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DATE: 25 October 2022

To: Members of the
AUDIT AND RISK MANAGEMENT COMMITTEE

Councillor Michael Tickner (Chairman)
Councillor Robert Evans (Vice-Chairman)
Councillors Jeremy Adams, Simon Fawthrop, Kira Gabbert, Julie Ireland,
Jonathan Laidlaw and Simon Jeal

A meeting of the Audit and Risk Management Committee will be held at Bromley Civic Centre on **WEDNESDAY 2 NOVEMBER 2022 AT 7.00 PM**

TASNIM SHAWKAT
Director of Corporate Services & Governance

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

A G E N D A

- 1 **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 **DECLARATIONS OF INTEREST**
- 3 **CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 30TH JUNE EXCLUDING THOSE CONTAINING EXEMPT INFORMATION (Pages 5 - 14)**
- 4 **QUESTIONS TO THE AUDIT AND RISK MANAGEMENT COMMITTEE FROM THE PUBLIC OR COUNCILLORS**

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 27th October 2022**

- 5 **QUESTIONS ON THE AUDIT REPORTS PUBLISHED ON THE COUNCIL WEBSITE**

This item will only be debated if a member of the Committee requests a discussion be held, in which case please inform the Clerk 24 hours in advance indicating the aspects of the information item you wish to discuss. Questions on the briefing

should also be sent to the Clerk at least 24 hours before the meeting.

6 INFORMATION ITEM: BI-ANNUAL REPORT ON EXTENSIONS, EXEMPTIONS, VARIATIONS AND WAIVERS

This item will only be debated if a member of the Committee requests a discussion be held, in which case please inform the Clerk 24 hours in advance indicating the aspects of the information item you wish to discuss. Questions on the briefing should also be sent to the Clerk at least 24 hours before the meeting

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

8 INTERNAL AUDIT AND FRAUD PROGRESS REPORT (Pages 19 - 48)

9 E&Y AUDIT BRIEFING PAPER (Pages 49 - 52)

10 INTERNAL AUDIT PLAN NOVEMBER 2022 - MARCH 2023 (Pages 53 - 62)

11 COUNTER FRAUD AND CORRUPTION POLICIES (Pages 63 - 108)

12 INDEPENDENT CO-OPTED MEMBERS - AUDIT AND RISK MANAGEMENT COMMITTEE (Pages 109 - 114)

13 RISK MANAGEMENT (Pages 115 - 142)

14 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

15 INTERNAL AUDIT FRAUD AND PROGRESS REPORT-PART 2-APPENDIX E (Pages 143 - 148)

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

16 EXEMPT MINUTES OF THE MEETING HELD ON 30TH JUNE 2022 (Pages 149 - 150)

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 AND RISK MANAGEMENT COMMITTEE

Minutes of the meeting held at 7.00 pm on 30 June 2022

Present:

Councillor Robert Evans (Vice-Chair, in the Chair)
Councillors Jeremy Adams, Simon Fawthrop,
Kira Gabbert, Julie Ireland, Jonathan Laidlaw, Simon Jeal
and Dr Sunil Gupta FRCP

106 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that this was the first meeting of the new committee as a full committee in its own right and not as a sub-committee.

Apologies were received from Councillor Michael Tickner. Councillor Dr Sunil Gupta attended as the substitute for Councillor Tickner. Councillor Robert Evans (Vice-Chairman) chaired the meeting in the absence of Councillor Tickner.

It was noted that the planned visit of committee members to visit the Internal Audit Team would be deferred to September.

107 DECLARATIONS OF INTEREST

There were no declarations of interest.

108 CONFIRMATION OF THE PART 1 MINUTES OF THE MEETING HELD ON 2nd MARCH 2022

The minutes of the meeting held on 2nd March 2022 were agreed and signed as a correct record.

109 QUESTIONS FROM THE PUBLIC

No questions from the public were received.

110 QUESTIONS FROM COUNCILLORS

No questions from Councillors were received.

111 QUESTIONS ON THE AUDIT REPORTS PUBLISHED ON THE COUNCIL WEBSITE

No questions were received concerning the audit reports that had been published on the Council website.

112 MATTERS OUTSTANDING FROM THE LAST MEETING

CSD22077

The Chairman commented that most of the matters that had arisen previously now appeared to be closed.

It was noted that the Head of Audit and Assurance would be monitoring the progress made concerning the recommendation to HR that if managers failed to deal with recommendations that had been identified by the Internal Audit Team, then this could be noted in the manager's Annual Performance Review. An update would be provided at a future meeting.

The Chairman asked for an update concerning the report that was due to go to the General Purposes and Licencing Committee to look at ways of formalising a new and more effective policy for dealing with Freedom of Information requests. The Head of Audit and Assurance said that this report had been delayed due to long term sickness within the Information Governance Team. It was anticipated that the report would be presented to the General Purposes and Licencing Committee in September. The Chairman made the observation that this matter was taking a long time to be dealt with.

A Member expressed the view that many Freedom of Information requests arose because questions being asked by the public were not being answered. If these questions were answered in a timely manner, then they would not result in Freedom of Information requests, which was an extra burden on the Council.

RESOLVED that:

1) An update concerning the recommendation to HR that if managers failed to deal with recommendations from Internal Audit then this should be reflected in the manager's appraisal be brought to a future meeting of the Audit and Risk Management Committee.

113 ANNUAL INTERNAL AUDIT REPORT 2021/22

FSD22042

The Head of Audit and Assurance presented the Annual Internal Audit Report for 2021/2022. Members were asked to note the report, together with the Head of Audit and Assurance's opinion for 2021/2022 on the overall systems of risk management, governance and control.

The Head of Audit and Assurance stated that her opinion of the Council's systems of risk management governance and control was 'Reasonable'. The report broke down and mapped the data in various ways.

The Head of Audit and Assurance said that upon examination of the Risk Registers and 'Making Bromley Even Better' ambitions, it was clear that some areas had received more coverage than others. The areas not covered as well would be the focus of internal audit and the internal audit plan for 2022/2023.

The second part of the report concerned internal audit itself, as Internal Audit was required to have a quality assurance improvement programme. The reason for the improvement programme was to provide assurance to members of the Audit and Risk Management Committee that the information being provided by Internal Audit was reliable. It was a requirement of professional standards that every five years there had to be an external quality assessment of the service. The last one was undertaken about 2015/2016, so an assessment was overdue.

The Head of Audit and Assurance explained that the independent external quality assessment had to be undertaken by someone who was suitably qualified and had relevant experience. It would mean that Bromley's Internal Audit Team would be assessed against all the relevant professional standards. This was due to take place in July and the outcome would be reported to the next meeting of the Committee. The Head of Audit and Assurance had undertaken her own assessment in the meantime and had assessed the Service as being 75% fully compliant and 25% partially compliant. She had drafted an action plan to address these gaps which was provided as an appendix to the report. This would be updated until the relevant actions were closed. The Chairman wondered if the Head of Audit and Assurance had enough staff to deal with these action plans, as well as the normal internal audits. The Head of Audit and Assurance responded and said most of the actions would be for her to undertake as Head of Service.

A Member raised the issue of some staff not being confident in auditing IT risks. The report had mentioned further training as a possible solution, but the Member wondered if what was required was a recruitment issue and that it may be prudent to hire an IT auditor. The Head of Audit and Assurance commented that it was always difficult to retain staff like this, as once trained up, they often got better offers elsewhere.

A discussion took place with respect to SEN placements. Internal Audit had assessed how the Council could achieve the best value for money in this regard, whilst maintaining its statutory duties. The Council was currently experiencing a £5m overspend in this area. A discussion took place as to whether or not it was feasible to have an 'early warning system' in place with regard to potential overspends.

A Member raised the matter of the timing of the CIL audit and noted that two out of ten claim forms were missing. He asked if that had been followed up. The Head of Audit and Assurance explained that the CIL audit had been undertaken by Mazars. She said that she would follow up on this and provide an answer via email.

RESOLVED that the Annual Internal Audit Report 2021/22 be noted.

114 ANNUAL GOVERNANCE STATEMENT 2021--2022

FSD22043

It was explained that the Annual Governance Statement was something that was required by the Accounts and Audit Regulations. Although the statement was coordinated by Internal Audit, it was not the responsibility of Internal Audit to write the report. The report was written and owned by senior management and would be signed off by the Chief Executive and the Leader of the Council. However, it was a statutory requirement that it needed to be presented to the Audit and Risk Management Committee for scrutiny before being signed off. A Member expressed the view that although it was clear that good governance was required, 'over governance' could be detrimental as there was a danger that innovation may be stifled.

The policy with respect to whistle blowing was discussed. It was explained that individuals could approach the Chairman and Vice-Chairman of the Audit and Risk Management Committee in confidence. It was noted that a policy for whistle blowing was already in place. When an independent member was appointed to the committee he or she could also be a useful channel for the reporting of whistle blowing issues. The Head of Audit and Assurance stated that the policy was due for revision and details of any revision would be reported back to the next meeting of the committee.

A Member expressed concern that the whistle blowing policy should be clearly communicated, so that it was obvious to individuals how they could report any issues that they felt needed to be reported. It was mentioned that some companies also used anonymous help lines for this. A Member commented that the Council already had a policy in place and perhaps it would be a good idea if this policy could be recirculated. A Member stated that as well as having a policy in place, what was also important was the investigation process itself--in other words how the investigation was conducted and who conducted the investigation. It was explained that Internal Audit would not be able to provide any assurance with respect to the policy as they owned it. For that reason, any assurance work would need to be out-sourced.

Members looked at the decision-making structure and it was noted that there was still reference to the previous Audit Sub-Committee which was now no longer in existence. This would be revised going forward. The Chairman noted that some amendments had been made to the procurement process and he asked if further clarification regarding this could be provided in due course.

RESOLVED that:

1) The Annual Governance Statement, attached as Appendix A, be noted.

2) The 2021/22 Annual Governance Statement be agreed subject to any changes made as a result of any comments or suggestions from the Audit and Risk Management Committee, and any further minor updates required prior to the publication of the Statement of Accounts 2021/22.

115 INTERNAL AUDIT AND FRAUD PROGRESS REPORT

FSD22044

The new Head of Facilities Management provided an update on the issues concerning the changeover switches and UPS which provided a back-up energy supply to the data centre if there was a power outage. Previously, the switch over mechanism had not been working and so this was a risk.

It was confirmed that new switches and a hire UPS had been installed. However, during this process an additional problem had been identified in that the switches still failed to change over to place the load on the generator. The initial assessment was that this could be related to the voltage optimizer installation. This was because when this had been installed previously, modifications appeared to have been done to the cabling which had been preventing the switchover to the emergency power supply. New cabling was therefore required to be installed. This work had been planned over a three day period and 80% of the work could be undertaken without a power shutdown. The plan was for a review of the system work to be undertaken over the weekend following the meeting and also to look at increasing the capacity of the hire UPS.

This work would extend the time available before manual intervention was required to switch on the main generator. It was anticipated that by Christmas time, the work would be completed in its entirety, and that manual intervention would not be required for the generator to take the building load once work was completed.

The Chairman stated that the Committee wanted the work completed and the safeguards put in as soon as possible. The New Head of Facilities Management commented that after the work was completed, it may be prudent to think about an extra generator.

The report listed the audits that had been agreed should take place, together with progress against those audits. Work had been delayed, as there were two members of the Internal Audit Team that were on long term sick leave. The Head of Audit and Assurance said that she was not overly concerned about this, as extra resource could be brought in from Mazars if required. She said that one audit had been fully completed and a grant claim had been signed off. Advisory work had been undertaken in several areas, including 'Homes for Ukraine' and the Energy Rebate. The report also detailed the results of follow up work on P2 and P3 recommendations.

A discussion took place concerning the IT Asset Register, Data Assets and GDPR. The Head of Audit and Assurance said that the audit of the IT Asset Register needed more follow up work and so had not been closed off yet.

An update was provided on Counter Fraud Activity, much of which had been undertaken by the Royal Borough of Greenwich. Much of this work was in connection with Blue Badge Fraud. The Head of Audit and Assurance stated that going forward it was her desire that counter fraud work would be more pro—active instead of just reactive. The Chairman highlighted a £50k fraud case that had been written off by the CPS. It seemed that this case was a casualty of Covid 19, when many DWP fraud staff were seconded. No new joint working cases with the DWP were currently in place.

A Member mentioned that in future reports it would be useful to be presented with historical data as well as current data with respect to fraud activity so that trends could be observed.

Reference was made to PPE fraud and the Head of Audit and Assurance said that no fraud had been identified with respect to LBB.

RESOLVED that the Internal Audit and Fraud Progress Report be noted.

116 RISK MANAGEMENT

FSD22045

The Head of Audit and Assurance introduced the Risk Management Report which provided Members with the most recent iterations of the corporate and departmental risk registers for review and comment. The Committee was asked to note the risk registers and to comment on any matters arising.

It was noted that the various risk registers went to the appropriate scrutiny committees as well. Ideally, they would go to the Audit and Risk Management Committee first. The Chairman suggested that the Committee focus on the Corporate Risk Register. He suggested that if any Member had concerns about any other risk items that were not on the Corporate Risk Register, that they address it with the Chairman of the relevant scrutiny committee.

The point was made that as the risk registers went to this committee and also to other PDS committees, it would be prudent to consider how duplication of scrutiny could be avoided. It was suggested that on the night members focus on the 'red' risks that were likely to be audited by the Internal Audit Team.

A Member expressed the view that with respect to high red risks, the risk owners should be asked to attend the committee and explain how they would be addressing those risks.

It was suggested that rather than the Committee have to wade through all of the Risk Registers, that an alternative simplified document be produced. This

could be a 'heat map' document that would highlight the most significant risks, especially if the risks had failed mitigation or controls.

The Head of Audit and Assurance felt that the idea of a 'heat map' was a good one. She felt that the Corporate Risk Register should be looked at in its entirety. She also felt that it was reasonable to ask risk owners to attend the Committee if necessary. It was suggested that 'heat maps' be used on a trial basis for the next couple of committee meetings.

A discussion took place as to how new risks could be added to the Risk Register and it was pointed out that members of the Audit and Risk Management Committee could raise potential new risks if they wished. It was noted that the Corporate Risk Register was owned by the Chief Executive and that the other Risk Registers were owned by Chief Officers.

RESOLVED that

1) The Risk Management Report be noted

2) For the next couple of committee meetings, a 'Heat Map' document would be produced that would summarise the main 'red' risks. The Corporate Risk Register would continue to be looked at in its entirety.

117 CONTRACT PROCEDURE RULES: BI-ANNUAL REPORT ON EXTENSIONS, EXEMPTIONS, VARIATIONS AND WAIVERS

FSD22041

The Chairman noted two contract extensions with respect to Extra Care Housing, one for £3.9m and one for £3.5m. The Head of Audit and Assurance said that she would speak to the Assistant Director of Governance and Contracts to obtain more information regarding these contract extensions.

A Member asked why this report was being presented to the Audit and Risk Management Committee. It was explained that any waivers/extensions where the value was greater than £50k, had to be scrutinised by the Audit and Risk Management Committee. Exceptions to the Contract Procedure rules needed to be reported.

A Member asked for more information on the York Rise contract which had over-run by £2.8m.

RESOLVED that

1) The report be noted.

2) The Head of Audit and Assurance would report back concerning those contract extensions/overspends that had been highlighted by Members.

118 EXTERNAL AUDIT AND FINANCIAL REPORTING UPDATE

FSD22054

The External Audit and Financial reporting update was presented to the Committee by the Head of Corporate Finance and Accounting. The Chairman explained that when the Audit Sub-Committee was still a sub-committee of the GP&L Committee, then decisions with respect to external audit were referred to the General Purposes and Licencing Committee. Now that the Audit and Risk Management Committee was a full committee in its own right, this was no longer the case.

The Head of Corporate Finance and Accounting explained that after the Audit Commission was de-commissioned, its work was taken over by four main bodies:

- 1) PSAA (Public Sector Audit Appointments)
- 2) Institute of Chartered Accountants
- 3) Financial Reporting Council
- 4) The National Audit Office

It was now the responsibility of the PSAA to appoint the external auditors for local authorities and to set the fees. Shortly, LBB would be notified of which organisation would be appointed as its next external auditor to replace Ernst and Young. It was noted that as a result of notable audit failures (for example Carillion), the Financial Reporting Council had now instructed external auditors that their audit work should be more rigorous, so the work of external audit was now a more extensive exercise than was the case in the past.

Reference was made to the Government review of external audit, which was the Redmond Review. One of the recommendations of the review which would directly affect the Council was that there would now be a requirement to appoint at least one, if not two independent members to the Audit and Risk Management Committee. The Council would be responsible for the recruitment of independent members. An explanation was provided regarding how the fees of external auditors was calculated.

A Member noted that the last set of accounts that was fully signed off was for 2018/19. She commented that this seemed to be rather an old set of accounts and wondered if this was a Bromley problem, or if it was a problem across the sector. The Head of Corporate Finance and Accounting answered and said that it was a sector problem. The next set of accounts to be signed off would be 2019-2020, they were nearly ready to be signed off and it was anticipated that they would be signed off by the end of September 2022.

Members were briefed concerning the valuation of property assets which was undertaken by professional valuers and this was something that would be scrutinised in depth by external auditors. It was noted that no penalty existed

if the publication of accounts was delayed, although it could result in reputational damage to the Council.

A discussion took place regarding objections to the accounts. These had been received from the same individual over a period of three years; 2016/2017; 2017/2018 and 2018/2019. For the period from 2016 to 2018, the objections had been dealt with and no wrong doing was found on behalf of the Council. The audit of the accounts for 2018/2019 had been completed, but a final resolution in terms of the objections for that year was still required.

The audit of the accounts for 2019/2020 was almost finalised. However there was one problem (which was a national one) in that there was a debate ongoing as to how councils should value infrastructure assets like roads. This was being looked into urgently by CIPFA.

A Member expressed concern over the variation in the valuation of car parks. He pointed out that E&Y had decreased the valuation of a car park by £10m and that this was a significant margin. He also pointed out that LBB had been unable to properly account for furniture and fittings to the value of £8.7m due to a lack of evidence and also expressed concern that the Finance Team needed more resources.

The Head of Corporate Finance and Accounting responded and said that the mistake in the valuation of the car park was not made by the Council but by the Valuer. It was now the case that valuation for these types of assets would also be looked at by the Property and Finance departments in the Council. Previously, the Council had needed to account individually for every desk, table and chair. There had been a system in place to estimate this value which had previously been acceptable. With the increased rigour that was now required from external auditors, this process was now no longer acceptable. The solution that was proposed going forward was that desks, tables and chairs would no longer be capitalised. The Head of Corporate Finance and Accounting stated new posts had been created and so the matter of staffing resources was being addressed. At the moment, the Finance Team was recruiting for a new specialised post and there was also a case of a person on long term sick leave.

A discussion took place regarding the timescale for the appointment of the independent member. There was no specific timescale that had been provided at the time of writing. What the definition of 'independent' would mean in this context would be codified by CIPFA. The Head of Audit and Assurance stated that LBB could appoint an independent member ahead of time if it wished to.

It was noted that a report concerning the appointment of independent members to the Audit and Risk Management Committee would be presented to the next meeting of the Committee.

RESOLVED that the External Audit and Financial Reporting Update be noted.

119 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.

120 ANNUAL INTERNAL AUDIT REPORT 2021/22--PART 2

FSD22042

Members discussed and noted the Part 2 (Confidential) version of the Annual Internal Audit Report for 2021/22.

121 EXEMPT MINUTES OF THE MEETING HELD ON 2nd MARCH 2022

Members noted and agreed the Part 2 minutes of the meeting that had been held on 2nd March 2022.

The minutes were agreed and signed as a correct record.

The meeting ended at 9.33 pm

Chairman

Report No.
CSD 2217

LONDON BOROUGH OF BROMLEY

PART 1 PUBLIC

Decision Maker: **AUDIT AND RISK MANAGEMENT COMMITTEE**

Date: **2nd November 2022**

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

Title: **MATTERS ARISING**

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

Chief Officer: **Tasnim Shawkat—Director of Corporate Services and Governance**

Ward: N/A

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.

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: £366,000
 5. Source of funding: 2022/2023 revenue budget
-

Staff

1. Number of staff: 6 FTE
 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.
-

Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable: This report does not require an Executive Decision
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of members of the Audit Sub-Committee so that Committee Members can monitor progress made on matters that are outstanding from previous meetings.
-

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.

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

Appendix 1

Issue & Date	Summary	Update and/or Action being taken.	By	Status
Minute 112 30/06/22 Matters Arising	An update concerning the recommendation to HR that if managers failed to deal with recommendations from Internal Audit then this should be reflected in the manager's appraisal be brought to a future meeting of the Audit and Risk Management Committee.	The Director of Human Resources, Customer Services and Public Affairs has confirmed, with the agreement of the Chief Executive, that he will formally ask Directors to note and action Committee's recommendation for the next appraisal cycle.	Director of HR	Closed
Minute 113 Annual Internal Audit Report	The Head of Audit and Assurance explained that the independent external quality assessment had to be undertaken by someone who was suitably qualified and had relevant experience. It would mean that Bromley's Internal Audit Team would be assessed against all the relevant professional standards. This was due to take place in July and the outcome would be reported to the next meeting of the Committee.	Unfortunately, the assessor did not undertake the review in July as planned and we currently have no agreement on revised timescales with them. We hope to provide a verbal update at the meeting.	HAA	Ongoing
Minute 113 Annual Internal Audit Report	A Member raised the matter of the timing of the CIL audit and noted that two out of ten claim forms were missing. He asked if that had been followed up. The Head of Audit and Assurance explained that the CIL audit had been undertaken by Mazars. She said that she would follow up on this and provide an answer via email	The service has located the missing claims forms and provided these to Internal Audit.	HAA	Closed
Minute 114 AGS	The Head of Audit and Assurance stated that the whistle blowing policy was due for revision and details of any revision would be reported back to the next meeting.	The Counter Fraud and Corruption Policies are a separate item on this agenda.	HAA	Closed
Minute 114 AGS	The Chairman noted that some amendments had been made to the procurement process and he asked if further clarification regarding this could be provided in due course	This information was provided to Members by email on 26 July 2022.	HAA	Closed

Minute 116 Risk Management	For the next couple of committee meetings, a 'Heat Map' document would be produced that would summarise the main 'red' risks. The Corporate Risk Register would continue to be looked at in its entirety	Heat Maps are provided as part of the Risk Management item on the agenda.	HAA	Closed.
Minute 117 CPR, Waivers and Extensions	The Head of Audit and Assurance would report back concerning those contract extensions/overspends that had been highlighted by Members. A Member asked for more information on the York Rise contract which had over-run by £2.8m.	This information was provided to Members by email on 26 July 2022.	HAA	Closed

Agenda Item 8

Report No.
FSD22074

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT AND RISK MANAGEMENT COMMITTEE**

Date: **Wednesday 2 November 2022**

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

Title: **INTERNAL AUDIT AND FRAUD PROGRESS REPORT**

Contact Officer: Francesca Chivers, Head of Audit and Assurance
E-mail: Francesca.Chivers@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for decision/report and options

This report provides an update on Internal Audit activity and outcomes to date in the 2022/23 financial year. It also provides an update on counter fraud activity for Quarters 1 and 2 of 2022/23.

2. **RECOMMENDATION(S)**

a) **Note the Progress Report and comment on matters arising.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Some audit findings could have an impact on services for vulnerable adults and children.
-

Transformation Policy

1. Policy Status: Not Applicable
 2. Making Bromley Even Better Priority:
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre:
 4. Total current budget for this head:
 5. Source of funding:
-

Personnel

1. Number of staff (current and additional): 6.5 FTE Internal Audit staff
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement: Under the Accounts and Audit Regulations 2015, the Council is required to maintain an effective Internal Audit function.
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: Some audit findings could have procurement implications.
-

Property

1. Summary of Property Implications: Some audit findings could have property implications.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: None
-

Customer Impact

1. Estimated number of users or customers (current and projected): Internal Audit activity is relevant to all of the Council's stakeholders.
-

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 and Outcomes

- 3.1.1 Internal Audit provides regular progress reports to Audit and Risk Management Committee, covering activity, performance and outcomes. These reports are a requirement of Public Sector Internal Audit Standards (PSIAS). However, they also enable Audit and Risk Management Committee to discharge its duty to oversee Internal Audit in the Council, including to ensure its independence and effectiveness.
- 3.1.2 This progress report provides an update on internal audit activity and outcomes to date against the Plan for April – October 2022 that was agreed by Members of Audit Sub-Committee in March 2022. The report also contains a summary of progress against open Priority 1 recommendations and all Priority 2 and 3 recommendations that were due in Quarters 1 and 2 of the current financial year. The definitions of our assurance and priority ratings are provided in **Appendix B**.
- 3.1.3 **Table 1** below shows current progress against the April – October 2022 Internal Audit Plan, as at 30th September 2022, including outcomes where applicable. In summary, six substantive audits, plus one school, are complete, ten audits are in fieldwork and seven are at planning stages. As reported to the previous Audit and Risk Management Committee meeting, long-term sickness in the team has delayed some work and we have also had changes to contractual working hours since the April – October Plan was agreed. However, we have engaged some additional resource via our framework contract and we have revised resource assumptions when developing the Plan for the final part of the year (presented as a separate agenda item).

