Effective governance and management of contracts	<b>Cause(s):</b> - Lack of clear management across contracts - Capacity and capability - Contract management processes ineffective - Organisational culture and understanding  <b>Effect(s):</b> - Financial losses - Service disruptions - Poor quality services	Procurement & Contracts	3	4	12	- Contract Procedure Rules and regular Practice / Guidance notes to all Contract Owners - Review of contract management and contract monitoring controls including any issues identified by internal audit - Contracts Database and Quarterly Contracts Database Report to all relevant Committees - Procurement Board oversight - Member scrutiny including regular Contract Monitoring Reports for £500k+ contracts - Regular programme of training delivery to staff - Quarterly Contract Owners meetings	3	4	12	- Contract Management guidance on toolkit to be reviewed - Review of Contract Procedure Rules - Ongoing training delivery - Improve compliance with annual Contract Monitoring Requirement	Service Directors supported by Assistant Director, Governance and Contracts
13	Corporate Services	Database Utilisation	<b>Cause(s):</b> - Lack of organisational buy-in from contract managers - Lack of governance - Poor awareness / education in understanding purpose  <b>Effect(s):</b> - Impacts upon decision making and outcomes - Poor quality data - Commissioned services not fit for purpose - Increased financial costs	Procurement & Contracts	3	3	9	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	3	3	9	1. Ongoing monitoring of database to ensure it remains accurate and comprehensive.	Assistant Director, Governance and Contracts

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

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Environment & Public Protection (E&PP) Risk Register - Appendix B6

No.	E&PP RISK REF	DIVISION	RISK TITLE & DESCRIPTION	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK			DATE LAST REVIEWED:	27/04/2021
						LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER
1	1	All E&PP	<b>Emergency Response</b> Failure to respond effectively to a major emergency / incident internally or externally	<b>Cause(s):</b> -Emergency may be triggered by storms, floods, snow, extreme heat or other emergency. Ineffective response could be caused by capacity and/or organisational issues  <b>Effect(s):</b> - 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. Adoption of Standardisation Process in terms of Emergency Response 3. Business Continuity Policy & Strategy and associated Service Business Continuity Plans 4. Out-of-Hours Emergency Service 5. Winter Service Policy and Plan (reviewed annually) 6. Ongoing training, Testing and Exercising programme 7. Multi-agency assessment of emergency risks 8. Training Programme delivered for volunteers in respect of Standardisation Process 9. Implementation of 'on-call rota' for Emergency Response Manager and at Director level 10. Multi-agency forum for emergency preparedness, response and recovery planning within the Borough	2	3	6	1. Delivery of the Business Continuity Management process by CLT 2. Development of risk-specific arrangements based upon London Resilience frameworks, informed by the Borough Community Risk Assessment 3. Recruit and train more Emergency Response Volunteers 4. Implementation of the Resilience Standards For London	David Tait
2	2	All E&PP	<b>Central Depot Access</b> Major incident resulting in loss of / reduced Depot access affecting service provision (LBB's main vehicle depot)	<b>Cause(s):</b> -Fire, explosion, train derailment, strike etc.  <b>Effect (s):</b> -Significant service disruption (Waste, Street Cleaning, Gritting, Fleet Management, Neighbourhood Management etc.)	Service Delivery	4	3	12	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/co-operative forum for all site users) 5. Work Place Risk Assessments in place 6. Depot Insurance reviewed September 2020 to ensure full reinstatement cover is in place 8. Waste Service Change has incorporated separate battery collection which will reduce likelihood of fires from batteries in residual waste	3	3	9	1. Site re-development plans to include recommendations from fire safety audit. To include consideration of fire suppression systems	Paul Chilton
3	3	All E&PP	<b>Fuel Availability</b> Fuel shortage impacting on both LBB and service provider transport fleet	<b>Cause(s):</b> -National or local fuel shortage caused by picketing or other external factors  <b>Effect (s):</b> -Failure to provide services impacting on residents and other customers	Service Delivery	1	5	5	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 logged vehicles 3. Fuel store at Central Depot 4. Ongoing liaison with other London Boroughs concerning collaboration and assistance	1	4	4	1. Continue to monitor service provider arrangements for ensuring adequate fuel supply	Peter McCready
4	4	All E&PP	<b>Business Continuity Arrangements</b> Lack of up-to-date, tried and tested, BCP for all Council services	<b>Cause(s):</b> -Failure to implement and keep up-to-date effective service and corporate Business Continuity Plans  <b>Effect(s):</b> -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.Full suite of BC plans in place across all Directorates, including E&PP 3. Overarching corporate BC plan developed identifying prioritisation of all services 4. All E&PP BC plans now transposed on to new corporate BCP template 5. Corporate BC management policy & strategy document signed off by leader and chief exec 6. Ensure all service providers have up to date Business Continuity Plans	2	4	8	1. CLT adoption of BCM which will monitor delivery on behalf of COE going forwards. Current COVID-19 disruption to ways of working has tested BCPs during the largest disruption encountered in decades. ICT system failure has been identified as the largest risk and is outside the control of E&PP	David Tait
5	6	All E&PP	<b>Industrial Action</b> Contractors' staff work-to-rule / take strike action impacting on service delivery	<b>Cause(s):</b> -Union dissatisfaction over pay and conditions (particularly in Waste, Libraries)  <b>Effect (s):</b> -Temporary disruption to service / reduced customer satisfaction	Service Delivery	3	4	12	1. Ongoing monitoring / meetings regarding workforce issues 2. Joint development of Business Contingency Plans with Service Providers 3. Staff training and engagement built into the Environmental Services contracts	2	4	8	1. Review public communications to be used in the event of a strike 2. Staff training and engagement incorporated into communications with Library staff	Colin Brand
6	8	All E&PP	<b>Health &amp; Safety (E&amp;PP)</b> Ineffective management, processes and systems within E&CS departmentally	<b>Cause(s):</b> -Failure to take departmental action to reduce likelihood of accidents, incidents and other H&S issues  <b>Effect (s):</b> -HSE investigation / prosecution leading to fines, increased insurance claims, and reputational damage	Health & Safety	3	4	12	1. Workplace Risk Assessments (including lone and home working) 2. Accident & Incident Reporting system (AR3 & Riddor) 3. Contractor Inspection electronic Reporting system 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. Fire responsible persons list in place for all sites under the control of E&PP 9. EPP Health and Safety Committee meets regularly to review departmental Health and Safety arrangements 10. All corporate policies followed for COVID-19 risk assessments. Staff home working unless unable to do so.	2	4	8	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. and ensure the necessary communication and training is provided. 4. Ensure resource exists to discharge statutory functions 5. Ensure any staff wishing to return to the office during COVID-19 have done so in accordance with all corporate processes and procedures.	Sarah Foster (Paul Chilton leading during COVID-19 whilst SF is seconded to Shielding, Volunteering and Assistance programme)
7	12	Highways	<b>Highways Management</b> Deterioration of the Highway Network due to under-investment	<b>Cause(s):</b> -Failure to manage Highways in respect of traffic volumes, winter weather, financial resources leading to deteriorating condition  <b>Effect (s):</b> -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 Highways contract 9. Modernisation of contractor's programming and completion of maintenance repairs involving remote working ICT technology	3	2	6	2. Additional inspections carried out and repairs undertaken as necessary	Garry Warner

