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DATE: 26 October 2023

To: Members of the
AUDIT AND RISK MANAGEMENT COMMITTEE

Councillor Michael Tickner (Chairman)
Councillor Robert Evans (Vice-Chairman)
Councillors Jeremy Adams, Felicity Bainbridge, Simon Fawthrop,
Dr Sunil Gupta FRCP FRCPATH, Julie Ireland, Simon Jeal, Ruth McGregor.

Co-opted Members:

Greig Allen and Theresa Farr

A meeting of the Audit and Risk Management Committee will be held in the Council Chamber on **TUESDAY 7 NOVEMBER 2023 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 4TH JULY 2023, (EXCLUDING THOSE CONTAINING EXEMPT INFORMATION) (Pages 3 - 12)**
- 4 **QUESTIONS TO THE AUDIT SUB COMMITTEE**

In accordance with the Council's Constitution, questions that are not specific to reports on the agenda must have been received in writing, 10 working days before the date of the meeting. The deadline for receipt of these questions by Democratic Services was 5pm on 24th October.

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 1st November**. Questions can be emailed direct to the Committee Clerk at stephen.wood@bromley.gov.uk

5 QUESTIONS RELATING TO THE INTERNAL AUDIT REPORTS PUBLISHED ON THE COUNCIL WEBSITE

The link to the published Internal Audit reports is:

[Internal Audit Reports](#)

6 MATTERS ARISING (Pages 13 - 16)

7 UPDATE FROM THE DIRECTOR OF HUMAN RESOURCES

8 UPDATE FROM THE ASSISTANT DIRECTOR OF IT

9 2020/21 PENSION FUND EXTERNAL AUDIT PLAN (Pages 17 - 52)

10 UPDATE FROM THE EXTERNAL AUDITORS REGARDING PROGRESS OF THE 20/21 AUDIT

11 INTERNAL AUDIT AND FRAUD PROGRESS REPORT (Pages 53 - 96)

12 INTERNAL AUDIT PLAN NOVEMBER 2023 - MARCH 2024 (Pages 97 - 108)

13 RISK MANAGEMENT (Pages 109 - 144)

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 EXEMPT MINUTES OF THE MEETING HELD ON 4TH JULY 2023 (Pages 145 - 146)

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 4 July 2023

Present:

Councillor Michael Tickner (Chairman)
Councillor Robert Evans (Vice-Chairman)
Councillors Jeremy Adams, Felicity Bainbridge,
Simon Fawthrop, Julie Ireland, Simon Jeal

Greig Allen and Theresa Farr

(Independent Co-opted Members)

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies were received from Cllr Ruth McGregor.

2 DECLARATIONS OF INTEREST

Councillor Simon Fawthrop declared an interest in that he was a member of the LBB Pension Committee.

3 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 8th MARCH 2023 (EXCLUDING THOSE CONTAINING EXEMPT INFORMATION)

The minutes of the meeting held on 8th March 2023 (excluding those containing exempt information) were agreed and signed as a correct record.

4 ADOPTION OF INDEPENDENT MEMBERS

The Chairman welcomed the two new Independent Co-opted Members to the Committee.

The Chairman referred to recommendation 2.1 of the report and said that the term 'municipal year' should be replaced with 'immediate effect'.

The Committee decided that the appointment term should be for four years.

RESOLVED that:

1) Theresa Farr and Grieg Allen be appointed as non-voting Co-opted members of the Audit and Risk Management Committee with immediate

effect, for the consideration of Part 1 (public) and Part 2 (confidential) reports.

2) The Independent Members be appointed for a four year term.

5 QUESTIONS FROM COUNCILLORS.

Two oral questions were received from Cllr Jeremy Adams along with one written question. The questions and responses are appended to the minutes.

6 MATTERS ARISING

CSD23094

The Chairman drew attention to minute 147 pertaining to the recommendation to be made to the Environment and Community Services PDS Committee to consider reinstating the previous practise of confiscating Blue Badges. The Chairman was informed that this request was awaiting a response. The Chairman stated that if no response was received by the next meeting, then relevant officers should be asked to attend the Committee to explain why.

It was noted that with respect to Edgebury School, progress had been made in response to previous recommendations from Internal Audit and so the high priority recommendation had been closed.

A Member referred to a recent data breach with respect to the PSPO (Public Spaces Protection Order) regarding the control of dogs. He felt that in view of the recent data protection breach, from a risk management perspective he would appreciate having a report/discussion from the Assistant Director for IT at the next committee meeting concerning how many breaches LBB had seen recently and the risk mitigation measures the Council were taking to reduce the risk of further breaches.

RESOLVED that:

1) If there was no response concerning the matter of referring the confiscation of Blue Badges to the ECS PDS Committee, then a relevant officer should be asked to attend the Committee to explain why this was the case.

2) An update from the Assistant Director for IT concerning data breaches be provided to Members at the next meeting.

Post Meeting Note:

(A report discussing the matter regarding Blue Badges was scrutinised at ECS PDS on 7th September. It was decided that the process adopted since 2020 for enforcing against Blue Badge mis-use should be retained).

Post Meeting Note:

It was agreed that as a Data Breeches Audit report would be ready in time for the next committee meeting, that this should be expedited and scrutinised first, before a decision was made concerning whether or not the Assistant Director for IT should be asked to attend the Committee).

**7 QUESTIONS ON THE INTERNAL AUDIT REPORTS
PUBLISHED ON THE COUNCIL WEBSITE**

A Member had submitted questions regarding one of the internal audit reports that had been published on the web. As these questions were detailed and numerous, they were subsequently re-submitted by the Member directly to the relevant officer who in this case was the Director of Adult Social Care. It was felt that there was a gap in the constitution regarding how these sort of questions should be dealt with and processed.

The Member expressed the view that the questions that he had raised should either be directed to Head of Audit and Assurance or to the relevant Director, rather than the Chairman of the Committee. He said that there was nothing currently in the constitution that allowed questions in that way. The view was expressed that clarity and a process was required to determine how questions pertaining to the internal audit reports published on the web should be dealt with.

RESOLVED that the Internal Audit Redacted Reports published on the Council website be noted.

8 2019/20 EXTERNAL AUDIT REPORTS

FSD23046

This report was presented to the Committee by the Head of Corporate Finance and Accounting. Following the conclusion of the 2019/20 accounts, the report provided the auditors reports and an update on the production of the draft accounts for the subsequent financial years.

It was noted that audit of the 2019/20 accounts had been completed. However the completion certificate could not be issued until the objections regarding the accounts for 2018/19 had been concluded.

The Head of Corporate Finance and Accounting explained that an experienced interim former Chief Accountant had been brought in to review and update the 2020/21 and 2021/22 accounts. In the meantime, staff were still working on the initial draft of the 2022/23 accounts. The report stated that the 2020/21 draft accounts would be published on the Council's website around mid-July, but this was now more likely to be the end of July.

The Head of Corporate Finance and Accounting said that going forward, there would be weekly meetings arranged with the external auditors. The Chairman said that Ernst & Young (E&Y) would be attending the next meeting, so the Committee could monitor progress. A Member asked what assurances could be provided that going forward there would not be further delays in the finalising of the Council's accounts. The Head of Corporate Finance and Accounting responded and said that he was confident that the draft 2020/21 accounts would be completed by the end of July. However, he was not in a position to form an opinion concerning how long the auditing of future accounts would take. This was because the Council was reliant on Ernst & Young in this regard.

It was suggested that what was required was a mutually agreed action plan between the Council and E&Y, which would agree agenda items and timescales. This was something that had not yet been formalised. It was further suggested that the Council keep a record of delays. Consideration could be given to requesting a rotation of E&Y staff. The Head of Corporate Finance and Accounting said that there would now be a designated staff member who would be responsible for co-ordinating responses to E&Y.

It was recommended by an Independent Member that a report should be provided to the next meeting that would provide a clear line of sight concerning proposed actions and timescales for both parties. The Chairman wondered why the objections to the 2018/19 accounts were taking so long to deal with. He wondered if this was normal. An Independent Member asked if the question could be regarded as a 'nuisance' question? It was noted that while this matter was ongoing, the Council would be incurring increased costs and officer time. The Chairman stated that he (and the Vice Chairman) had spoken directly with the objector. The objector had submitted objections totalling 300 pages.

The draft 2020/21 accounts had not yet been published; once they were, this would give the objector a further opportunity to submit new objections. A Member suggested that it may be possible (if there were further objections) to take the matter to court on the grounds that the objections were vexatious and that preparatory work should be undertaken in case this occurred. The Vice Chairman expressed the view that the objections were not vexatious. He felt that one of the reasons the situation may have been dragging on was that the objections were submitted 5/6 years ago and most of the LBB staff working for the relevant environment department at that time had now moved on.

The Chairman requested that when the External Audit Report was presented to the next meeting, it should suggest some options as to how the matter of the resolution of the objections to the accounts could be progressed and finalised. He said that this may also involve consultation with the Council's Legal Department.

RESOLVED that the contents of the Report be noted.

9 ANNUAL INTERNAL AUDIT REPORT 2022/23

FSD23031

This report was written by the Head of Audit and Assurance to provide her annual opinion for 2022/23 on the Council's overall system for risk management, governance and control.