Table 1 - April 2022 – October 2022 Internal Audit Plan	
Audit	Status and Assurance Opinion
Assurance Mapping	Planning
Grant assurance work including Supporting Families and Disabled Facilities Grant	Fieldwork (three grants complete)
Domestic Abuse Transformation	Not yet started
Discretionary Housing Payments	Planning – fieldwork due October
Cash and Bank	Complete – Reasonable Assurance
Capital Strategy, Planning and Monitoring	Fieldwork
Sickness Management	Fieldwork
Appraisals	Fieldwork
Procurement Fraud and Corruption Risk Assessment	Not yet started
Members' Induction	Complete
Procurement of IT Services (ongoing consultancy)	Complete
Public Health Covid-19 Response – Lessons Learned	Fieldwork
Placements (Adults' Residential)	Fieldwork
Assistive Technology	Planning
Adult Social Care Referral and Assessment Process	Planning
Quality Assurance Framework – Adults	Fieldwork
Virtual Schools' Bromley	Planning – Fieldwork due 17 October
Quality Assurance Framework – Children's	Fieldwork
Adult Education	Not yet started

Schools Rolling Programme	Edgebury Primary School draft report issued – Reasonable Assurance
Planning Applications	Complete – Reasonable Assurance
Operational Property Review	Planning
Capital Schemes – Project Management (Housing)	Fieldwork
Housing Allocations	Complete – Limited Assurance
Highways – Management of Major Works	Not yet started
Parks and Greenspace	Complete – Limited Assurance
Net Zero	Fieldwork

3.1.4 Our work in the first six months of the year has also included finalising two audits that were part of the 2021/22 Internal Audit Plan, but not completed in time for the year end opinion. These audits will now form part of the year end opinion for 2022/23.

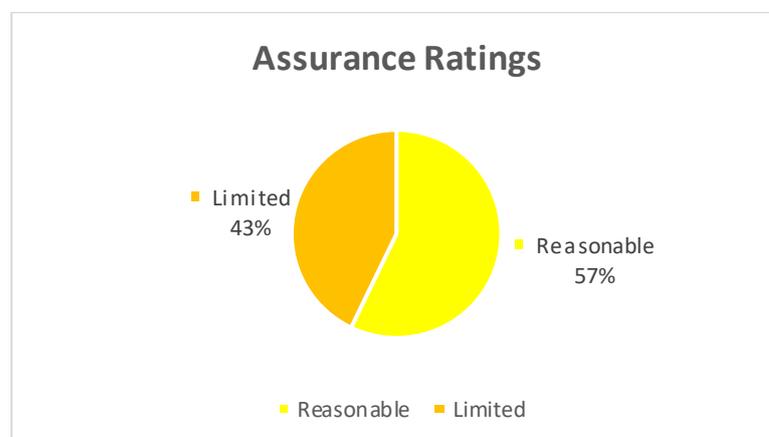
Audit	Assurance Opinion
Commercial and non-office owned property	Reasonable
Drainage Cleaning	Limited

3.1.5 Summaries of the completed substantive audits and grant sign off reviews are provided in **Appendix A**, with the exception of Drainage Cleaning which is provided in **Appendix E (Part 2)** of this agenda. The full redacted reports for the completed substantive audits have also been published with the agenda, if Members require further information. Members are asked to agree an exemption to publication for the Drainage Cleaning and Housing Allocations reports.

3.1.6 Due to a changeover in key personnel at the school, we have also not provided further summary or detail regarding the Edgebury Primary School audit in the current committee cycle. This will be reported to the next Audit and Risk Management Committee in March 2023.

3.1.7 A summary of outcomes (assurance levels) to date in graphical format is shown below. These outcomes include the two audits noted above which have been carried forward from the 2021/22 financial year.

Diagram 1 – Assurance Ratings



- 3.1.8 **Diagram 2** below shows the audits for 2022/23 as mapped to the ambitions set out in 'Making Bromley Even Better'.
- 3.1.9 The audit opinions are currently weighted towards 'Reasonable' which continues a pattern of previous years; at the end of 2021/22, 54% of audits received 'Reasonable' assurance. From review of **Diagram 2** below, audits relating to Ambitions 1 and 5 currently have all 'Reasonable' or 'Advisory' ratings.
- 3.1.10 In addition to the assurance pieces of work, it is also important to note that we have undertaken several pieces of advisory pieces of work which, whilst they do not have a formal assurance rating attached, contribute towards my overall assessment of controls in the Council. In particular, the Procurement Fraud and Corruption Risk Assessment was an important piece of work which highlighted that, in the tender and award stages of procurement which formed the focus of the review, the Council does have robust controls in place to mitigate fraud and corruption risks. We have also completed three grant sign offs, which provide us with another mechanism to assure on the operation of financial controls. No significant issues were identified as part of these sign offs and we have returned all the declarations to the relevant central government department.
- 3.1.11 In this cycle of reporting, the significant issues we raised were largely around contract management, as there were two 'Limited' assurance audits in this area. The issues raised for both contracts covered recommendations for the performance frameworks in place including, for the Parks and Grounds Maintenance contract, the need for greater clarity around the purpose and function of client monitoring activity.
- 3.1.12 The audits also highlighted some issues around data completeness, where data to monitor performance was held in client systems but therefore not readily available or reconciled to London Borough of Bromley systems. Issues around data accuracy, completeness and sharing with partner systems extended to the Housing Allocations review, where information held in the Housing system was not consistently up to date. The service cited a lack of feedback / updates from partner organisations as one root cause for this.
- 3.1.13 Across the reviews, we also found that evidence to support decisions made was sometimes lacking; this applied both to individual client cases but also to important contract decisions, such as the rationale for performance thresholds and how these had been agreed.
- 3.1.14 We will continue to update our analysis as part of future progress updates to this Committee and as more audits are finalised.

Diagram 2 – Making Bromley Even Better

Key



Ambition 1 - Our children thrive and flourish secure into adulthood

- Virtual Schools
- QA Framework
- Schools Programme
- Domestic Abuse
- Supporting Families Grant
- SEN Transport

Ambition 2 - Our adults enjoy fulfilling and successful lives

- Adult Education
- Domestic Abuse
- QA Framework
- Placements
- Referral and Assessment
- Assistive Technology

Making Bromley Even Better

Ambition 5 - Managing our resources well

- Assurance Mapping
- Grants
- Transformation
- Discretionary Housing Payments
- Capital Strategy
- Sickness Management
- Appraisals
- Procurement of IT Service
- Cash and Bank
- Procurement Fraud Risk Assessment

Ambition 3 - Our families, businesses and communities thrive

- Discretionary Housing Payments
- Capital Strategy
- Planning Applications
- Operational Property Review
- Capital Schemes
- Housing Allocations

Ambition 4 - Our borough is safe, clean and sustainable for the future

- PH Covid-19 Lessons Learned
- Net Zero
- Highways - Major Works
- Parks and Green Spaces

3.2 Follow up of Recommendations Raised

- 3.2.1 Follow up is an important part of internal audit work as it ensures that unacceptable risks identified during the course of our reviews are subsequently mitigated. At London Borough of Bromley, Priority 1 recommendations have always been tracked to completion but we have only followed up Priority 2 and 3 recommendations since April 2022. In order to ensure resource is focused on the highest risk areas, our approach is to re-test Priority 1 recommendations (where relevant) and to obtain and review evidence for Priority 2 and 3 recommendations.
- 3.2.2 This progress report provides the outcomes of follow up activity for all recommendations due for the first two quarters of the financial year.
- 3.2.3 **Appendix C** lists all Priority 1 recommendations open as from the previous report to Audit and Risk Management Committee in June 2022. We have raised five new Priority 1 recommendations since the last report; two relating to our audit of Drainage Cleaning, two relating to our audit of Parks Management and Grounds Maintenance and one relating to our audit of Housing Allocations. The detail of the recommendations for Drainage Cleaning and Housing Allocations is given in **Appendix E (Part 2)**.
- 3.2.4 As at the time of writing this report, there are 11 open Priority 1 recommendations in total. Five of these are not yet due for follow up. We have followed up the remaining six as below:

Data Centre

- 3.2.5 At the June Audit and Risk Management Committee meeting, the Head of Facilities Management advised Members that, during the course of investigating the problem with the switch for the data centre, it had emerged that the issue was more complex than previously assessed. There were, for example, potentially some electrical wiring issues which impacted on the switch over to generator. Work to investigate and thus fully rectify the issue is still ongoing, with changes in personnel, historic lack of expert knowledge and conflicting advice offered by contractors in the past amplifying the problems. The best solution currently is to install an additional generator for the data centre; at the time of writing this report the design had been agreed and the service was awaiting dates for completion.

IT Asset Register

- 3.2.6 The Internal Audit review of the IT Asset Register was finalised in January 2022. It included a Priority 1 recommendation about the accuracy and completeness of information recorded in the IT asset register and the need for a periodic review to identify any inaccuracies and gaps in information.
- 3.2.7 We undertook follow up testing in June 2022 and found that progress had been made towards implementing the recommendation. Further testing has now been carried out and a sample of 10 items were successfully traced to asset owners or locations recorded on the asset register.
- 3.2.8 A review of the IT asset register for gaps and anomalies was carried out in September by a member of the IT Management Support team who raised and resolved queries about the recorded details of several assets with the Council's IT Contractor.
- 3.2.9 The Priority 1 recommendation has therefore been implemented.

Information Governance / General Data Protection Regulations and Cyber Security

3.2.10 Both of the Priority 1 recommendations relating to these audits are in progress but not yet fully closed. Further detail is reported in **Appendix E (Part 2)**.

Supported Living

3.2.11 The review of Supported Living was finalised in January 2022 and contained a recommendation to develop a process for monitoring voids to minimise the Council's expenditure on these. In March 2022, we reported that a new process had been developed, which we considered robust in design, but that due to the infancy of the process, we were unable to provide assurance on effectiveness in practice.

3.2.12 We have now obtained and reviewed information to demonstrate that regular void meetings are scheduled and that effective monitoring of voids is in place. We have therefore closed this recommendation as implemented.

Special Educational Needs Placements and Transition Process

3.2.13 This recommendation was due to be implemented at the end of September 2022. By way of a progress update, the Director of Education has advised us that the Service has secured agreement from the Schools Forum and SEND Governance Board to the key priority areas for the Dedicated Schools Grant Deficit Recovery Management Plan, which will be going forward to Members in the November governance cycle. The use of full life cycle costings has been added to established processes for the transition points at key stages. Going forward, the Service will build this into officer decision-making processes. Discussions have taken place between the Integrated Care System (formerly CCG) and Adult Social Care about contributions to SEN placements, support and transport. Changes to the placement decision making panels are currently being considered for potential implementation from Spring 2023.

3.2.14 We will undertake some further testing around these actions and the progress update over the coming months and will provide a further update in March 2023.

Priority 2 and 3 follow ups

3.2.15 **Appendix D** provides a high-level summary of all Priority 2 and 3 recommendations that were due for follow up between April and September 2022. This summary includes the number of recommendations for each audit together with the numbers that have been implemented, not implemented or partially implemented. Out of a total of 74 recommendations, we have fully closed 45 (60%), with another 13 (18%) in progress. This is a good set of results for the first full cycle of follow ups, especially as the process continues to embed within the organisation. For the majority of recommendations that are marked as 'not implemented', we are awaiting evidence or further information from relevant managers. Where recommendations have been assessed as partially implemented, we have agreed revised follow up dates with the service and will continue to monitor and track these until they are closed.

3.2.16 We have fully closed all recommendations relating to the following 2021/22 audits:

- IT Asset Register
- Covid-19 Procurement Arrangements
- Waste Services Contract
- Environmental Services Contract Monitoring
- Freedom of Information and Subject Access Requests
- Engagement of a Consultant in Youth Offending Services

- Health and Safety – Covid-19 Risk Assessments
- St Olaves Grammar School
- Leavers Process

3.2.17 For all remaining audits, we will provide a further update in due course.

3.3 Audit Activity (other work including advisory)

3.3.1 Since the last report to Audit and Risk Management Committee, we have continued to undertake ad-hoc advisory work as requested. In addition to the more significant work highlighted below, this has included specific advice on the Innovation Fund grant application forms, the Household Support Voucher scheme, and Homes for Ukraine payment processes.

3.3.2 We have continued to attend, and provide relevant updates to, Corporate Leadership Team and Chief Officer Executive. We also presented a summary of themes arising from the 2021/22 Internal Audit Annual Report to all managers as part of the Managers Briefing in July 2022.

Migration and reconciliation of Oracle Fusion data

3.3.3 At the request of External Audit, we carried out a reconciliation of the 2021/22 data migrated from Oracle R12 to Oracle Fusion.

3.3.4 We confirmed the process undertaken by the Head of Finance, Adult Social Care, Health & Housing and checked the twenty highest balances in Oracle R12 at the time of the migration.

3.3.5 We confirmed that they had been migrated into Oracle Fusion accurately and that they reconciled. In four instances we needed to carry out additional checks on other cost centre balances to confirm the accuracy of the data. We also confirmed that the overall totals for the both systems reconciled.

3.3.6 In conclusion, we were satisfied that the methodology and process undertaken for the mapping of codes and migration and reconciliation of data between systems had been carried out correctly.

Council Tax Energy Rebate

3.3.7 At the June Committee, we reported that we had commenced bank account verification checks via the Government's designated Counter Fraud tool (Spotlight) for eligible households who do not pay Council Tax by Direct Debit. This work continued through July and August, and we processed checks for both the mandatory and discretionary elements of the scheme. The schemes have now closed; in total we processed approximately 17, 000 checks.

4. Counter Fraud Activity

4.1.1 This report provides an update on both new and previous cases of fraud and special investigations. The Fraud service is provided by the Royal Borough of Greenwich who investigate all allegations of fraud and maintain the fraud register.

Blue Badge Fraud

4.1.2 Members will be aware of the activity by the Shared Parking Service to combat the criminal offence of Blue Badge misuse. APCOA Civil Enforcement Officers (CEOs) carry out inspections and ask drivers of vehicles displaying Blue Badges specific questions to determine whether or not misuse is taking place. CEOs and authorised Council Officers can legally confiscate a Blue Badge and return it to the issuing Local Authority should any misuse

be suspected. High rates of prosecution success have been achieved through close working with the Greenwich Fraud Team.

- 4.1.3 Following investigation after confiscating a badge, information is collated, and the case passed to the Greenwich Fraud Team. The Greenwich Fraud Team will carry out an investigation, identifying drivers, arranging interviews under caution, establishing intent and mitigation and undertaking public interest and evidential tests on cases which may be suitable for prosecution before being passed to Legal Services for final authorisation. Feedback is also provided where evidence or process errors affect the suitability for prosecutions so that this can inform CEO training.
- 4.1.4 Prosecutions are undertaken by Bromley Legal Services utilising the Single Justice Procedure. The Criminal Justice and Courts Act 2015 introduced the Single Justice Procedure which applies only to cases involving adults charged with summary-only non-imprisonable offences. It enables such cases to be dealt with by a single magistrate sitting with a legal adviser on the papers without the attendance of either a prosecutor or the defendant. The defendant will instead be able to engage with the court online (or in writing) and the case will not be heard in a traditional courtroom. The Single Justice Procedure was designed to save Court time in cases where a full hearing may not be necessary. Magistrates' Courts were finding that their Court lists were becoming clogged up with low level offences.
- 4.1.5 It is for prosecutors to identify cases which are suitable for the single justice procedure. These are commenced by a written charge and a document called a 'single justice procedure notice'.
- 4.1.6 The single justice procedure notice is sent to the defendant explaining the offence which has given rise to the proceedings, the options available to the defendant, and the consequences of not responding to the notice. It is accompanied by the evidence upon which the prosecutor will be relying to prove the case. The notice will give the defendant a date to respond in writing to the allegation - rather than a date to attend court. However, the defendant has the right to request a traditional hearing in open court. If they wish to plead not guilty, or otherwise want to have a hearing in a traditional courtroom, the defendant can indicate these wishes in the response to the single justice procedure notice. In such circumstances the case will be referred to a traditional court and the case will be managed in the normal way.
- 4.1.7 In cases where a defendant pleads guilty and indicates that they would like to have the matter dealt with in their absence, or fails to respond to the notice at all, a single magistrate will consider their case on the basis of the evidence submitted in writing by the prosecutor, and any written mitigation from the defendant. The single magistrate can convict and sentence or dismiss the charge as appropriate.
- 4.1.8 If a single justice considers at any point that it would be inappropriate to conduct the case under the single justice procedure, the justice can refer it to a traditional magistrates' court.
- 4.1.9 Parking Services Blue Badge policy was reviewed in November 2020 with a new set of procedures which included an additional outcome of a simple Caution. This additional outcome is included in the statistics.
- 4.1.10 **Table 2** overleaf provides a comparison of referrals received on a year by year basis:

Table 2 – Blue Badge Referrals

	2019/20	2020/21	2021/22	2022/23 April – September
Total	129	22	64	34

4.1.11 The table above shows that there is now a steady increase in the number of new cases being referred despite Parking Services Civil Enforcement Officers no longer confiscating badges and restricting engagement with drivers, a practice that was adopted during the Covid-19 pandemic.

4.1.12 Referrals being sent to the Fraud Team relate predominantly to allegations of lost, stolen or expired Blue Badges being displayed or the use of Blue Badges belonging to persons who are deceased. Interviews Under Caution attendance is still intermittent and quite often two or three interviews are scheduled before the individual attends for an interview under caution.

4.1.13 As at 30 September 2022, there were 11 cases designated as “prosecution pending.” This means that the cases have been fully investigated and are now with Legal Services for consideration of appropriate further action.

4.1.14 Between April and September 2022 the total number of prosecutions has almost levelled the total year of 2021/22 indicating investigations are returning to some normality since the pandemic. **Table 3** below shows a breakdown of outcomes, on a year by year basis:

Table 3 – Blue Badge Prosecutions and warning letters

	2019/20	2020/21	2021/22	2022/23 Apr-Sep
Prosecutions	46	57	27	26
Warnings	30	30	13	4
Cautions			3	2
Total	76	87	43	32

Blue Badge Financials

4.1.15 The table below includes details of the Blue Badge prosecution costs awarded to LBB by the Magistrates court following a successful prosecution. The total amount of money recovered equates to approx. £551 per prosecution.

Table 4 – Blue Badge Prosecutions – Financial Details

	2022/23 Apr-Sep
Fine	£7,053
Prosecution Costs	£6,355
Victim Surcharge	£927
Total	£14,335

4.1.16 None of the 34 cases referred to the DWP between April and September 2022 have involved joint working. The DWP Single Point of Contact for Bromley is currently reviewing the 34 cases referred for investigation with a view to providing status feedback.

Miscellaneous Cases

4.1.17 A total of 84 cases were received for investigation (34 related to Blue Badges).

- 32 were allegations received from members of the public (*1 email, 11 by phone, and 20 through the LBB website*)
- 13 were from the Advice and Benefits Team
- 2 were from another Local Authority
- 2 were from other London Borough of Bromley Departments
- 1 was from a member of staff

4.1.18 The allegation types received for the 50 non Blue Badge cases were:

- 19 cases of Living Together as Husband and Wife
- 9 cases of Council Tax Fraud
- 5 cases of Earnings / Undeclared Income
- 5 Vacated Addresses
- 3 Subletting Cases
- 2 Planning Cases
- 2 Undeclared Capital cases
- 2 Undeclared Non Dependants
- 1 False School Application case
- 1 Non Fraud Related case
- 1 case of Contrived Tenancy

The status of the 50 non Blue Badge cases received are shown below

- 34 – Referred to the DWP SFIS department
- 7 – No Fraud Proven
- 6 – Referred to landlord or other LBB department
- 2 – Not Accepted
- 1 – Current Investigation

4.1.19 There have been 9 cases of suspected Council Tax fraud received during the year. 3 cases were referred to the DWP SFIS, 2 cases were referred to other LBB departments, 1 case was not accepted and 3 cases were closed with No Fraud Proven.

4.1.20 There have been 8 cases of suspected subletting or vacating addresses. 2 cases resulted in no fraud proven, 1 was referred to the Registered Social Landlord (RSL) as well as 5 referred to the DWP. An initiative to commence some further joint working with Clarion and Keniston Housing Associations is being explored and we are awaiting their sign off on an agreement to share data and commence some joint investigation working.

4.1.21 The 34 cases referred on to the DWP during the course of the year related mainly to Benefit cases where allegations of undisclosed income and living together were made.

4.1.22 The DWP need to adjudicate on entitlement to the benefit it administers before the Council can then determine if there is any impact on Housing Benefit or CTRS in payment. As already mentioned, the case outcomes from the DWP are not forthcoming.

4.1.23 The total amount of Housing Benefit Overpayment between April and September was £1,884.47 and £710.43 for Council Tax Reduction.

National Fraud Initiative (NFI)

4.1.24 We are currently collating data ready for the national bi-annual data-matching exercise. As part of this exercise, the Council is required to upload various data sets including Payroll, Pensions, Trade Creditors, Housing waiting list, Residents Parking and Council Tax Reduction Scheme. These data sets are matched with those from other Local Authorities and any matches which may indicate error or irregularity are returned to the Council to investigate. We are due to upload data by December, with matches expected in the following year.

5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

Recommendations arising from audits in Adults' and Children's Services will have implications for vulnerable adults and children.

6. FINANCIAL IMPLICATIONS

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

7. LEGAL IMPLICATIONS

Under the Accounts and Audit Regulations 2015, the Council is required to maintain an effective internal audit function to provide assurance on the effectiveness of risk management, control and governance processes, taking into account public sector internal auditing standards and guidance. Regular reporting to Audit and Risk Committee is a requirement of these Standards.

8. PROCUREMENT IMPLICATIONS

Some of the findings identified in the audit reports may have procurement implications.

9. PROPERTY IMPLICATIONS

Some of the findings identified in the audit reports may have property implications.

Non-Applicable Headings:	Transformation / Policy Implications Personnel Implications Carbon Reduction / Social Value Implications Ward Councillor Views Customer Impact
Background Documents: (Access via Contact Officer)	None

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Appendix A – Audit Summaries

Commercial and Non-office owned property (2021/22 audit)

Audit opinion	Reasonable
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The overall objective of the audit was to review the management of commercial property owned by the Council.

The Asset Management and Estates Team carried out a gap analysis following handover of the property portfolio management from the external contractor in May 2021. This gap analysis resulted in the identification of several issues, for which actions to address are now underway. These include the procurement of a new Property Management System and the development and maintenance of a workstream tracker. We recommended that the service develop an operational risk register to further ensure that associated risks are identified and managed.

The audit found that a significant proportion of rent reviews due in 2021/22 had not been undertaken in that year and we were advised this was due to a significant backlog of work inherited from the contractor. In order to address, a business case was agreed for additional resources and at the time of fieldwork, recruitment for additional resources was underway.

In total we made three Priority 2 and two Priority 3 recommendations to improve the framework of controls, as set out in the table below.

Recommendation	Priority	Recommendation accepted?
Internal Control Framework	2	Yes
Rent Reviews	2	Yes
Health and Safety Checks	2	Yes
Insurance risks	3	Yes
Communication with Contractor	3	Yes

Discretionary Housing Payments

Audit opinion	Reasonable
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The overall objective of the audit was to review the effectiveness of the controls in place to ensure that Discretionary Housing Payments (DHPs) are made accurately and timely, with eligibility criteria consistently applied.