Environment & Public Protection (E&PP) Risk Register - Appendix B6

													DATE LAST REVIEWED:	27/04/2021
No.	E&PP RISK REF	DIVISION	RISK TITLE & DESCRIPTION	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK			FURTHER ACTION REQUIRED	RISK OWNER
						LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
8	13	Neighbourhood Management	<b>Arboricultural Management</b> Failure to inspect and maintain Bromley's tree stock leading to insurance claims etc.	<b>Cause(s):</b> -Failure to ensure that trees are managed as safely as reasonably practicable  <b>Effect (s):</b> -Leading to blocked highways, reputational damage and financial liabilities	Financial	4	3	12	1. Tree care and safety contract in place (new contract commenced April 2019) 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 5. Review Tree Risk Management Strategy (annually) 6. Review the 'Storm Strategy' annually to be able to respond quickly and call in additional staff, equipment and contractors 7. Provide a cyclical safety survey and remedial works schedule commensurate to budget availability and potential prioritisation 8. Work with FixMyStreet Officer (Secondment) to ensure enquiries are responded to as quickly as possible	2	3	6	1. Continue to monitor completion of annual tree surveys by Arboriculture Team ensuring programme requirements are met. 2. 2021/26 Tree Management Strategy to be approved by Env. PDS March 2021	Peter McCready
9	14	All E&PP	<b>Income Variation (Highways and Parking*)</b> Loss of income when the Council is looking to grow income to offset reduced funding  *Note new COVID-19 specific parking risk addition at the end of this register	<b>Cause(s):</b> - 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)  <b>Effect (s):</b> -Loss of income with potential to reduce service delivery funds	Financial	3	3	9	1. Regular income monitoring and review of parking tariff structures, including benchmarking Parking charges against other authorities and local private sector competitors 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. Regular contractor meetings 7. Monitoring of parking enforcement activity through Performance Indicators reported to PDS Committees (E&CS, PP&E) 8. Scrutiny of APCOA at PDS meetings	3	2	6	1. Refine procedure for resolving disputes with utilities 2. Review of parking tariff structures 2. Monitor income trends 3. Continue to monitor success in achieving enforcement objectives 4. Intelligence-led targeting of hotspot sites for enforcement 5. Review of further income opportunities as part of Council's Transformation agenda	Colin Brand
10	15	Neighbourhood Management	<b>Waste Budget</b> Increasing waste tonnages resulting in increased waste management costs	<b>Cause(s):</b> - COVID-19 pandemic has and will continue to impact the amount of waste generated by Bromley Households and Businesses. Increased home working and a move towards single use could increase waste tonnages and associated costs. - Failure to anticipate/manage waste management financial / cost pressures due to increasing landfill tax, increasing property numbers, declining recycling income (lower paper tonnages or rejected wet paper loads) and limited alternate treatment capacity. - Waste tonnage growing faster than budgeted or operational factors (i.e. adverse weather conditions, additional home working during COVID-19 etc.)  <b>Effect (s):</b> - Budgets being exceeded and potential knock-on impact on other Council services	Financial	5	4	20	1. Cost pressures recognised in Council's Financial Strategy 2. Send virtually zero to landfill from April 2020, minimising any tax increase 3. Continued focus on promoting waste minimisation and recycling (e.g. in Environment Matters and through targeted campaigns and initiatives e.g. the flats above shops pilot launched in September 2020) - 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 4. Reviewing and benchmarking operational costs to identify options 5. Monitoring procedure in place (from December 2019) for the testing of paper loads to determine moisture content.	3	4	12	1. Continue to work with Veolia to ensure that recycling services are offered to residents throughout the COVID-19 pandemic.	Peter McCready
11	18	All E&PP	<b>Town Centre Businesses and Markets</b> Loss of town centre businesses to competition and as a result of the COVID-19 pandemic	<b>Cause(s):</b> -COVID-19 Pandemic causing businesses and market traders to cease trading (temporarily or permanently) - Town centre social distancing measures resulting in a reduced amount of market stalls  <b>Effect(s):</b> -Reduction in high street business and market stall occupancy -Loss of income (Business rates and market stalls) -Poor public perception and negative publicity	Financial	5	3	15	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 new Market Strategy is under development and will be delivered from 2020/21) 5. Regular maintenance and renewal of market infrastructure - recent market relocation project has been completed and feedback from traders is positive 6. Markets Manager attends regular strategy meetings with BIDs and has provided guidance for a new town centre (BID) framework agreement	2	3	6	1. Ongoing review of market provision linked to outsourcing service provision 2. Detailed annual action plan to be drawn up for each town centre	Colin Brand

Environment & Public Protection (E&PP) Risk Register - Appendix B6

The London Borough

No.	E&PP RISK REF	DIVISION	RISK TITLE & DESCRIPTION	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK			DATE LAST REVIEWED:	27/04/2021
						LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER
12	20	All E&PP	<b>Staff Resourcing and Capability</b> Loss of corporate memory and ability to deliver as key staff leave (good new staff are at a premium)	<b>Cause(s):</b> -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). Lack of incentive for good staff to remain at LBB.  <b>Effect (s):</b> -Loss of organisational memory, greater reliance on contracted staff, delays in delivering services / plans (e.g. Transport Local Implementation Plan). Inability to effectively manage contracts as Contract Managers may have started out in a different role (i.e. as Service Managers) and do not have the necessary expertise to do so (i.e. auditing).	Service Delivery	3	4	12	1. Ongoing programme to find and retain quality staff through internal schemes such as career grades and ongoing CPD	3	3	9	1. Consider potential for contractors to supply necessary skills 2. Review options with HR for incentivisation schemes to ensure staff recruitment and retention is high 3. Existing controls are not currently sufficient to maintain the staff quota within the Arboriculture team. Explore apprenticeship scheme as a possibility to ensure this team can maintain deliverables of the service in terms of client inspections and reporting. Enlist contractor to assist with tree survey backlog.	Colin Brand
13	22	All E&PP	<b>Climate Change</b> Failure to adapt the borough and Council services to our changing climate	<b>Cause(s):</b> -Severe weather events including extreme heat, storms, floods etc.  <b>Effect (s):</b> -Resulting in threats to service provision, environmental quality and residents' health in addition to reputational damage caused by perceived lack of action to tackle climate change	Service Delivery	3	4	12	1. Adopt best adaptation practice as identified through London Climate Change Partnership, UK Climate Impacts Programme, and the Local Adaptation Advisory Panel 2. Implementation of LBB's Carbon Management Programme 3. LBB Surface Water Management Plan and Draft Local Flood Risk Strategy 4. Establish net zero (direct) carbon emissions target for 2029 as part of 10 year climate plan	2	4	8	1. Emergency Planning to liaise with Public Health on cross-cutting issues e.g. excess summer deaths and vector-borne disease etc. 2. Detailed climate action plan to be developed as part of ongoing Carbon Management Programme, in order to achieve net zero carbon emissions by 2029	Sarah Foster (Colin Brand leading during COVID-19 whilst SF is seconded to Shielding, Volunteering and Assistance programme)
14	25	Public Protection	<b>Income Reconciliation (Public Protection Licensing)</b> Uncertainty around income reconciliation when the Council is looking to grow income to offset reduced funding	<b>Cause(s):</b> - Lack of processes to reconcile actual licence fee income against expected income held on service specific IT systems.  <b>Effect (s):</b> - Loss of income with potential to reduce service delivery funds - Reputational damage	Financial	3	2	6	1. Regular income monitoring 2. Good debt recovery systems 3. Monitoring of activity through Performance Indicators 4. Continual Benchmarking of licensing charges against other authorities	3	2	6	1. Refine procedure for reconciliation of expected income against actual and provide suitable training for staff to deliver this	Joanne Stowell
15	26	Neighbourhood Management	<b>Income Reconciliation (Waste Management)</b> Uncertainty around income reconciliation linked to the mobilisation of new waste contracts	<b>Cause(s):</b> -Lack of integration between client and service provider IT systems so that data is not linked - Loss of income due to the closure of some businesses during the COVID-19 pandemic  <b>Effect (s):</b> - Loss of income from Commercial Waste and Green Garden Waste services with potential to reduce service delivery funds - Costs incurred as a result of additional last minute resources required to deliver services - Reputational damage	Financial	3	2	6	1. Regular income monitoring 2. Good debt recovery systems 3. Monitoring of activity through Performance Indicators 4. Suspend commercial accounts allowing the businesses to return once open following the COVID-19 pandemic.	1	2	2	1. Refine procedure for reconciliation of expected income against actual and provide suitable training for staff to deliver this. 2. Project in 2020/21 to review the platform under which the garden waste and commercial waste service are hosted on. 3. Work with Veolia to review the commercial waste service offer to businesses with a view to provide a recycling offer and grow the commercial waste customer base.	Peter McCready
16	28	Public Protection	<b>Dogs and Pests Contract</b> Failure to deliver the contract to the required service levels	<b>Cause(s):</b> -Lack of robustness within contract specification in terms of contract deliverables and Key Performance measures  <b>Effect (s):</b> -Inability to deliver statutory functions -Reputational damage	Service Delivery	3	2	6	1. Identification of named Contract Manager 2. Regular contract management meetings with service provider 3. Review of contract specification to identify change control requirements (a contract change notice regarding a change to invoicing was signed in August 19).	2	2	4	This contract is now running well, the contract is due to be extended for 1 year and no action is required at this time.	Joanne Stowell
17	29	Public Protection	<b>Out of Hours Noise Service</b> Failure to deliver statutory services	<b>Cause(s):</b> The out of hours noise service is dependant on grant funding from the Mayors Office for Policing & Crime (MOPAC) by way of the Local Crime Prevention Fund. This grant is released on a 2 year cycle, current cycle ends March 2021. The grant was reduced in 2017 and there is no guarantee it will be sustained post April 2021. The service is staffed on a voluntary basis.  <b>Effect:</b> Inability to deliver Out of Hours Noise Service.	Service Delivery	3	4	12	1. Annual review with MOPAC on service outcomes	3	4	12	1. Meetings with MOPAC to ensure early warnings of any change to funding levels. MOPAC funding is outside of the control of LBB. 2. Review the Service offer	Tony Baldock

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# Environment & Public Protection (E&PP) Risk Register - Appendix B6