Internal Audit had requested that three items for audit be deferred to the 23/24 financial year. These were:

- Social Care System—Implementation Review
- Staff Well Being
- Parking Income

A Member expressed disappointment that the audit of the Social Care Implementation Review had been delayed. Regarding the Staff Well Being Audit, a Member felt that as recruitment and retention had been flagged on the Risk Register, the review should take place without waiting for accreditation. The Head of Audit and Assurance said that an audit of Recruitment and Retention was planned for the current financial year. A Member expressed disappointment concerning the delayed audit of Assistive Technology. It was explained that this was a consultancy matter and the department concerned had stated that at this time they did not require any consultancy advice from Internal Audit. This meant that this audit had been cancelled rather than delayed. With respect to Parking Income, this audit would be limited purely to income and financial matters and would not be looking at any issues concerning the implementation of RingGo.

The timing of the release of the individual audit reports was discussed. A Member said that to have to read numerous and quite often many substantial reports a short time before meetings was difficult for Members. He supported the idea that had been suggested by an Independent Member that reports be 'drip-fed' to Members before the publication of the redacted reports on the web. This would give Members more time to prepare. The Chairman asked if this could be looked into.

(Post Meeting Note: The issue regarding the publication of Internal Audit Redacted Reports has been looked into. There is no reason why all the reports have to be disseminated in one large bundle just before agenda publication. They could for example be sent out at intervals in smaller bundles).

Members discussed issues concerning policies and procedures that had not been updated for some time and expressed some concern regarding this. It was suggested that consideration be given whereby portfolios/departments would report to Members those policies or procedures that had not been updated for some time. A Member asked if completion rates for data protection training were increasing. He felt that if they were not, this was a

developmental issue that should be escalated. The Head of Audit and Assurance responded that the Priority 1 recommendation that had previously existed for cyber security training had now been closed off--because as of the 1st of June, the completion rate was 90%. This seemed to be an issue with mandatory training in general. It was mentioned that issues concerning the completion of mandatory training may be something that could be raised with the Director of HR. It was agreed that this would be one of the issues that could be raised with the Director of HR when he attended the November meeting.

An Independent Member highlighted that the Risk Management Framework had not been reviewed since 2018. He felt that this was a priority issue. It was noted that this review was scheduled for 2023/24.

The Chairman drew attention to the Independent External Quality Assessment, and Members were pleased to note that the review was positive. A Member drew attention to some of the recommendations of the Assessment. He asked if consideration was being applied to the recommendation concerning the appointment of a Deputy Head of Audit and Assurance and also if consideration was being given to the recommendation that that the Internal Audit Plan should be run on a 3/5 year cycle rather than the current cycle. The Head of Audit and Assurance responded that the current structure of the team was flat and everyone reported to her. There was a possibility of some flexibility in the future, as a result of requests for reduced hours. It would also be prudent to see what would be the situation after the impending changes to Internal Audit Standards. The Head of Audit and Assurance clarified that the 3/5 year strategic plan referred to a high level approach only, and that the 6 month detailed planning would continue.

A teams skills assessment had recently been completed and there were weaknesses identified in the following areas:

- Staff not confident with IT Audits
- Data Analytics
- Fraud Risks and Controls

Extra training had been provided (and was ongoing) to strengthen staff skill sets in all of these areas.

RESOLVED that:

1) Members note the report and the Head of Audit and Assurance's opinion for 2022/23 on the Council's overall systems of risk management, governance and control.

2) Members approve the amendments to the 2022/23 Internal Audit Plan as set out in paragraph 3.6.2 of the report.

3) The Director of HR be asked to attend the November meeting to answer any questions that Members would like to raise concerning the completion of mandatory training modules.

10 ANNUAL GOVERNANCE STATEMENT 2022/23

FSD23029

Members noted that the Accounts and Audit Regulations 2015, required the Council to conduct at least annually, a review of the effectiveness of its system of internal control and to approve an Annual Governance Statement, (AGS).

A Member queried why (if the Annual Governance Statement was to be signed off by the Chief Executive and the Leader), the scrutiny of the AGS may be better placed with the Executive or with the Executive, Resources & Contracts PDS Committee. It was noted that according to CIPFA guidance, The Head of Audit and Assurance (HAA) should not be compiling the Annual Governance Statement. The HAA commented that there was no obvious officer to compile the report. In mitigation, it was the case that regarding most of the AGS, it was drafted by various officers who wrote different sections of the Statement. Audit Committee scrutiny of the AGS provided objectivity to the process.

The Vice Chairman drew attention to the section of the statement which commented on the evaluation and supporting of staff performance. He noted that previously it had been commented that 25% of staff had not received appraisals in the past 12 months which he felt was appalling. He felt that a representative from HR should be asked to comment on this. The Chairman felt it would be a good idea to ask a representative from HR to attend the committee to explain what sanctions would be levelled against managers that failed to undertake appraisals. A Member commented that a staff member would not be able to get a merit award if there was not an appraisal to back it up. He also felt that HR should be asked to attend to explain why this was the case.

A Member commented that the next time the AGS was reported on, it would be useful to have an 'at a glance' update of what had changed since the previous year.

RESOLVED that:

1) The Audit and Risk Management Committee notes and agrees the 2022/23 Annual Governance Statement, subject to any changes made after scrutiny by the Audit and Risk Management Committee, and any further minor updates required prior to the publication of the statement of accounts for 2022/23.

2) A representative from HR be asked to attend the next meeting to provide an update concerning the appraisal process.

11 COUNTER FRAUD PROGRESS REPORT

FSD23042

This report was presented to the Committee to provide an update on counter fraud activity and outcomes for the 2022/23 financial year.

A Member enquired if the Council was experiencing increased levels of attempted cyber fraud activity. The Head of Audit and Assurance responded that the Assistant Director for IT was best placed to answer that question although she was personally not aware of any increased online fraud activity.

A Member commented that in his position as the Chairman of Executive, Resources & Contracts PDS Committee, it had been reported to him by the Assistant Director of IT that there had been an increase in the attempted number of cyber-attacks. Reference was made to joint working with the DWP and it was felt that this working relationship was improving and that the DWP were becoming more proactive in terms of joint working arrangements. The success of the partnership agreement with the London Borough of Greenwich in relation to fraud detection and prosecution was also noted. An Independent Member commented that it would be good to have more focus on not just fraud detection and prosecution, but also on fraud prevention.

RESOLVED that the Counter Fraud Progress Report be noted.

12 RISK MANAGEMENT

FSD23030

Members noted that the scoring for Health & Safety risk related to fire had reduced on the Corporate Risk Register and a Member asked if this should be the case given that fire warden and first aid cover would be spread more thinly when the Council occupied two buildings. He said that he would be interested to hear the Director of HR's reasoning for this.

Regarding the presentation of the Risk Registers, it was suggested that the format be changed and that focus in terms of presentation be on those risks that were the most critical and what was going to be done (and when) to mitigate those risks. There was currently no time-frame for actions/mitigations on the Risk Registers. It was suggested that it would be helpful to clarify why certain risks were particularly relevant/significant. It was felt that the reporting format should be changed to make the Risk Registers more readable.

The Vice Chairman felt that the Committee did not have enough time to scrutinise the Risk Registers in detail and that this should be primarily the

responsibility of the relevant PDS Committee. However, he had observed that in some of the committees that he had sat on, the Risk Register had only been considered as an 'information item' on the agenda and no questions had been asked. He felt that it should be the case that in all scrutiny committees, the Risk Register should be given proper attention and should not be reduced to an information item. The Chairman agreed with this and asked if the Committee Clerk could feed this back via the appropriate channels.

A Member suggested that the reporting format be changed to focus on the 'red' risks. Another Member said that there needed to be a review of the governance and quality assurance process for the reporting of risks and that information should be provided regarding dates, times and next steps.

RESOLVED that:

- 1) The Risk Management report be noted.**
- 2) A recommendation be made that Risk Registers should no longer be placed on agendas as 'Information Items', but should be allocated to agendas as standard full agenda items.**
- 3) Reporting should be undertaken regarding 'Red Risks'.**

Post Meeting Note:

The Committee Clerk has informed Democratic Services Officers of the recommendations of the Committee concerning Risk Registers and they will feed these recommendations back to the Chairmen of PDS Committees).

13 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.

14 EXEMPT MINUTES OF THE MEETING HELD ON 8th MARCH 2023

The exempt minutes of the meeting that was held on 8th March were agreed and signed as a correct record.

15 APPENDIX F - ANNUAL INTERNAL AUDIT REPORT

Members noted the Part 2 (Confidential) Appendix F to the Annual Internal Audit Report. As this was a confidential report, the minutes are recorded in the Part 2 (Confidential) minutes.

The meeting ended at 9.08 pm

Chairman

Report No.
CSD23134

LONDON BOROUGH OF BROMLEY

PART 1 PUBLIC

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

Date: **7th November 2023**

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 & Risk Management Committee on progress in dealing with matters that arose from previous meetings, and noting any matters that may still be 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—Managing Resources Well
-

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: 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 the Audit & Risk Management Sub Committee. Previous Matters Arising Report.