We found that appropriate governance and management arrangements for the DHP service are in place. The total amount of the DHP grant spent is maintained and monitored. Annual reconciliations of the DHP grant are carried out timely, accurately, and reported to the Department for Work and Pensions as required.

Payments met the eligibility criteria, with the payment amount calculated correctly. No overpayments had occurred, and no duplicate payments had been made.

We identified however that the DHP policy and guidance needs to be reviewed and revised. We also made recommendations relating to obtaining and checking supporting documentation, the timescales for processing DHP applications and appeals, and the content and wording of the DHP letter sent to applicants.

In total we made four Priority 2 recommendations and one Priority 3 recommendation to improve the framework of controls, as set out in the table below.

All the recommendations made were accepted by management and two have already been implemented.

Recommendation	Priority	Recommendation accepted?
Review and update the Council's DHP policy	2	Yes
Review the Council's DHP guidance	2	Yes
Obtain and check documentary evidence supporting an application	2	Yes
Ensure timescales for processing applications and appeals are met	2	Yes
Review and revise the content and wording of the DHP letters sent to applicants	3	Yes

Parks Management and Grounds Maintenance

Audit opinion	Limited
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The overall objective of the audit was to review the contractual arrangements to ensure that design and management of the contract is robust to ensure value of money and delivery of outcomes.

The Parks Management and Grounds Maintenance specification is a comprehensive document that clearly sets out roles and responsibilities together with service requirements. The roles and objectives of governance boards are clearly set out in the contract documentation and meeting minutes adequately reflected the discussion and assigned actions. The monthly performance information provided by the contractor includes both qualitative and quantitative information to give a holistic view.

However, at the time of fieldwork, documentation to support key contractual decisions, specifically the performance threshold for Key Performance Indicators (KPI) 1-7, the annual review of this target, and the rationale for the target was not available.

The source and accuracy of the monthly inspection data submitted by the contractor for KPIs 1-7 to populate the Performance Monitoring Framework (PMF) and support payment also needs to be more robustly reviewed by the service.

The LBB client monitoring function is not formalised; the purpose, targeted number/% of visits and how the inspections are to be reported are not evidenced or in documented procedures. Further, there is no process to update the LBB asset management system or to reconcile this to the contractor system.

The July 2022 Service Operations Board action log contained 30 open or ongoing actions, the earliest was opened in December 2020.

All recommendations have been accepted by management. Remedial work is already underway to progress implementation for all recommendations.

Recommendation	Priority	Recommendation accepted?
Documentation for key contractual decisions	1	Yes
Client monitoring function	1	Yes
Performance data	2	Yes
LBB Asset List	2	Yes
SOB Actions	2	Yes

Housing Allocations

Audit opinion	Limited
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The overall objective of the audit was to review the housing allocations process to ensure that housing needs are effectively prioritised.

Our audit highlighted areas of good practice and sound controls. These included that offer letters sent out to applicants by the Housing Allocations team for Mears, Beehive and Meadowship schemes were detailed, outlining the criteria for offering the property to the household, criteria for discharging the Council's duty and the applicant's right to request a review. We also found that most of the appeals reviewed by the Quality Assurance and Reviews team upheld the original decision of the Housing Register and the Housing Allocations teams.

However, the framework for verification checks requires review to ensure clarity of roles and responsibilities. Further, the Housing Allocation Scheme was last revised in 2017 and requires review to ensure that it complies with any new legislation and amendments. The service is in the process of procuring a contractor to undertake this piece of work.

We also identified deficiencies in record keeping on the Housing system, and in the retention of checks to confirm the suitability of the offered accommodation.

We made one priority 1, four priority 2 and three priority 3 recommendations to improve the framework of controls as set out in the table below.

All recommendations have been accepted by management.

Recommendation	Priority	Recommendation accepted?
Verification Checks	1	Yes
Housing Allocation Scheme	2	Yes
Housing Register Review	2	Yes
Record Keeping and Data Quality	2	Yes
Suitability Checks	2	Yes
Applicants with no email account	3	Yes
Appeal analysis	3	Yes
Prioritising suitable temporary accommodation households	3	Yes

Procurement Fraud and Corruption Risk Assessment - Advisory

We carried out a joint fraud and corruption risk identification and assessment exercise with the Corporate Procurement team. The assessment focused on the tendering and award stages and was based on risks and controls in a Central Government procurement fraud review.

The assessment identified numerous preventative control measures which are in place at the tendering and award stages. These include Contract Procedure Rules, an e-tendering system for all contracts over £5,000, procurement training for all officers and an agreed evaluation criteria. An evaluation panel is used, with additional people who have specialist skills, knowledge and experience as required. Tenders are scored individually, and the scores are moderated.

Agreed actions to enhance the existing preventative measures included publicising the Council's whistleblowing policy and procedure, guidance on due diligence checks including financial checks, reviewing the existing declaration of interests arrangements, and analysing the cumulative spend on suppliers.

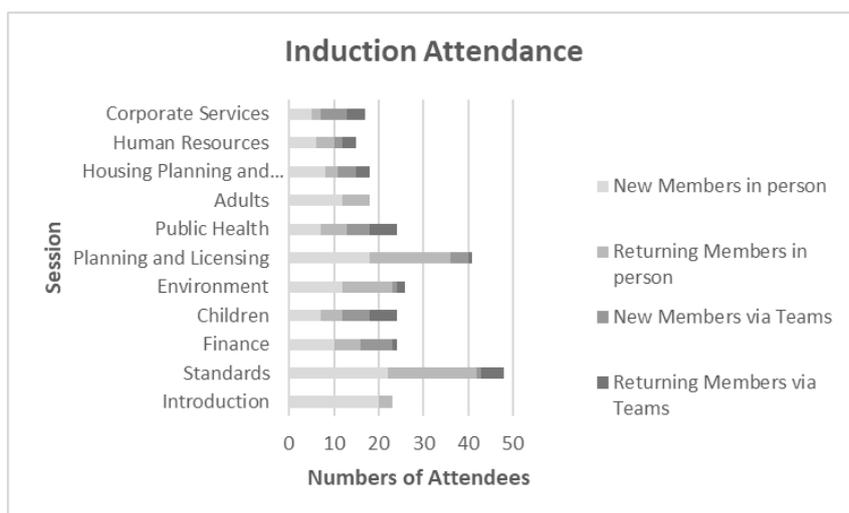
Members' Induction - Advisory

We completed a two-part consultancy review of the 2022 Members' Induction Programme working with Democratic Services. For the 58 elected seats, 24 were new councillors, 3 representing a new independent group.

We raised two issues prior to the election for the Democratic Services Team (DST) to consider. Firstly, that the Members' Portal on SharePoint should be owned by the DST to ensure that the information presented is accurate and current including links to all documents. Secondly, that to effectively assess and evaluate all induction sessions, timely input from Learning and Development (L&D) would be critical.

Following the delivery of the Induction Programme we have identified some lessons learnt, both for ongoing development and improvements for the next cycle. Earlier involvement of L&D to utilise their expertise regarding evaluation and feedback and to capture feedback from Members who join via Teams will be important. The recorded induction sessions and presentations should also be uploaded to the Members SharePoint site.

The attendance at each session, including in person and virtual and the split between new and returning Members is shown in the graph below.



Of the 278 attendances across the 11 Member induction sessions, 42 evaluation forms were received. The Director of Corporate Services commented that, “*not captured in the feedback forms were numerous verbal comments at the end of each session thanking chief officers and their managers for thorough and well-presented sessions. Members were often impressed at the commitment and knowledge shown at these sessions.*”

Disabled Facilities Capital Grant (DFG) Determination 2021-22 [31/5155] - £2,442,564

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
---------------	--

Based on discussions with officers and a review of the records held, we have gained reasonable assurance that the conditions of the grant determination have been met for the £2,312k spent within the 2021-22 Financial Year. Work continues, with the remainder of the funding carried forward to, and spent during, the first quarter of the 2022-23 Financial Year.

As a result of the testing, we made four recommendations to improve the control environment. These support the department’s aim to review its approach to Housing improvement in line with the Statutory Guidance on DFG delivery, issued by DLUHC in March 2022. These recommendations do not materially affect compliance with the grant conditions but would enable a greater degree of assurance over the process.

Recommendation	Priority	Recommendation accepted?
Policy and Procedures	Advisory	Yes
Systems Administration	Advisory	Yes
Contracts database	Advisory	Yes
Discretionary Grants policy	Advisory	Yes

Public Health Universal Drug Treatment Grant 2021-22 [31/5494] - £207,000

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
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Based on discussions with officers and a review of the records held, Internal Audit has gained reasonable assurance that the conditions of the grant determination have been met for the £205,979.43 spend.

As a result of the testing, the following recommendations were made to improve the control environment. These recommendations do not materially affect compliance with the grant conditions but would enable a greater degree of assurance over the spend.

Recommendation	Priority	Recommendation accepted?
Contract Variation	Advisory	Yes
Contract Monitoring	Advisory	Yes
Variations	Advisory	Yes

Supporting Families claim for September 2022

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
---------------	--

The Supporting 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.

It is led by the Department for Levelling Up, Housing and Communities, 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.

There were 73 individual claims submitted between 1 April 2022 and 30 September 2022. We carried out audit testing of a sample of 8 individual claims and can confirm that each of the claims in our sample met the significant and sustained progress criteria, enabling a claim to be made.

There are no recommendations arising from this review.

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Appendix B - Assurance and Priority Ratings

Assurance Levels

Assurance Level	Definition
Substantial Assurance	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.
Reasonable Assurance	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.
Limited Assurance	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.
No Assurance	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.

Recommendation ratings

Risk rating	Definition
Priority 1	A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently.
Priority 2	A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk.
Priority 3	A low priority finding which has identified that the efficiency or effectiveness of the control environment could be improved. Management action is suggested to enhance existing controls.

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Priority 1 list - November 2022

Appendix C

Report Number/Date	Title	Opinion	Details of original Recommendation	Responsible Officer	Lead Officer	Comments
CORP/01/2020 Finalised 30th September 2021	Information Governance and GDPR	Limited	See Appendix E - Part 2	Director of Corporate Services	Head of Information Management	See Appendix E - part 2
CEX/03/2018/AU Finalised 29th May 2020	Controls to Mitigate the Risk of ICT System Failures	Limited	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	In progress - see Internal Audit and Fraud Progress Report paragraph 3.2.5.
PEO/03/2020 Finalised 7th December 2021	Supported Living Audit 2020/21	Reasonable	Management should ensure that a voids monitoring process is implemented by Commissioning, to regularly monitor voids to keep them at a minimum to ensure that unnecessary costs are not incurred by the Authority. -Void costs within the supported living service should be easily identifiable. -An agreed process should be in place for the monitoring of voids which should be undertaken by an officer identified by management. -The average void weekly cost will need to be determined for contracts going forward, in order to determine the total costs for the voids identified at each unit.	Director of Adult Services	Head of Service Complex & Long Term Commissioning	Complete - This has now been implemented. See Internal Audit and Fraud Progress Report paragraphs 3.2.11 - 3.2.12.
CEX/01/2021 Finalised 28 January 2022	IT asset register	Limited	Management should put appropriate procedures and controls in place to enable them to gain assurance that the information recorded in the IT asset register by the Council's IT contractor is accurate, complete and up to date. This should include: (i) specifying to the Council's IT contractor what detailed information should be recorded, how it should be categorised and what management information is required and when, and (ii) carrying out, periodically, an independent review of the information recorded in the register to identify any gaps in information or inaccuracies and confirming that assets purchased have been correctly added to the register.	Director of Corporate Services	IT Contract and Operations Manager	Complete - This has now been implemented. See Internal Audit and Fraud Progress Report paragraphs 3.2.6 - 3.2.9.
PLA/02/2021 Finalised 28 September 2022	Drainage Cleaning	Limited	See Appendix E - Part 2	Director of Environment & Public Protection	Head of Neighbourhood Management	Not yet due
PLA/02/2021 Finalised 28 September 2022	Drainage Cleaning	Limited	See Appendix E - Part 2	Director of Environment & Public Protection	Head of Neighbourhood Management	Not yet due
PEO/07/2021 Finalised 9 June 2022	SEND	Limited	Ensure that, in conjunction with the future discussions with the Education & Skills Funding Agency, organisational arrangements are put in place to manage financial demand for SEN placements including the availability of funding: (i) when a placement is approved, (ii) when any increase in educational needs requiring additional funding is identified from the annual review of a young person's EHC plan, and (iii) with an estimate of the full life costs of the placement carried out to inform future financial forecasting.	Director of Education	Head of SEN	In progress - see Internal Audit and Fraud Progress Report paragraph 3.2.13 - 3.2.14.
CORP/03/2021 finalised 22-03-22	Cyber Security	Limited	See Appendix E - Part 2	Director of Corporate Services	Head of Information Management and Assistant Director HR Organisational Development (Human Resources)	See Appendix E - Part 2
PLA/04/2022 Finalised 05.10.2022	Housing Allocations	Limited	See Appendix E - Part 2	Director of Housing, Planning and Regeneration	Head of Housing Allocations and Accommodation	Not yet due
PLA/06/2022 Finalised 28.9.22	Parks Management and Grounds Maintenance	Limited	Availability of documentation to support key contractual decisions There should be an adequate audit trail of supporting documentation for all aspects of the contract and decisions agreed with the provider. This should be held as contract documentation in the shared area and should include any supporting documentation for the performance thresholds and annual review.	Director of Environment & Public Protection	Assistant Director, Carbon Management and Greenspace	Not yet due
PLA/06/2022 Finalised 28.9.22	Parks Management and Grounds Maintenance	Limited	Client Monitoring Function The Department should formalise the LBB client monitoring role and visits, the purpose, target number and reporting. The target number of visits should be achievable, meaningful and deliver an assurance of the contractor's performance with regard to grounds maintenance and their management of the service. The purpose of the client function should be clarified and ensure all aspects of the contract are monitored whilst avoiding duplication.	Director of Environment & Public Protection	Assistant Director, Carbon Management and Greenspace	Not yet due

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Appendix D - Priority 2 and 3 Follow Up

Audit	Total number of Priority 2 and 3 Recommendations	Number of Priority 2 and 3 recommendations implemented	Number of Priority 2 and 3 recommendations not implemented	Number of Priority 2 and 3 recommendations in progress / partially implemented	Comments
Covid-19 Health and Safety Risk Assessments	5	5	0	0	
Housing Benefit	1	0	0	1	
Supplier Engagement for Youth Consultancy Work	4	3	1	0	The recommendation was to centralise all IR35 work. This has not been practical but there is now a mandatory training programme.
St Olaves	4	4	0	0	
Leavers Process	4	4	0	0	
FOI and SARs	2	2	0	0	
Covid-19 Procurement Arrangements	1	1	0	0	
IT Asset Register	4	4	0	0	
Poverest Primary School	8	6	1	1	
Marjorie Mclure School	7	5	2	0	
Creditors	10	2	8	0	We are awaiting information from the service to assess these recommendations
Downe Primary School	7	3	4	0	
Contract Monitoring - Environmental Services	1	1	0	0	
Information Governance and GDPR	4	0	0	4	
Waste Services Contract	1	1	0	0	
Supported Living	2	1	0	1	
Information Governance and GDPR	6	3	0	3	
Value Added Tax	3	0	0	3	
Totals	74	45	16	13	

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EY Audit Briefing Paper

Audit & Risk Committee Meeting 2 November 2022

Background and Purpose

This paper updates the Committee on the current status of the audits of London Borough of Bromley and London Borough of Bromley Pensions Fund for 2019/20.

As part of our previous reporting we made a number of recommendations on the actions the Council needed to take to:

- Ensure that the 2019/20 audits can be completed in a timely manner; and
- Facilitate a smoother completion of the subsequent audits.

We worked with the Council to agree a plan to implement those recommendations. However, we remain concerned that the Council is still struggling to support the completion of the audit and we therefore set out below the options available to us, under the Local Audit and Accountability Act 2014 (Schedule 7), to bring those matters to the attention of the full Council and to require action in response from the Council, if the recommendations below are not actioned on a timely basis. Were we to report to Council under Schedule 7, a copy of our report would also be sent to the Secretary of State.

2019/20 Audit

During the audit we identified significant delays in resolving our audit queries. In addition, we have also seen a high turnover of key staff contacts. Recently we have seen more stability in key posts though we still remain concerned regarding the overall capacity of key staff.

The final substantive issues to be resolved on the audit are:

- 1) Property, Plant and Equipment (PPE);
- 2) Infrastructure Assets;
- 3) Prior Year Objections;
- 4) Pension Fund Audit; and
- 5) Going Concern.

1 – Property Plant and Equipment

The key issues in relation to PPE including details of where we have encountered and some of the reasons for those delays are set out below:

- We identified issues with the property valuations methodology applied by the external valuer, Montague Evans;
- All investment properties with the exception of one asset required revised revaluations to be completed by the external valuer;
- Car Park valuations required revised revaluations after we raised concerns regarding the approach being adopted by the external valuer. We worked with the external valuer to agree a revised approach to the valuation of car parks. That process and the subsequent time required to audit the revised valuations has added significant time to the audit;

- We identified errors in the approach to depreciation in respect of assets revalued in-year. This error is being corrected through a Prior Period Adjustment (PPA);
- We identified issues with the Council's assessment of Furniture and Fittings (F&F). The Council were assessing the value of F&F using an arbitrary percentage which, when challenged, could not be appropriately supported with documentation. This error is also being corrected through a PPA;
- We also experienced initial delays in the timeliness of responses from Council officers though a number of those individuals are no longer employed by the Council;
- We identified completeness and accuracy issues in respect of the responses received from the external valuer. In addition, we experienced delays in receiving responses. Since we previously reported this matter in November 2021 we have seen a significant increase in engagement and timeliness of responses. This has been facilitated through weekly meetings specifically on PPE chaired by the Director of Finance. These meetings are attended by key internal staff, external audit and also by the external valuer and have facilitated resolution of, and clarity, around key matters to be resolved in respect of PPE;
- As at the date of this report officers have started working on making the necessary adjustments to PPE and have indicated an 8 week turnaround. This seems an excessive amount of time and would seem to support our conclusions regarding capacity.

2 – Infrastructure Assets

During 2022 a national technical issue was raised in respect of the accounting treatment of Infrastructure Assets. The matter was escalated through CIPFA and below we set out the details of the matter and also the latest position with regards to a potential resolution of the matter.

- An issue was raised via the NAO's Local Government Technical Group as to whether local authorities should be assessing if there is any undepreciated cost remaining in the balance sheet for replaced components that need to be de-recognised when the subsequent expenditure is added. It was also determined that this may in turn lead to issues related to the reporting of gross historical cost and accumulated depreciation as elements of depreciated historical cost. This is a national issue impacting the majority of clients holding material infrastructure assets;
- CIPFA published in May 2022 its 'Temporary Proposals for the Update of the Code of Local Authority Accounting in the UK' on Infrastructure Assets. Following the CIPFA consultation, it was indicated that there may be enhance guidance, or amendments to the CIPFA Code;
- Asset registers do not tend to record Infrastructure Assets with sufficient detail to enable identification of prior cost of replaced parts/components and related accumulated depreciation. This was the case at London Borough of Bromley. Given the challenges raised as a result of the level of information available, it is not possible to identify the cost and accumulated depreciation balances that need to be de-recognised. The issues in respect of the CIPFA Code of Practice affects additions to Infrastructure Assets from 2010/11 when IFRS Accounting was adopted by the CIPFA Code of Practice;
- Infrastructure Assets have a Gross Book Value of £166 million as at 31/3/20 at Bromley and are therefore highly material;
- Officers informed us in September 2022 that the Council would not accept a Limitation of Scope qualification in respect of Infrastructure Assets on the 2019/20 Accounts. Instead, they have decided to wait for a potential statutory override which would need statutory approval before a revised and updated Code of Practice would be available. This position reflects that taken by the majority of EY audit clients on this matter;
- It is anticipated that the timetable for this legislation may now be in December 2022 which means officers will then need some time to implement the new Code and make the necessary adjustments to the accounts, which will then need to be audited.

3 – Prior Years and Matters of Objection

- Due to outstanding objections on the 2016/17 and 2017/18 audits we have previously been unable to issue our audit completion certificate for the prior year 2018/19. We have been in regular communication with the predecessor auditor in respect of this matter and they have now completed their review of the matters of objection previously reported to them. The objections raised to the predecessor auditor were in respect of 2016/17 and 2017/18. Their conclusions on the matter have now been formally reported to London Borough of Bromley. To support our assessment of the matter the predecessor auditor has shared key legal assessments supporting their assessment and we have also seen their final determination letter on the matter;
- In addition to the objections raised to the predecessor auditor we also had a matter of objection raised with us as part of the 2018/19 audit. As a number of the matters raised to us as part of the 2018/19 audit showed some consistency with matters previously raised, we have reviewed the matter in conjunction with the information shared to us by the predecessor auditor to avoid duplication of audit effort. We have performed our initial review of the matter and we have raised a number of questions with officers. We have now received responses to the questions raised and are currently working through these.

4 – Pension Fund

- We encountered significant delays throughout the audit in responding to our audit queries. The audit work is now complete with the last substantive outstanding items being the work required to update our Going Concern assessment and perform a review of subsequent events.

5 – Going Concern

- We had completed an initial assessment of Going Concern however due to the delays with the main audit we have been unable to complete our Going Concern assessment as this needs to include a forward assessment for a period of at least 12 months from the date of the audit opinion. We will therefore need to update our Going Concern assessment at the conclusion of the main audit and therefore this will be completed as soon as the outstanding items listed above have been resolved.

Recommendations

We reported in June 2021 that we expected to be reporting the conclusion and outcome of the 2019/20 audit by September 2021. However, due to the delays and issues above, the audit is not yet complete.

In order to conclude the audit and to prepare for and support the audits of the 2020/2021 and 2021/2022 accounts, we reiterate our recommendations made in November 2021, which the Council need to action to avoid us issuing Statutory Recommendations:

2019/20

1. Set out a clear timetable of when queries will be responded to and meet these deadlines. Put in place effective escalation procedures that hold officers to account for their areas of responsibility.
2. Ensure that sufficient priority is given to responding to audit queries, and that sufficient resource is available within the finance function to provide capacity to undertake audit support and “business as usual” such as budget preparation, management accounting and reporting.

2020/21 and beyond

1. Set out a clear plan of how the Council plans to address the backlog of work, including a resourcing plan and task allocation plan;
2. Ensure that the Council has a clear timetable for closing down 2020/21 and preparing the draft financial statements;
3. Develop a sustainable resourcing strategy, with appropriate skills and capacity, to address future reporting requirements such as changing business (e.g. Group reporting); and also technical reporting requirements (e.g. changes to CIPFA Codes).

Potential to issue a Schedule 7 report - Local Audit and Accountability Act of 2014

A Schedule 7 Report is where the auditor may make recommendations about actions that the auditor thinks the body should take in response to the findings of an audit.

Statutory recommendations made under a Schedule 7 must be considered by the body and responded to publicly. They can direct the body to specific shortcomings or failures, or assist in monitoring the body's progress on specific issues. The auditor must also copy a Schedule 7 to the Secretary of State.

If we decide to report under Schedule 7, our recommendations would highlight the investment required by the Council to support its financial reporting to close out the 2019/20 audit, prepare the 2020/21 accounts and support that audit, and prepare the 2021/22 accounts and support that audit, in order to address the reporting backlog by the end of 2022. We would also highlight the need for a clear timetable, accountability and consequences (e.g. performance management, escalation to Audit & Risk Committee, further auditor reporting etc) to complete the work.

Conclusion

Following our earlier reporting on the matters above we have seen some improvement in engagement and escalation at senior executive level with weekly meetings in place to facilitate quicker resolution of outstanding audit queries and we have also seen a separate specific meeting put in place and chaired by the Director of Finance to discuss specific PPE topics. In addition, we have seen the Council strengthen capacity within the finance team following our initial concerns around capacity. We have also seen greater stability in the finance team since these additional posts were created. However, we still remain concerned that the Council will be unable to address all of the issues raised above and maintain their level of response to service the future audits and recover from the backlog. We would encourage members to seek assurances from officers that the Council has a sufficiently robust timetable and plan in place to mitigate the above. Without the relevant assurances regarding a forward robust plan, a detailed timetable and a commitment to maintaining the additional capacity within the finance team we will consider issuing the Statutory recommendations detailed above.