No.	E&PP RISK REF	DIVISION	RISK TITLE & DESCRIPTION	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK			DATE LAST REVIEWED:	27/04/2021
						LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER
18	30	Public Protection	<b>Integrated Offender Management</b> Failure to contribute to IOM in Bromley	<b>Causes:</b> -IOM functions are reliant on grant funding from MOPAC via the LCPF, equates to one day per week. Reduction or cessation of grant after April 2020.  <b>Effect:</b> -Inability to contribute to IOM in Bromley.	Service Delivery	3	4	12	1. Annual review with MOPAC on service outcomes	3	4	12	1. Meetings with MOPAC to ensure early warnings of any change to funding levels. MOPAC funding is outside of the control of LBB.	Tony Baldock
19	31	Public Protection	<b>Anti-Social Behaviour Co-Ordinator post:</b> Failure to deliver ASB problem solving and partnership activity	<b>Cause(s):</b> -Grant from MOPAC via the LCPF is used to fund the ASB Co-ordinator post which is responsible for delivering targeted ASB project work across the borough with partner agencies. Reduction or cessation of grant after April 2021.  <b>Effect:</b> -Inability to fund this post would result in the cessation of targeted ASB work with partners across the borough. Funding for this post was reduced in 2018 and the shortfall was met by LBB. LBB continue to meet the slight shortfall in 2019.	Service Delivery	3	4	12	1. Review of project outcomes to determine whether they can be delivered on a reduced budget with LBB contributions in kind	3	4	12	1. Review of Community Safety functions to allow for MOPAC project delivery on reduced days per week. MOPAC funding is outside of the control of LBB.	Tony Baldock
20	32	Public Protection	<b>Gangs and Serious Youth Violence Officer</b> Failure to deliver Gang problem solving and partnership activity	<b>Cause(s):</b> -this has funding from MOPAC for 1 year only and the post which is responsible for the strategic coordination of gang interventions and reductions in serious youth violence.  <b>Effect:</b> -Inability to fund this post would result in the cessation of strategic coordinated gang disruption work with partners across the borough.	Service Delivery	3	4	12	1. Annual review with MOPAC on service outcomes	1	4	4	1. Funding for this post is in place via MOPAC until 2022 at which point the costs will move to the community safety salary budget as agreed with finance as this post will become part of the full time LBB staff establishment.	Tony Baldock
21	33	Public Protection	<b>The provision of 24/7 CCTV Monitoring</b>	<b>Cause:</b> -COVID 19 Pandemic  <b>Effect:</b> -Potential Loss of officers through sickness arising from a potential second wave leading to an inability to provide 24-7 CCTV monitoring .	Service Delivery	3	4	12	1. The contract is currently running back at full strength, however, due to a second wave of COVID we have again moved to running a single operator crew (as this still provides continued 24 hour monitoring). Shift hand overs are once again not be in person, so the operator signing off would not see the next shift operator and handover notes would be left. Engineers who visit the room for maintenance would keep main room closed if accessing the server room, and if they do have to enter the control room they will maintain 2m social distancing at all times. This is achievable when there is only a single operator in the room. The supervisor will mostly work from home.	2	3	6	1. Monitor and review monthly with Contractors	Rob Vale
22	34	Public Protection	<b>Loss of Income from Licensing</b>	<b>Cause:</b> -COVID 19 pandemic and the potential impact on achieving income from licensing.  <b>Effect:</b> -The majority of income relates to alcohol and gambling licences which are renewed between October and November each year. The Team has already received the income for the first 7 months of this financial year and have not had any requests to refund existing licences. However, there is a risk that the expected income target will not be met.	Financial	3	4	12	1. The Council's Covid business support schemes offer business rate deferral as well as discretionary grants to cover non staffing overheads, the government have not specifically provided assistance with the costs of licences and premiums and there is an assumption that the loss of use of the licence would be covered under the distortionary grants. For most businesses the licence would be a minor cost and they would be more concerned with significant overheads such as staffing, rents and rates. Should expected income targets not be met, the Division would look to mitigate the shortfall by reducing expenditure in the first instance to maintain a balanced budget.	3	3	9	1. Monitor and review income and government guidance.	Rob Vale
23	35	All E&PP	<b>Risk to Health</b> - Ill health resulting from enforcing Health Protection COVID 19 Restrictions Regulations 2020 or from operating public sites	<b>Cause:</b> -COVID 19 pandemic and the National requirement that Environmental Health and Trading Standards Officers enforce the COVID 19 Health Regulations. - Operational activities requiring staff to undertake site visits or to operate public facilities.  <b>Effect:</b> -The potential for Officers, Contractors and Visitors to be exposed to and infected by, COVID 19	Service Delivery	3	4	12	1.Risk assessments have been undertaken. No face to face inspections to take place, all investigations to be undertaken at arms length via email or telephone, drive by etc., unless there is a life and limb enforcement issue. Should face to face contact be necessary, PPE (gloves/masks/sanitiser) is available and must be used. 2. Assessments for bulky waste collections undertaken via telephone.	3	3	9	1.To regularly review the risk assessments	Colin Brand
	36	Public Protection	<b>Staff Resourcing - Public Protection Enforcement</b> The requirement of Public Protection to enforce the social distancing measures	<b>Cause:</b> -The impact of the Covid 19 pandemic and relaxation of the lockdown places an additional enforcement responsibility on Public Protection to enforce social distancing measures in business premises.  <b>Effect:</b> -This additional responsibility may interfere with the ability to deliver to existing statutory responsibilities.	Service Delivery	3	3	9	1. A joint BCU Enforcement approach was developed and agreed in April 2020, whereby The South BCU will work collegiately with the Council to undertake joint enforcement activity where appropriate. Investigations, regulatory and enforcement activities will have regard to local context, be risk based and targeted to where they will have the greatest effect. Enforcement will be a last resort, and overall a process of escalation will be used until compliance is reached. Exceptions may occur where there is a serious risk to public safety . The Met Police have now issued another London wide enforcement protocol that covers the latest changes to legislation, however, the one that is already in place covers the approach, and is being updated.	2	3	6	1. Ongoing weekly meetings with the BCU leadership team to discuss capacity and response.	Joanne Stowell
25	37	Public Protection	<b>Increased Costs for Coroners Service</b>	<b>Cause:</b> -COVID 19 Pandemic and the resultant excess deaths and impact on the Coroners services.  <b>Effect:</b> -Additional estimated costs (£57k) over the BAU contract costs due to high risk post mortems.	Financial	3	4	12	1. Ongoing communication with the South London Coroners Consortium to ensure that additional costs are scrutinised. The Consortium is looking to mitigate the additional costs by reducing expenditure in the first instance to maintain a balanced budget.	3	3	9	1. If the costs cannot be absorbed by the consortium, the Division would look to mitigate the additional spend by reducing expenditure within the division/department in the first instance to maintain a balanced budget.	Joanne Stowell



Environment & Public Protection (E&PP) Risk Register - Appendix B6

													DATE LAST REVIEWED:	27/04/2021
No.	E&PP RISK REF	DIVISION	RISK TITLE & DESCRIPTION	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK			FURTHER ACTION REQUIRED	RISK OWNER
						LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
26	38	Traffic and Parking	<b>COVID-19 related loss of income</b> Greatly reduced income from parking activity. Current uncertainty re TfL grant funding for transport improvements.	<b>Cause(s):</b> -Fewer people used paid-for parking during the pandemic -Enforcement was relaxed to allow residents to park at home during first lockdown -TfL LIP funding has not been clarified for 2021/22 (normally confirmed in December, now expected to be confirmed in May)  <b>Effect (s):</b> - Parking income in 202/21 was down by over 50% - PCN income was down in 2020/21 by 20% - Failure to deliver new traffic and highway improvement schemes, or road safety education and cycle training	Service Delivery / Financial	4	4	16	1. Encourage residents to have confidence to visit town centres 2. Seek ongoing grant funding.	4	3	12	1. This risk will remain high until such time as car use returns to pre-COVID levels. 2. Council should use the limited funding available to support economic recovery for town centres, returning school pupils and those travelling to work. 3. Council to consider reprofiling highway improvements and behaviour change projects if funding is reduced to implement Local Implementation Plan (LIP).	Angus Culverwell
27	39	Public Protection	<b>Dysfunctionality of Uniform Information Management System</b>	<b>Cause-</b> This is a legacy system and there has been a lack of investment in maintaining it. <b>Effects-</b> . The dysfunctionality of Uniform affects how data is recorded, retrieved and analysed. Data is not always saved or retrievable. Further there are issues trying to connect to the system remotely.	Service Delivery	5	4	20	Ongoing communication with IT, the system upgrade is due in May 21	4	4	16	The system will remain unreliable until such time that the system is upgraded. Discussions as to whether the upgrade can be accelerated.	Joanne Stowell
28	40	Neighbourhood Management	<b>Disruption to waste services</b> during the Depot Improvement Programme works in 2022/23	<b>Cause</b> - The depot improvement programme involves significant infrastructure works at the Council's operational depots over an 18 month period. The works themselves will impact services as will any delays. <b>Effect(s)</b> - Closure of all or part of the Waste Transfer Station means there is limited space to store waste, resulting in additional costs to find alternatives, it could also limit ability to recycle as much of the waste collected as possible. - Closure of Reuse and Recycling Centre at one or both sites means additional cost if alternative needs to be sourced	Service Delivery	5	4	20	1. Work closely with the Depot Improvement Programme Consultants and stakeholders to plan and phase the works appropriately 2. Consider council sites as locations for temporary waste storage and/ or recycling sites 3. Produce a communications plan to ensure that residents and businesses are aware of any planned changes to the site and their services.	4	4	16	This risk will remain high until the detailed Depot Improvement Programme plan has been completed and additional mitigation measures identified as part of this process.	Peter McCready
29	41	Public Protection	<b>Dysfunctionality of IT Support &amp; Systems</b>	<b>Cause-</b> Insufficient/Inadequate IT Support <b>Effects-</b> The dysfunctionality of systems and support affects performance of the team which has meant staff unable to work using IT .	Service Delivery	3	4	12	Ongoing fault reporting with IT	3	4	12	The team have no communications from IT with regards to keeping staff informed of problems	Joanne Stowell

Note: Column B reflects the unique E&PP risk reference.