Appendix 1

Issue & Date	Summary	Update and/or Action being taken.	By	Status
Minute 6 4 th July 2023 Matters Arising	A Member felt that in view of a recent data protection breach, from a risk management perspective he would appreciate having a report/discussion from the Assistant Director for IT at the next committee meeting concerning how many data breaches LBB had experienced recently, and the risk mitigation measures that the Council were taking to reduce the risk of further breaches.	The Assistant Director for IT will attend the meeting to update the Committee	Vinit Shukle	Open
Minute 8 4 th July 2023 External Audit Reports	The External Audit report stated that the 2020/21 draft accounts would be published on the Council's website around mid-July, but this was now more likely to be the end of July.	The draft 2020/21 accounts have been published on the Council's website.	James M	Closed
Minute 9 4 th July 2023 AIAR	Members agreed that they would like the Director of HR to attend the committee regarding ongoing problems being experienced with the completion of mandatory training.	The Director of HR will be attending the meeting to provide an update.	CO	Open
Minute 10 4 th July 23 AGS	It had been commented that 25% of staff had not received appraisals in the past 12 months. It was felt that a representative from HR should be asked to comment on this.	The Director of HR will be attending the meeting to brief the Committee.	CO	Open
Minute 12 4 th July 23 Risk Manage ment	Members noted that the scoring for Health & Safety Risk related to fire had reduced on the Corporate Risk Register and a Member asked if this should be the case given that fire warden and first aid cover would be spread more thinly when the Council occupied two buildings. He said that he would be interested to hear the Director of HR's reasoning for this.	The Director of HR will provide an update on this matter at the meeting.	CO	Open

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Report No.
FSD23067

London Borough of Bromley

PART ONE - PUBLIC

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

Date: **Tuesday 7th November 2023**

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

Title: **2020/21 PENSION FUND EXTERNAL AUDIT PLAN**

Contact Officer: James Mullender, Head of Corporate Finance and Accounting
Tel: 020 8313 4196 E-mail: james.mullender@bromley.gov.uk

Chief Officer: Peter Turner, Director of Finance
Tel: 020 8313 4668 E-mail: peter.turner@bromley.gov.uk

Ward: Borough Wide

1. Reason for report

1.1 This report provides details of the 2020/21 External Audit Plan for the Pension Fund.

2. RECOMMENDATIONS

The Committee is requested to:

2.1 Note and comment on the attached 2020/21 Pension Fund Audit Plan from Ernst & Young.

2.2 Confirm its understanding of, and agreement to, the materiality and reporting levels.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None arising directly from this report
-

Corporate Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority: Managing our resources well
-

Financial

1. Cost of proposal: £63k
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: External Audit
 4. Total current budget for this head: £63k
 5. Source of funding: Pension Fund
-

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: Statutory Requirement – The report concerns the statutory requirements required by the Local Audit and Accountability Act 2014
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: The report contains recommendations that may, at some point in the future, alter the mechanism by which the Council procures its external auditor.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not applicable
-

Ward Councillor Views

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

3. COMMENTARY

Background

- 3.1 Ernst & Young LLP, as the Council's appointed External Auditors are required to perform their audit in line with the Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office and the Public Sector Audit Appointments (PSAA) Statement of Responsibilities.
- 3.2 Members are asked to note and comment on the attached 2020/21 Pension Fund Audit Plan from Ernst & Young, and to note the materiality limits detailed on page 13 of the plan and confirm their understanding of, and agreement to, the materiality and reporting levels.

4. FINANCIAL IMPLICATIONS

- 4.1 Fees are discussed agreed annually with the external auditor to cover the cost of their annual audit activity. The base audit fee is set by PSAA and then varied locally depending on various risk factors.
- 4.2 Details of the planned audit fees are contained in Appendix A (page 26) of the attached audit plan.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications. This report focuses on the arrangements for local authority financial reporting and auditing put in place by the Local Audit and Accountability Act 2014.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children Policy, Procurement Implications and Personnel Implications.
Background Documents: (Access via Contact Officer)	None

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A high-angle, close-up photograph of several people's hands and forearms gathered around a white table. They are looking at and pointing to various documents and papers spread across the surface. A smartphone is visible on the table. The scene suggests a collaborative meeting or audit process.

London Borough of Bromley Pension Fund

Audit Plan

Year ended 31 March 2021

27 October 2023

27 October 2023



Bromley Pension Fund
Audit & Risk Committee
Council Offices
Bromley
BR1 3UH

Dear Audit and Risk Committee Members/Pension Fund Committee Members

Audit Planning Report

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Audit and Risk Committee with a basis to review our proposed audit approach and scope for the 2020/21 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This Plan summarises our initial assessment of the key risks driving the development of an effective audit for the Pension Fund, and outlines our planned audit strategy in response to those risks. The timing of the audit is aligned with the London Borough of Bromley financial statements audit.

This report is intended solely for the information and use of the Audit and Risk Committee and management. It is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 7 November 2023 as well as to understand any other matters which you consider may influence our audit.

Yours faithfully

A handwritten signature in black ink that reads "Debbie Hanson". The signature is written in a cursive, flowing style.

Debbie Hanson
Partner
For and on behalf of Ernst & Young LLP

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Overview of our 2020/21 audit strategy



02 Audit risks



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Audit materiality



04

Scope of our audit



05 Audit team



06 Audit timeline



07 Independence



08 Appendices



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Risk Committee and management of Bromley Pension Fund in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Risk Committee, and management of Bromley Pension Fund those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Risk Committee, and management of Bromley Pension Fund for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2020/21 audit strategy



Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit and Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Misstatements due to fraud or error	Fraud risk	No change in risk or focus	As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.
Misstatement of investment income and investment values through fraudulent journal entries	Fraud risk	No change in risk or focus	Investment valuations and investment income are manually input on the GL. Our judgement is that the Pension Fund's fraud risk relates to inappropriate posting of investment journals compared to the values reported by the custodian. This would affect the long-term investment portfolio value and investment income.
Valuation of investments under Level 2 fair value hierarchy	Inherent risk	No change in risk or focus	The valuation of investments under level 2 fair value hierarchy (where market prices are not available) are based on observable inputs such as evaluated prices provided by independent pricing services, closing bid price where bid and offer are published or estimated valuation reported by a counterparty. There is however a risk that the comparable inputs are not appropriate and valuation could be misstated.

Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit and Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Materiality



Overview of our 2020/21 audit strategy

Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of Bromley Pension Fund (the Pension Fund) give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2021 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2021; and
- Our opinion on the consistency of the Pension Fund financial statements within the Pension Fund annual report with the published financial statements of London Borough of Bromley.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Pension Fund.

Taking the above into account, and as articulated in this Audit Plan, our professional responsibilities require us to perform an independent assessment of the risks associated with providing an audit opinion and to undertake appropriate procedures in response. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors' assessment of risk and the work needed to meet their professional responsibilities". PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit and the increased regulatory focus on audit quality. Therefore, to the extent any of these or any other risks relevant in the context of Bromley Pension Fund's audit, we will discuss the impact on the scale fee with management.



02

Audit risks



Our response to significant risks

We have set out the significant risks (including fraud risks *) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

	What is the risk?	What will we do?
<p>Misstatements due to fraud or error*</p>	<p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We identify and respond to this fraud risk on every audit engagement.</p>	<p>We will undertake our standard procedures to address fraud risk, which include:</p> <ul style="list-style-type: none"> ▶ Identifying fraud risks during the planning stages. ▶ Inquiring of management about risks of fraud and the controls put in place to address those risks. ▶ Understanding the oversight given by those charged with governance of management's processes over fraud. ▶ Considering the effectiveness of management's controls designed to address the risk of fraud. ▶ Determining an appropriate strategy to address those identified risks of fraud. ▶ Performing mandatory procedures regardless of specifically identified fraud risks, including; <ul style="list-style-type: none"> ▶ testing of journal entries and other adjustments in the preparation of the financial statements; ▶ reviewing accounting estimates for evidence of management bias; and ▶ evaluating the business rationale for significant unusual transactions. <p>We will use our data analytics capabilities to assist with our work, including journal entry testing. We will assess journal entries for evidence of management bias and evaluate for business rationale.</p>

Our response to significant risks (continued)

We have set out the significant risks (including fraud risks *) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

<p>Misstatement of investment income and investment values through fraudulent journal entries*</p>	<p>What is the risk?</p> <p>Investment valuations and income are manually input on the general ledger, so there is opportunity to manipulate the valuation of investments and income reported in the Net Asset Statement and Fund Account.</p>	<p>What will we do?</p> <p>Our approach will focus on:</p> <ul style="list-style-type: none"> • testing of journals at year-end to ensure there are no unexpected or unusual postings; • undertaking a review of reconciliations between the fund manager and custodian reports and investigating any reconciling differences over a specified threshold; • re-perform the detailed investment note using the reports we have acquired directly from the custodian or fund managers; and • checking the reconciliation of holdings included in the Net Assets Statement back to source reports. <p>We will use our data analytics capabilities to assist with our work, including journal entry testing. We will assess journal entries for evidence of management bias and evaluate for business rationale.</p>
<p>Financial statement impact</p> <p>Manipulation of investment values would increase the net value of pension fund assets.</p> <p>Total Investments for 2020/21: £1,335 million</p> <p>Investment Income for 2020/21: £23 million</p>		

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the inherent risk?	What will we do?
<p><u>Valuation of investments under Level 2 fair value hierarchy</u></p> <p>The Pension Fund held £439 million level 2 investments at 31 March 2021. These are assets where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.</p> <p>Valuations are based on either evaluated prices provided by independent pricing services, closing bid price where bid and offer are published or estimated valuation reported by a counterparty.</p> <p>The Pension Fund changed the fair value hierarchy of pooled property fund totalling £47 million that were previously held under Level 3 to Level 2 in 2020/21. The reclassification was made because the material uncertainty clause included in the valuations of all the property funds last year were removed in 2020/21. The clause was previously included as a result of the significantly reduced property market activity stemming from the COVID-19 pandemic.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Where the funds are actively traded in listed markets/exchange, testing the valuation by using the EY Investment Security Pricing Tool; ▶ Alternatively, inspecting quotations, financial statements of investees and other evidence of current value, cost or equity amount of investments and testing that investments are classified, recorded and measured in accordance with the entity's accounting policies and applicable financial reporting framework; ▶ Performing triangulation work to agree amounts per the financial statements to Fund Manager and Custodian. ▶ Reviewing the reclassification of assets from Level 3 to Level 2 to ensure the reclassification is correct.