Report No.
FSD22078

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT AND RISK MANAGEMENT COMMITTEE**

Date: **Wednesday 2 November 2022**

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

Title: **INTERNAL AUDIT PLAN NOVEMBER 2022 - MARCH 2023**

Contact Officer: Francesca Chivers, Head of Audit and Assurance
 E-mail: Francesca.Chivers@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for decision/report and options

This paper presents the Internal Audit Plan November 2022 – March 2023 for approval. It explains the risk-based planning process and the underlying assumptions behind the resource assessment used to produce the Plan.

2. **RECOMMENDATION(S)**

Members are asked to approve the Internal Audit Plan November 2022 – March 2023 (Appendix A), subject to any amends as a result of discussion.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Some audits will provide assurance on services for vulnerable adults and children.
-

Transformation Policy

1. Policy Status: Not Applicable
 2. Making Bromley Even Better Priority:
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

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 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): 5.9 FTE
 2. If from existing staff resources, number of staff hours: 335 days are available for direct audit work.
-

Legal

1. Legal Requirement: Statutory Requirement: Under the Accounts and Audit Regulations 2015, the Council must maintain an adequate and effective system of Internal Audit.
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Some audits are designed to provide assurance on procurement risks and controls.
-

Property

1. Summary of Property Implications: None
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: None
-

Customer Impact

1. Estimated number of users or customers (current and projected): Not Applicable
-

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 Public Sector Internal Audit Standards (PSIAS) are mandatory for internal audit practice in the public sector. Under these Standards, Internal Audit is required to produce a risk-based plan of work which sets out how its resources will be utilised in the forthcoming period.
- 3.2. In previous cycles, Internal Audit produced a plan of work for the whole financial year at the outset of the year. For 2022/23, however, we changed this approach to a two-part process, with one Plan covering April – October and a second covering November - March. This change was intended to enable us to adopt a more dynamic and flexible approach, and to respond to emerging risks and priorities as needed. This flexibility is particularly important in light of volatility in the external environment, and feedback from officers on this approach has been positive.
- 3.3. The Plan for April – October was approved by Audit Sub-Committee in March 2022 and is now well underway (please see the Internal Audit and Fraud Progress Report included as a separate agenda item for further information). The draft Plan for November 2022 – March 2023 is included at **Appendix A** for approval.
- 3.4. The overall aims of the Plan are to:
- Ensure that Internal Audit coverage is aligned with the strategic objectives and risks of the Authority
 - Meet the assurance needs of key stakeholders
 - Provide assurance on a sufficiently broad range of risks to ensure that an opinion on overall systems of risk management, governance and control can be provided at the end of the year
 - Provide an appropriate balance of assurance and consultancy work – consultancy work is usually particularly valuable in times of change
 - Ensure optimal and effective use of Internal Audit resource.
- 3.5. It is important that the planning process is rigorous so that the proposed work supports a robust overall opinion. In order to produce the draft Plan, we have undertaken a risk-based assessment which has included:
- Review of the Authority's strategies, Corporate Risk Register and Departmental Risk Registers
 - Discussions with Senior Managers as part of Senior Leadership Team meetings
 - Consideration of external reports on emerging risks
 - Review of previous audit coverage, to identify potential gaps in assurance with some areas not reviewed for some time.
- Prior to presenting the Plan to Members for approval, we have also presented the draft Plan to Chief Officer Executive for review and comment.
- 3.6. Crucially, the Internal Audit Plan must link to London Borough of Bromley's strategies and key risks and to this end, the draft Plan in **Appendix A** is mapped against the five key Ambitions set out in 'Making Bromley Even Better' and against the Council's key strategic risks as stated in the Corporate Risk Register. Some proposed reviews, such as Complaints, appear under multiple ambitions where they have cross-cutting relevance. In order that Members can assess

the coverage over the year as a whole, these maps also show the reviews that have already been approved as part of the April – October Plan.

- 3.7. In discussion with the Chairman of Audit and Risk Management Committee, we have already begun work on the HR System advisory piece of work. This is because timely input from internal is important, so that we can provide controls advice before process designs are finalised. We therefore agreed the piece of work with the Chairman prior to commencing, with a view to seeking retrospective approval from the full Committee.
- 3.8. We have also updated the internal audit resource assessment in light of events during the first part of the year. As reported to Audit and Risk Management Committee in June, we have had episodes of long-term sickness, together with some flexible working requests to reduce hours. Consequently, we have revised down the estimate of total available days for audit work. We have however also procured some additional days from our contractor for the final part of the year and therefore I am able to conclude that current total resources are sufficient to deliver the proposed Plan.
- 3.9. The resource assessment is set out below. The 335 days available for direct work is the total available days once allowances for leave, training and indirect work such as staff management and other administrative tasks have been factored in. We have then made provision for other work, as per the table below, leaving 166 days available for new specified audit reviews.

Days available for direct work	335
Direct Work – Non Audit:	
Risk Management	5
Counter Fraud including NFI, contract management, review of Strategy and Framework and provision of fraud awareness	5
Provision for investigations	10
Follow up work	20
Annual Audit Planning	5
AGS	4
Provision for Advice including attendance at ad-hoc or Corporate working groups	6
Provision for completion of April – September work	114
Total Direct Work – Non Audit	169
Total Available for November 2022 – March 2023	166

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

Some audits are designed to provide assurance on services for vulnerable adults and children.

5. FINANCIAL IMPLICATIONS

Some audits are designed to provide assurance on financial risks and controls.

6. PERSONNEL IMPLICATIONS

Some audits are designed to provide assurance on personnel risks.

7. LEGAL IMPLICATIONS

Under the Accounts and Audit Regulations 2015, the Council must maintain an adequate and effective system of internal audit.

8. PROCUREMENT IMPLICATIONS

Some audits will provide assurance on procurement risks and controls.

Non-Applicable Headings:	Transformation / policy implications Property Implications Carbon Reduction / Social value implications Customer impact Ward Councillor views
Background Documents: (Access via Contact Officer)	None

Internal Audit Coverage against ‘Making Bromley Even Better’ ambitions

Making Bromley Even Better

KEY

Approved April - October 2022 Plan

Draft Plan November 2022 - March 2023 - For Approval

Ambition 1 - Our children thrive and flourish secure into adulthood

- Virtual Schools
- QA Framework
- Schools Programme
- Domestic Abuse
- Supporting Families Grant
- SEN Transport

- Quality of Placements - External
- Complaints
- Social Care System Review

Ambition 2 - Our adults enjoy fulfilling and successful lives

- Adult Education
- Domestic Abuse
- QA Framework
- Placements
- Referral and Assessment
- Assistive Technology
- Domiciliary Care
- Discharge to Assess
- Complaints
- Social Care System Review

Ambition 3 - Our families, businesses and communities thrive

- Discretionary Housing Payment
- Capital Strategy
- Planning Applications
- Operational Property Review
- Capital Schemes
- Housing Allocations
- Transformation
- HMO Licensing
- Housing Options F/Up
- Governance of Partnerships (Housing)
- Complaints

Ambition 4 - Our borough is safe, clean and sustainable for the future

- Covid-19 Lessons Learned
- Net Zero
- Highways - Major Works
- Parks and Green Spaces
- Assurance Mapping
- Transformation
- Parking Income
- Complaints

Ambition 5 - Managing our resources well

- Assurance Mapping
- Grants
- Transformation
- Discretionary Housing Payment
- Capital Strategy
- Sickness Management
- Appraisals
- Procurement of IT Service
- Cash and Bank
- Complaints
- Gifts and Hospitality / Decs of Interest
- Revenue Budget Monitoring
- Oracle HR Project
- Social Care System Review
- Mayor's Charity
- Staff Well-being

Internal Audit Coverage against the Corporate Risk Register

Risk	Current Net Rating	Approved Audit Coverage April - October 2022	Proposed Audit Coverage November 2022 - March 2023
Failure to deliver a sustainable financial strategy	20	Transformation Capital Strategy	Revenue Budget Monitoring
Failure to deliver partial implementation of HSC integration	4	None	None
Failure to manage change and maintain an efficient workforce	8	Sickness Management Appraisals	Staff Wellbeing
Ineffective governance and management of contracts	8	Procurement Fraud Risk Assessment Highways Major Projects Parks and Green Spaces	None, although we will continue to review supplier Business Continuity arrangements as part of every contract audit.
Failure to maintain and develop IT information systems	6	Procurement of IT Service	Social Care System Implementation Review Procurement of IT Service Oracle HR Project
Cyber Attack and failure to comply with GDPR	15	None in April - October 2022/23 but audits of GDPR and of Cyber Security undertaken in 2021/22 which will be followed up in 2022/23	None in April - October 2022/23 but audits of GDPR and of Cyber Security undertaken in 2021/22 which will be followed up in 2022/23
Failure to maintain robust BC and EP arrangements	8	As part of every contract review, we will consider supplier BC arrangements	None
Failure to deliver effective Children's Services	12	Quality Assurance Framework Virtual Schools Bromley	Quality of Placements - External
Temporary Accommodation	16	Domestic Abuse Housing Options and Housing Rents reviewed 2021/22	Housing Options Follow-Up Mandatory HMO Licensing Governance of Partnerships (Housing Schemes)
Failure to deliver Transforming Bromley Programme	15	Transformation	None although some aspects may be reviewed as part of Revenue Budget Monitoring audit.
Climate Change	8	Net Zero	None
Health and Safety (Fire and First Aid)	12	None	None, however Internal Audit is a standing member of the Health and Safety Committee
Homes for Ukraine	16	Advice offered as requested	We will continue to offer advice as requested.
Capital Financing Shortfall	20	Capital Strategy, Planning and Monitoring	None

Draft Internal Audit Plan November 2022 – March 2023 - Full

Audit	Department	Outline Scope	Number of Days
Complaints	Authority Wide (Children's Services / Enviromental Services to lead)	Authority wide review of complaints including how effectively these are managed and lessons learned identified.	15
Staff Wellbeing	Authority Wide (Human Resources to lead)	Review of the framework in place to understand and promote employee well being, in light of significant recent and ongoing events, and assurance on the effectiveness of the framework in practice. The audit will complement our review of sickness management in the earlier part of the year.	15
Gifts and Hospitality / Declarations of Interest	Authority Wide (Human Resources and Corporate Services to lead)	Review of the Council's policies and procedures both for for the declaration of interests and gifts and hospitality by Members, officers and agency workers.	10
Revenue Budget Monitoring	Authority Wide (Finance to lead)	Review of the controls in place to ensure accuracy and reliability of revenue financial forecasts, including action taken where variances are identified.	15
Mayor's Charity	Corporate Services	Probity review to evaluate the adequacy and effectiveness of financial controls in place.	3
Social Care System - implementation review	Corporate Services / Adults Services / Childrens Services	Review of the social care systems project, including governance, decision making and project management, to identify any lessons learned for future IT projects.	15
Oracle HR Project (including Payroll)	Human Resources and Customer Services	Consultancy piece of work on development of controls to manage risks in the new system.	10

Discharge to Assess	Adults Services	Review of discharge to assess to ensure efficiency, best outcomes for client and best use of Council funds. This audit will complement, and follow on from, our audit of LBB Referral and Assessment processes in the first part of the year.	15
Domiciliary Care	Adults Services	Review of new contracts to ensure delivery in line with service objectives, outcomes are being met, value for money is being achieved.	15
Quality of Placements (External) - Children's Social Care	Childrens Services	Review to consider how the Council ensures sufficiency of placements and receives assurance on the quality of existing placements.	15
Governance of Partnerships (Housing Schemes)	Housing, Planning and Regeneration	Adequacy of governance arrangements to ensure these cover all key risks and liabilities (including those relating to landlord) and that the partnerships are delivering their objectives.	15
Housing Options Follow Up	Housing, Planning and Regeneration	Follow up of recommendations made in 2021/22 Housing Options audit.	3
Mandatory Houses of Multiple Occupation (HMO) Licensing	Public Protection	Review of processes for granting and renewing licenses for HMO occupation to ensure compliance with legislation and safety of tenants.	10
Parking Income	Traffic and Parking	The exact scope will be determined on a risk basis but is likely to include PCN income.	10
		TOTAL DAYS	166

Report No.
FSD22076

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT AND RISK MANAGEMENT COMMITTEE**

Date: **Wednesday 2 November 2022**

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

Title: **COUNTER FRAUD AND CORRUPTION POLICIES**

Contact Officer: Francesca Chivers, Head of Audit and Assurance
E-mail: francesca.chivers@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for decision/report and options

This report presents the following counter fraud and corruption policies for review and approval:

- Counter Fraud and Corruption Strategy (Appendix A)
- Raising Concerns (Whistleblowing) Policy (Appendix B)
- Anti-Bribery Policy (Appendix C)
- Anti-Money Laundering Policy (Appendix D)

2. **RECOMMENDATION**

Members are asked to

- a) **Review and comment on the draft counter fraud and corruption policies**
- b) **Approve the policies, subject to any agreed amends as part of recommendation a)**
- c) **Delegate authority for any further minor changes necessary prior to the next formal review (such as changes to personnel and job titles) to the Head of Audit and Assurance**
- d) **Note the proposals for International Fraud Awareness Week, 13-19 November 2022**

Impact on Vulnerable Adults and Children

1. Summary of Impact: There are no direct impacts however the policies are designed to minimise fraud and corruption risks across the Authority, including within services designed for vulnerable adults and children.
-

Transformation Policy

1. Policy Status: New Policy: The Counter Fraud and Corruption policies have been extensively revised and are presented for approval.
 2. Making Bromley Even Better Priority
To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: £ Not Applicable
 5. Source of funding: Not Applicable
-

Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: These policies are intended to facilitate compliance with the Fraud Act 2006, the Bribery Act 2010, the Public Interest Disclosure Act, the Proceeds of Crime Act 2002, Money Laundering Regulations and the Criminal Finances Act.
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: There are no direct impacts however the policies are designed to minimise fraud and corruption risks across the Authority, including procurement.
-

Property

1. Summary of Property Implications: None.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: None.
-

Customer Impact

1. Estimated number of users or customers (current and projected): These policies are applicable to all of the Council's service users.
-

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 This report presents the Counter Fraud and Corruption policies for review and approval. They were last reviewed and approved by Audit Sub-Committee in March 2019.
- 3.2 The overarching aim of the policies is to minimise the Council's fraud and corruption risks by creating a robust framework of controls and by promoting a strong counter-fraud and corruption ethos. As noted in the Counter Fraud and Corruption Strategy, Government data from 2017 (the latest available figures) estimates that fraud against local government costs £7.3bn each year. With considerable challenges in the national and international context since then, for example the Covid-19 pandemic and recent increases to the cost of living, this figure is likely to be increasing. In line with the Council's overarching objective to 'manage our resources well', the policies are clear that any fraud and corruption activity will not be tolerated.
- 3.3 The Council is subject to a range of legislation relevant to counter fraud and corruption. The policies are designed to facilitate compliance with this legislation by ensuring that adequate safeguards are in place to prevent breaches from occurring and to report any potential breaches. Key relevant legislation is as follows:
- Fraud Act 2006
 - Public Interest Disclosure Act
 - Bribery Act 2010
 - Criminal Finances Act 2017
 - Proceeds of Crime Act 2002
 - Money Laundering Regulations 2007
- 3.4 The policies have been extensively reviewed since the previous 2019 iterations to ensure that they align to the Council's strategy 'Making Bromley Even Better' as well as best practice from recognised professional bodies. These professional bodies include the Chartered Institute of Public Finance Accountants (CIPFA) and Protect (the independent Whistleblowing charity) as well as Cifas (the UK's fraud prevention service) and various Government legislation and guidance.
- 3.5 The four policies have previously been presented as a single overarching policy (the Counter Fraud and Corruption Strategy) with three appendices. For this review cycle, we have split the policies into four separate entities, to improve transparency, clarity of ownership and ease of reference for readers.
- 3.6 The policies have been shared with Chief Officer Executive and Corporate Leadership Team for review and comment, prior to submission to Audit and Risk Management Committee.

International Fraud Awareness Week, 13 – 19 November 2022

- 3.7 One of the most effective means to prevent fraud, both by deterring would-be fraudsters and ensuring staff and the wider public can detect and report fraud, is to undertake regular fraud awareness activity.
- 3.8 We are therefore working with the Public Affairs team to promote fraud awareness by supporting International Fraud Awareness Week, 13 – 19 November. This activity will include both internal and external communication such as social media messages, staff messaging, newsletter features etc. The week will also give us the opportunity to launch the new Counter Fraud and Corruption policy framework. Members are asked to note this activity.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 There are no direct impacts however the policies are designed to minimise fraud and corruption risks across the Authority, including within services designed for vulnerable adults and children.

5. TRANSFORMATION/POLICY IMPLICATIONS

5.1 The revised policies are presented for approval.

6. FINANCIAL IMPLICATIONS

6.1 The policies are designed to reduce the Council's exposure to fraud and thus protect public funds.

7. PERSONNEL IMPLICATIONS

7.1 The policies are applicable to all Council officers. The Raising Concerns policy provides mechanisms for staff to speak up about issues at the Council.

8. LEGAL IMPLICATIONS

8.1 These policies are intended to facilitate compliance with the Fraud Act 2006, the Bribery Act 2010, the Public Interest Disclosure Act, the Proceeds of Crime Act 2000, Money Laundering Regulations and the Criminal Finances Act.

9. PROCUREMENT IMPLICATIONS

9.1 There are no direct impacts however the policies are designed to minimise fraud and corruption risks across the Authority, including procurement.

10. CUSTOMER IMPACT

10.1 The Counter Fraud and Corruption Strategy is relevant to all of the Council's customers as it provides a framework for managing fraud against the Council.

Non-Applicable Headings:	Property Implications Carbon Reduction / Social Value Implications Ward Councillor Views
Background Documents: (Access via Contact Officer)	None

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COUNTER FRAUD AND CORRUPTION STRATEGY

Policy Owner	Head of Audit and Assurance
Reviewed by	Head of Audit and Assurance
Date of Review	July 2022
Approved by	
Date approved	

1. Policy Statement

- 1.1. 'Making Bromley Even Better' sets out the London Borough of Bromley's commitment to managing our resources well, providing value for money together with efficient and effective services for Bromley's residents.
- 1.2. The Annual Fraud Indicator 2017 estimates that fraud against local government costs £7.3bn each year. The London Borough of Bromley recognises that all money lost to fraud deprives the Council of resources which could be used to deliver services to residents and the best possible outcomes for our Borough.
- 1.3. As such, the Council will not tolerate fraud and corruption, whether from internal or external sources, and has high expectations of propriety, integrity and accountability from all parties identified within this strategy.
- 1.4. This strategy sets out the Council's commitment and approach to managing the risk of fraud and corruption. The overarching aims of the strategy are to:
 - ensure high ethical standards in the delivery of the Council's services
 - encourage a strong counter fraud culture
 - improve the Council's resilience to fraud and corruption through effective prevention and detection of fraud
 - reinforce the Council's zero-tolerance attitude to fraud
 - provide a framework for a robust fraud response, including the application of sanctions
 - ensure that continual improvement is applied to lessons learnt from fraud
 - explore opportunities for financial savings through enhanced detection and prevention
 - protect the Council's resources.
- 1.5. The Council's strategic approach will be consistent with that outlined in the Local Government Fraud Strategy: 'Fighting Fraud and Corruption Locally'. The five key strands of this approach are set out on the following page. The Head of Audit and Assurance will periodically assess arrangements against FFCL and report to the Audit and Risk Management Committee.



2. Definitions

Fraud

2.1. The London Borough of Bromley defines fraud as “any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss”. (Chartered Institute of Public Finance and Accountancy)

2.2. Under the Fraud Act 2006, fraud can be committed in the following ways:

- **False representation** – making a false representation with the intent of making a gain or causing a loss.

Examples include providing false information on a social housing or job application.

- **Failing to disclose information** – failing to disclose information with the intent of making a gain or causing a loss.

Examples include failing to disclose a change in circumstances which may impact on eligibility for Single Person Discount or Small Business Rate Relief.

- **Abuse of position** – if a person in a position of trust abuses that position with the intent of making a gain or causing a loss.

Examples include using a corporate purchase card for personal expenditure or diverting Council funds into a personal bank account.

Corruption

2.3. Transparency International UK defines corruption as ‘the abuse of entrusted power for personal gain’. This can include the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person to act inappropriately.

2.4. Key corruption legislation relevant to the Council includes:

- the Bribery Act 2010 (see Anti-Bribery Policy)
- The Money Laundering Regulations (see Anti-Money Laundering Policy)
- the Criminal Finances Act 2017.

2.5. The Criminal Finances Act introduces a corporate failure to prevent criminal facilitation of tax evasion and the Council must be able to demonstrate that it has taken reasonable measures to prevent the facilitation of tax evasion by associated individuals and companies.

3. Governance - Roles and Responsibilities

3.1. All staff and stakeholders have a role to play in the Council's counter fraud and corruption arrangements. Specific roles and responsibilities are set out below:

STAKEHOLDER	RESPONSIBILITIES
Chief Executive	<ul style="list-style-type: none">• Setting the Council's values, behaviours and standards• Ensuring there are effective governance arrangements for counter fraud in place
Director of Finance – s151 Officer	<p>The Director of Finance has overall responsibility for Counter Fraud arrangements within the Council. This includes:</p> <ul style="list-style-type: none">• Ensuring that there are robust controls in place to manage fraud risks and prevent and detect fraud and corruption• Ensuring that there is an effective counter fraud and corruption strategy in place• Ensuring that there are sufficient resources to deliver the counter fraud strategy• Championing and promoting counter fraud and whistleblowing arrangements at Chief Officer Executive.
Director of Corporate Services and Governance – Monitoring Officer	<ul style="list-style-type: none">• Advising Councillors and Officers on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Practice.• Owning the Anti-Bribery policy and ensuring that all allegations of bribery are dealt with appropriately

<p>Head of Audit and Assurance</p>	<ul style="list-style-type: none"> • Developing and implementing the Counter Fraud and Corruption Strategy and associated counter fraud plans • Ensuring that all suspected or reported irregularities are dealt with promptly and appropriately • Managing contractual arrangements for fraud investigation • Maintaining the Council's Raising Concerns (Whistleblowing) policy and arrangements • Assessing annually whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk
<p>Directors, Assistant Directors, Heads of Service and Service Managers</p>	<p>All senior managers are responsible for:</p> <ul style="list-style-type: none"> • Embedding a strong counter fraud and corruption culture in line with the Council's objectives, values and behaviours • Promoting fraud and corruption awareness and an open and transparent culture where staff feel empowered to report suspicions of wrong-doing • Management of fraud and corruption risks • Ensuring that all suspected or reported irregularities are immediately referred to Internal Audit • Ensuring that there are mechanisms in place within their service areas to assess fraud, corruption and theft risks and to reduce these risks by implementing strong internal controls.
<p>Audit and Risk Management Committee</p>	<p>Audit and Risk Management Committee oversee Counter Fraud arrangements in the Council. This includes:</p> <ul style="list-style-type: none"> • Monitoring the Counter Fraud and Corruption strategy, actions and resources • Monitoring the effectiveness of Counter Fraud arrangements including assessment of fraud risks, actions and responses <p>The Chair of Audit and Risk Management Committee also acts as a champion for whistleblowing arrangements at Member level and is a nominated contact within the whistleblowing policy.</p>
<p>Members</p>	<p>All elected Members are responsible for:</p> <ul style="list-style-type: none"> • Leading by example and acting in the public interest at all times • Complying with the Member Code of Conduct and other Council policies and

	<p>procedures including Financial Regulations</p> <ul style="list-style-type: none"> • Maintaining an awareness of the possibility of fraud, corruption and theft, reporting any genuine concerns accordingly.
Staff	<p>All staff have a role to play in combatting fraud. This includes:</p> <ul style="list-style-type: none"> • Acting in the public interest at all times, and in accordance with the Council's values and behaviours • Being alert to the possibility of fraud and corruption • Reporting any genuine concerns in line with this strategy or the Raising Concerns policy • Complying with Council policies and procedures that are designed to reduce the risks of fraud and corruption (see section 6.3) • Declaring any potential financial or non financial interests that may conflict with the Council's interests.
Public, Partners, Suppliers, Contractors and Consultants	<p>Remaining aware of the possibility of fraud and corruption and reporting any genuine concerns / suspicions.</p>

4. Governance - Culture

4.1. The Council is committed to maintaining a strong counter fraud and corruption culture and recognises that a strong culture is one of the most powerful tools to combat fraud.