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Finance Risk Register - Appendix B7

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)			DATE LAST REVIEWED:	05/05/2021
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER
1	Finance	<b>Failure to ensure sufficient cover of Council assets</b> This could result in the possibility of our insurance company refusing to cover a claim above the level of our current excess (£125k for general property and Liability, £250k for educational property).	<b>Cause(s):</b> 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.  <b>Effect(s):</b> 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. Annual review during renewal process of all property, vehicle and school journey schedules 2. Maintain a register of all insurance premiums paid each year 3. Independent review of Council's self-insurance Claims fund by professional actuaries every 3 years 4. Endorsement under buildings insurance policy to cover up to £10m for inadvertent omission to insure property 5. Buildings insurance policy excess per event to protect Council for damage to multiple properties as a result of single event e.g. Flood/Storm	1	3	3		Viknesh Gill
2	Finance	<b>Financial Market Volatility</b> Financial loss arising from the volatility of financial markets.	<b>Cause(s):</b> Market volatility, recession, banking failure  <b>Effect(s):</b> 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 E,R&C 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		David Dobbs
3	Finance	<b>Capital Income Shortfall</b> Inability to generate capital receipts	<b>Cause(s):</b> Property price reductions as a result of the economic environment. Falling number of assets available for disposal  <b>Effect(s):</b> Financial	Economic - Strategy	4	4	16	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.	3	3	9		David Dobbs
4	Finance	<b>Pension Fund</b> The pension fund not having sufficient resources to meet all liabilities as they fall due	<b>Cause(s):</b> 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. Although the triennial valuation reported that the Council's pension fund is fully funded, there is a need to address a future risk of the pension fund not having sufficient resources 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.  <b>Effect(s):</b> 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		Director of Finance
5	Finance	<b>Failure to deliver a sustainable Financial Strategy which meets with BBB priorities and failure of individual departments to meet budget</b>	<b>Cause(s):</b> 1. The 2021/22 Draft Budget report to Executive identified the need to reduce the Council's 'budget gap' of £14.1m per annum by 2024/25. The Council received a one-year financial settlement for 2021/22, which creates uncertainty on funding levels for future years. 2. The fundamental review of local government funding through the Fair Funding Review and Business Rate review has been delayed until at least 2022/23 which adds to financial uncertainty in considering the impact on the financial forecast for 2022/23 to 2024/25. A significant challenge to the future year's financial position relates to the ongoing impact of the Covid 19 situation and the uncertainty relating to the cost implications of the 'new normal'. Further details are included in the Draft 2021/22 Budget and Update on the Council's Financial Strategy 2021/22 to 2024/25 report to Executive on 13th January 2021. It is not clear whether local authorities will be fully compensated for the Covid 19 impact from Government. 3. Failure to meet departmental budgets due to increased demand on key services resulting in overspends: Housing (homelessness and cost of bed and breakfast); Adult Social Care (welfare reform and ageing population); Children's Social Care, Education (central costs), Waste (growing number of households) and limited delivery of planned mitigation savings . 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 pressures not being met. 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. Local government may be required to take on new funding responsibilities in the future without adequate funding. 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).  <b>Effect(s):</b> - Increased overspends in particular services - Council unable to carry out its statutory duties due to services cuts - Reputational damage	Financial - Operational	5	5	25	Strategic Controls: 1. Regular update to forward forecast 2. Ongoing monitoring of impact of COVID situation and trends re 'new normal' 3. Regular analysis of funding changes and new burdens particularly on Covid situation and full year impact 4. Early identification of future savings required 5. Transformation options considered early in the four year forward planning period 6. Budget monitoring to include action from relevant Director to address overspends including action to address any full year additional cost 7. Mitigation of future cost pressures including demographic changes 8. Quarterly review of growth pressures and mitigation 9. Continue to progress with opportunities for the Transformation Reviews towards meeting future years' budget gap.  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	The Council continues to explore transformation opportunities to help meet the ongoing budget gap	Director of Finance
6	Finance	<b>Failure to act upon Financial assessments or arrears in a timely manner</b>	<b>Cause(s):</b> 1. Severe/catastrophic IT problems 2. Loss of key staff 3. Organisation experiencing severe financial problems  <b>Effect(s):</b> 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
7	Finance	<b>Failure of Finance IT systems</b>	<b>Cause(s):</b> Failure of CareFirst or the various databases Failure of Oracle Failure of BACs to pay LBB  <b>Effect(s):</b> 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.	Contractual and Partnership - Operational	3	2	6	1. CareFirst has replaced the majority of the databases used in Finance for Care Services payments 2. All systems are backed up daily 3. If systems fail, new databases can be built and/or manual calculations for charges or payments could be made 4. Manual cheque payments could be raised 5. Close liaison with Liberata (and sub contracted company Xerox) to discuss any problems - escalation procedure works well. 6. Alternative printers being available at Xerox reduces the risk of cheques not being produced due to printer failure 7. Stock control measures in place to ensure cheques are ordered in time 8. BACS payments increasing - solid and dependable	2	2	4	Implications of any replacement to Carefirst will need to be monitored closely, and preventative action taken to mitigate risk	Claudine Douglas-Brown
8	Finance	<b>Failure of external contractors</b>	<b>Cause(s):</b> Contractor ceases to trade due financial failings.  <b>Effect(s):</b> disruption and delays to key services, financial loss and adverse publicity	Contractual and Partnership - Operational	3	4	12	1. Constant review of contractors financial standing 2. Maintaining knowledge and contact with alternative service suppliers	2	3	6		Claudine Douglas-Brown
9	Finance	<b>Contractor Poor Performance</b> Contractor fails to meet performance expectations across Revs & Bens, Payroll, Pensions, Debtors and Accounts Payable	<b>Cause(s):</b> Severe catastrophic IT problems Loss of key staff Organisation experiencing severe financial problems  <b>Effect(s):</b> - Delay / non payment of suppliers, customers, staff salaries, pensions. - Delay in assessment and payment of benefit claims - Increase in fraudulent payments - Delayed or non repayment from debtors  Resulting in loss of income, loss of HB Subsidy, increased costs, increase in complaints and subsequent loss of good will and / or reputational damage.	Financial - Operational	3	3	9	1. Effective SLAs and contracts in place with a regime of KPIs, service credits and default notices in place 2. Regular operational and strategic meetings monitoring progress and identifying action required 3. Action identified and formally agreed when monitoring key performance areas 4. Formal structures and procedures in place for monitoring and corrective action to minimise risk 5. Process reviewed on an ongoing basis 6. Weekly monitoring of complaints and patterns identified	2	3	6		Claudine Douglas-Brown

Finance Risk Register - Appendix B7

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)			DATE LAST REVIEWED:	05/05/2021
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
10	Finance	Significant Fraud/Corruption	<b>Cause(s):</b> Lack of controls Dishonest staff/suppliers/customers Collusion Poor systems Lack of Management oversight Inadequate segregation of duties <b>Effect(s):</b> Financial loss Adverse publicity/reputational damage Staff morale lowered Resource implications for investigation	Financial - Operational	3	3	9	1. Staff vetting 2. Segregation of duties 3. Documented procedures/regulations/code of conduct 4. Whistleblowing policy 5. Fidelity guarantee 6. IT security 7. Robust computer systems/audit trail 8. Counter Fraud staff 9. Internal/External audit	2	2	4		David Hogan
11	Finance	Failure to comply with the grant conditions and ensure effective utilisation of the significant Government funding received, relating to the Covid pandemic to support businesses	<b>Cause(s):</b> 1. Appropriate processes and controls not put in place for administering the various business grant schemes 2. The criteria of the various schemes is not applied correctly 3. Full training and guidance is not provided to those administering the scheme and making payments 4. Lack of governance and oversight of the various schemes <b>Effect(s):</b> - Payments are not made timely leading to severe financial difficulty for a business and possible insolvency - Fraudulent payments are made - Payments are made to businesses who do not meet the qualifying criteria - Payments are made in error e.g. to the wrong bank account or individual - Unused funding has to be returned to Government - Complaints / adverse publicity / reputational damage	Financial - Operational	4	5	20	- Training, guidance and advice provided to all those involved in administering the schemes (with Internal Audit involvement) - Regular and ad-hoc meetings between key personnel to ensure governance and oversight and agree any actions required - Fraud risk assessments and pre-payment and post-payment controls to identify and address any instances of fraud, error or non-compliance - Faster payments solution utilised for Covid related grant payments, ensuring same day receipt of funds by recipient.	3	3	9		Director of Finance
12	Finance	Impact on staff resources undertaking business as usual as well as significant demands to provide the support required to the Covid-19 Pandemic.	<b>Cause(s):</b> 1. Staff directed from 'business as usual' <b>Effect(s):</b> - Less available time and resources to administer functions, leading to an impact on delivery of the Council's key objectives e.g. possible delay in payments made for goods and services, delay in recovering income not received, responding timely to communications. - Complaints / reputational damage - Increased stress amongst existing staff resulting in mental health issues and / or increased levels of sickness	Personnel / Operational	4	3	12	- Regular one to one meetings with staff and ad-hoc conversations to discuss and prioritise workloads, identify and address any areas of concern. HR policies, guidance and occupational health support and advice. - Heads of Finance have been given the option of utilising agency/interim resources to mitigate Covid related workloads - Regular and ongoing publicity of staff wellbeing programme to help identify and address Covid related stress issues	3	3	9		Director of Finance