03

Audit materiality



Materiality

Materiality

For planning purposes, materiality for 2020/21 has been set at £13.35 million. This represents 1% of the Pension Fund's 2020/21 unaudited net assets. It will be reassessed throughout the audit process. In an audit of a pension fund we consider the net assets to be the appropriate basis for setting the materiality as they represent the best measure of the schemes' ability to meet obligations rising from pension liabilities.



We request that the Audit and Risk Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £10.01 million which represents 75% of planning materiality – consistent with the prior year level. We have considered a number of factors such as the number of errors in prior year and any significant changes in 2020/21 when determining the percentage of performance materiality.

Audit difference threshold – we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the Fund Account and Net Asset Statement.

Other uncorrected misstatements, such as reclassifications, misstatements in disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Audit and Risk Committee and Local Pension Board, or are important from a qualitative perspective.



04

Scope of our audit



Our Audit Process and Strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Pension Fund's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers the financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK), as well as on the consistency of the Pension Fund financial statements within the Pension Fund annual report with the published financial statements of London Borough of Bromley.

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements.

We are also required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Our Audit Process and Strategy (continued)

Audit Process Overview

Our audit involves:

- Identifying and understanding the key processes and internal controls;
- Substantive tests of detail of transactions and amounts; and
- Reviewing and assessing the work of experts in relation to areas such as valuation of the Pension Fund to establish if reliance can be placed on their work.

For 2020/21 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Audit and Risk Committee.

Internal audit:

As in the prior years, we will review internal audit plans and the results of their work where relevant to this engagement. We consider these when designing our overall audit approach and when developing in our detailed testing strategy. We may also reflect relevant findings from their work in our reporting, where it raises issues that we assess could have a material impact on the year-end financial statements.

IAS19 procedures:

In addition to the above we also perform procedures on behalf of the auditor of London Borough of Bromley concerning IAS 19 report. Our work specifically focuses on gaining assurance that the data submitted to the actuary agrees to the Pension Fund's systems. This approach minimises disruption to the Pension Fund as only one set of auditors will perform procedures on the data.

Going concern:

As in the prior year, we will review the going concern assessment performed by the management in 2020/21. We have not identified a risk over the going concern status of the Pension Fund, but because of the changing environment it is still important for management to include disclosures on going concern. The revised IAS 570 for Going Concern) also requires an assessment of whether there is a material uncertainty related to going concern, and whether management's use of going concern basis of accounting in the preparation of the Pension Fund accounts is appropriate. Our work specifically focuses in gaining assurance over the self-assessment process and reviewing a full cash flow forecast provided by management, which must cover a period of at least 12 months from the approval of the financial statements.



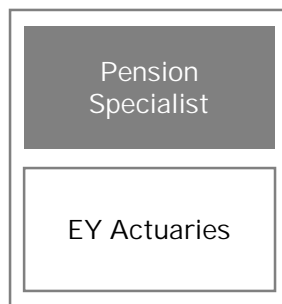
05

Audit team



Audit team

Audit team structure:



Working together with the Pension Fund

We are working together with officers on communication and processes for the 2020/21 audit.

We will continue to keep our audit approach under review to streamline it where possible.

Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Pensions disclosure	EY Actuaries, PWC Actuary commissioned by NAO, Mercer the Fund's Actuary

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Fund's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- Assess the reasonableness of the assumptions and methods used;
- Consider the appropriateness of the timing of when the specialist carried out the work; and
- Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



06 Audit timeline





Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2020/21. The final timetable will depend on our ability to obtain sufficient, appropriate audit evidence to support our audit opinion. The audit timetable is aligned to the London Borough of Bromley audit timetable.

From time to time matters may arise that require immediate communication with the Audit and Risk Committee and we will discuss them with the Audit and Risk Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Audit phase	Timetable	Audit and Governance Committee Timetable	Deliverables
Planning: Risk assessment and setting of scopes Walkthrough of key systems and processes	September - November	Audit and Risk Committee November '23	Audit Planning Report
Year end audit	September - December		
Audit Completion procedures	January	Audit and Risk Committee March '24	Audit Results Report
Audit Completion procedures	January	Audit and Risk Committee March '24	Audit opinion and completion certificate





07

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- ▶ The overall assessment of threats and safeguards;
- ▶ Information about the general policies and process within EY to maintain objectivity and independence.

Final stage

- ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- ▶ Details of non-audit/additional services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- ▶ An opportunity to discuss auditor independence issues.

During the course of the audit, we must communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that we disclose the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Debbie Hanson, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Pension Fund. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

At the time of writing, there are no non-audit services provided by us to the Pension Fund.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Relationships, services and related threats and safeguards

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Pension Fund. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Other communications

EY Transparency Report 2022

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2022: [EY UK 2022 Transparency Report | EY UK](#)



08

Appendices



Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work. As outlined earlier in this report, PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit and the increased regulatory focus on audit quality. In addition, we are driving greater innovation in the audit through the use of technology. The significant investment costs in this global technology continue to rise as we seek to provide enhanced assurance and insight in the audit. Therefore, to the extent any of these or any other risks relevant in the context of Bromley Pension Fund's audit, we will discuss the impact on the scale fee with management and submit any proposals for an increase to PSAA to determine.

	Planned fee 2020/21	Scale fee 2020/21	Final Fee 2019/20
	£'s	£'s	£'s
Total Fee - Code work	16,170	16,170	16,170
Changes in work required to address professional and regulatory requirements and scope associated with risk (Note 1)	41,097	-	41,097
Additional work (See Note 2)	-	-	41,071
Additional Fee for work on behalf of admitted Body auditors (recharged to the Pension Fund) (Note 3)	5,500	-	9,055
Total fees	62,767	16,170	107,393

All fees exclude
VAT

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our accounts opinion being unqualified;
- Appropriate quality of documentation is provided by the Pension Fund; and
- The Pension Fund has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Pension Fund in advance.

Note 1: For 2019/20 and 2020/21 the scale fee has been re-assessed to take into account the risk profile of the Fund and the increase in regulatory standards. This additional fee has not been agreed but has been communicated to Management and is subject to determination by PSAA.

Note 2: In 2019/20, we had to perform additional procedures to address the risks resulting from Covid-19, valuation of L3 investments and a greater focus on going concern in the light of the pandemic. We also experienced some delays in the preparation of the accounts and also wider delays on the audit. The resulting proposed additional fee is subject to determination by PSAA.



Note 3: We anticipate charging an additional fee of £5,500 in 2020/21 to take into account the additional work required to respond to IAS19 assurance requests from admitted bodies and their auditors. For 2019/20 we were also required to perform additional procedures over the 2019 triennial valuation of the Fund on behalf of admitted body auditors (£3,555). The Pension Fund can recharge these fees to the relevant admitted bodies.

Appendix B

Required communications with the Audit and Risk Committee





We have detailed the communications that we must provide to the Audit and Risk Committee.