4.2. All managers have responsibility for ensuring that the Council's culture supports its stated approach to fraud. In practice, this means that managers must:

- create an ethos of honesty and integrity, leading by example
- embrace and embed the Council's Values and Behaviours
- foster an open environment where staff feel able to voice concerns
- reinforce consistent messages that fraud will not be tolerated
- promote fraud and corruption awareness.

4.3. The Council expects all employees, agency workers, Members and contractors to act in accordance with the Seven Principles of Public Life set out below:

- **Selflessness** – Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or friends

- **Integrity** – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties
- **Objectivity** – In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make their choices on merit
- **Accountability** – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
- **Openness** – Holder of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
- **Honesty** – Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
- **Leadership** – Holders of public office should promote and support these principles by leadership and example.

5. Fraud Risks and their impact

- 5.1. The Council faces a range of fraud and corruption risks and associated impacts. The most obvious of these impacts is financial loss but there are many other potential negative consequences, including reputational damage, loss of trust, safeguarding issues, reduced staff morale and detriment to the well-being of our residents and staff.
- 5.2. The Council recognises the potential for harm caused by fraud and is committed to identifying and managing fraud risks appropriately. The Council also recognises that both the nature and likelihood of fraud risks change as the internal and external environments change, for example in times of economic hardship, and that therefore fraud risk assessment is a continual, dynamic process.
- 5.3. Managers have primary responsibility for ensuring there are appropriate arrangements within their areas to prevent and detect fraud and corruption. This includes considering fraud and corruption risks and mitigation measures as part of standard risk management processes. Managers should also undertake a fraud and corruption risk assessment when new processes and systems are designed and implemented.
- 5.4. The Audit and Assurance service will support managers by providing advice and guidance on fraud risks and controls as requested. The Audit and Assurance

service will also undertake regular horizon scanning for new and emerging fraud threats, and share relevant information with Corporate Leadership Team.

5.5. The CIPFA Fraud and Corruption Tracker 2019/20 and the Fighting Fraud and Corruption Locally Strategy 2020 highlight the following key threats currently facing the Council:

- **Council Tax:** False information provided to obtain discounts, exemptions and reduction schemes, or failure to report changes in circumstances which may affect the entitlement to such awards.
- **Blue Badge Fraud:** use of counterfeit / altered badges, third party use when the blue badge holder is not in the vehicle, use of a deceased person's blue badge.
- **Housing and Tenancy Fraud:** fraudulent applications for housing, subletting.
- **Business Rates:** fraudulent applications for exemptions and reliefs, properties that are not listed.
- **Social Care fraud:** overstatement of needs in order to obtain funding, misuse of direct payments by the client or third party.
- **Procurement / Commissioning:** fraud can occur throughout the commissioning cycle, including cartel risks at tender stage, false or duplicate invoicing, false performance reporting.
- **Payroll:** false or exaggerated expenses, travel and overtime claims.

6. Prevention

6.1. The London Borough of Bromley aims to prevent fraud through maintaining a strong counter fraud culture, raising awareness of both fraud risks and counter fraud activity and implementing a robust system of internal control.

6.2. Managers are responsible for implementing appropriate controls to manage fraud risks, including for both detection and prevention. These could include requiring individuals and businesses to complete fraud declarations on application for grants, benefits or discounts, verification checks, authorisations and segregation of duties. On request, the Audit and Assurance Service can offer advice on the appropriateness of internal controls including during the design of new processes or policies.

6.3. The London Borough of Bromley has a framework of policies that are intended to minimise fraud and corruption risks; key policies are listed below. All officers and Members are expected to comply with the requirements of these policies.

- Values and Behaviours

- Raising Concerns Policy
- Anti-Bribery Policy
- Gifts and Hospitality Code of Conduct
- Notes of Guidance – Conflicts of interest and declaration of registerable interests
- Financial Regulations and Procedures
- Financial Regulations for Schools
- Contract Procedure Rules
- Anti-Money Laundering Policy
- Suite of Recruitment procedures
- Corporate Information Security Policy
- Members' Code of Conduct

6.4. The Council will continue to investigate and consider better use of available technology and data analytics to prevent fraud, for example the use of pre-payment credit checks through National Fraud Initiative and government counter fraud tools for grant payments.

Training and Awareness

6.5. Training and awareness are key to promoting a strong counter fraud culture and to preventing and detecting fraud.

6.6. The Audit and Assurance service will periodically undertake fraud awareness campaigns. The service will also share relevant fraud alerts from, for example the National Anti Fraud Network (NAFN) and Action Fraud, and specific case studies from other organisations to heighten risk and control awareness.

6.7. The service will also develop the training offered to staff to ensure that essential training is available to all employees. Additional fraud awareness training can be provided on request.

6.8. All managers will ensure that staff are properly inducted and trained in local procedures and controls designed for the prevention and detection of fraud.

7. Detection and investigation

7.1. Managers are primarily responsible for implementing sufficient monitoring controls to detect fraud. Such controls should be designed to facilitate the identification of any unusual activity. These could include reconciliations, data verification and data matching. Managers should also ensure that they and their staff are aware of possible fraud 'red flags' and that unusual events or transactions could indicate fraud.

7.2. The Head of Audit and Assurance will assess and review fraud risk areas and work with the Royal Borough of Greenwich Fraud Team to undertake proactive fraud work in higher risk areas, making the best use of available resource.

7.3. Such proactive counter fraud work will aim to utilise data analytics and data matching where possible, as these can be used to verify and validate transactions and highlight potential anomalies and areas for further review.

7.4. Internal Audit will independently assess the adequacy and effectiveness of controls as part of risk-based audit work.

Working with others

7.5. Fraudulent activity impacts across geographical boundaries and different public sector bodies. Thus, effective cooperation and joint working between local authorities and other agencies are essential in the ongoing development of the Council's strategic response for prevention, detection and investigation of fraud.

7.6. To this end, the Council will develop working relationships with other organisations, including promoting data sharing and matching, to obtain the best outcomes and protect public funds. Key organisations will include (but are not limited to) the Council's contractors, Registered Social Landlords, Local Government Authorities, the Police and other enforcement agencies, the Department for Work and Pensions and other Central Government bodies.

7.7. The Council also participates in the National Fraud Initiative (NFI). This requires public bodies to submit a number of data sets to the Cabinet Office for data matching with other information sets held by public bodies. Positive matches will be reviewed and investigated on a risk basis.

7.8. We work in partnership with the Royal Borough of Greenwich to investigate allegations of fraud and corruption under a contractual agreement.

Investigation

7.9. All officers and Members must report any suspicions of fraud or irregularity. Usually, staff will report initially to their line manager and if this is not appropriate then to the Head of Service or Service Manager.

7.10. Alternatively, employees may prefer to utilise the arrangements set out in the Raising Concerns policy which provides alternative trusted routes to raise concerns. This policy exists to encourage individuals to speak up without fear of reprisals and provides protection to individuals raising genuine concerns.

7.11. To facilitate a speedy and appropriate response, employees reporting their concerns should, where possible, outline the following:

- The nature of the concern and the potential or actual loss to the Council, or the Council's client
- When and how the matter came to light
- Officers and / or other parties alleged to be implicated (names and designations where appropriate)

- The names and roles of any other individuals who are aware of the potential fraud/irregularity.
- 7.12. The line manager, Service Manager or Assistant Director/Head of Service who receives the allegation must refer the matter to the Head of Audit and Assurance. This can be done by calling the Head of Audit and Assurance directly on 0208 313 4308 or using the dedicated fraud number 0800 169 6975 or email audit@bromley.gov.uk
- 7.13. These contact details can also be used by members of the public and other stakeholders. They are publicised on the Council's website.
- 7.14. In the absence of the Head of Audit and Assurance, reports should be made to the Director of Finance or any Principal Auditor, who will liaise with the Royal Borough of Greenwich Counter Fraud Team for specialist advice as necessary.
- 7.15. Care needs to be taken to ensure that officers or Members who may be involved in the suspected irregularity do not become aware that the irregularity has been reported. Staff should not carry out their own investigation prior to notifying the Head of Audit and Assurance as this can compromise any subsequent investigation.
- 7.16. The Head of Audit and Assurance will determine the appropriate risk-based course of action to ensure that any investigation is carried out in accordance with legislation and Council policy. Depending on the nature, materiality and seriousness of the allegation, the Head of Audit and Assurance may convene a 'response group' of the following to determine next steps:
- Director of Finance (Section 151 Officer)
 - Director of Human Resources, Customer Services and Public Affairs
 - Director of Corporate Services (Monitoring Officer)
 - Royal Borough of Greenwich Counter Fraud representative
 - Relevant Director
 - other stakeholders, as relevant and appropriate to the nature of the allegation.
- 7.17. Appropriate action could include:
- Investigation undertaken by specialist fraud staff
 - Joint investigation between managers from relevant departments and audit or fraud staff
 - Investigation by management with support from internal audit
 - Police referral.
- 7.18. Successful criminal prosecutions require cases to be professionally investigated ensuring all evidence is collected within the law. Investigative staff must be adequately trained with the appropriate skills and access to specialist resources to secure effective prosecutions.
- 7.19. Fraud investigators will be provided with access to all personnel, assets, systems and information required in order to complete their investigation.

- 7.20. The Head of Audit and Assurance will develop a Fraud Response Plan providing further detail on operational response to fraud and publicise this to all officers via the intranet.

Investigation outcomes

- 7.21. The investigator will report the facts revealed during their investigations to relevant managers as agreed at the outset of the investigation. This will include the Head of Service / Assistant Director and Director but may also include, for example, the Director of Finance and the Director of Human Resources, Customer Services and Public Affairs depending on the nature of the alleged fraud.
- 7.22. In line with its zero-tolerance approach, London Borough of Bromley deems all fraudulent activity to be unacceptable and will consider deploying a range of sanctions where there is evidence that individuals have been involved in fraud or irregularity. Decisions on appropriate sanctions will take into account relevant legislation, internal policies, the Code for Crown Prosecutors and aggravating and mitigating factors in the case.
- 7.23. Where the outcome of an investigation indicates that any Council officer has been involved in fraud or irregularity, this will be dealt with through the disciplinary policy. Where criminal offences are suspected, the Council may also refer the matter to the police. The final decision on police referral in these instances rests with the Director of Finance.
- 7.24. Every effort will be made to recoup losses and assets gained as a result of criminal activity.
- 7.25. The investigation will also identify where control weaknesses have facilitated the perpetration of fraud. Where fraud or irregularity has occurred, management must review controls to rectify weaknesses, strengthening systems and processes to ensure that similar fraud / irregularity is unlikely to occur. Internal Audit can assist managers with risk / control reviews on these occasions.

8. Communication

- 8.1. In order to demonstrate the Council's zero-tolerance approach and to deter other would-be fraudsters, details of completed investigations and sanctions applied will be publicised where appropriate. The Council will also publish data required by the Transparency Code 2015.
- 8.2. The Council may additionally publicise the results of proactive work where this will heighten public awareness.

9. Reporting

- 9.1. Audit and Risk Management Committee will oversee this Strategy and will receive regular reports on counter fraud activity and outcomes.
- 9.2. The Annual Governance Statement will include a section on the effectiveness of the Strategy and counter fraud activities.

10. Review

- 10.1. This strategy will be reviewed every two years at a minimum, or sooner in line with significant developments.

11. Contact

If you have any queries on this policy or would like further advice, please contact:

Francesca Chivers, Head of Audit and Assurance
Francesca.chivers@bromley.gov.uk
0208 313 4308

Deepali Choudhary, Principal Auditor
Deepali.choudhary@bromley.gov.uk
0208 313 4895

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RAISING CONCERNS (WHISTLEBLOWING) POLICY AND PROCEDURE

Policy Owner	Head of Audit and Assurance
Reviewed by	Head of Audit and Assurance
Date of Review	July 2022
Approved by	
Date approved	

1. Policy Statement

- 1.1. The London Borough of Bromley is committed to ensuring the highest standards of conduct and ethical behaviour throughout all of its operations and has high expectations of propriety, integrity and accountability from its staff and stakeholders. Our REAL Values set out the core standards that are integral for us as an organisation to achieving the ambitions set out in 'Making Bromley Even Better'.
- 1.2. The Council actively encourages open and honest communications, as a culture where employees, partners and other stakeholders can confidently raise concerns is one of the best means to ensure these standards and values are consistently maintained.
- 1.3. Therefore, the Council is keen to ensure that all persons working for the Council or on our behalf are able to speak up and raise issues which are of concern at work.
- 1.4. The overarching aims of this policy are to:
 - Encourage employees to feel confident in raising genuine concerns
 - Provide avenues for individuals to raise concerns and receive feedback
 - Protect individuals from reprisals for genuine disclosures.

2. Definitions

- 2.1. Whistleblowing can be defined as "the raising of a concern, either within the workplace or externally, about a danger, risk, malpractice or wrong-doing which affects others". (Whistleblowing Commission's Code of Practice)
- 2.2. The Public Interest Disclosure Act 1998 provides protections for employees who make such disclosures.

3. Scope

- 3.1. This policy applies to all employees (including temporary and agency staff), suppliers, volunteers and contractors working on behalf of the Council.
- 3.2. It can be used for concerns about others or the organisation such as:
 - conduct which is, has been or is likely to be an offence or a breach of law
 - the unauthorised use of public funds, for example assets or funds used for personal gain
 - possible fraud and corruption (please see the Counter Fraud and Corruption Strategy for examples)
 - sexual, physical, verbal or financial abuse of clients
 - disclosures related to past, current or likely miscarriages of justice, for example false information knowingly provided to support enforcement action
 - health and safety risks to the public or other employees
 - any other concerns regarding the conduct of officers or Members or others acting on behalf of the Council, for example breach of core Council standards and policies.
- 3.3. The Whistleblowing Policy does not replace the Council's complaints procedures and other statutory reporting procedures applying to some departments.

3.4. If you wish to raise concerns regarding your own employment, please use the grievance procedure.

3.5. If you have health and safety concerns, we encourage you to raise these first with your line manager or the Health and Safety Officer.

4. Roles and Responsibilities

ROLE	RESPONSIBILITIES
Chief Officer Executive	<ul style="list-style-type: none"> • Approving and endorsing the Raising Concerns policy • Promoting fraud and corruption awareness and an open and transparent culture where staff feel empowered to report suspicions of wrong-doing without fear of reprisals
Audit and Risk Management Committee	<ul style="list-style-type: none"> • Reviewing and monitoring whistleblowing arrangements, including final approval of the Raising Concerns policy • The Chairman of the Audit and Risk Management Committee acts as a Member champion for whistleblowing arrangements and the Chairman and Vice Chairman are points of contact for raising concerns
Head of Audit and Assurance	<ul style="list-style-type: none"> • Maintaining, implementing and overseeing this policy, including keeping records of concerns raised, their outcomes and feedback given
Managers	<ul style="list-style-type: none"> • Ensuring that they respond appropriately to all concerns raised, and that these concerns are investigated properly • Ensuring that their staff are aware of this policy and procedure • Ensuring that appropriate support arrangements are put into place for staff who raise concerns
Staff	<ul style="list-style-type: none"> • Raising relevant concerns that they have under this policy

5. Safeguards and Support

5.1. Employees are often the first to realise that there may be something wrong within the Council and therefore it is important that employees raise concerns so that issues can be dealt with as soon as possible, and to prevent any further possible damage or losses.

5.2. The Council recognises however that individuals may be worried about raising such a concern, perhaps through a sense of disloyalty to colleagues, uncertainty about the issue or because they fear victimisation or reprisals.

5.3. The Council is committed to running the organisation in the best way possible and to do so we need your help. We have introduced this policy to ensure you that it

is safe and acceptable to speak up and to enable you to raise any concern you may have about malpractice at an early stage and in the right way. Rather than wait for proof, we would prefer you to raise the matter when it is still a concern.

5.4. Employees making a genuine disclosure will not suffer any disadvantage as a result of raising a concern. They are protected by both the Public Interest Disclosure Act and this policy. The Council will not tolerate the detrimental treatment, harassment or victimisation of anyone raising a genuine concern. This includes attempts to deter individuals from raising concerns. Any such instances will be dealt with through the Disciplinary Policy.

5.5. These guarantees apply regardless of the outcome of the investigation, including where the concern is unfounded.

If you are unsure about raising a concern you can get independent advice from Protect, an independent charity on 020 3117 2520 or by email at whistle@protect-advice.org.uk. Their lawyers can talk you through your options and help you raise a concern about malpractice at work. You can also seek advice from your Trade Union or professional body.

6. Confidentiality

6.1. You can choose to raise your concern in confidence and we will do our utmost not to reveal your identity if you tell us this is your wish. However, in certain circumstances, particularly in matters of criminal or civil law, it may not be possible to maintain your anonymity, for example if a witness statement is required to progress the case. In such instances, we will discuss this with you before disclosing your identity, including arrangements that can be put in place to support you.

7. Anonymous allegations

7.1. We encourage everyone to raise concerns openly as this will enable us to most effectively assess and investigate the issue. However, there will be occasions when individuals feel unable to provide their name. Therefore, we will consider all anonymous disclosures on their merits and these are always preferable to remaining silent.

7.2. However, before you choose to make an anonymous allegation, you should consider the following:

- It may be more difficult for the Council to investigate the concern or take any action as, for example, it may not be possible to confirm the allegation from other sources or ask you for follow up information
- You are unlikely to receive feedback on your concern
- You may not be afforded all protections under this policy and the law as there will be no evidence that it was you who raised the concern.

8. False Allegations

8.1. Individuals raising genuine concerns will be supported and protected under this policy, even where further investigation demonstrates the concern to be unfounded.

8.2. However, individuals who knowingly make false or malicious allegations may be subject to disciplinary procedures.

9. Reporting

9.1. The Head of Audit and Assurance will report annually to Audit and Risk Management Committee, in an anonymised format, on the numbers of referrals and their outcomes.

10. Review

10.1. This policy will be reviewed every two years at a minimum, or sooner in line with significant developments.

11. Contact

If you have any queries on this policy or would like further advice, please contact:

Francesca Chivers, Head of Audit and Assurance
Francesca.chivers@bromley.gov.uk
0208 313 4308

Linda Pilkington, Principal Auditor
Linda.pilkington@bromley.gov.uk
0208 313 4284

Raising Concerns Procedure

1. The earlier a concern is raised, the easier it is to take action. You should be able to demonstrate that you have reasonable grounds for your concern but you are not expected to prove your concerns.
2. Concerns can be raised verbally (face to face or on the telephone) or in writing. When raising your concern please give as much detail as you can, including
 - The background and history of the concern, including any relevant names, dates and locations where possible
 - The reason why you are concerned.
3. As a first step, you should normally raise concerns with your immediate line manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. We recognise that individuals will not feel able to approach their line manager in all instances.
4. If you feel unable to raise the matter with your manager, for whatever reason, please raise the matter with either of the following:

Francesca Chivers Head of Audit and Assurance	020 8313 4308 francesca.chivers@bromley.gov.uk Bromley Civic Centre, Stockwell Close, BR1 3UH
Tasnim Shawkat Director of Corporate Services	020 8461 7899 tasnim.shawkat@bromley.gov.uk Bromley Civic Centre, Stockwell Close, BR1 3UH

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

Ade Adetosoye CBE Chief Executive	020 8313 4652 ade.adetosoye@bromley.gov.uk Bromley Civic Centre, Stockwell Close, BR1 3UH
Cllr Michael Tickner Chairman, Audit and Risk Management Committee	020 8313 4422 michael.tickner@bromley.gov.uk c/o Members' Room, Bromley Civic Centre, Stockwell Close BR1 3UH

<p>Cllr Robert Evans Vice Chairman Audit and Risk Management Committee</p>	<p>01689 853002 robert.evans@bromley.gov.uk c/o Members' Room, Bromley Civic Centre, Stockwell Close BR1 3UH</p>
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Recording concerns

6. The Head of Audit and Assurance maintains a log of all concerns raised under this policy and their outcomes. The person receiving the concern must therefore notify the Head of Audit and Assurance of the concern as soon as practical.

How the Council will respond

7. We will take every concern raised seriously and will assess each one to ascertain the best course of action, including whether any urgent action is required before investigation.
8. The manager or person receiving the concern will undertake this initial assessment, in discussion with Human Resources, Internal Audit and other specialist advice (such as safeguarding professionals) as necessary. Depending on the information received, we may undertake preliminary enquiries before determining how the matter should be investigated and the scope of any investigation. (No action / investigation should be commenced on any fraud concern without prior discussion with Internal Audit.)
9. Dependent on the concern we may, for example:
 - Undertake an internal investigation – the investigating officer will depend on the nature of the concern
 - Refer the matter to the police
 - Refer the matter to External Audit.
10. Concerns that fall under specific procedures will normally be referred for consideration under these procedures.

Keeping you informed

11. Within ten working days of raising your concern the investigating officer will write to you:
 - Acknowledging receipt of the concern
 - Providing an indication of how we propose to deal with the concern, and the estimated timeframe for a final response (although this will be subject to the nature and complexity of the concern)
 - Advising you how to report any disadvantage or detrimental treatment as a result of making the disclosure
 - Signposting you to support mechanisms, such as the Council's employee assistance programme
 - Advising you that you are entitled to independent advice.

12. If we need to speak to you further, you have the right to be accompanied by a trade union representative or workplace colleague who is not involved in the area of work subject to the concern.

13. Subject to any legal constraints, such as data protection, we will provide you with information about the outcome of any investigation.

How the matter can be taken further – External disclosures

14. While we hope this policy gives you the reassurance you need to raise such matters internally, we recognise that there may be circumstances where you feel unable to do so or you feel the Council has not properly responded to your concerns.

15. The Public Interest Disclosure Act extends whistleblower protections to disclosures made externally, to ‘prescribed people or bodies’. The ‘prescribed person’ will depend on the nature of your concern. A full list can be found here: [Whistleblowing: list of prescribed people and bodies - GOV.UK \(www.gov.uk\)](http://www.gov.uk), and those likely to be most relevant to the Council are provided below. You may also speak to a legal professional or your Member of Parliament.

16. If you make an external disclosure to a non-prescribed body, such as the media, you will only have whistleblower protections in certain circumstances. Therefore, you should seek independent advice before making any such disclosure.

Prescribed body	Scope of Disclosures	Contact details
Ofsted	Contact them about matters relating to regulation and inspection of children’s social care.	Ofsted Piccadilly Gate Store Street Manchester M1 2WD 0300 123 3155 whistleblowing@ofsted.gov.uk
Care Quality Commission	Contact them about matters relating to the provision of health and social care.	CQC National Customer Service Centre Citygate Gallowgate Newcastle upon Tyne NE1 4PA Tel: 03000 616161 Email: enquiries@cqc.org.uk Website: www.cqc.org.uk
The Comptroller and Auditor General	Contact them about the proper conduct of public business, value for money, fraud and corruption	The Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road London SW1W 9SP

	in relation to the provision of public services.	www.nao.org.uk/contact-us/whistleblowing-disclosures/
The Information Commissioner	Contact them about compliance with the requirement of legislation relating to data protection and to freedom of information.	The Information Commissioner's Office Wycliffe House Water Lane Wilmslow SK9 5AF Tel: 0303 123 1113 Email: icocasework@ico.org.uk Website: www.ico.org.uk
Secretary of State for Education	Contact them about matters relating to schools including maintained schools.	Ministerial and Public Communications Division Department for Education Piccadilly Gate Store Street Manchester M1 2WD Tel: 0370 000 2288 Website: www.gov.uk/contact-dfe
The Health and Safety Executive	Contact them about the health and safety of individuals at work, or the health and safety of the public arising out of or in connection with the activities of persons at work	Health and Safety Executive Canary Wharf 10 South Colonnade Canary Wharf London E14 4PU Tel: 0300 003 1647 Online form: Tell us about a health and safety issue - Contact HSE

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ANTI-BRIBERY POLICY

Policy Owner	Director of Corporate Services and Governance
Reviewed by	Head of Audit and Assurance
Date of Review	July 2022
Approved by	
Date approved	

1. POLICY STATEMENT

- 1.1. The London Borough of Bromley has high expectations of propriety, integrity and accountability from all staff, Members and others who undertake work on our behalf. It will not tolerate any form of corruption, including bribery, and is committed to implementing robust arrangements for the prevention, detection and investigation of bribery.
- 1.2. Bribery is a criminal offence. The Council will not pay bribes or offer improper inducements to anyone for any purpose, nor will we accept bribes or improper inducements. Using a third party as a conduit to channel bribes to others is also a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.
- 1.3. This aims of this policy are to:
 - set out the Council's commitment to high ethical standards and a zero tolerance approach to bribery
 - provide a coherent and consistent framework to effectively prevent bribery
 - ensure that all employees understand their responsibilities regarding anti-bribery arrangements
 - ensure that any allegations of bribery are reported and managed appropriately.