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

## Housing, Planning and Regeneration Risk Register - Appendix B8

Q3 2020/21

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
					LIKE LIHO	OD	IMPA CT	RISK RATING	LIKE LIHO		OD	IMPA CT	RISK RATING				
1	All	<b>Failure to deliver Housing Financial Strategy</b>	<b>Cause(s):</b> - Demand led statutory services which can be difficult to predict - High number of households meeting criteria for temporary accommodation - Lack of suitable housing - Impact of COVID-19 on tenancies including changes to government directives (such as Everyone In), increased placements and their cost, reduced rental income for properties and progressing building works - Increased costs at 2 Traveller Sites due to unexpected police operation. Lack of income as a result of un-tenanted pitches.  <b>Effect(s):</b> - Failure to achieve a balanced budget	Financial	5	5	25	- Match financial planning to Council priorities - Plans to deliver £11m of identified savings in Housing through work of Housing Transformation Board - Budget monitoring and forecasting - Regular reporting to CLT and Members via the Committee reporting process - Internal audit framework - Regular review of strategies to prevent homelessness and identify/develop temporary accommodation housing - Determination at planning stage to ensure collection of obligations due (S106) - Conditions attached to S106 funding received to ensure it is spent on preventing homelessness - Constantly reviewing service operations for potential efficiencies - Housing Strategy agreed by Council Executive - February 2020	4	5	20	- Housing Transformation Board to increase rate and pace of affordable housing supply. Six schemes approved by Members for progression. - Options appraisal on future housing delivery models completed and passed to Members for consideration. This includes seeking to maximise grants for future delivery. - Adjustments being made to sites. New traveller site manager in post; focus on site standards and rental collection.	Director, Housing (Sara Bowrey)				
2	Housing Needs	<b>Failure to deliver effective Housing Needs services</b> The Council is unable to deliver an effective Housing Needs service to fulfil its statutory obligations	<b>Cause(s):</b> - very demand led - lack of experienced staff - homelessness is increasing in number and complexity of cases needing maximisation of early intervention - Lack of awareness of where households need to approach services - Managing households approaching Council for help <b>Effect(s):</b> - Failure to fulfil statutory obligations - Impact on life chances and outcomes for individuals and families in need of Housing Services - Reputational damage - Legal challenge	Legal	4	4	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 - Implementing the Homelessness Strategy - setting up the multi-agency Homelessness Forum and taking forward the priorities of the Strategy - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Housing Transformation Board programme being implemented - Implementation of the More Homes Bromley initiative to ensure the supply reduces the reliance on nightly paid accommodation - New incentive campaign for private sector landlords embedded and benefits being realised. - Housing Strategy agreed by Council Executive - February 2020 - Ensuring grant funding is pursued and properly utilised.	2	4	8	- Housing Transformation Board programme being implemented. Six schemes approved by Members for progression. Options appraisal on future housing delivery models completed and passed to Members for consideration. This includes seeking to maximise grants for future delivery. - Work continues with a range of housing providers to explore all options for increased supply and the revised offer to private landlords to increase access has been fully embedded. - Review of impact of Homelessness Reduction Act completed and level of early intervention increased for main cause of homelessness including enhanced debt and money advice . - Work required to address under-occupation and the generation of move on options within the social housing sector. - The new housing IT system offers a new more interactive on line housing advice model	Assistant Director, Housing (Lynnette Chamielec)				
3	Housing Needs	<b>Temporary Accommodation</b> Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homelessness budgets	<b>Causes:</b> - Changes in government funding - Rising number of placements (approx. 20 per month) - Lack of local, affordable sustainable options - Increased homelessness and lack of access to accommodation  <b>Effect(s):</b> - 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 - Increase in the number of out of borough placements	Social	5	4	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 - Implementing the Homelessness Strategy - setting up the multi-agency Homelessness Forum and taking forward the priorities of the Strategy - Working with local churches through the Transforming Bromley Borough Group to increase opportunities for outreach work. - Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money - Housing Transformation Board programme being implemented - Implementation of the More Homes Bromley initiative to ensure the supply reduces the reliance on nightly paid accommodation - New incentive campaign for private sector landlords embedded and benefits being realised.	4	4	16	- Housing Transformation Board progressing projects to increase cost-effective temporary accommodation and affordable housing supply. Six schemes approved by Members for progression. Options appraisal on future housing delivery models completed and passed to Members for consideration. - Transformation Board action plan in place for next 3-4 years. - Continue to develop partnership working with private sector landlords to assist households to remain in private sector accommodation and establish longer term tenancies. - Work innovatively with a range of providers to increase access to a supply of affordable accommodation. Housing Association Development Group established to progress developments in borough and share good practice. - Regeneration options on Housing Association estates under discussion to increase affordable housing supply. - Intake and Early Intervention service to meet Homelessness Reduction Act. Review effectiveness to address causes of homelessness. - Design work now underway for the modular schemes with planning submissions being progressed; the first of which has been approved.	Assistant Director, Housing (Lynnette Chamielec)				

## Housing, Planning and Regeneration Risk Register - Appendix B8

Q3 2020/21

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
					LIKE	LIHO	OD	IMPA	CT		RISK	LIHO	OD	IMPA	CT		
4	Housing Needs (Housing Strategy)	<b>Capital Grant</b> 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)	<b>Cause(s):</b> - 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 together with delays in completing developments - Potential fluctuations in house prices and supply chains - Schemes not granted planning permission to develop identified sites <b>Effect(s):</b> - Failue to fulfil statutory obligations - 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	- 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 - Work underway to streamline the S106 process to ensure that the Council maximises the use of available funding to meet housing needs - Determination at planning stage to ensure collection of obligations due - Conditions attached to funding received to ensure it is spent on preventing homelessness - Development group with Housing Associations established to improve relationships with planners and developers to increase supply of affordable housing	3		4	12	- Additional measures to be explored in accordance with the Housing Strategy. - Seeking to increase capacity for housing development support to ensure Housing Associations are supported and encouraged to develop affordable homes and that planning is aligned to the Local Plan. Review following publication of London Plan. - Using Development Group to work with Housing Associations to encourage increased affordable housing development though sharing good practice and supporting smaller associations. - Working group established to review and maximise s106 spend for new affordable housing supply.	Assistant Director, Housing (Lynnette Chamielec)		
5	Housing, Planning and Regeneration	<b>Recruitment and Retention</b> Failure to recruit and retain key skilled staff with suitable experience/qualifications	<b>Cause(s):</b> - Failure to compete with other organisations to recruit the highest quality candidates to build an agile workforce - Small pool of experienced workers <b>Effect(s):</b> - 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 sets result in an inability to deliver effective housing services and planning services as well as progressing housing and regeneration schemes. - Impact on life chances and outcomes of families and young people.	Personnel	5		4	20	- Recruitment drive to convert locums to permanent staff - Council's recruitment web site includes a video virtual tour of the Council in housing - Support in effectively managing staff performance - Bespoke training for first line managers - Training and quality assurance of practice - Role on Recruitment and Retention Board - Review the recruitment/retention of housing staff including packages for retaining staff - Developing apprenticeship and trainee roles in Planning Services - Gradings and role responsibilities for key posts benchmarked - Recruitment and retention package developed - Promotion of employment prospects and career progression in Bromley enhanced - Working with specialist recruiters.	3		4	12	- Continue to benchmark grades and packages to remain competitive. - Rolling programme to convert agency staff to permanent positions. - Grow your own apprenticeship in building control established.	Director, Housing (Sara Bowrey)  Director, Human Resources (Charles Obazuaye)		
6	Housing Needs	<b>Welfare Reform</b> Impact of Welfare Reform legislation (including Universal Credit).	<b>Cause(s):</b> - Ongoing concerns about delays with Universal Credit and the impact of the benefit cap on families <b>Effect(s):</b> - Increased Rent Arrears - Lack of affordable/sustainable local options - Subsequent evictions and landlords reluctant to rent properties to claimants.	Social	4		4	16	- 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 reviewed and money advice support extended. - New IT system and rent arrears procedure in place to improve arrears collection and support tenants with financial advice. - Protocol established with housing associations including single point of contact to identify those with financial issues due to welfare reform in order to prevent homelessness.	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 - Setting up working group with Housing Associations to explore additional measures to support residents with the rollout of Universal Credit - CAB Universal Credit advice service went live in April 2019. Close working with CAB to ensure identification and support to those at risk. - Review rent arrears procedures and support for debt advice in temporary accommodation. - Monitor the impact of financial difficulties due to COVID-19 and offer advice to those where eviction action halted under current regulations. - DHP moved across to operational housing / Liberata to manage.	Assistant Director, Housing (Lynnette Chamielec)		