Our Reporting to you

Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.</p> <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.</p>	Audit Plan – 7 November 2023 – Audit and Risk Committee
Significant findings from the audit	<ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Significant difficulties, if any, encountered during the audit • Significant matters, if any, arising from the audit that were discussed with management • Written representations that we are seeking • Expected modifications to the audit report • Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report – 28 March 2024 – Audit and Risk Committee





Appendix B

Required communications with the Audit and Risk Committee (continued)

			 Our Reporting to you
Required communications	 What is reported?	  When and where	
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements 	Audit Results Report – 28 March 2024 – Audit and Risk Committee	
Misstatements	<ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Corrected misstatements that are significant • Material misstatements corrected by management 	Audit Results Report – 28 March 2024 – Audit and Risk Committee	
Fraud	<ul style="list-style-type: none"> • Enquiries of the Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • A discussion of any other matters related to fraud 	Audit Results Report – 28 March 2024 – Audit and Risk Committee	
Related parties	<ul style="list-style-type: none"> • Significant matters arising during the audit in connection with the entity's related parties including, when applicable: • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report – 28 March 2024 – Audit and Risk Committee	





Appendix B

Required communications with the Audit and Risk Committee (continued)

			 Our Reporting to you
Required communications	 What is reported?	  When and where	
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> The principal threats Safeguards adopted and their effectiveness An overall assessment of threats and safeguards Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Audit Plan – 9 November 2023 – Audit and Risk Committee</p> <p>Audit Results Report – 28 March 2024 – Audit and Risk Committee</p>	
External confirmations	<ul style="list-style-type: none"> Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures 	<p>Audit Results Report – 28 March 2024 – Audit and Risk Committee</p>	
Consideration of laws and regulations	<ul style="list-style-type: none"> Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off Enquiry of the Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Governance Committee may be aware of 	<p>Audit Results Report – 28 March 2024 – Audit and Risk Committee</p>	
Internal controls	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit 	<p>Audit Results Report – 28 March 2024 – Audit and Risk Committee</p>	

Appendix B

Required communications with the Audit and Risk Committee (continued)

			 Our Reporting to you
Required communications	 What is reported?	  When and where	
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report – 28 March 2024 – Audit and Risk Committee	
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise.	Audit Results Report – 28 March 2024 – Audit and Risk Committee	
Auditors report	<ul style="list-style-type: none"> • Key audit matters that we will include in our auditor’s report • Any circumstances identified that affect the form and content of our auditor’s report 	Audit Results Report – 28 March 2024 – Audit and Risk Committee	
Fee Reporting	<ul style="list-style-type: none"> • Breakdown of fee information when the audit plan is agreed • Breakdown of fee information at the completion of the audit • Any non-audit work 	Audit Plan – 9 November 2023 – Audit and Risk Committee Audit Results Report – 28 March 2024 – Audit and Risk Committee	

Additional audit information

Objective of our audit

Our objective is to form an opinion on the Pension Fund's financial statements under International Standards on Auditing (UK) as prepared by you in accordance with with International Financial Reporting Standards as adopted by the EU, and as interpreted and adapted by the Code of Practice on Local Authority Accounting.

Our responsibilities in relation to the financial statement audit are set out in the formal terms of engagement between the PSAA's appointed auditors and audited bodies. We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Audit and Governance Committee. The audit does not relieve management or the Audit and Risk Committee of their responsibilities.

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pension Fund's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Pension Fund to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, the Audit and Risk Committee reporting appropriately addresses matters communicated by us to the Audit and Risk Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- Maintaining auditor independence.

Additional audit information (continued)

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines the level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

Report No.
FSD23063

London Borough of Bromley

PART ONE - PUBLIC

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

Date: **Tuesday 7 November 2023**

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 2023/24 financial year. It also provides an update on counter fraud activity for the first half of 2023/24.

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: Audit and Assurance
 4. Total current budget for this head: £640, 240
 5. Source of funding: General Fund
-

Personnel

1. Number of staff (current and additional): 6.5 FTE Internal Audit staff (establishment)
 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

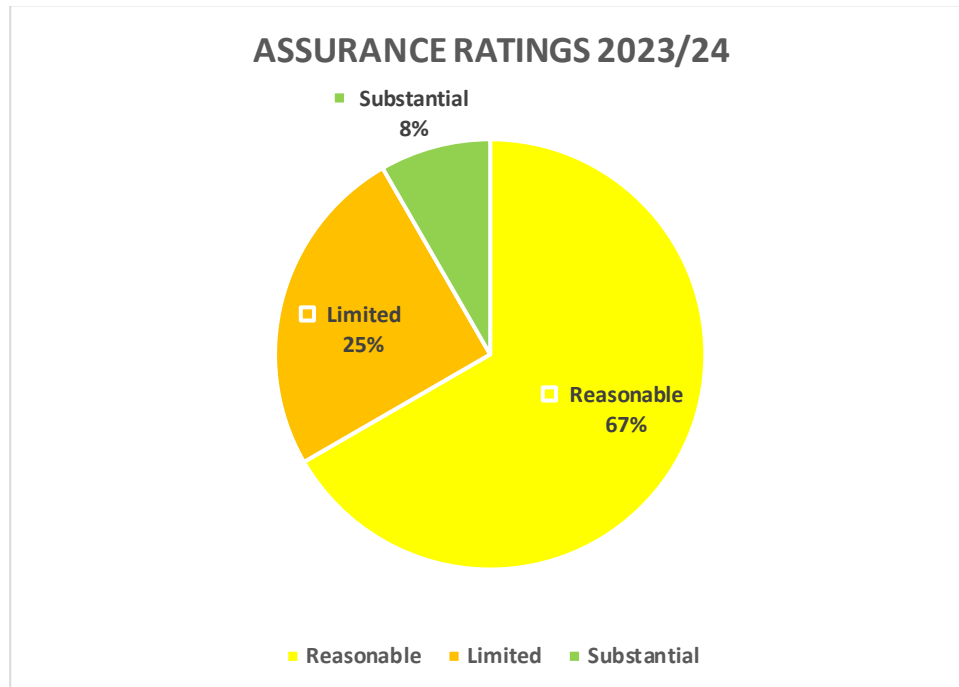
- 3.1.1 Internal Audit provides regular progress reports to Audit and Risk Management Committee, covering activity, performance and outcomes. These reports are a requirement of Public Sector Internal Audit Standards (PSIAS). However, they also enable Audit and Risk Management Committee to discharge its 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 2023/24 that was agreed by Members of Audit and Risk Management Committee in March 2023. The report also contains a summary of progress against recommendations arising from internal audit work. The definitions of our assurance and priority ratings are provided in **Appendix B**.
- 3.1.3 **Table 1** below shows current progress against the 2023-24 Internal Audit Plan, as at 31st October 2023, including outcomes where applicable. This includes audits that were carried forward from the 2022/23 Plan, or which had not been finalised in time for the 2022/23 Annual Opinion.
- 3.1.4 In summary, 12 audits are complete, 10 audits are at fieldwork or reporting stages and four are in planning. We have continued to face resourcing pressures in 2023/24: from a team of six auditors, one member of staff has been on sick leave since the end of June, one has gone on secondment from September 2023 until the end of May 2024 and two have reduced their hours under the Council's flexible working policy. Whilst we have engaged some additional contractor resource to partially compensate for these reductions, we are not as far ahead with the 2023/24 Plan as we would like to be.
- 3.1.5 One of our Principal Auditors, Barrie Cull, has tendered his resignation and will be leaving the Council in early January 2024. Barrie has most recently worked in Bromley as a Principal Auditor since May 2015 but, prior to that, also worked for Bromley's Internal Audit Service between 2006 – 2009. I would like to record my thanks to Barrie for his significant contribution during his time at Bromley both to the service and to the Council as a whole.

Table 1 – 2023/24 Internal Audit Plan	
Audit	Status and Assurance Opinion
Temporary Accommodation Housing Rents (carried forward from 2022/23)	Complete – Reasonable Assurance
Domestic Abuse (carried forward from 2022/23)	Complete – Limited Assurance
Transformation (carried forward from 2022/23)	Complete – Reasonable Assurance
Gifts and Hospitality / Declarations of Interest (carried forward from 2022/23)	Complete – Reasonable Assurance
Highways – Management of Major Works (carried forward from 2022/23)	Complete – Limited Assurance
Discharge to Assess (carried forward from 2022/23)	Draft Report issued 6 September 2023
Domiciliary Care (carried forward from 2022/23)	Complete – Limited Assurance
Parking Income (carried forward from 2022/23)	Review
Social Care System – Implementation review (carried forward from 2022/23)	Fieldwork
Staff Wellbeing (carried forward from 2022/23)	Not yet started
Housing Capital Schemes (carried forward from 2022/23)	Complete – Reasonable Assurance
Grant assurance work including Supporting Families and Disabled Facilities Grant	Supporting Families – Complete DFG - Fieldwork
Recruitment and Retention	Not yet started
Health and Safety Framework – Authority Wide	Fieldwork
Pre-Employment Checks	Complete – Reasonable Assurance
Medium Term Financial Strategy	Complete – Substantial Assurance
Liberata Contract Management	Planning
Personal Data Breaches	Complete – Reasonable Assurance
Cloud Design and Migration Plan	Planning
IT Procurement (Advisory)	Undertaken in 2022/23, additional time in 2023/24 not required to date
CQC Inspection Preparation	Not yet started
Learning Disabilities	Not yet started
Safeguarding Adults	Not yet started
Quality of Care – Adults	Not yet started
Leaving Care	Not yet started
Children and Young People’s Mental Health and Emotional Wellbeing	Planning
Schools Rolling Programme	Southborough – Complete – Reasonable Assurance St Olaves – Complete – Reasonable Assurance
Street Environment (Contract Management)	Draft Report issued 26.10.23
Community Safety	Fieldwork
Health and Safety Framework – Environment and Public Protection	Fieldwork
Homes for Ukraine	Fieldwork
Quality of Accommodation (TA)	Planning
Contract Management – Property	Fieldwork

3.1.6 Summaries of the completed substantive audits are provided in **Appendix A**. The full redacted reports for these audits have also been published with the agenda as an information briefing, if Members require further information.

3.1.7 A summary of outcomes (assurance levels) to date in graphical format is shown below.

Diagram 1 – Assurance Ratings



3.1.8 The audit opinions are currently weighted towards 'Reasonable' which continues the pattern of previous years. At this point in the year, 75% of audits have received 'Reasonable' or 'Substantial' assurance which compares to a year end position in 2021/22 of 77% and a year end position in 2022/23 of 87%. Although it is too early in the year to draw meaningful comparisons, as we do not have a sufficient total number of completed audits, the opinions indicate that many controls are in place and are working effectively to mitigate associated risks.