2. Scope of this policy

- 2.1. This policy applies to all of the Council's activities. For partners, joint ventures and suppliers, we will promote the adoption of policies consistent with the principles set out in this policy and ensure that suitable arrangements are set out in contracts.
- 2.2. This policy covers all personnel who undertake work on the Council's behalf, including employees, agency staff, contractors, Members, volunteers and consultants.

3. What is Bribery?

- 3.1. Ministry of Justice guidance defines bribery as "giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so".
- 3.2. [The Bribery Act](#) 2010 contains four key offences:
 - Bribing a person to induce or reward them to perform a relevant function improperly (section 1)
 - Requesting, accepting or receiving a bribe as a reward for performing a relevant function improperly (section 2)
 - Using a bribe to influence a foreign official to gain a business advantage (section 6)
 - In relation to a commercial organisation, committing bribery to gain or retain a business advantage, there being no adequate procedures in place to prevent such actions (section 7).

3.3. The Council may be considered a “commercial organisation” for the purposes of the Act and is therefore subject to all of the above provisions. Penalties for convictions are significant for both individuals and organisations; a ten year prison sentence and / or an unlimited fine.

3.4. An organisation will have a defence to the corporate offence if it can demonstrate that it had adequate procedures in place designed to prevent bribery.

4. The Council’s approach

4.1 The Council’s approach to bribery as set out below follows the principles contained in Ministry of Justice guidance [The Bribery Act 2010 - Guidance \(justice.gov.uk\)](https://www.justice.gov.uk/guidance/bribery-act-2010):

1. Top Level Commitment
<p>Chief Officers and Members are committed to the highest standards of ethical behaviour and have a zero-tolerance approach to bribery. As set out in the Counter Fraud and Corruption Strategy, all senior managers are responsible for:</p> <ul style="list-style-type: none"> • embedding a strong counter fraud and corruption culture in line with the Council’s objectives, values and behaviours • promoting fraud and corruption awareness and an open and transparent culture where staff feel empowered to report suspicions of wrong-doing.
2. Risk Assessment
<p>Bribery risks will be assessed as part of the Council’s existing risk management processes, at Corporate and Departmental / Service level.</p> <p>Senior managers are responsible for ensuring that there are mechanisms in place within their service areas to assess the risk of bribery and to reduce these risks by implementing strong internal controls.</p> <p>Risk management processes are ongoing and key risks are reported to relevant Committees.</p>
3. Proportionate Procedures
<p>The London Borough of Bromley has a framework of policies and procedures that are intended to minimise corruption risks; key policies are listed below. All officers and Members are expected to comply with the requirements of these policies.</p> <ul style="list-style-type: none"> • Counter Fraud and Corruption Strategy • Values and Behaviours • Raising Concerns (Whistleblowing) Policy • Gifts and Hospitality Code of Conduct • Notes of Guidance – Conflicts of interest and declaration of registerable interests. • Financial Regulations and Procedures • Financial Regulations for Schools • Contract Procedure Rules • Money Laundering Policy • Suite of Recruitment procedures • Members’ Code of Conduct <p>Senior managers are expected to ensure that they have appropriate local procedures to mitigate any bribery risks that they have identified as part of their risk management processes.</p>

4. Due Diligence
<p>The Council will apply a proportionate and risk-based approach, in respect of persons who perform or will perform services for or on behalf of the organisation. Contract Procedure Rules require due diligence (a suitability assessment) to be undertaken on prospective contractors and partners.</p> <p>All contracts will contain anti-corruption clauses.</p> <p>Under the Public Contracts Regulations 2015, mandatory exclusion applies from competing for public contracts where an organisation is convicted of a corruption offence, including bribery. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. The Council may exclude organisations convicted of this offence at its discretion.</p>
5. Communication (including training)
<p>This policy will be available to all staff and the wider public and will periodically be promoted. The London Borough of Bromley will develop counter fraud and corruption training for all staff, including anti-bribery, that is proportionate to the risks it faces.</p>
6. Monitoring and Review
<p>This policy will be reviewed every two years at a minimum, or when there is a significant change in circumstances. Individual service managers must regularly monitor and review procedures within their own services that are designed to mitigate bribery risks.</p>

5. Staff Responsibilities

5.1. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the organisation or under its control. At the London Borough of Bromley, the responsibility to control the risk of bribery resides at all levels of the organisation. It does not rest solely within assurance functions, but in all business units and corporate functions.

5.2. It is unacceptable for Council employees or those acting on behalf of the Council to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
- engage in activity in breach of this policy.

5.3. Allegations of bribery involving Council employees will be dealt with under the Disciplinary Procedure. They may also be referred to enforcement agencies for criminal investigation.

6. Raising a Concern

6.1. All staff, Members, volunteers and those undertaking work on the Council's behalf must raise any concerns they have, where they have reason to believe that a breach of this policy has occurred, or may occur.

6.2. We encourage staff to raise any concerns with their line manager in the first instance. However, where this is not appropriate or where they do not feel able to do so, they can use the Raising Concerns (Whistleblowing) policy or contact the Director of Corporate Services and Governance.

6.3. Members, volunteers and external agents can use the contacts within the Raising Concerns Policy or contact the Director of Corporate Services and Governance.

6.4. Any manager receiving a concern must ensure that they report this promptly to the Director of Corporate Services and Governance, who maintains oversight of concerns raised and will ensure that appropriate action is taken.

7. Contact

7.1. If you have any queries on this policy or would like further advice, please contact:

Tasnim Shawkat, Director of Corporate Services and Governance

Tasnim.shawkat@bromley.gov.uk

0208 461 7899

Francesca Chivers, Head of Audit and Assurance

Francesca.chivers@bromley.gov.uk

0208 313 4308

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ANTI-MONEY LAUNDERING POLICY AND PROCEDURE

Policy Owner	Head Of Corporate Finance & Accounting
Reviewed by	Head of Audit and Assurance
Date of Review	July 2022
Approved by	
Date approved	

1. Policy Statement

1.1. London Borough of Bromley will not tolerate corruption, whether from internal or external sources, and has high expectations of propriety and integrity.

1.2. Money laundering is a serious criminal offence which includes possessing, dealing with, or concealing, the proceeds of any crime. Often, it is used to fund terrorist organisations. Thus, it can inflict significant harm on both individuals and wider society.

1.3. This policy aims to:

- Minimise risks of money laundering through the Council's services
- Protect the Council's employees through raising awareness and ensuring they are aware of their obligations
- Prevent the Council's services being used for criminal activity through money laundering
- Comply with legal and ethical obligations to prevent money laundering and report any actual or suspected cases appropriately
- Set out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council to comply with its legal obligations.

1.4. This policy applies to all employees and contractors in relevant roles and elected Members of the Council.

2. What Is Money Laundering?

2.1. Money laundering is a term used for a number of offences involving the proceeds of crime or terrorist financing. Essentially, it is the processes and transactions that criminals use to disguise the source of their money and make it appear to be from a legitimate source. This makes it more difficult for law enforcement agencies to prosecute criminals and recover the proceeds of crime.

2.2. There are three stages to money laundering:

Placement: Placing funds obtained from a crime into existing financial systems, for example multiple different bank accounts or using it to purchase assets.

Layering: Conducting complex and frequent transactions to disguise the source of funds.

Integration: Using the money from these transactions to transfer back into the economy.

2.3. Money laundering is covered by different pieces of legislation listed below:

- Proceeds of Crime Act 2002
- Terrorism Act 2000
- Money Laundering Regulations 2007
- Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017
- Money Laundering and Terrorist Financing (Amendment) Regulations 2019
- Criminal Finances Act 2017

2.4. Money laundering methodologies are constantly changing and consequently it is not always easy to identify. Therefore, staff must remain alert to the risks and use their professional judgment to assess when a transaction does not seem right. Examples of possible money laundering indicators include:

- Large cash payments
- Over or under invoicing
- Requests for refunds on overpaid bills or invoices
- Cancelled significant transactions, which will then be refunded
- Requests to pay monies overseas
- New customers with high value transactions
- Third party intermediaries becoming involved in transactions
- Difficulty establishing the owner of a company / trust / source of wealth

3. The Council's Obligations and Commitments

3.1. The following money laundering offences under the Proceeds of Crime Act 2002 apply to all persons in the UK both in a personal and professional capacity:

- concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327)
- entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328)
- acquiring, using or possessing criminal property (section 329)
- doing something that might prejudice an investigation for example falsifying documents (section 342)

3.2. Under the Terrorism Act 2000, all individuals and businesses are obliged to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism, where it relates to information that comes to them in the course of their business or employment.

3.3. As a public authority, the majority of work that the Council undertakes is not within the scope of the money laundering regulations. However, guidance from finance and legal professions, including the Chartered Institute of Public Finance and Accountancy (CIPFA), states that public service organisations should comply with the underlying spirit of the legislation and regulations and put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

3.4. Further, if the Council provides 'relevant business' (accountancy, audit and tax services and legal services regarding financial, company or property transactions) then Money Laundering Regulations may apply.

3.5. Whilst the risk of money laundering through the Council's services is low, the Council considers that the best way to ensure compliance with the law and to minimise any risk to the Council, its employees and Members, is to adopt procedures for all areas of work.

3.6. Therefore the Council will:

- appoint a Money Laundering Reporting Officer ("MLRO") to receive disclosures from employees of money laundering activity (their own or anyone else's);
- implement a procedure to enable the reporting of suspicions of money laundering;
- maintain client identification procedures in certain circumstances; and
- maintain record keeping procedures.

3.7. It is extremely important that all employees are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. All employees, contractors in relevant roles (for example Cashiers) and Members are required to comply with this policy and the reporting procedure.

The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer (MLRO).

4. The Money Laundering Reporting Officer

4.1. The officer nominated to receive disclosures about money laundering activity within the Council is the Head of Corporate Finance and Accounting who can be contacted as follows:

David Dobbs,
London Borough of Bromley
Room S204, 2nd Floor,
Stockwell Block, Civic Centre,
Stockwell Close
Bromley
BR1 3UH

Email: david.dobbs@bromley.gov.uk

Tel: 0208 313 4145

4.2. In the absence of the Head of Corporate Finance and Accounting, the Head of Audit and Assurance is authorised to deputise and can be contacted as follows:

Francesca Chivers,
London Borough of Bromley
Room S214, 2nd Floor,
Stockwell Block, Civic Centre,
Stockwell Close
Bromley
BR1 3UH

Email: francesca.chivers@bromley.gov.uk

Tel: 0208 313 4308

ANTI MONEY-LAUNDERING PROCEDURE

1. Reporting to the Money Laundering Reporting Officer (MLRO)

- 1.1. Any employee who suspects money laundering activity is taking place, or an employee who becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, must disclose this immediately to the MLRO.
- 1.2. The disclosure should be made to the MLRO or deputy using the proforma report attached at Appendix 1. The report must include as much detail as possible that is available. This detail will be required if the MLRO decides to make a Suspicious Activity Report (SAR) to the National Crime Agency.
- 1.3. The employee must follow any subsequent directions from the MLRO or deputy and must not make any further enquiries themselves into the matter. Additionally, they must not take any further steps in the transaction without authorisation from the MLRO or deputy.
- 1.4. The employee must not disclose or otherwise indicate their suspicions to the person(s) suspected of money laundering. This includes discussing the matter with others or noting on a file that a report has been made to the MLRO in case this results in the suspect becoming aware. 'Tipping off' is a criminal offence under the Proceeds of Crime Act 2002.

2. Consideration of the disclosure by the Money Laundering Reporting Officer

- 2.1. The MLRO or deputy must acknowledge receipt of the report and promptly evaluate any disclosure to determine whether a Suspicious Activity Report (SAR) should be made to the National Crime Agency (NCA). The MLRO will request any other available internal information they think relevant to evaluate the suspicion.
- 2.2. The MLRO or deputy must, if they determine there are reasonable grounds for the suspicion, promptly report the matter to the NCA using the SAR standard form available on the website. NCA can be contacted 24 hours a day on 0370 496 7622.
- 2.3. If the MLRO concludes that there are no reasonable grounds for suspecting money laundering and that a SAR should not be filed, they must document the reasons for this on the report.
- 2.4. All disclosure reports referred to the MLRO or deputy and reports made to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years after the date of the transaction. This includes reports where a disclosure has not been made to the NCA.
- 2.5. The MLRO or deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

3. Customer Due Diligence

- 3.1. As a matter of course, managers should ensure that appropriate due diligence checks are carried out on new partners, suppliers and contractors in accordance with existing policies and procedures.
- 3.2. Where the Council is carrying out a **regulated business** (accountancy, audit and tax services and legal services for financial, company or property transactions), then Enhanced Customer Due Diligence (set out in the narrative below) must be undertaken if the Council charges for the service, is providing the service to a customer other than another UK public authority and:
- a) forms an ongoing business relationship with a client; **or**
 - b) undertakes a one off or occasional transaction amounting to €15,000 (sterling equivalent) or more whether carried out as a single transaction or several linked ones; **or**
 - c) suspects money laundering or terrorist financing.
- 3.3. Customer due diligence checks will include:
- Checking the organisation's website and other open-source information such as Companies House to confirm the identity of the personnel, their business address and any other relevant information
 - Asking the key contact officer to provide evidence of their personal identity such as passport, driving licence
 - Asking the Head of Service or Chair of the relevant organisation to provide signed confirmation in writing that the person works for the organisation
 - Ensuring that you can determine the Ultimate Beneficiary Owner of the customer you are engaging with – who owns and controls the company?
- 3.4. Evidence of these checks should be retained for at least five years from the end of the business relationship or transaction.
- 3.5. In certain circumstances it will be necessary to undertake Enhanced Customer Due Diligence. In summary, this will be necessary where:
- The customer has not been physically present for identification purposes; **or**
 - The situation which by its nature can present a higher risk of money laundering or terrorist financing, such as where the organisation is established in a high-risk third country, or where the transaction is unusually large or complex.
- 3.6. Where this applies, the Council will need to take adequate measures to compensate for the higher risk. For example, ensuring that the customer's identity is established by additional documents, data or information.
- 3.7. Where the "relevant business" is being provided to another UK public sector body then written, signed instructions on the body's headed paper

should be obtained prior to the transaction being completed.

3.8. Customer due diligence must be followed before any business is undertaken for the client.

3.9. Where the Council is carrying out a regulated business and is in an ongoing “business relationship” with a customer, it must scrutinise transactions undertaken throughout the course of the relationship to make sure that these transactions are consistent with the Council’s knowledge of the customer, his/her business and risk profile; and keep documents, data or information obtained for the purpose of applying Customer Due Diligence measures up-to-date.

4. Cash Payments

4.1. No payment to the Council will be accepted in cash (defined as notes, coins or travellers cheques in any currency) if it exceeds £5,000. All attempted cash transactions higher than this value should be discussed with the MLRO to determine whether a disclosure should be made.

5. Record Keeping

5.1. Customer due diligence identification evidence and the details of the relevant transaction(s) for that client must be retained for at least five years from the end of the relationship / date of the transaction.

5.2. The precise nature of these records is not set down in law but should provide an adequate audit trail during any subsequent investigation.

5.3. Money laundering reports and SARs will be kept by the MLRO for a period of five years after the date of the transaction.

6. Training and Awareness

6.1. Heads of Service are responsible for ensuring that staff and contractors who may be in situations where money laundering could occur are aware of this policy and procedure and provided with appropriate training.

7. Review

7.1. This policy and procedure will be reviewed every two years at a minimum, or sooner in line with significant developments.

8. FURTHER INFORMATION

Further information can be obtained from the MLRO and the following sources:

- Website of NCA – <http://www.nationalcrimeagency.gov.uk>
- Proceeds of Crime (Anti Money Laundering) – Practical Guidance for Public Service Organisations – CIPFA
- Anti Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants – CCAB – www.ccab.org.uk
- Money Laundering Guidance at www.lawsociety.org.uk

CONFIDENTIAL Report to Money Laundering Reporting Officer

Re: Suspected money laundering activity

**To: Money Laundering Reporting Officer, (Head of Corporate Finance and Accounting)
London Borough of Bromley**

From:
[insert name of employee]

Directorate: Ext/Tel No:.....
[insert post title and Business Unit]

Please complete as many of the following fields as you can. If you do not know any of requested information, please state 'Not known'.

Details of Main Subject:

Name			
Date of Birth		Gender	
Nationality			
Occupation			
Address			
Is this a home or work address?			

Transaction Details:

Date			
Amount		Currency	
Credit or Debit?			
Type of transaction? (for example cash, card, bank transfer)			
Reason for transaction			

Account details of destination / originating bank

Name of Account	
Account Number	
Sort Code	

Associated Subjects: Please provide the details below of any other people you suspect of being involved in money laundering

Name			
Date of Birth		Gender	
Nationality			
Occupation			
Address			
Is this a home or work address?			

Name			
Date of Birth		Gender	
Nationality			
Occupation			
Address			
Is this a home or work address?			

Please enter details of your suspicions and the reasons. Please provide as much details as possible.

Signed	
Print Name	
Date	

FOR COMPLETION BY THE MLRO OR DEPUTY

Date report received			
Date report acknowledged			
Will a SAR be made to the NCA – Yes / No			
If Yes, date sent		Date acknowledged	
If no, outline reasons			
Is consent required from the NCA to proceed with any transaction – Y / N			
Date Consent received		Date consent given by MLRO to employee	
Signed			
Print Name		Date	

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
-

Transformation Policy

1. Policy Status: Not Applicable
 2. Making Bromley Even Better Priority:
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: None
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre:
 4. Total current budget for this head: £
 5. Source of funding:
-

Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance: Relevant legislation is expected but there are currently no defined timescales for this.
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: None
-

Property

1. Summary of Property Implications: None
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: None
-

Customer Impact

1. Estimated number of users or customers (current and projected): Not Applicable
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 In September 2020, Sir Tony Redmond published his 'Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting'. The purpose of the Review was to examine the effectiveness of local audit and its ability to demonstrate accountability for audit performance to the public.
- 3.2 Whilst most of the recommendations arising from the Review relate to external audit provision and the annual statement of accounts, the Review did also recommend that "consideration be given to the appointment of at least one independent member, suitably qualified, to the Audit Committee".
- 3.3 In May 2022, following the Redmond Review and subsequent consultation, the Government announced that it would make the inclusion of independent members a statutory requirement for local Councils. The consultation response stated "Fundamentally, it is important that councils, as with other public bodies, have appropriate measures in place: the government considers it proportionate to establish a simple principle that local authorities should have an audit committee, with at least one independent member. Mandating for audit committees would ensure widespread take-up, along with improved public accountability".
- 3.4 There is currently no defined timescale for this proposed legislation; the consultation response simply states "once parliamentary time allows".
- 3.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) updated its Position Statement on Audit Committees in 2022. This Position Statement is not mandatory but nonetheless, it is supported by the Department for Levelling Up, Housing and Communities and Local Authorities are expected to make best endeavours to comply with the principles of the Statement.
- 3.6 The updated Position Statement advises that "The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation. Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise".
- 3.7 CIPFA's detailed guidance on Audit Committees is currently being revised and is due to be published imminently (late Summer 2022). However, the Position Statement itself recommends that the appointment of co-opted independent members on the Committee should take into account the overall knowledge and expertise of the existing members to ensure a suitable balance of skills and experience to fulfil the Committee's functions.
- 3.8 Any independent co-opted member appointed would not have voting rights; voting Members would consider any appropriate points raised by co-opted members when casting their votes.
- 3.9 Currently, the Council's Constitution does not allow for the appointment of co-opted members to Audit and Risk Management Committee. Therefore, any decision to appoint independent members would require a recommendation to, and agreement from, full Council.
- 3.10 Members are asked to consider whether they wish to proceed with a recommendation to full Council to appoint one or more independent co-opted members to Audit and Risk Management Committee at this stage.

Key principles

3.11 Should Members wish to appoint co-opted member(s) to Audit and Risk Management Committee, then the following areas will need to be considered prior to drafting the final proposal for full Council, together with the person specification / job description:

- The number of independent co-opted members required – The government’s consultation response states there should be at least one (although legislation has not yet been drafted). CIPFA’s Position Statement recommends there should be at least two.
- Desired length of tenure – Common practice is four years, with a maximum of five in order to preserve independence. To ensure the smooth running of any future recruitment process, Members may wish to avoid a potential change of co-opted member(s) concurrent with the next election period.
- Definition of ‘independent’ – This would include any current connections to the Council (including to officers or contractors), and elapsed time between any previous connections to the Council. It may also include current or previous connections to other Local Authorities. CIPFA has not defined ‘independent’ although this may be contained in the forthcoming guidance. Review of other Authorities arrangements where there are co-opted members of the Audit Committee highlights differences in approach, ranging from none specified to no connections within the previous five years.
- Experience, knowledge and skills required – This includes any essential or desired skills or experience, such as board or other experience, knowledge and understanding of governance, internal audit, accounts, regulation and compliance or risk management.

3.12 Currently, the Members Allowance Scheme states that co-opted Members do not receive an allowance.

Proposed process

3.13 Should Members wish to make a recommendation to Full Council to appoint one or more co-opted independent members to the Committee, they are asked to comment on and agree (subject to amends as part of the discussion) the following proposed process. Timescales can be amended as required; they are currently based around a proposal going to the first Full Council meeting after the March Audit and Risk Management Committee.

November 2022 – February 2023	Job description and person specification drafted by Head of Audit and Assurance, shared with the Chairman of Audit and Risk Management Committee, the Monitoring Officer and the Director of Finance for review and comment.
March 2023	Final draft proposal and job description / person specification presented to Audit and Risk Management Committee for review and approval.
April 2023	Proposal presented to full Council for agreement.
May - June 2023	If full Council agree the proposal, the Head of Audit and Assurance, the Director of Finance and the Monitoring Officer be authorised to advertise for co-opted non-voting member(s) of Audit and Risk Management Committee.
July 2023	The Head of Audit and Assurance, the Director of Finance and the Monitoring Officer, in consultation with

	the Chairman of Audit and Risk Management Committee, be authorised to shortlist suitable candidates.
August / September 2023	Interviews for shortlisted candidates, with a panel consisting of a selection of Members from Audit and Risk Management Committee.
November 2023	First meeting of Audit and Risk Management Committee with co-opted independent member(s).

4. LEGAL IMPLICATIONS

The Government has set out its intention to mandate the inclusion of one independent member on every Local Government audit committee, however timescales have not yet been determined.

Non-Applicable Headings:	Impact on Vulnerable Adults and Children Transformation / Policy Implications Financial Implications Personnel Implications Procurement Implications Property Implications Carbon Reduction / Social Value Implications Customer Impact Ward Councillor Views
Background Documents: (Access via Contact Officer)	None

Report No.
FSD22075

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT AND RISK MANAGEMENT COMMITTEE**

Date: **Wednesday 2 November 2022**

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

Title: **RISK MANAGEMENT**

Contact Officer: Francesca Chivers, Head of Audit and Assurance
E-mail: francesca.chivers@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for decision/report and options

This report provides Members of the Audit and Risk Management Committee with the most recent iteration of the Corporate Risk Register for review and comment. It also provides summary heat maps for Departmental Risk Registers.

2. **RECOMMENDATIONS**

Members are asked to note the Risk Registers and comment on any matters arising.