## Housing, Planning and Regeneration Risk Register - Appendix B8

Q3 2020/21

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
					LIKE	LIHO	OD	IMPA	CT	RISK	LIHO	OD	IMPA	CT	RISK		
7	Housing, Planning and Regeneration	<b>Business Interruption / Emergency Planning</b> Failure to provide Council services or statutory requirements of mass illness/fatalities scenario following a business interruption or emergency planning event	<b>Cause(s):</b> - 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) <b>Effect(s):</b> - Business interruption - failure to deliver services, loss of customer / resident satisfaction. - Emergency planning - failure to deliver statutory duties.	Personnel			2		5	10		1		5	5	- Business Continuity Plans reviewed annually.	Director, Housing (Sara Bowrey)
8	Strategy, Performance and Corporate Transformation	<b>Data Collections</b> Failure to undertake statutory statistical data collections; including key housing and planning information, thereby adversely affecting government grant allocations and performance assessments	<b>Cause(s):</b> - Business Interruption <b>Effect(s):</b> - Failure to commission effectively - Adverse impact on the timing and quality of decision making	Data and Information			3		3	9		1		3	3		Assistant Director, Strategy, Performance & Corporate Transformation (Naheed Chaudhry)
9	Strategic Property	<b>Financial Performance</b> Failure to reach expected income through rental income and property disposal	<b>Cause(s):</b> - Failure to lease all properties - Failure to eliminate rent arrears - Downturn in property market - Impact of COVID-19 on retail and property markets - Non-payment of rent on properties <b>Effect(s):</b> - Reduced rental income - Reduced capital income - Impact on overall Council budget	Financial			3		5	15		2		5	10	- Work with Liberata to pursue rental arrears	Assistant Director, Strategic Property (Michael Watkins)
10	Strategic Property	<b>Health and Safety Regulations</b> Failure to comply with statutory regulations in Council occupied and leased properties	<b>Cause(s):</b> - Inadequate risk assessments - Lack of capacity to discharge the Council's H&S responsibilities - Ineffective monitoring of risks <b>Effect(s):</b> - Potential prosecution of Council and/or civil claims for compensation - Insurance claims - Potential accidents/fatalities - Corporate manslaughter	Physical/ Legal/ Financial			3		5	15		2		5	10		Assistant Director, Strategic Property (Michael Watkins)



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Q3 2020/21

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					LIKE LIHO	OD	IMPA	CT	RISK RATI NG		LIKE LIHO	OD	IMPA	CT	RISK RATI NG		
11	Strategic Property	<b>Contractor Performance</b> Failure to deliver facilities management service	<b>Cause(s):</b> - Inadequate qualified staffing resources - Lack of capacity to deliver outcomes  <b>Effect(s):</b> - Failure to deliver statutory obligations - Poor performance impacts on work of Council officers	Contractual and Partnership - Operational	3		5		15	- Regular monitoring of performance and key performance indicators - Contractors make regular reports to Members on delivery of contract - Contract reviewed and escalation for change available subject to Contract Change Notification - Business continuity plans in place and draft Exit Plan received	2		5		10	- Benchmarking of contract in progress to inform the future of the contract - A series of recommendations regarding the future direction of the contract to be submitted to Executive in 2020	Assistant Director, Strategic Property (Michael Watkins)
12	Culture and Regeneration	<b>Outreach Service</b> Failure to provide service in Cotmandene and Mottingham	<b>Cause(s):</b> - Buildings vulnerable to water and sewerage issues - Small staff base vulnerable to stress and sickness - Reduced service - recovering after COVID-19 closure  <b>Effect(s):</b> - Failure to deliver full service - Closure of outreach centres - Impact on vulnerable adults	Social	4		4		16	- Staff experienced in successfully averting aggressive behaviour. - Regular weekly Team Meetings to discuss issues and address staff wellbeing as well as participation in training opportunities to help wellbeing - Facilities managed and repairs arranged with contractors (Amey and Clarion Housing)	4		4		16	- Daily, weekly and monthly Health & Safety checks to be continued - Lone working policy, CCTV and panic buttons, risk assessments in place and regularly reviewed - Allocating time for joint team meetings and staff training whilst maintaining delivery of service - Recruitment to vacant post to enable full complement of staff	Assistant Director, Culture and Regeneration (Lydia Lee)
13	Culture and Regeneration	<b>Vitality and Prosperity of Town Centres</b> Failure of town centres to attract footfall and spend for retail and leisure opportunities	<b>Cause(s):</b> - Failure to redevelop High Streets and diversify the offer - National trend for decline in the traditional retail sector in town centres and competition from out of town developments and online shopping - Risk that established Business Improvement Districts do not succeed at renewal or that planned Business Improvement Districts do not get established resulting in reduced revenue spend to support businesses in town centre locations. - Poor development in town centres - Lack of investment in town centre facilities and public realm. - Impact of COVID-19 on local economy  <b>Effect(s):</b> - Reduction in town centre business occupancy and increase in vacancies - Loss of income from business rates and market charges, and reduction in income from parking charges - Poor public perception and negative publicity. - Lack of private sector or inward investment. - Reduction in property value. - Reduction in footfall and spend per head resulting in loss of business.	Economic	4		4		16	- Support to Business Improvement Districts through renewal or ballot processes. - Work in partnership with Business Improvement Districts to drive town centre activity that support business success and include programming and events in town centres. - Secure funding for and deliver public realm improvements in town centres - Work with developers to bring forward suitable development that supports the vitality of town centres - Secure developer contributions for the benefit of town centres. - Investigate options for Renewal opportunities in all town centres. - Prioritise investment in town centre leisure facilities. - Implementation of the Business Support Task Force and support to plan for recovery	4		3		12	- Work with businesses to investigate the viability of a Business Improvement District in West Wickham. - Create and implement a terms of reference document to redefine the relationship between Business Improvement Districts and the Council to better support the local economy. - Work with developers including Areli to bring forward sensitive town centre development that also secures improved facilities for community services. - Finalise town centre public realm improvement schemes.	Assistant Director, Culture and Regeneration (Lydia Lee)
14	Culture and Regeneration	<b>Capital Schemes</b> Failure to deliver housing schemes for temporary accommodation	<b>Cause(s):</b> - Failure to gain approval from Members for business cases - Failure to secure funding for schemes - Failure to deliver temporary accommodation schemes on time and in budget - Issues with land ownership and usage - Planning permission not granted or granted with conditions which impact adversely on costs - Issues with type of housing and construction - Lack of interest from market in developing sites - Impact of COVID-19 on construction industry and production of modular homes  <b>Effect(s):</b> - Failure to provide number of temporary accommodation units identified - Failure to produced identified savings as part of Housing Transformation Board programme - Impact on vulnerable families and children	Financial/ Social	5		5		25	- York Rise contract being mobilised, feasibility work being undertaken to identify a suitable course of action - Planning application for Burnt Ash Lane granted and work due to commence September 2020; impact of potential lock downs being monitored by working group - Tenders reviewed and re-issued - Housing applications at Bushell Way and Anerley (35 homes in total) in contract and applications submitted to planning July 2020, a decision due by Development Committee decision due November/December 2020. - Feasibility analysis underway on Beckenham Public Halls. Leasehold disposal option being developed in line with recommendations made in Sept 2020 Executive report. - Additional resources in Regeneration and Renewals teams dedicated to assess and bring forward a range of housing sites across the borough. Approach to Housing report for additional pipeline of housing sites identified and funding agreed by Executive 18th September. Design, feasibility and pre-planning advice underway on modular schemes. - Crystal Palace Regeneration strategy subject to decision by GLA via the outline planning application.	4		4		16	- Further conversations required to be developed with services to understand short and longer term requirements of particular sites. - Legal advice sought on ownership and usage issues and actions identified. - Coordination across disposals programme to ensure revenue and housing targets can be met jointly. - Leadership team working with GLA on Crystal Palace. - Further upskilling and knowledge sharing across teams to bring forward development effectively.	Assistant Director, Culture and Regeneration (Lydia Lee)

## Housing, Planning and Regeneration Risk Register - Appendix B8

Q3 2020/21

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
					LIKE	LIHO	OD	IMPA	CT	RISK	LIKE	LIHO	OD	IMPA	CT	RISK	
15	Culture and Regeneration	<b>Library Service</b> Failure to provide statutory library service	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Service provider ceases to trade due to financial difficulties</li> <li>- Service provider chooses to terminate contract</li> <li>- Council terminates contract because service provider fails to consistently meet KPIs</li> <li>- Service does not meet contracted levels because of industrial action</li> <li>- Impact of COVID-19 on usage and closure of libraries</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Temporary cessation of library service in borough</li> <li>- Adverse public response</li> <li>- Possible impact on partners in shared use buildings</li> <li>- Social impact on vulnerable adults and families using library facilities and activities</li> </ul>	Legal Reputational Social	4			4		16	4			3		12	Assistant Director, Culture and Regeneration (Lydia Lee)
16	Planning	<b>Planning Service</b> Failure to deliver statutory requirements related to planning	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Failure of Planning IT service</li> <li>- Lack of suitably qualified staff to provide expertise within the service</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Council enters 'designation' status resulting in major planning decisions being removed from Council decision-making process leading to income loss to Council and lack of local control</li> <li>- Failure to prevent unauthorised development</li> <li>- Failure to respond to planning applications within statutory timescales</li> <li>- Planning decisions overturned on appeal</li> <li>- Failure to enforce Tree Protection Orders, protect listed buildings and conservation areas</li> <li>- Adverse public response</li> </ul>	Legal Financial Reputational	3			4		12	2			3		6	Assistant Director, Planning (Tim Horsman)
17	Planning	<b>Community Infrastructure Levy</b> Failure to adopt local CIL and use for local infrastructure	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Failure to have local CIL schedule agreed and adopted</li> <li>- Failure to implement and collect the local CIL</li> <li>- Failure to use local CIL appropriately</li> <li>- Income impacted by COVID-19</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Lack of funding for infrastructure to support new developments</li> <li>- Lack of funding to provide Infrastrure Delivery Team</li> </ul>	Legal Financial	2			3		6	2			3		6	Updated action plan being developed and will be consulted on and introduced at end of 2020/21 Assistant Director, Planning (Tim Horsman)
18	Planning	<b>Section 106 Agreements</b> Failure to complete S106 agreements for affordable housing	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Lack of appropriately qualified staff to ensure S106 agreements are implemented as appropriate</li> <li>- Lack of S106 Monitoring Officer in post</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Impact on level of supporting infrastructure in borough</li> <li>- S106 monies not being spent on appropriate infrastructure and housing schemes</li> </ul>	Financial Social	3			3		9	2			3		6	- Ensure function of S106 Monitoring Officer included in proposed Infrastructure Delivery Team Assistant Director, Planning (Tim Horsman)