3.1.9 All of the audits that we have undertaken in the year to date regarding core support functions (Pre employment checks, Personal Data Breaches, Gifts and Hospitality / Declarations of Interest) received 'Reasonable' assurance. These audits are important both because they underpin the effective running of the organisation as whole and because the effectiveness of controls in these areas does, to a degree, provide an indicator of organisational culture.

3.1.10 We also noted that:

- There were examples of good practice in managing the delivery of capital schemes (Housing and Highways).
- National Fraud Initiative data matching between Payroll / Creditors / Companies House did not highlight any significant concerns (ie to indicate conflicts of interest or potential abuse of position).
- There were examples of positive working with external partners. The strategic partners that we interviewed for the Domestic Abuse audit confirmed that the service has established strong working relationships with them. We also found that the Domiciliary Care Providers Forum was working effectively.

- Both of the Schools audits we have carried out this year have received ‘Reasonable’ assurance with no ‘Priority 1’ recommendations.

3.1.11 We have issued three ‘Limited’ Assurance audits: Highways - Management of Major Works, Domiciliary Care and Domestic Abuse. Each of these audits contained one ‘Priority 1’ recommendation and the reasons for the ‘Limited’ assurance were diverse, as outlined below.

Audit	Key issue
Highways – Management of Major Works	<ul style="list-style-type: none"> • Processes had changed for remote working and not since reviewed. Consequently, there was no evidence retained that the Council had verified work completed prior to payment. Management advised that checks had been completed but communicated verbally and not documented.
Domiciliary Care	<ul style="list-style-type: none"> • There was limited evidence / information to evaluate whether the contracts are achieving their objectives and desired outcomes. This information will be critical to inform the commissioning approach going forwards.
Domestic Abuse	<ul style="list-style-type: none"> • There was insufficient cross-organisational ownership, awareness and oversight of the Domestic Abuse Strategy, including monitoring the Strategy against delivery of outcomes.

3.1.12 **Table 2** on page 9 shows the assurances that Members have received (and are due to receive) mapped against the risks identified on the Corporate Risk Register. This map does not mean that the identified risks and associated controls are fully covered by our audits but indicates where Members may receive some assurance through our work.

3.1.13 ‘Failure to deliver a sustainable financial strategy’ is currently the net highest risk on the Corporate Risk Register. Our audit of Medium Term Financial Strategy – Planning, Forecasting and Governance Arrangements provides ‘Substantial’ assurance over many of the controls and processes in place to manage this risk, as far as possible. There remains considerable uncertainty and challenges in the financial outlook, due to inflation, demand and other pressures and so ongoing assessment, identification of savings opportunities, and monitoring will be required. This risk is interlinked with another net ‘High’ risk on the Corporate Risk Register – ‘Failure to deliver Transforming Bromley Programme’ as the Transformation Programme is crucial to the Council’s ability to deliver a sustainable financial strategy. Our separate audit of ‘Transformation’ also received ‘Reasonable’ assurance.

3.1.14 We have also finalised our audit of Personal Data Breaches with ‘Reasonable’ assurance (linking to the GDPR net high risk) and the Temporary Accommodation Housing Rents audit (linking to the TA net high risk). As a note of caution, both of these audits provide assurance over specific controls and aspects of the risk, rather than the risks in their entirety. Fieldwork is in progress against all other net ‘High’ risks except the Accommodation Move (for which proposed audit involvement is set out in the Audit Plan as a separate agenda item).

3.1.15 **Diagram 2** on page 10 shows the audits completed so far in 2023/24 as mapped to the ambitions set out in ‘Making Bromley Even Better’. Audits relating to Ambitions 1, 3 and 5

currently have all 'Reasonable' or 'Advisory' ratings, together with one 'Substantial' in Ambition 5. Audits to date relating to Ambitions 2 and 4 are discussed in 3.1.11 above.

3.1.16 We have highlighted below some emergent themes from our work in the first half of this financial year.

- Policies and Procedures – As with previous financial years, we continue to raise issues regarding policies and procedures which either have not been reviewed for some time or have not been reviewed in line with pertinent changes. For example, we have raised recommendations where systems had changed but the policies and procedures had not been updated to reflect the new systems or the associated processes. We also found policies that had not been updated for several years. A secondary finding was that policies themselves often do not have a stated owner / author or set out the expected frequency of review, meaning that updates can be overlooked as there is no clear timescale or responsibility.
- Collective Ownership – We raised recommendations in two of our audits around the need to consider how collective responsibility can work more effectively in areas that have cross-cutting relevance. This can of course be particularly challenging when resources are stretched and there are multiple and competing priorities.
- Project Management – We have undertaken two pieces of work relevant to project management (Housing Capital Schemes and Transformation). Whilst both of these audits received 'Reasonable' assurance, the organisation's approach to project management needs further refinement and clarity to ensure that expectations for project managers are clear and there is consistency across the Council. This will help to ensure that the Council targets resource effectively and realises the intended benefits of projects whilst managing associated risks.
- Quality Assurance – We have raised recommendations relating to Quality Assurance processes in three of our audits, either because the QA process was not clear or because the documented QA process was not happening in practice. QA processes have been a consistent finding across our audit work for the past two financial years.
- Document Storage and Retention – We have raised a small number of recommendations regarding effective electronic document management. Whilst this may appear a minor issue, as the Council progresses with the office move and associated 'minimal paper' expectation, it will be important to ensure that strong digital information management is in place.

Table 2 – Internal Audit Coverage of Corporate Risks

Risk	Current Net Rating	Audit Coverage 2023-24 to date	Outcomes
Failure to deliver a sustainable financial strategy	20	Transformation Medium Term Financial Strategy	Reasonable Assurance Substantial Assurance
Ineffective governance and management of contracts	8	Domiciliary Care Street Environment in fieldwork, 2 other contract audits in planning	Limited Assurance TBC
Failure to maintain and develop IT information systems	8	Social Care System review and Cloud Design and Migration in fieldwork	TBC
Cyber Attack and failure to comply with GDPR	15	Personal Data Breaches	Reasonable Assurance
Failure to maintain robust BC and EP arrangements	8	None – Supplier BC arrangements reviewed in 2022/23 contract audits	NA
Failure to deliver effective Children's Services	10	Two schools complete	Reasonable Assurance
Temporary Accommodation	16	TA and Housing Rents	Reasonable Assurance
Failure to deliver Transforming Bromley Programme	15	Transformation	Reasonable Assurance
Climate Change	8	None – Net Zero in 2022/23	Reasonable Assurance in 2022/23
Health and Safety (Fire and First Aid)	15	Corporate Health and Safety and ECS Health and Safety in fieldwork	TBC
Homes for Ukraine and other Refugee Programmes	16	Homes for Ukraine in fieldwork	TBC
Capital Financing Shortfall	12	Housing Capital Schemes	Reasonable Assurance
Operational Property Repair – Budget and Buildings Failure	12	Advisory work as required	NA
Recruitment and Retention	9	Recruitment and Retention audit planned	TBC
Accommodation Move to Direct Line Building	16	None	NA

Diagram 2 – Making Bromley Even Better



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. We follow up all recommendations and report progress to senior officers and Audit and Risk Management Committee. Follow-up work, monitoring and reporting are proportionate to the level of risk and we undertake more follow up testing for higher risk recommendations. Definitions of our priority ratings are set out in **Appendix B**.

3.2.2 **Appendix C** lists all Priority 1 recommendations open as from the previous report to Audit and Risk Management Committee in July 2023 and provides a status update against each one. We have raised three new Priority 1 recommendations since the last report in relation to three separate audits (Domiciliary Care, Highways and Domestic Abuse). We have also closed one Priority 1 recommendation in relation to Drainage Cleaning. There are currently six open Priority 1 recommendations, three of which are in progress and three of which (those recently added) are not yet due for follow up. Further detail is provided in the appendix.

3.2.3 **Appendix D** summaries the Priority 2 and 3 recommendations that were due for follow up between April and September 2023. We have closed all recommendations relating to audits of VAT, Public Health Covid-19 Lessons Learned and HMO Licensing. Of 48 recommendations in total that we followed up, 32 have been closed and a further 13 are in progress.

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. This has included specific advice on a relocation payment, manual invoice checks and financial set ups in schools. We have continued to attend, and provide relevant updates to, Corporate Leadership Team and Chief Officer Executive.

3.4 Quality of Internal Audit

3.4.1 Audit and Risk Management Committee have an important role to play in ensuring the effectiveness of the internal audit function. To facilitate this role, the service undertakes quality assurance activity, the results of which are regularly reported to Audit and Risk Management Committee.

3.4.2 As part of our QA activity, we undertook a self-assessment against professional standards and reported the outcomes of this to Audit and Risk Management Committee in June 2022, alongside the resultant action plan. Subsequently, in 2023, we had our External Quality Assessment of the service and reported this to Audit and Risk Management Committee in July 2023, including the recommendations and our planned actions for these. I have now amalgamated both into a single quality action plan and current progress against this action plan is reported as **Appendix E**.