Members are asked to comment on the new 'heat map' format for the Departmental risks and advise if they require any changes for the next iteration.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Adults Care and Health Risk heat map is attached as Appendix C. The Children, Education and Families Risk Register is attached as Appendix D.
-

Transformation Policy

1. Policy Status: Not Applicable:
 2. Making Bromley Even Better Priority
To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: £ Not Applicable
 5. Source of funding: Not Applicable
-

Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

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

Procurement

1. Summary of Procurement Implications: Where applicable, the risk category is reflected as Contractual and Partnership.
-

Property

1. Summary of Property Implications: Where applicable, the risk category is reflected as 'Physical', which includes hazards/risks associated with buildings.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Where applicable, the risk category is reflected as Environmental.
-

Customer Impact

1. Estimated number of users or customers (current and projected): This report is intended primarily for the benefit of members of the Audit and Risk Management Committee.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 This report forms part of the standard six-monthly risk reporting to Audit and Risk Management Committee. In previous cycles, all risk registers, including Departmental Risk Registers, have been presented in full. At the Audit and Risk Management Committee on 30th June 2022, however, Members requested to instead receive the departmental risk registers as heat maps, on a trial basis. Departmental Risk Registers in full will subsequently be presented to the respective Policy, Development and Scrutiny (PDS) Committees.
- 3.2 Whilst Internal Audit coordinates the risk management process and reports to Audit and Risk Management Committee, each Director retains responsibility for the risks and controls within their division. Similarly, the Corporate Risk Register is owned by Corporate Leadership Team as a collective and each risk has an accountable owner.
- 3.3 The Corporate Risk Management Group (CRMG) meets three times per year to scrutinise the risk registers and discuss cross-cutting risk areas. CRMG is made up of representatives from each division together with officers in key risk-related roles, such as Health and Safety, Business Continuity and Insurance. Membership of the CRMG was refreshed early in 2022 to ensure representation at an appropriately senior level.
- 3.4 The CRMG met on 23rd September 2022 undertaking its usual programme of scrutiny. The current Corporate Risk Register is attached as **Appendix B** and the departmental heat maps are **Appendices C to J**. The risk assessment guidance is attached at **Appendix A**.
- 3.5 The risk registers were last presented to Audit and Risk Management Committee in June 2022. Key changes to the Corporate Risk Register (**Appendix B**) since then are as follows:
- Two new 'High' risks, Homes for Ukraine and Capital Financing Shortfall, have been added
 - Cause, effects and controls for all risks have been reviewed and revised where appropriate
- 3.6 As discussed at the previous Audit and Risk Management Committee, departmental risks are presented as heat maps, rather than as full risk registers. Each heat map shows the **net** score for each risk (after controls have been applied). The individual risks and their gross and net scores are listed underneath for reference. Members are invited to comment on the new style of presentation and advise if they require any additional information or changes to the format for the next iteration.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The Adults Care and Health risk heat map is attached as Appendix C. The Children, Education and Families risk heat is attached as Appendix D.

5. TRANSFORMATION/POLICY IMPLICATIONS

- 5.1 Where applicable, the risk category is reflected as 'Financial, Operational'.

6. FINANCIAL IMPLICATIONS

- 6.1 The Finance risk heat map is attached as Appendix G. Where applicable, the risk category in all registers is reflected as 'Financial, Operational'.

7. PERSONNEL IMPLICATIONS

- 7.1 The Human Resources risk heat map is attached as Appendix I. Where applicable, the risk category in all risk registers is reflected as 'Personnel, Operational'.

8. LEGAL IMPLICATIONS

8.1 Where applicable, the risk category is reflected as 'Legal, Operational'.

9. PROCUREMENT IMPLICATIONS

9.1 Where applicable, the risk category is reflected as 'Contractual and Partnership'.

10. PROPERTY IMPLICATIONS

10.1 Where applicable, the risk category is reflected as 'Physical, Operational', which includes hazards/risks associated with buildings.

11. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

11.1 Where applicable, the risk category is reflected as Environmental.

Non-Applicable Headings:	Customer Impact Ward Councillor Views
Background Documents: (Access via Contact Officer)	None

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Risk Assessment Guidance

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

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

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

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Corporate Risk Register - Appendix B

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press shift & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	20/09/2022
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
1	Corporate Risk	Failure to deliver a sustainable Financial Strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget	<p>Cause(s):</p> <ol style="list-style-type: none"> The 2022/23 Draft Budget report to Executive identified the need to reduce the Council's 'budget gap' of £19.5m per annum by 2025/26. The Council received a one-year financial settlement for 2022/23, which creates uncertainty on funding levels for future years. The fundamental review of local government funding through the Fair Funding Review and Business Rate review is expected to be delayed beyond 2023/24 which adds to financial uncertainty in considering the impact on the financial forecast for 2023/24 to 2025/27. Although the ongoing impact of Covid 19 remains, there are new significant changes to the future year's financial position relating to Adult Social Care reforms (potential increase in net costs of between £10m and £15m) and the significant cost increases arising from inflation (highest level for 40 years) which are not reflected in the 'budget gap' identified above. More background is included in the Draft 2022/23 Budget and Update on the Council's Financial Strategy 2023/24 to 2025/26 report to Executive on 12th January 2022 and 2022/23 Council Tax report of 9th February 2022. 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 and high needs transport), Waste (growing number of households) and limited delivery of planned mitigation savings. 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. Dependency on external grants to fund services (schools and housing benefits are ring-fenced) - effect if grant reduces (Public Health services) or ceases. Increase in national living wage will have cost implications to the Council over the next few years (e.g. care providers and carers) as well as the increase on national insurance (employers costs). Local government may be required to take on new funding responsibilities in the future without adequate funding. Impact of future welfare reforms and the phased roll out of Universal Credit. Failure to identify and highlight frauds and weaknesses in the system of internal control (which invariably have a financial impact). Overall, fraud losses are mainly benefit related (Council Tax Support / Single Person Discount). Significant increases to inflation which exceeds the 2022/23 budget provision. <p>Effect(s):</p> <ul style="list-style-type: none"> Increased overspends in particular services Council unable to carry out its statutory duties due to services cuts Reputational damage 	Finance Financial	5	5	25	<ul style="list-style-type: none"> Regular update to forward forecast Ongoing monitoring of impact of COVID situation and trends re 'new normal' Regular analysis of funding changes and new burdens particularly on Covid situation and full year impact Early identification of future savings required Transformation options considered early in the four year forward planning period Budget monitoring to include action from relevant Director to address overspends including action to address any full year additional cost Mitigation of future cost pressures including demographic changes Quarterly review of growth pressures and mitigation Continue to progress with opportunities for the Transformation Reviews towards meeting future years' budget gap. 	4	5	20	The Council continues to explore transformation opportunities to help meet the ongoing budget gap	Director of Finance
2	Corporate Risk	Failure to deliver partial implementation of Health and Social Care Integration	<p>Cause(s):</p> <ol style="list-style-type: none"> Difficulty in achieving rapid change in a system as complex as health and social care. Rising social care costs due to ageing population and people living longer with increasing complex needs. The need to keep focus on local / place priorities rather than being driven by priorities at SEL level The need to maintain a focus on statutory responsibilities for local government while change is taking place <p>Effect(s):</p> <ul style="list-style-type: none"> Failure to deliver statutory duties Failure to achieve our Making Bromley Even Better priorities. 	Financial Compliance/ Regulation	2	3	6	<ul style="list-style-type: none"> Continued work with health partners to deliver transformation programmes across the whole system, ensuring best use is made of joint resources New governance structure between LBB and BCCG with links to emerging SEL ICS governance Joint Assistant Director of Integrated Commissioning in post since April 2020; opportunities for further integrated posts to be explored in line with service priorities. Using the learning from the Health and care whole systems response to the COVID-19 pandemic to deliver joined up responses to the population. 	2	2	4	ICS system now in place and new governance arrangements bedding in. Previous good working relationships are being built on when challenges to local place priorities arise from SEL priority setting.	Director of Adult Services
3	Corporate Risk	Failure to manage change and maintain an efficient workforce to ensure that MBE priorities are met	<p>Cause(s):</p> <ol style="list-style-type: none"> The on-going need to reduce the size and change the shape of the organisation to secure priority outcomes within the resources available. Having the right people in place by implementing effective recruitment and retention strategies. Potential skills gap and deterioration of service quality through loss of experienced staff as a result of age profile of workforce and downsizing (failure to succession plan). Disruption while services realigned and staff appointed to new structure. Increasing demands and pressures on remaining staff given increased customer expectation levels, could lead to morale issues. Increased potential for internal controls to be bypassed due to flatter reporting structure. Lack of capacity to lead projects / manage change agenda and consequent ability to respond to change initiatives and the achievement of outcomes and benefits. Potential future shortage of professionally qualified practitioners in key areas, particularly around the Safeguarding agenda. Need to ensure that relevant staff have necessary disciplines to drive improvement and enable good practice and consistency in delivering change and the achievement of outcomes and benefits e.g. risk and performance management. Adverse industrial relations climate with individual and collective grievances including trade disputes with the unions, causing some disruptions to vital Council services. Increasing number of employment tribunal cases causing financial and administrative inconveniences. Having the right buildings and facilities to support fewer, more professional, differently organised staff. The need to track continued changes to government strategy and policies coupled with changes in legislation to avoid compliance issues (approx. 1,300 statutory duties). Adequacy of consultation on issues that affect residents across the borough i.e. re-organisation of libraries, Biggin Hill expansion. Adverse external audit comment and resulting ratings in relation to 'excellent in the eyes of local people'. <p>Effect(s):</p> <ul style="list-style-type: none"> Skill gaps Deterioration of service quality through loss of experienced staff Disruption while services are realigned Weaker internal controls Lack of capacity to lead on projects / initiatives 	Organisational Change Personnel	4	2	8	<ul style="list-style-type: none"> Continuously address the recruitment and retention of key individuals in critical posts. Effective succession planning and grow your own initiatives, and using the Apprenticeship Levy to address recruitment challenges in the medium-long term Ensure the organisation has the HR capacity and employment law expertise to manage change. Address the transformational and transitional capabilities (including leadership) required for a successful commissioning journey/process. Provide adequate resources to support and improve staff engagement and communications. 	4	2	8		Director of Human Resources and Customer Services
4	Corporate Risk	Ineffective governance and management of contracts	<p>Cause(s):</p> <ol style="list-style-type: none"> Lack of awareness and/or non-compliance with Public Contracts Regulations 2015 and Councils Contract Procedure Rules. Lack of awareness and/or non-compliance with decision making and scrutiny requirements. Insufficient engagement with key support services such as Corporate Procurement, Finance and Legal. Poor planning / lack of timely action for commissioning and procurement activities. Poor record keeping of contracts and contract documentation. Insufficient or unclear arrangements for client side contract management and monitoring resource. Failure to undertake a suitable and proportionate contract management and monitoring plan. Failure of a contractor / partner / provider to maintain agreed service levels resulting in an interruption to or deterioration of service delivery. <p>Effect(s):</p> <ul style="list-style-type: none"> Failure to ensure Value for Money Procurement challenges / complaints leading to delays and potential additional costs Reputational risk Service disruptions Contracts do not deliver expected outcomes or deliver sufficient quality Increased cost and resource to manage contract issues Failure to achieve our Making Bromley Even Better priorities. 	Contract Management Contractual and Partnership	3	4	12	<ul style="list-style-type: none"> 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 Recent Audit (Substantial Assurance) demonstrates current effectiveness 	2	4	8	<ul style="list-style-type: none"> Contract Management guidance on toolkit to be reviewed Ongoing training delivery Improve compliance with annual Contract Monitoring Requirement Sample check of Contracts Database and supporting documentation to assess compliance Sample check of contract management and contract monitoring arrangements across Council Ongoing and repeated high profile key messaging across the Council and monitoring of compliance 	Service Directors supported by Assistant Director, Governance and Contracts
5	Corporate Risk	Failure to maintain and develop ICT information systems to reliably support departmental service delivery	<p>Cause(s):</p> <ol style="list-style-type: none"> Need to ensure that Information systems are fit for future business purpose. Capacity and skill within Corporate ICT to maintain and support systems during a period of significant change and in the future. Increasing reliance on stability of ICT infrastructure in all areas of the Council (Lync telephony service). Council website now a major channel for the delivery of services (Pay for it, Apply for it, Report it). Adequacy of information governance data protection rules to ensure the confidentiality, integrity and availability of information assets. IT failure impacting on critical operational systems. Over the next 3 years we will need to undertake gateway reviews / procurement plans for at least 4 of the Council's business critical systems; Customer Relationship Manager, Carefirst, Housing info system and Education's Capita One system plus the main LBB website and SharePoint. Transfer of IT contract to new ICT 3rd party supplier. <p>Effect(s):</p> <ul style="list-style-type: none"> Service disruptions Inability to access key systems Reputation damage Inability to support organisation change and savings targets Failure to achieve our Building a Better Bromley priorities. 	ICT Data and Information Technological	3	2	6	<ul style="list-style-type: none"> Transfer of IT contract to new BT in 2016 to give greater resilience. Robust backup arrangements Enhanced antivirus/cyber security. tested system restoration arrangements. 	3	2	6	<ul style="list-style-type: none"> Review data storage/hosting arrangements. Carry out at least 4 gateway reviews for major systems. Increase stability of ICT infrastructure including Lync. 	Director of Corporate Services

Corporate Risk Register - Appendix B

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press shift & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	20/09/2022
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
6	Corporate Risk	Cyber attack and failure to comply with GDPR	<p>Cause(s):</p> <ol style="list-style-type: none"> Cyber Attack through vulnerability exploitation Failure to comply with principles unlawful disclosure of information Human error <p>Effect(s):</p> <ul style="list-style-type: none"> Service Disruption Data loss Inability to access systems ICO Fine 	ICT Data and Information Technological	4	5	20	<ul style="list-style-type: none"> information governance training provided to all officers system security reviews ITHC/PSN Compliance SIEM system monitoring Data Protection Impact Assessments ongoing vulnerability management through Tenable system 	3	5	15	<ul style="list-style-type: none"> review and implementation of retention schedule in all systems hosting data increased training and awareness of Cyber Security improved technical measures to assist Cyber Security, Data Management and Data Search 	Service Directors supported by Assistant Director, IT
7	Corporate Risk	Failure to maintain robust Business Continuity and Emergency Planning arrangements	<p>Cause(s):</p> <ol style="list-style-type: none"> Insufficient emergency Planning structure and processes Insufficient Business Continuity arrangements and procedures, including those of key suppliers Failure to fulfil obligations under the Civil Contingencies Act 2004 as a Category One Responder Inadequate partnership working and collaboration Lack of buy in from senior officers Lack of testing and exercising of plans and processes <p>Effect(s):</p> <ul style="list-style-type: none"> Ineffective response to an emergency / business disruption Significantly prolonged service disruptions Reputational damage / loss of credibility Increased costs to rectify disruptions Injury / harm Failure to fulfil statutory duties in a timely manner 	Business Continuity Physical Reputational	4	3	12	<ul style="list-style-type: none"> Corporate business continuity management programme established Full suite of Business Continuity plans in place at service level across all Directorates Overarching Corporate Business Continuity plan developed identifying prioritisation of all services Corporate Major Emergency Response plan in place On call rota for Emergency Response Manager and at Director level Ongoing training, testing and exercising programme 	4	2	8	<ul style="list-style-type: none"> CLT to continue drive of business continuity management programme Reinstatement of training and testing and exercising programme post COVID response Further development of Business Continuity response to a Ransomware attack 	Director of Environment and Public Protection
8	Corporate Risk	Failure to deliver effective Children's services The Council is unable to deliver an effective children's service to fulfil its statutory obligations in safeguarding and protect those at risk of significant harm or death, sexual exploitation or missing from care	<p>Cause(s):</p> <ul style="list-style-type: none"> Local authority response to Bromley Safeguarding Children's Partnership following Wood Review. <p>Effect(s):</p> <ul style="list-style-type: none"> Impact on life chances and outcomes for children 	Children's Social Care Legal, Reputational	3	5	15	<ul style="list-style-type: none"> Multi Agency Bromley Children's Safeguarding Partnership (BCSP) Training programme 2022/23 has been agreed. Dedicated HR programme of support in place to recruit social workers to front line posts. We have recently reviewed social media publicity/"Refer a Friend" scheme, and overseas recruitment to ensure we have a broad and comprehensive approach. 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 continues to be in place. We have also recently added "Dip Sampling" of cases to the ways in which we are auditing quality of practice. Children's Service Practice Improvement Board; this meeting continues to be the key forum for discussing and evaluating the quality of practice. As of April 2022 we have a new independent chair of the board who will bring some new ideas for the Department to evaluate effectiveness. Continued monitoring of caseloads to keep these in line with the Bromley Caseload Promise. Identified training plan for qualified social workers and other professionals reviewed and updated quarterly 	3	4	12	<ul style="list-style-type: none"> Phase 3 to 'excellence' plan continues with Performance Improvement Board (PIB) sessions continuing to be held quarterly. Practice review cycle has continued as has Practice Assurance Stocktakes (PAS) 	Director of Children's Services
9	Corporate Risk	Temporary Accommodation Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homeless budgets	<p>Cause(s):</p> <ol style="list-style-type: none"> Changes in government funding Rising numbers of placements (approx. 20 per month). <p>Effect(s):</p> <ul style="list-style-type: none"> Failure to fulfil statutory obligations Impact on life chances and outcomes for individuals and families in temporary accommodation Increased risk of legal challenge due to provision of unsuitable accommodation (including shared accommodation) Pressure on other services 	Housing Social	5	4	20	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Approval to progress housing development schemes and reopening of the HRA. First 3 schemes now in development phases with options appraisals in place for further sites. Transformation Board action plan in place for next 3-4 years to increase available housing supply with an overall initial target of 1000 additional affordable homes. 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. Continue to focus on early intervention and prevention of homelessness assessing trends in approaches to tackle main causes of homelessness. Beehive acquisition schemes has secured 90 new units of accommodation with Executive approval to enter into an acquisition programme with Orchard and Shipman for c250 homes. 	Director of Housing, Planning and Regeneration

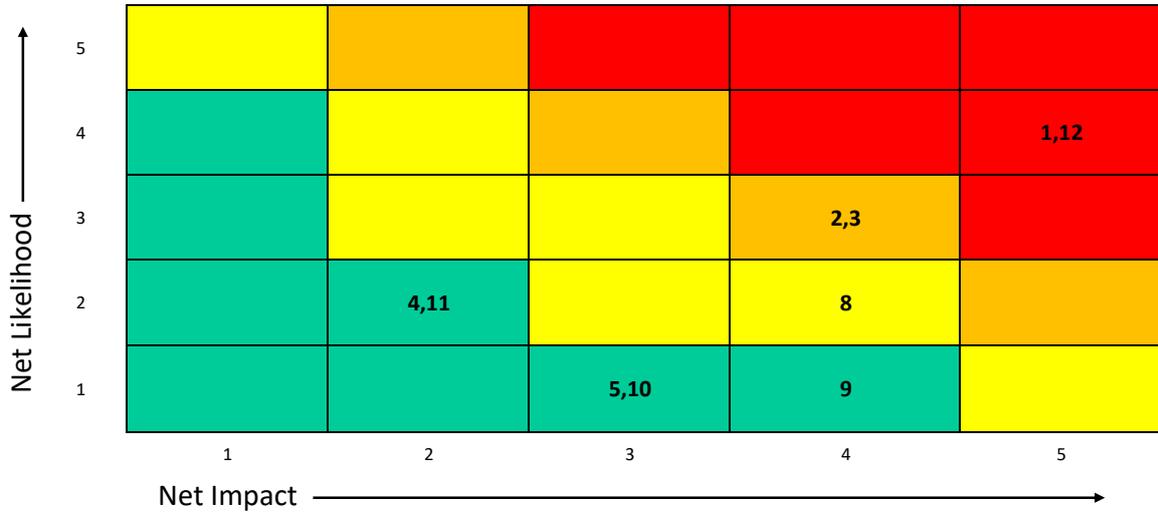
Corporate Risk Register - Appendix B

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press shift & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	20/09/2022	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
11	Corporate Risk	Failure to deliver the Transforming Bromley Programme	<p>Cause(s):</p> <ol style="list-style-type: none"> Failure to identify and put forward sufficient transformation proposals to deliver the quantum of savings required by 2022/23 Failure to deliver appropriate mitigation of existing projected growth pressures within the financial forecast Failure to appropriately resource each Transforming Bromley workstream with sufficient project support and subject matter expertise to enable the identification of proposals 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 Insufficient consultation and engagement with relevant stakeholders to ensure the successful delivery of proposals. Additional demand pressures on council services as a direct result of the Covid-19 pandemic. <p>Effect(s)</p> <ul style="list-style-type: none"> Inability to address the Council's budget gap by 2024/25 Unable to meet key commitments of the Medium Term Financial Strategy 	Finance Financial	4	5	20	<ol style="list-style-type: none"> Robust governance process: fortnightly meetings of the Transformation Board, chaired by the Chief Executive and attended by Chief Officers Each Transformation Board workstream attends the Transformation Board before proposals are reviewed by Cabinet/Directors, Group, PDS Committees and the Executive. Each Transformation Programme Board has a Transformation Leads a to support the successful delivery of proposals Communications Plan is in place to enable the successful engagement with Members, staff and partners as needed Where transformation proposals have public law implications, an appropriate assessment will be carried out and stakeholders will be engaged. Each Chief Officer gives an update at their respective PDS Committee(s) on the Transforming Bromley Programme Transformation Fund supports the successful delivery of transformation proposals subject to a suitable business case being provided A review of core statutory minimum service requirements took place to 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 All proposals will be submitted to the Executive to inform budget setting for MTFs. Finance provide assurances through an "are we on track" review monthly to ensure that agreed transformation programmes are on track to deliver the savings identified. 	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 2024/25, the Council will still be legally required to deliver a balanced budget as set out in the Local Government Finance Act 1988. 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	
13	Corporate Risk	Climate Change Failure to adequately adapt to the impacts of Climate Change	<p>Cause(s)</p> <ol style="list-style-type: none"> Lack of preparation for the severe weather events caused by climate change, including extreme heat, storms and floods. Insufficient staffing capacity to implement required climate adaptation and mitigation activities. Lack of support for council actions required to tackle climate change. Lack of funding to invest in climate change adaptation and mitigation measures. <p>Effect(s)</p> <ul style="list-style-type: none"> Service provision is disrupted by extreme weather events. Damage to infrastructure and local businesses. Reduction in environmental quality. Poorer health of residents attributed to extreme heating and cooling. In the short term, there may be reputational damage caused to the Council from perceived lack of action to tackle climate change. 	Corporate Health Environmental Reputational	3	4	12	<ul style="list-style-type: none"> Adoption of adaptation best practice as identified through London Climate Change Partnership, UK Climate Impacts Programme, and the Local Adaptation Advisory Panel. Established Carbon Management Team with 3 x FTE as at September 2021. Established Carbon Fund, Carbon Offsetting Fund and S106 procedures in place to ensure funding availability, in addition to sourcing grant funding for Carbon initiatives in the borough. Implementation of LBB's Carbon Management Programme. Implementation of LBB's Surface Water Management Plan and Local Flood Risk Strategy. Establishment of Net Zero (direct) carbon emissions target for 2027 as part of a 10 year climate plan. Council-wide Green Recovery Working Group established to build back greener, following the COVID-19 pandemic. 	2	4	8	<ol style="list-style-type: none"> Emergency Planning to liaise with Public Health on cross-cutting issues e.g. excess summer deaths and vector-borne diseases (which are impacted upon by extreme weather variations). Detailed climate action plan reviewed annually as part of the Council's ongoing Carbon Management Programme, in order to achieve net zero organisational carbon emissions by 2027. Roll out of Carbon Literacy Training to all staff to assist in the identification of climate change risks and opportunities at an individual, team and service level. 	Chief Officers' Executive	
14	Corporate Risk	Health & Safety (Fire and First Aid) Non compliance with legislation:- (i) Regulatory Reform (Fire Safety) Order 2005, as amended by the Fire Safety Act 2021, (ii) Health and Safety (First Aid) Regulations 1981	<p>Cause(s)</p> <ol style="list-style-type: none"> No trained fire responsible person (legal) for the Civic Centre site Insufficient numbers of trained fire wardens working from the site to safely manage an evacuation (in accordance with the Fire Risk Assessments). Written Fire Safety Policy does not meet best practice <p>Effect(s)</p> <ul style="list-style-type: none"> Non compliance with the Regulatory Reform (Fire Safety) Order 2005, as amended by the Fire Safety Act 2021, meaning offices should not be occupied by staff until compliance is achieved Inadequate plans for fire safety and evacuation for current occupation plans putting staff and visitors at risk Non compliance with Health and Safety (First Aid) Regulations 1981 in terms of adequate first aid provision in the form of trained first aiders and appropriate equipment if employees are injured or become ill at work 	Legislative Regulatory Legal Physical Personnel	4	4	16	<ul style="list-style-type: none"> Reduced number of staff on site Public interactions moved to a virtual environment where possible Attendants to carry out fire warden duties in the event of an emergency Management review of site management activities and escalation to COE and Health and Safety Board (via Corporate Health and Safety) Attendants and Support Services teams act as fire marshals in event of an emergency Rota of first aiders managed by Corporate Health and Safety 	3	4	12	<ol style="list-style-type: none"> Emergency Planning Manager drafting a new Fire Safety Policy to be reviewed by COE before 31st March 2022, which clearly sets out corporate responsibilities Corporate Health and Safety to arrange Fire Responsible Person, Fire Warden and First Aider training and to report progress to COE. COE to agree approach to resourcing fire warden and first aider cover under hybrid working arrangements – paper to be prepared by Corporate Health and Safety. Facilities Management to ensure Fire Risk Assessment reviews are completed for Civic Centre campus by April 2022. Facilities Management to engage fire safety supplier to produce an Emergency Plan for the Civic Centre site by end of April 2022 to include revised fire evacuation procedure which meets the best practice advice from the London Fire Brigade and HSE. Facilities Management team to implement new signage etc. Facilities Management team to distribute emergency plan to site occupiers and to arrange training on plan for fire marshals. Corporate Health and Safety to store fire safety documents (including Emergency Plans) on SharePoint site to retain corporate knowledge and ensure regularly reviewed. Fire Safety to be added to COE agenda as a standing item until above actions completed 	Director of Housing, Planning and Regeneration Director of Human Resources, Customer Services and Public Affairs	
15	Corporate Risk	Homes for Ukraine Inability to effectively manage the volume of people, including unaccompanied minors who may present as homeless due to cessation of sponsor accommodation, safeguarding concerns and the resulting additional pressures placed on the homeless budgets and children's social care	<p>Cause(s):</p> <ol style="list-style-type: none"> Volume of refugees arriving increasing Breakdown in relationship between sponsor and guest Accommodation coming to an end at the pre-agreed period with no alternatives readily available, other than temporary accommodation or foster care <p>Effect(s):</p> <ul style="list-style-type: none"> Failure to fulfil statutory obligations Impact on life chances and outcomes for individuals and families in temporary accommodation, particularly given the vulnerability of the refugees Increased risk of legal challenge due to provision of unsuitable accommodation (including shared accommodation) Pressure on Children's Social Care if the sponsor placement fails and a Foster Placement is required 	Housing Social	5	4	20	<ul style="list-style-type: none"> 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 Modelling taking place to forecast how many households may need accommodation around the 6 month mark Expression of Interest data being utilised and home assessments and DBS checks will be carried out so that alternative sponsor accommodation is available 	4	4	16	<ul style="list-style-type: none"> Approval to progress housing development schemes and reopening of the HRA. First 3 schemes now in development phases with options appraisals in place for further sites. Transformation Board action plan in place for next 3-4 years to increase available housing supply with an overall initial target of 1000 additional affordable homes. 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. Continue to focus on early intervention and prevention of homelessness assessing trends in approaches to tackle main causes of homelessness. Beehive acquisition schemes has secured 90 new units of accommodation with Executive approval to enter into an acquisition programme with Orchard and Shipman for c250 homes. 	Director of Housing, Planning and Regeneration	