## Housing, Planning and Regeneration Risk Register - Appendix B8

Q3 2020/21

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					LIKE LIHO OD	IMPA CT	RISK RATING	LIKE LIHO OD		IMPA CT	RISK RATING				
19	Planning	<b>London Plan</b> Failure to deliver level of housing in Bromley contained in Mayor of London's plan	<b>Cause(s):</b> - Mayor of London's Plan requires greater levels of housing to be built in Bromley than in Local Plan -Planning permission for sufficient level of development not granted - Landbanking by developers resulting in targets of new houses not being met in a timely fashion  <b>Effect(s):</b> - Bromley penalised at planning appeal stage	Reputational Financial	5	3	15	- Local Plan policies being reviewed to identify suitable sites - Contribution to consultation stage of London Plan emphasising issues around small sites	3	3	9	- Review of Local Plan in line with London Plan once published in 2020	Assistant Director, Planning (Tim Horsman)		



## Human Resources and Customer Services Risk Register - Appendix B9

											DATE LAST REVIEWED:	08/04/2021	
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)				CURRENT RISK RATING (See next tab for guidance)			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	<b>Cause(s):</b> - Changes to staff terms and conditions (localisation agenda) - Lack of flexibility of workforce - Poor horizon scanning and networking's  <b>Effect(s):</b> - Increased costs (bank / agency usage) - Reputation damage - Impacts on service delivery	Political	2	2	4	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 5. HR processes in place for dealing with industrial action	2	2	4	1. Submitting timely proposals to Chief Officers and / or members of the Industrial relations committee.	Director of HR & Customer Services
2	Human Resources	Failure to comply with HR related legislative requirements e.g. Equalities Act 2010	<b>Cause(s):</b> - Lack of awareness with legislation - Failure to effectively consult staff where appropriate - Indirect / direct discrimination - Human error / lack of understanding - Lack of capacity and capability to deliver  <b>Effect(s):</b> - Reputation damage - Financial costs - Regulatory inspection / intervention	Legal	4	3	12	1. Bromley Council policies & procedures in place e.g.. Equality Scheme 2. Requirement to report and record accurately information e.g. equalities 3. Training in place for managers and staff to ensure they are aware of their responsibilities 4. Organisation to carry out a Capacity Risk Assessment	3	2	6	1. Professional updates / HR Mgt Team forward planning	Director of HR & Customer Services
3	Human Resources	1) ineffective workforce planning initiatives including succession planning, talent management. 2) upskilling of staff - lack of training resources/opportunities	<b>Cause(s):</b> - Insufficient strategic management control and planning -Staff turnover (capacity) - Lack of resources  <b>Effect(s):</b> - Potential service delivery impacts - Loss of skilled/experienced staff - Missed opportunity to develop and retain talent "in house" -Recruitment Costs	Personnel / Operational	3	3	9	Clear workforce planning strategy in place, including - Graduate Intern Scheme - Apprenticeship Scheme - Career Pathway - Leadership Development Programme - Succession Planning Tool - Kickstart	2	2	4	Review of  1.'Development of a Talent Management Strategy. 2. Ensure that Apprenticeship Levy funds are utilised effectively 3. Consideration to resurrect 'Future Leaders Programme'	Director of HR & Customer Services
4	Human Resources	Ineffective recruitment and retention strategies for hard to fill posts e.g. Adult's Social Workers, Children's Social Workers, Housing, Planning, Building Control	<b>Cause(s):</b> - Physical environment/hygiene facilities - Culture - Increasingly fluid market - Increases in demand and/or reductions in supply - Lack of experienced staff in the labour pool - Budget constraints - Lack of leadership  <b>Effect(s):</b> - Potential service delivery impacts - Increased costs due to use of agency workers - Reduction in quality of service	Personnel / Operational	4	3	12	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 review 4. Review of pay and comparison with neighbouring LAs 5. R&R Board to regularly review 6. No Quit Policy in place 7. Implement grow your own initiatives e.g. senior practitioners progression pathway, training pathways for social workers, graduate trainees, apprentices	2	2	4	Review of retention strategies  1.'Development of a Talent Management Strategy. 2. Ensure that Apprenticeship Levy funds are utilised effectively 3. Consideration to resurrect 'Future Leaders Programme'	Director of HR & Customer Services

## Human Resources and Customer Services Risk Register - Appendix B9

											DATE LAST REVIEWED:		08/04/2021	
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)				CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER	
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
5	Human Resources	Ineffective pre-employment checks including agency workers	<p><b>Cause(s):</b></p> <ul style="list-style-type: none"><li>- Poor procedures</li><li>- Inadequate monitoring</li><li>- Lack of awareness / understanding</li></ul> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Workers with safeguarding concerns not identified</li><li>- Safeguarding incident occurs (harm / injury)</li><li>- Agency worker ID fraud</li><li>- Reputation damage</li><li>- legal compliance implications inc. fines and sanctions</li></ul>	Personnel / Operational	4	3	12	<ul style="list-style-type: none"><li>1. HR Business Services carry out checks for LBB workers &amp; agencies to check agency workers.</li><li>2. Managers check identity of candidate and of agency workers when arriving for work, with copy of DBS and proof of identity. E.g. passport, and original copy of birth certificate.</li><li>3. Up front audits with Adecco undertaken to ensure processes are robust for agency workers</li><li>4. Training provided for managers</li><li>5. Internal audit undertakes a review of arrangement as part of their annual audit plan</li></ul>	4	1	4	Consideration as to whether training should be mandatory	Director of HR & Customer Services	
6	Human Resources	Management of the on-going transitional and transformational changes (Commissioning process, baseline exercise and service redesigns and alternative delivery options)	<p><b>Cause(s):</b></p> <ul style="list-style-type: none"><li>- Lack of adequate financial resources</li><li>- Lack of expertise</li><li>- Unexpected delays</li><li>- Changes in strategic direction</li><li>- Lack of capacity to undertake in a timely manner</li><li>- Conflicting priorities</li></ul> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- New service models are ineffective / not fit for purpose</li><li>- Increased costs</li><li>- Legislative and legal requirements breached (e.g. TUPE)</li><li>- Reduction in service quality / provision</li><li>- Reputation damage</li></ul>	Personnel / Operational	4	3	12	<ul style="list-style-type: none"><li>1. Managing change procedure in place</li><li>2. Capacity building and additional resources to support the change process</li><li>3. Effective communication and engagement with staff and their representatives.</li><li>4. Formal consultation processes and departmental representatives</li><li>5. Regularly meetings include Members</li><li>6. Terms of Reference for each workstream led by Chief Officers</li></ul>	3	2	6	<ul style="list-style-type: none"><li>One-off funding required to support transformation programmes and workstreams</li><li>Review HR Processes in light of new working arrangements</li></ul>	Director of HR & Customer Services	
7	Human Resources	HR systems failures e.g. payroll, recruitment, HR self-service, pensions	<p><b>Cause(s):</b></p> <ul style="list-style-type: none"><li>- Contractual failure</li><li>- IT failure</li><li>- Loss of power</li><li>- Data breach / cyber attack</li><li>- Ineffective business continuity plan for manual work around</li></ul> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"><li>- Delays or restriction in level of HR support available</li><li>- Staff not paid</li><li>- Staff morale reduction if for a long period</li><li>- Delays in ability to recruit</li><li>- Failure to apply for jobs employment/legal issues</li><li>- Failure to comply with contractual obligations</li><li>- Industrial action</li></ul>	Data and Information	2	5	10	<ul style="list-style-type: none"><li>1. Back-up payroll processes/systems</li><li>2. Regular saving of personnel information on Resource Link</li><li>3. Business Continuity Plan in place</li><li>4. Internal audit carry out reviews as part of annual review programme</li><li>5. Regular meetings with contractors and Business Continuity Plans for each contract</li></ul>	4	2	8	None identified	Director of HR & Customer Services	