3.4.3 We have made progress against the action plan, including developing and finalising the Audit Manual, which was a cross-cutting action for many of the areas. The team as a whole has now also completed some core training. Key outstanding actions are the development of an assurance map and a data analytics strategy. Both of these are likely to be impacted by the resourcing issues explained earlier in this report (paragraphs 3.1.4 and 3.1.5).

3.4.4 Members are asked to note that the Institute of Internal Auditors, our professional body, will be launching a revised set of professional standards before the end of the financial year and I anticipate that we will then have a further year to implement these. I was part of the working group for the Local Authority Chief Auditors Network (LACAN) which fed back during the

consultation on behalf of the group as a whole. In my view, if the Standards remain as proposed, we will need to invest a significant amount of resource (personnel time) to ensure that these are implemented in the Council. However, I will provide further updates as these become available.

3.4.5 At the March 2023 Audit and Risk Management Committee, Members agreed a revised set of Key Performance Indicators (KPIs) for the section and current progress against these is set out below. Three are to be reported at year end, but we are on target for the majority of other KPIs. We are not achieving delivery of draft reports by the dates set out in the Terms of Reference for the audit, although the gap between target and actual is currently less than for 2022/23. We continue to work on ways to improve our efficiency. The Council is also below target on management actions implemented. These are discussed in section 3.2 above and Appendices C and D.

	Description	Target / Measure	Year to date outcome
Management Actions	Percentage of recommendations accepted by management	90%	93% (all P1 and P2 recommendations accepted)
	Percentage of agreed management actions implemented	90%	P2 & 3 – 80% P1 – 71%
Efficiency	% of audit plan delivered	90%	To be reported at year end
	Target draft report dates achieved (from date on final Terms of Reference)	80%	20%
Value to organisation	% client satisfaction	90%	100% (but only one received)
	Coverage of high and significant corporate risks	Provided via assurance map	See Table 2, p9
	Coverage of strategic objectives	Provided via assurance map	See Diagram 2, p10
	Compliance with PSIAS (provided via internal self assessment and External Quality Assessment)	Generally Conforms (to PSIAS)	To be reported at year end
People Development	Completion of core training and development plan by financial year end	90%	To be reported at year end

4. Counter Fraud Activity

4.1.1 This report provides an update on both new and previous cases of fraud and special investigations. It also provides some information on pro-active fraud work.

Institute of Revenues Rating and Valuations (IRRV) Award

4.1.2 The Fraud service is provided by the Royal Borough of Greenwich who investigate all allegations of fraud and maintain the fraud register. In October 2023, the Greenwich Fraud Team won the Institute of Revenues Rating and Valuations award in the category of Protecting the Public Purse for their work across Royal Borough of Greenwich and London Borough of Bromley. They were able to demonstrate that their systems and processes adequately addressed the risk of fraud as well as putting in place measures to prevent, detect and investigate frauds. The criteria for the award was 'evidence of high performance that had secured a measurable impact on fraud prevention or detection'.

Fraud Referrals and Investigations

4.1.3 Between April and September 2023, a total of 147 referrals were received for investigation.

- 87 related to Blue Badges referred by Parking Services
- 24 were allegations received from members of the public (2 on the hotline, 4 emails and 18 through the LBB website)
- 18 were proactive investigations as a result of the SBRR exercise
- 5 were from Adult Social Care
- 4 were from the Advice and Benefits Team
- 4 were from another Local Authority
- 3 were from the DWP for joint working
- 2 were from Housing

4.1.4 The allegation types received for the 60 non Blue Badge cases were:

- 18 cases of Business Rates fraud (SBRR)
- 10 cases of Living Together as Husband & Wife
- 9 cases of Earnings / Undeclared Income
- 5 cases of Council Tax Fraud
- 3 cases of Direct Payment Fraud
- 3 cases of False Household Composition
- 3 cases of False Tenancy
- 3 cases of Vacated Address
- 1 case of False Identity
- 1 False Rehousing Application
- 1 Safeguarding case
- 1 case of subletting
- 1 case involving multiple claims across boroughs
- 1 case of Undeclared Capital

Blue Badge Fraud

4.1.5 Members will be aware of the activity by the Shared Parking Service to combat the criminal offence of Blue Badge misuse. Civil Enforcement Officers (CEOs) carry out inspections of vehicles displaying a Blue Badge to determine whether misuse is taking place. High rates of

prosecution success have been achieved through close working with the Greenwich Fraud Team.

4.1.6 Following the discovery of a Blue Badge misuse, information is collated, and the case passed to the Greenwich Fraud Team. Referrals 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.

4.1.7 The Greenwich Fraud Team 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 for final authorisation. Attendance at IUCs is still intermittent and quite often two or three interviews are scheduled before the individual attends. Feedback is also provided where evidence or process errors affect the suitability for prosecutions so that this can inform CEO training.

4.1.8 Prosecutions are undertaken by Bromley Legal Services utilising the Single Justice Procedure, although the defendant has the right to request a traditional hearing in an 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. 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 **Table 3** below provides a comparison of referrals received for the last four financial years and the current year to date. The figures demonstrate a steady increase in the numbers of new cases being referred since the drop in 2020/21 which was due to the pandemic.

Table 3 – Blue Badge Referrals

	2019/20	2020/21	2021/22	2022/23	2023/24 (April – Sept)
Total	129	22	64	80	87

4.1.10 **Table 4** below provides a comparison of Blue Badge outcomes for the last four financial years and the current year to date:

Table 4 – Blue Badge Outcomes

	2019/20	2020/21	2021/22	2022/23	2023/24 (Apr-Sep)
Prosecutions	46	57	27	50	26
Warnings	30	30	13	8	3
Cautions			3	5	4
Total	76	87	43	63	33

Cases Referred to DWP Single Fraud Investigation Service (SFIS) and Joint Working

4.1.11 19 cases have been referred to the DWP SFIS between April and September 2023. These related mainly to benefit cases where allegations of undisclosed income and living together were made. None of these have involved joint working. However, the DWP had separately

requested joint working for three cases, one was accepted and involved a vacated address since 2016 where Housing Benefit and CTRS had been in payment. No CTRS was in payment for the other two cases which were not accepted.

- 4.1.12 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. There were no Housing Benefit or Council Tax Reduction overpayments between April and September.
- 4.1.13 Between 1 April and 30 September 2023 there have been five cases of suspected Council Tax fraud. Four of these cases were referred to another LBB department to reassess the exemption and one exemption was removed. Three further Council Tax exemptions were removed as a result of investigations relating to false household composition.
- 4.1.14 There have been three cases of suspected vacated addresses. Two cases are still under investigation and one was referred to the Registered Social Landlord (RSL).
- 4.1.15 Following the June 2023 Fraud Awareness Training provided to Adult Social Care staff with a specific focus on Direct Payment Fraud, five cases were referred of which one is currently under investigation, one was a safeguarding assessment matter, two were referred to the DWP SFIS and one resulted in no fraud being proven.

Proactive Counter Fraud Work

Fraud Awareness

- 4.1.16 Throughout June and July, the Fraud Team provided fraud awareness training to Adult Social Care practitioners. The training was mandatory for all frontline staff and attendance was good. Since the training, we have received more referrals (see 4.1.15 above) from Adult Social Care which indicates that staff are now more alert to potential issues.

Small Business Rates Relief (SBRR)

- 4.1.17 In October 2022 it was agreed that the Greenwich Fraud Team would undertake a proactive exercise involving Small Business Rate Relief (SBRR) in place on hereditaments within the London Borough of Bromley. The exercise was conducted in two separate tranches. The first was conducted via interrogation of the Council's database where businesses who were shown as having more than one liability were examined to see if they held a SBRR in respect of one of their addresses and then examined to establish whether the SBRR was in place correctly. There are circumstances where a SBRR can be awarded or retained even though the business may be liable for more than one hereditament.
- 4.1.18 The internal matching exercise identified 34 potential instances where it was felt the SBRR in place required further examination. There were 17 instances where the SBRR was withdrawn from the NNDR accounts and this totalled just over £236,905. Some accounts had the SBRR withdrawn on a backdated basis over a number of years. None of the cases were found to warrant prosecution. In some cases, it was clear that the Council already held sufficient information that should have classified the account as ineligible to receive the SBRR. The Council's Contract Manager has put additional monitoring and quality assurance checks in place as a result of these findings.
- 4.1.19 The second tranche involved providing a data extract to an external company who matched Bromley SBRR data with data held by other Councils across the UK. The external matching exercise identified 51 potential instances where it was felt the SBRR in place required further examination. There were 27 instances where the SBRR was withdrawn from the account and this totalled just over £459,155. Again, some accounts had the SBRR withdrawn on a backdated basis over a number of years.

- 4.1.20 In addition, a further £40,000 was identified in Covid Small Business Grants that were linked to SBRR entitlement. As the business was ineligible for SBRR, had the account been correct at the time of the grant award they would have been ineligible to receive the grant. One business has already repaid the £10,000 grant in full.
- 4.1.21 A number of businesses were formally interviewed under caution with a view to criminal prosecution and two of the cases have now been referred to Legal Services for consideration.
- 4.1.22 We will provide a further update to this Committee once the exercise is finalised and closed.

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 Management 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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Temporary Accommodation and Housing Rents (fieldwork Quarter 4 2022/23)

Audit opinion	Reasonable
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The overall objective of this audit was to ensure that:

- Reliability and integrity of the housing rents system and tenant records are maintained;
- Rent and additional charges are completely and accurately identified and included in rent accounts promptly;
- Rent income arrears are promptly and effectively pursued and recovery is maximised.