Corporate Risk Register - Appendix B

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press shift & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	20/09/2022
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER
16	Corporate Risk	Capital Financing Shortfall Inability to finance the Capital programme	<p>Cause(s): Property price reductions as a result of the economic environment. Falling number of assets available for disposal Significant increase in cost of capital schemes due to inflation and supply issues requiring an increase in funding Significant additional costs arising from expected outcome of condition survey Requirement to obtain funding for significant new Housing Schemes Overall capital funding shortfall calculated at £45m as at September 2022</p> <p>Effect(s): Financial</p>	Economic - Strategy	5	5	25	<ol style="list-style-type: none"> 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. 5. Comprehensive Review of Capital programme being undertaken in 2022 	5	4	20		Director of Finance

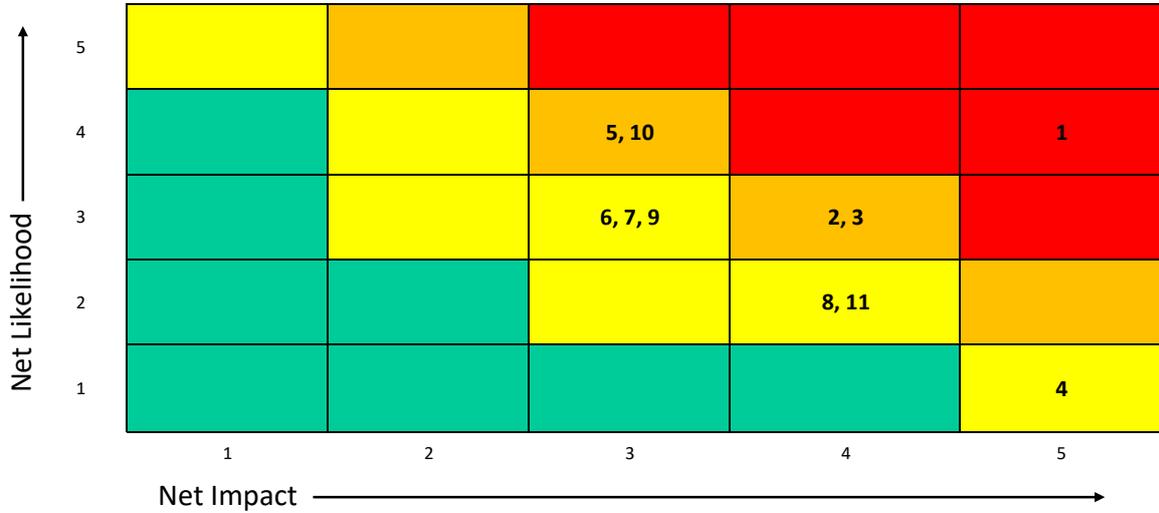
Adult Care and Health Risk Register - Appendix C



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating
1	Failure to deliver Financial Strategy	25	20
2	Failure to deliver effective Adult Social Care services	16	12
3	Failure to deliver effective Learning Disability services	16	12
4	Deprivation of Liberty	16	4
5	Recruitment and Retention - ASC	20	3
8	Inability to deliver an effective Public Health service	12	8
9	Business Interruption / Emergency Planning	10	4
10	Data Collections	9	3
11	Failure to deliver partial implementation of Health & Social Care Integration	6	4
12	Adult Social Care Reform	25	20

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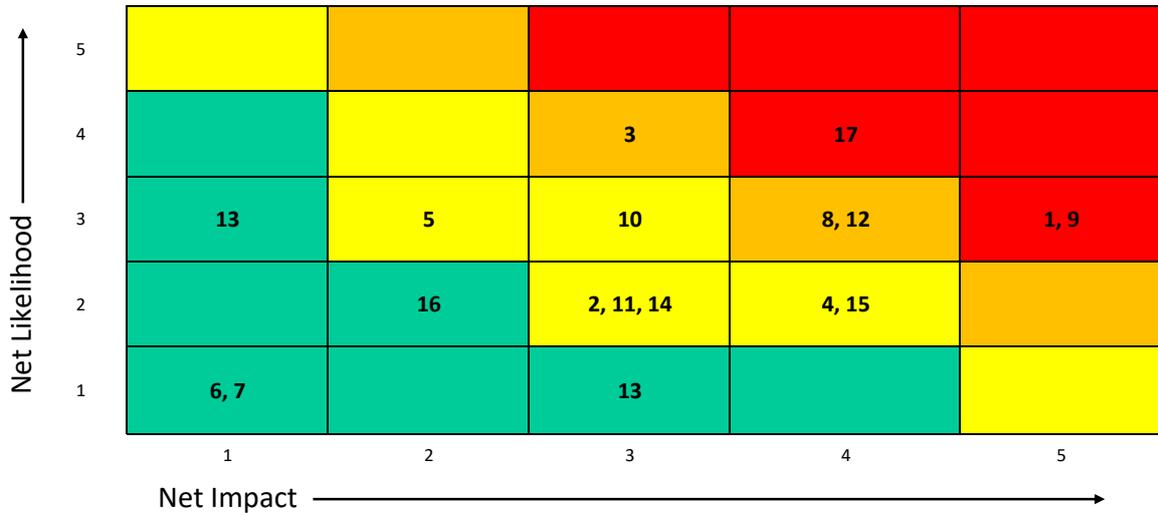
Children, Education and Families Risk Register - Appendix D



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating
1	Failure to deliver Children's Services Financial Strategy	25	20
2	Failure to deliver effective Children's services	15	12
3	Recruitment and Retention	20	12
4	Business Interruption / Emergency Planning	10	5
5	School Place Planning	12	12
6	SEND Transport	15	9
7	SEND Reforms	16	9
8	Youth Offending	12	8
9	Out of Borough Placements (Children and Young People)	9	9
10	Speech and Language Therapy	12	12
11	School Attendance	12	8

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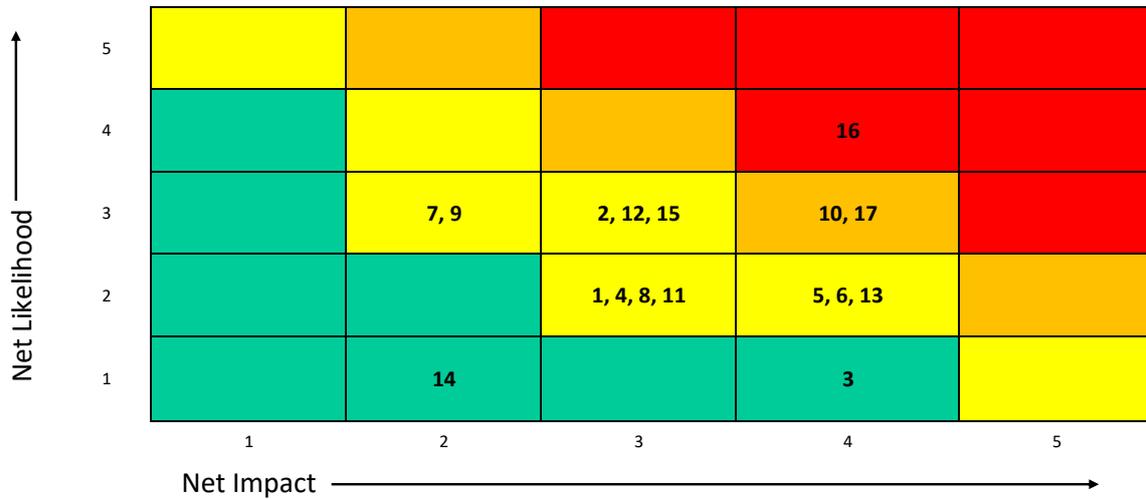
Corporate Services - Appendix E



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating
1	IT Security Failure	20	15
2	Telecommunication Failure - Prolonged telecoms / switchboard failure	15	6
3	IT System Failure (partial loss)	16	12
4	IT System Failure (total loss) Complete failure of IT systems resulting in widespread disruption across	15	8
5	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.	9	6
6	Laptop Manufacturer/Provider Issue Current model of corporate laptop in constraint	12	1
7	Delay in IT Managed Service re-procurement	6	1
8	Effective governance and management of information	16	12
9	Compliance with Information Request laws	20	15
10	Budgetary overspend	12	9
11	Failure to follow Legal Advice Breach of law, statutory duty or carrying out inadequate consultation	9	6
12	Data Protection Breach	20	12
13	Failure to publish Register of Electors	6	3
14	Failure to manage election process	12	6
15	Ineffective governance and management of contracts	12	8
16	Ineffective governance and management of contracts - Contracts Database	6	4
17	Information Request non-Compliance	20	16

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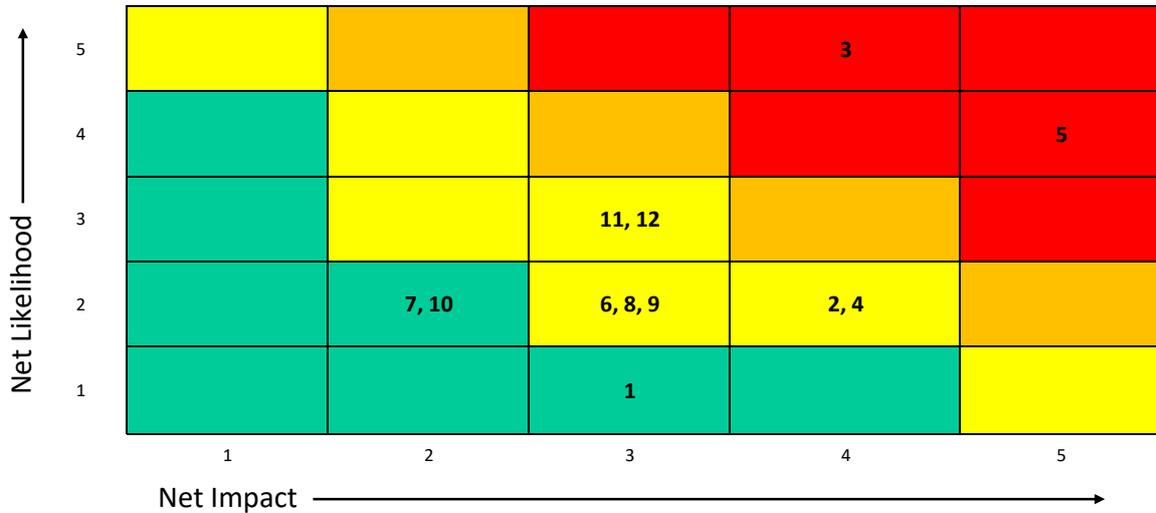
Environment and Community Services Risk Register - Appendix F



Risk No.	E&PP Risk Ref	Risk Description	Gross Risk Rating	Current Risk Rating
1	1	Emergency Response	8	6
2	2	Central Depot Access	12	9
3	3	Fuel Availability	5	4
4	4	Business Continuity Arrangements	8	6
5	6	Industrial Action	12	8
6	8	Health & Safety (ECS)	12	8
7	12	Highways Management	8	6
8	13	Arboricultural Management	12	6
9	14	Income Variation (Highways, Traffic and Parking)	9	6
10	15	Waste Budget	20	12
11	18	Town Centre Businesses and Markets	15	6
12	20	Staff Resourcing and Capability	12	9
13	22	Climate Change	12	8
14	26	Income Reconciliation (Waste Management)	6	2
15	35	Risk to Health	12	9
16	40	Disruption to waste services during the Depot Improvement Programme works in 2022/23 and 2023/24	20	16
17	42	Supplier Failure	15	12

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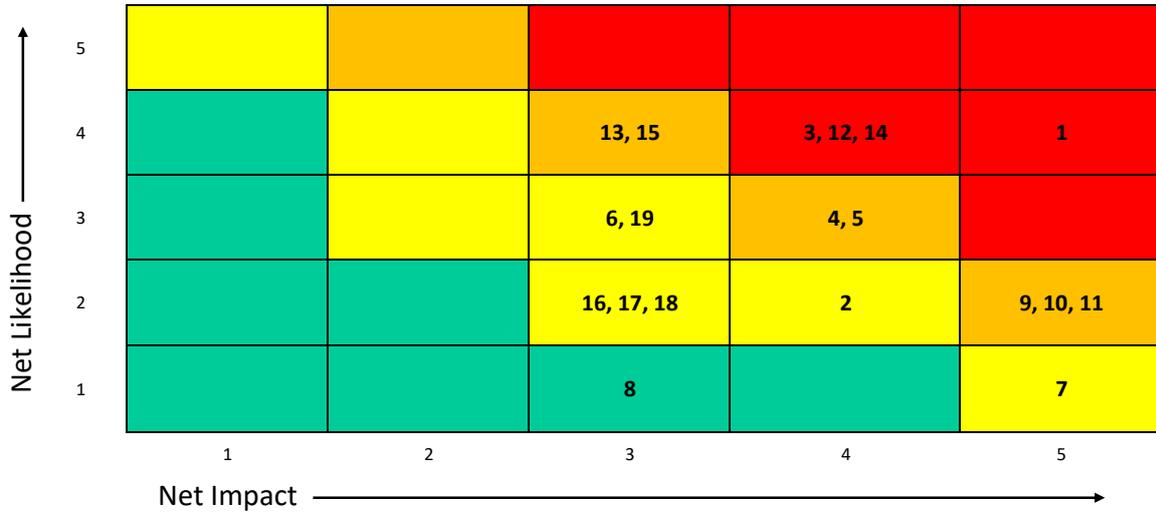
Finance - Appendix G



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating
1	Failure to ensure sufficient cover of Council assets 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).	4	3
2	Financial Market Volatility Financial loss arising from the volatility of financial markets.	12	8
3	Capital Financing Shortfall Inability to finance the Capital programme	25	20
4	Pension Fund The pension fund not having sufficient resources to meet all liabilities as	15	8
5	Failure to deliver a sustainable Financial Strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget	25	20
6	Failure to act upon Financial assessments or arrears in a timely manner	9	6
7	Failure of Finance IT systems	6	4
8	Failure of external contractors	12	6
9	Contractor Poor Performance Contractor fails to meet performance expectations across Revs & Bens, Payroll, Pensions, Debtors and Accounts Payable	9	6
10	Significant Fraud/Corruption	9	4
11	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	20	9
12	Impact on staff resources undertaking business as usual as well as significant demands to provide the support required to the Covid-19 Pandemic (omicron) .	12	9

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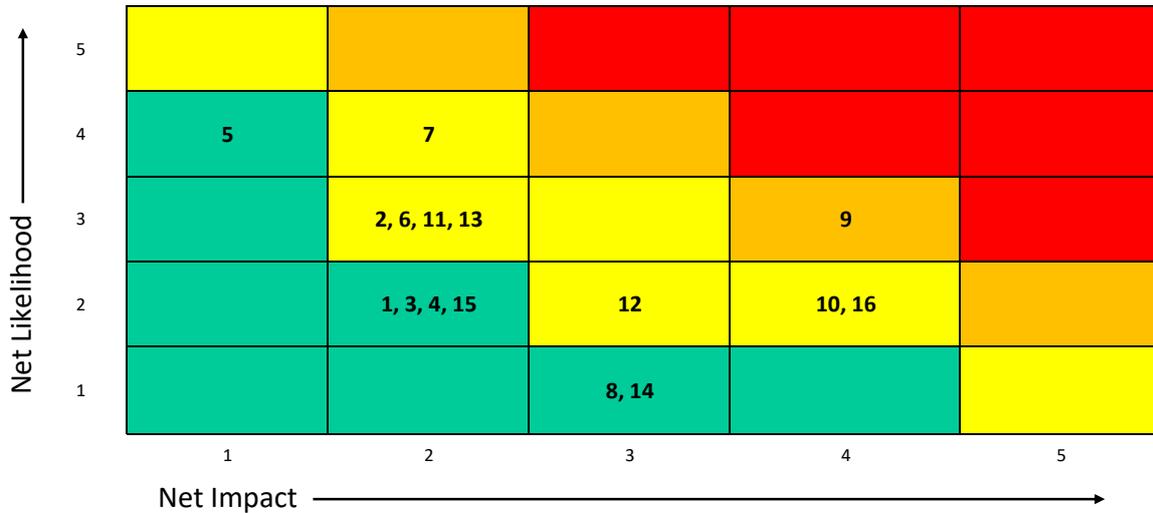
Housing, Planning and Regeneration Risk Register - Appendix H



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating
1	Failure to deliver Housing Financial Strategy	25	20
2	Failure to deliver effective Housing Needs services	16	8
3	Temporary Accommodation	20	16
4	Capital Grant	16	12
5	Recruitment and Retention	20	12
6	Welfare Reform	16	9
7	Business Interruption / Emergency Planning	10	5
8	Data Collections	9	3
9	Financial Performance	15	10
10	Health and Safety Regulations	15	10
11	Contractor Performance	15	10
12	Outreach Service	16	16
13	Vitality and Prosperity of Town Centres	16	12
14	Capital Schemes	25	16
15	Library Service	16	12
16	Planning Service	12	6
17	Community Infrastructure Levy	6	6
18	Section 106 Agreements	9	6
19	London Plan	15	9

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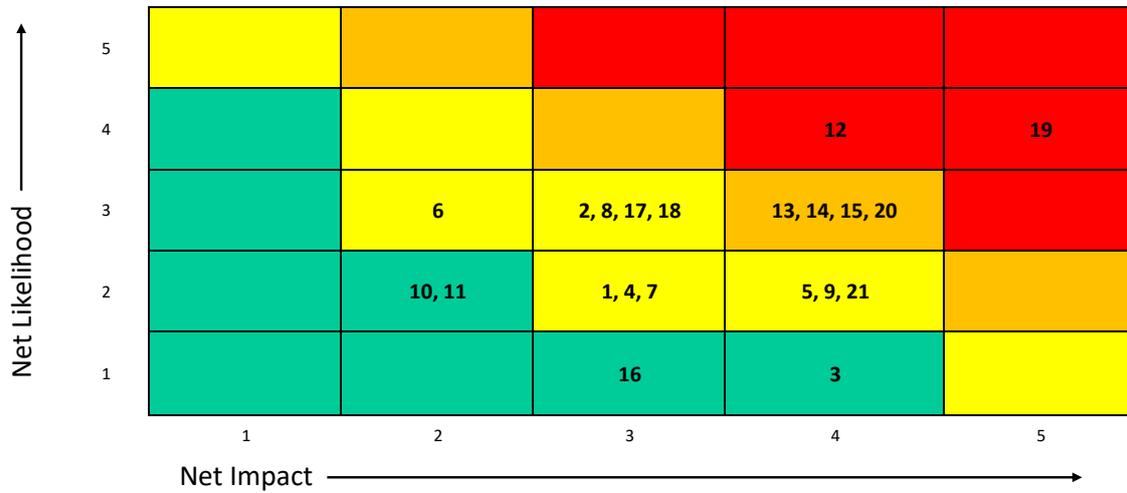
Human Resources and Customer Services - Appendix I



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating
1	Ability to respond to industrial action, changes in government initiatives or legal requirements	4	4
2	Failure to comply with HR related legislative requirements e.g. Equalities Act 2010	12	6
3	1) ineffective workforce planning initiatives including succession planning, talent management. 2) upskilling of staff - lack of training resources/opportunities	9	4
4	Ineffective recruitment and retention strategies for hard to fill posts e.g. Adult's Social Workers, Children's Social Workers, Housing, Planning,	12	4
5	Ineffective pre-employment checks including agency workers	12	4
6	Management of the on-going transitional and transformational changes (Commissioning process, baseline exercise and service redesigns and	12	6
7	HR systems failures e.g. payroll, recruitment, HR self-service, pensions	10	8
8	Ineffective compliance with IR35	10	3
9	Health & Safety (Council) Ineffective management, processes and systems across all Council departments	15	12
10	Failure to comply with H&S related legislative requirements e.g. Health and Safety at Work etc. Act 1974	12	8
11	Fall in income from Registrars	9	6
12	Contractor Failure	8	6
13	Contractor Performance	12	6
14	Maintenance of Statutory and GRO standards	9	3
15	Loss of Facility	9	4
16	Safety of Statutory Records	8	8

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Public Protection and Enforcement Risk Register - Appendix J



Risk No.	E&PP Risk Ref	Risk Description	Gross Risk Rating	Current Risk Rating
1	1	Emergency Response	8	6
2	2	Central Depot Access	12	9
3	3	Fuel Availability	5	4
4	4	Business Continuity Arrangements	8	6
5	6	Industrial Action	12	8
6	14	Income Variation (Highways and Parking*)	9	6
7	18	Town Centre Businesses and Markets & reducing living standards due to numerous economic impacts on households	15	6
8	20	Staff Resourcing and Capability	12	9
9	22	Climate Change	12	8
10	25	Income Reconciliation (Public Protection - Licensing)	6	4
11	28	Dogs and Pests Contract	6	4
12	29	Out of Hours Noise Service	16	16
13	30	Integrated Offender Management	12	12
14	31	Community Impact Day Co-ordinator post:	12	12
15	32	Gangs & Serious Youth Violence Officer	12	12
16	33	The provision of 24/7 CCTV Monitoring	12	3
17	34	Loss of Income from Licensed Premises	12	9
18	35	Risk to Health	12	9
19	37	Increased Costs for Coroners Service	20	20
20	39	Dysfunctionality of Uniform Information Management System	20	12
21	42	Health & Safety (PP&E)	12	8

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of the Local Government Act 1972.

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