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					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
8	Human Resources	<b>Ineffective compliance with IR35</b>	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Inadequate information from managers,</li> <li>- Non submission of requests for HR scrutiny</li> <li>- Non submission of approval by relevant Chief Officers,</li> <li>- Poor knowledge of what is required</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>- Huge fine by IRS</li> <li>- Reputational damage</li> <li>- IRS investigation of the authority</li> </ul>	Financial / Legal	2	5	10	1. Clear standards and expectations are set out in the procedure/manual 2. Dedicated HR Officer with updated knowledge of IR35 requirements 3. Access to external expert advice commissioned if required 4. HR monitoring	1	3	3	<ul style="list-style-type: none"> <li>- Regular awareness sessions on IR35 for managers</li> <li>- 6-monthly compliance report to CLT/COE</li> <li>- Joint HR/audit review</li> </ul>	Director of HR & Customer Services
9	Human Resources / Health & Safety	<b>Health &amp; Safety (Council)</b> <b>Ineffective management, processes and systems across all Council departments</b> <b>Specifically in relation to the following areas:</b> <b>Fire Risk Assessments</b> <b>Lone Working</b> <b>Violence &amp; Aggression at work</b>	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>- Inadequate risk assessments</li> <li>- Outdated policies</li> <li>- Poor use of data around accidents/near miss incidents</li> <li>- Lack of capacity to discharge the Council's H&amp;S responsibilities</li> <li>- Ineffective monitoring of risks</li> </ul> <b>Effect (s):</b> <ul style="list-style-type: none"> <li>- Potential prosecution of Council and / or civil claims for compensation</li> <li>- Increased sickness/absence</li> <li>- Poor staff morale</li> <li>- Impact on staff retention</li> <li>- Insurance claims</li> <li>- Potential accidents/fatalities</li> <li>- Corporate manslaughter</li> </ul>	Health & Safety	3	5	15	1. 0.6 fte Corporate Safety Advisor employed 2. Safety Policies reviewed and updated regularly - ongoing 3. Commitment to HSW from Chief Executive and Directors premises, equipment & activities 4. Supported by H&S training programme and network of policies and procedures (regularly reviewed) 5. Property-related HSW matters now provided through Amey 6. Holding contractors to account for managing Council premises to required legal standards	3	4	12	FT H&S Advisor 'Risk assessment & proactive monitoring being developed for Council  Departmental Safety Committees meet regularly. Corporate and Departmental Health and Safety Meetings to be further reviewed including Senior Management Ownership  H&S audits to be undertaken by Corporate Safety Officer	Director of HR & Customer Services
10	Customer Services	<b>Fall in income from Registrars</b> Economic downturn, uncertainty regarding accommodation and other external factors contributing to a significant fall in income in Registrars e.g. impact of covid	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>Uncertainty regarding accommodation</li> <li>Leaving Civic Centre for a less appealing venue</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>Reduced level of bookings</li> <li>Financial impact</li> </ul>	Financial - Operational	3	3	9	<ul style="list-style-type: none"> <li>- Regular budget and activity monitoring</li> <li>- Targeted marketing of ceremonies, venues etc. to maximise income, website videos, use of 'twitter'</li> <li>- Flexible use of staff to maximise income in periods of high activity</li> <li>- Development of civil funeral service</li> </ul>	3	2	6		Duncan Bridgewater
11	Customer Services	<b>Contractor Failure</b>	<b>Cause(s):</b> <ul style="list-style-type: none"> <li>Contractor (such as Liberata) cease trading due to financial or other failure.</li> </ul> <b>Effect(s):</b> <ul style="list-style-type: none"> <li>Interruption to or deterioration of service due to failure of contractors (out of hours security guards @ Civic Centre, for example)</li> </ul>	Contractual and Partnership - Operational	2	4	8	<ul style="list-style-type: none"> <li>- Regular monitoring of performance and monthly operational meetings to identify any continued and ongoing reduction in service delivery</li> <li>- Core contract monitoring and overview of other elements of the contract to identify shortfalls in other areas of service delivery</li> <li>- Effective scrutiny of potential contractors</li> <li>- Appropriate performance bonds or parent company guarantees</li> <li>- Business continuity planning</li> <li>- Standardised contract letting procedures and documentation as contracts renew</li> </ul>	2	3	6	-Identify potential alternative contractors	Duncan Bridgewater

## Human Resources and Customer Services Risk Register - Appendix B9

												DATE LAST REVIEWED:	08/04/2021
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)				CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
12	Customer Services	<b>Contractor Performance</b>	<b>Cause(s):</b> Failure to effectively manage service delivery contracts with provided such as Liberata  <b>Effect(s):</b> 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
13	Customer Services	<b>Maintenance of Statutory and GRO standards</b>	<b>Cause(s):</b> Increase in life events (births / deaths) within Bromley Staffing pressures  <b>Effect(s):</b> 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 Annual report produced in Spring	1	3	3		Duncan Bridgewater
14	Customer Services	<b>Loss of Facility</b> Loss of customer service accommodation as a result of a major power failure or other incident that prevents access to the Civic Centre	<b>Cause(s):</b> Major power failure or other incident that prevents access to the Civic Centre  <b>Effect(s):</b> Major disruption to council services	Data and Information - Operational	3	3	9	- Existing local resilience procedures (overflow to alternative Liberata Office)  Considered as part of the overall corporate business continuity plan if temporary accommodation required	2	2	4		Duncan Bridgewater
15	Customer Services	<b>Safety of Statutory Records</b>	<b>Cause(s):</b> Fire / flooding Strong room not GRO compliant  <b>Effect(s):</b> 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 he wider accommodation review	Duncan Bridgewater

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

## Appendix C

DIRECTORATE	SERVICE AREA	CONTRACT TITLE	DETAILS OF WAIVER	FINANCIALS	CONTRACT START DATE	CONTRACT END DATE	CONTRACT WHOLE LIFE VALUE	CONTRACT ANNUAL VALUE
People	Adult Social Care: Public Health	Operation Eagle Surge Testing	Exemption: Direct Award of Contract (one year contract). Chief Officer decision 29th March 2021.	Up to £100k for contract period.	01/04/2021	31/03/2022	£100,000	£100,000
People	Adult Social Care: Learning Disabilities	Learning Disabilities	Formal Extension Option: extension of Day Services element of contract for five month period, pending completion of tender. Executive decision 31st March 2021.	£298k for extension period.	01/10/2015	31/08/2021	£19,274,428	£3,700,000
People	Adult Social Care: Learning Disabilities	Learning Disabilities - Respite Element	Exemption: Direct Award of Contract (two year contract). Executive decision 31st March 2021.	£962k for contract period.	01/04/2021	31/03/2023	£962,000	£481,000
People	Adult Social Care: Public Health	Public Health - COMHAD	Exemption: Direct Award of Contract (three year contract with option to extend). Executive decision 13th January 2021.	£435k for contract period (including extension option).	01/04/2021	31/03/2024	£261,000	£87,000
People	Adult Social Care: Older People	Older People - Dementia Respite at Home Services	Formal Extension Option and Extension Beyond Term: formal extension option of six months and extended beyond term for a further six months. Portfolio Holder decision 17th March 2021.	£194k for extension period.	01/04/2017	30/09/2022	£1,044,700	£194,000

People	Children and Families: Bromley Children's Project	Domestic Violence Against Women and Girls Service - VAWG	Formal Extension Option (one year extension). Portfolio Holder decision 23rd December 2020.	£152k for extension period.	01/04/2020	31/03/2022	£330,608	£179,000
People	Children and Families: Workforce Development	Step Up To Social Work Cohort 6 (Provision of PG Diploma in Social Work to Royal Holloway University)	Formal Extension Option (two year extension). Chief Officer decision (delegated authority) 13th January 2021.	Up to £291k for extension period.	10/06/2019	31/03/2023	£583,950	£145,000
People	Children and Families: Education	Provision of Nursery meals	Extension Beyond Term (one year extension). Chief Officer decision 6th April 2021.	Up to £30k for extension period.	01/09/2018	31/08/2022	£111,200	£29,500
Place	Environment: Highways	Winter Service Weather Forecast	Exemption: Direct Award of Contract (five year contract). Portfolio Holder decision 14th November 2020.	Up to £50k for contract period.	01/11/2020	31/10/2025	£49,580	£9,916
Place	Environment: Highways	Leased Cars Vehicle Bodywork Repair	Exemption: Direct Award of Contract following lack of response to tender (three year contract). Portfolio Holder decision 14th December 2020.	Up to £150k for contract period.	01/12/2020	30/11/2023	£150,000	£50,000
Chief Executive	Finance: Exchequer	Academy Processing System	Exemption: Renewal of annual agreement (one year). Member decision required due to cumulative valule - still to be obtained.	£115k for renewal period.	01/04/2011	31/03/2021	£1,731,622	£115,000
Chief Executive	Finance: Exchequer	Anite Information @Work	Exemption: Renewal of annual agreement (one year). Member decision required due to cumulative valule - still to be obtained.	£10k for renewal period.	01/04/2011	31/03/2021	£98,460	£9,846

Chief Executive	Finance: Exchequer	Payment Management System	Exemption: Renewal of annual agreement (four years) and variation. Executive decision 31st March 2021.	£220k for renewal period.	01/04/2011	31/03/2026	£237,150	£52,000
Chief Executive	Finance: Exchequer	Oracle Financial Systems	Variation: variation to BT contract to include Oracle Financial Systems Purchase. Leader decision 30th November 2020.	£1.9M estimated for variation period.	01/04/2021	31/03/2026	£1,923,000	£199,000
Place	Environment: Public Protection	Dogs & Pest Control Services	Formal Extension Option (one year extension). Chief Officer decision 6th October 2020.	Up to £90k for extension period.	01/02/2018	31/01/2022	£276,000	£94,000
Place	Housing, Planning and Regeneration: Housing	HOPE – Homeless Reduction Act Module	Exemption: Renewal of annual agreement (one year). Chief Officer decision 8th January 2021.	£30k for renewal period.	16/01/2018	15/01/2022	£66,650	£29,250
Place	Housing, Planning and Regeneration: Recreation and Renewal	Care Concession for Bromley Civic Centre - Prestigious Catering	Formal Extension Option (two year extension). Chief Officer decision 21st April 2021.	N/A - Concession contract. Income value to provider estimated at less than £100k for extension period.	01/10/2019	30/09/2023	N/A	N/A
People	Children and Families: Bromley Children's Project	** Now Live ** Domestic Violence Against Women and Girls Service - VAWG	Variation: additional grant monies. Portfolio Holder decision 29th March 2021.	£48k for variation.	01/04/2020	31/03/2022	£378,161	£186,392

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