Sample testing confirmed that rent charges for nightly paid accommodation had been correctly input to the housing management system. We also found that rent payments had been correctly applied to tenants’ accounts. There is an Evictions Referral Process which outlines how eviction referrals received from the Housing Accommodation Charging Team will be managed.

The key issues arising from our testing were that:

- Evidence of inspection visits could not be provided for our sample tested.
- Appropriate and timely action had not been taken regarding arrears management and debt recovery for 6/10 cases in our sample. This was partially due to issues with the new housing management system.

We raised two Priority 2 recommendations to address these issues and a further four Priority 3 recommendations for good practice.

Recommendation	Priority	Recommendation accepted?
Temporary Accommodation Property Checks	2	Yes
Arrears oversight	2	Yes
Tenancy evictions	3	Yes
New tenancy set ups	3	Yes
Approval of rent reconciliations	3	Yes
Approval of Policies and Procedures	3	Yes

Transformation (fieldwork Quarter 4 2022/23)

Audit opinion	Reasonable
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The overall objective of the audit was to review the delivery of the Council's Transformation Programme for two specific workstreams, Housing and Environmental Services. For this review we looked at the mechanisms in place to measure the success and effectiveness of Transformation projects.

We identified good practice and sound controls specifically, regular Transformation Board minutes and supporting papers on the Transformation SharePoint site; a designated officer responsible for Housing Transformation schemes (generating financial and project status information); regular budget review and liaison with service Heads of Finance; accurate financial reporting to management and the availability of a Project Management Toolkit and supporting templates.

Our review highlighted the following areas for development:

- There is a Project Management Toolkit and supporting documents including a Business Case template available on the Council's Sharepoint site, however none of the six projects selected for audit review had a standardised business case to establish the planned project outcome, financials and enable progress to be monitored, including non-financial benefits.
- The Transformation SharePoint site contained a lot of information, reports and minutes but they were randomly stored and not readily identifiable. There was limited information related to ECS projects on the Corporate Transformation site or collated information on the ECS Transformation site.

We made two Priority 2 recommendations which were accepted by management. We made a further good practice recommendation to set up a central register of all projects taking place across the Council. Management did not agree to this recommendation as in their view, development and maintenance of a register would require additional human resources and growth pressure.

Recommendation	Priority	Recommendation accepted?
Business Plan and Project Management Toolkit	2	Yes
Availability and Identification of Documentation	2	Yes
Central Register for Council Projects	3	No

Domestic Abuse (fieldwork Quarter 4 2022/23 & Quarter 1 2023/24)

Audit opinion	Limited
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The overall objective of the audit was to review the adequacy and effectiveness of the Council's arrangements to discharge its duties under the Domestic Abuse Act 2021.

Our audit highlighted areas of good practice including:

- Since the responsibility of Domestic Abuse transferred in November 2022, the Head of Service has embraced the challenges facing the service and has made good progress such as getting a new contract in place from April 2023.
- The Domestic Abuse (DA) Strategic Lead has established strong working relationships with partners and agencies. Partner support for the Domestic Abuse service was evident from feedback.
- The DA Strategic Lead and the Interim Community Safety Manager have both been proactive in addressing issues such as development of the action plans, evidencing achievements and the barriers to achievements.

Our review highlighted the following areas for further development:-

- The ownership and awareness of domestic abuse being a shared responsibility of everyone and every agency needs to continue to be embedded further. There was no comprehensive process to monitor the achievement of the five priorities within the Domestic Abuse Strategy.
- Feedback from officers was that there should be further clarity of the direction of the Strategic Board and that this needed more authority and the oversight of senior leadership.
- Domestic Abuse training is required for the Public Protection team and members of the Operational Forum and Strategic Board.
- There is no comprehensive risk register in place for the Domestic Abuse service to enable risks to be identified and managed.
- We were not provided with evidence to confirm that annual reports required under the Domestic Abuse Act 2021 had been completed and submitted.
- It has not been possible for the service to identify and appoint the DA Ambassadors, which is one of the DA Strategy priorities, as it is dependent on the DA Employee Policy being approved.

We made one Priority 1 and nine Priority 2 recommendations as set out in the table below. All recommendations have been accepted by management.

Recommendation	Priority	Recommendation accepted?
Domestic Abuse Strategy & Ownership	1	Yes
Operational Forum & Strategic Board	2	Yes
Domestic Abuse Training	2	Yes
Risks & Issues Log	2	Yes
Service Planning	2	Yes
Contract Management & Monitoring	2	Yes
Perpetrator Programme	2	Yes
Procedures, Processes & Access to Information	2	Yes
Local Authority Responsibilities under Domestic Abuse Act 2021	2	Yes
Domestic Abuse Employee Policy	2	Yes

Highways – Management of Major Works (fieldwork Quarter 4 2022/23)

Audit opinion	Limited
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The overall objective of the audit was to review the management of a sample of capital works to include controls in place to deliver to time, budget and quality. We also considered supplier Business Continuity arrangements.

In order to assess Highways works required, the service had undertaken a video condition survey of the borough using artificial intelligence, with data collected and analysed in order to identify priorities. For the individual schemes in our sample, this survey supported the need for the works and Members had approved the schemes. However, we were not provided with evidence of how all potential works identified through the survey were then selected and prioritised, so we are unable to verify the reasonableness of the prioritisation process.

Regular contract meetings are held with the contractor and we evidenced that progress reports regarding major works are reviewed and discussed at these meetings.

The service advised that prior to making payment for schemes, the Highways Inspector visits and remeasures the site. Once they confirm that this is satisfactory, payment will be authorised. However, we were not provided with evidence of this remeasurement process for any of the three completed schemes in our sample. Consequently, we could not confirm if the work completed was measured and that details of what was checked were sufficient to allow the Certifying Officers to satisfy themselves that the payment was accurate and due to be paid.

At the time of the audit, there were no procedure notes in place covering selection and prioritisation of schemes, inspections, payments, defects or supervision. Creation of consistent procedures will also help to address the issues above.

We have raised one Priority 1 and two Priority 2 recommendations.

Recommendation	Priority	Recommendation accepted?
Compliance with Financial Regulations	1	Yes
Procedure notes	2	Yes
Selection process	2	Yes

Gifts and Hospitality / Declarations of Interest (fieldwork Quarter 1 2023/24)

Audit opinion	Reasonable
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The objective of this audit was to review the adequacy and effectiveness of the Council's arrangements for the declaration of interests and gifts and hospitality by Members, officers and agency workers.

A data matching exercise conducted as part of the mandatory National Fraud Initiative (NFI) between Payroll, Companies House and the Council's Creditors data did not highlight any significant issues or conflicts. Minor clarifications have now been resolved.

The Code of Conduct for Members, last reviewed in October 2020, is comprehensive and in line with the current procedures followed by the Council. Members regularly declare their interest and update changes on the Bromley website. A clause on Gifts or Gratuities is included in the contract of employment for all staff and a clause on the Register of Officers' Interests for staff whose post requires it.

Our key findings were that:

- There was no evidence for approximately 25% of relevant staff that they had completed a Declaration of Interest
- Sample testing highlighted that Agency staff declarations had not been fully completed or appropriately counter signed
- The Council's Gifts and Hospitality Code of Conduct policy for officers was last updated in 2013. Review of arrangements across the Council highlighted inconsistencies in understanding and practice.

We raised three Priority 2 recommendations to address these issues, all of which have been accepted by management.

Recommendation	Priority	Recommendation accepted?
Employees' Declarations of Interest	2	Yes
Agency staff Declarations of Interest	2	Yes
Gifts and Hospitality Policy - Officers	2	Yes

Domiciliary Care (fieldwork Quarter 1 2023/24)

Audit opinion	Limited
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The overall objective of the audit was to review contracts to ensure delivery of domiciliary care is in line with service objectives, outcomes are being met, and value for money is being achieved.

We found that the contract specification for providers clearly aligns with the specific goals for re-modelling domiciliary care services. A domiciliary care provider forum takes place regularly and providers are encouraged to attend, either in person or virtually. There is a focus on information exchange, with presentations on key topics. A newsletter is sent out to all providers regularly.

A Trusted Assessor initiative is being introduced to apply a reablement based approach and enable domiciliary care providers to make timely changes to their provider support plans without the need for prior sign off from care managers.

Our review highlighted the following areas for development:

- From our examination of the contract monitoring arrangements and completion of the strategic contract management dashboard, there is a lack of evidence to demonstrate that the needs of clients, desired outcomes and expected quality care standards are being met.
- The Business Continuity Plan for one provider in our sample was dated February 2020 and therefore before the Coronavirus pandemic. One of the Business Continuity Plans in our sample contained no specific details of actions to be taken in the event of cyberattacks, server issues and/or issues with the interface.

In total we made one Priority 1 recommendation and one Priority 2 recommendation to improve the framework of controls, as set out in the table below.

Both recommendations were accepted by management.

Recommendation	Priority	Recommendation accepted?
Contract monitoring arrangements	1	Yes
Business continuity plans	2	Yes

Housing Capital Schemes (fieldwork Quarters 3 and 4 2022/23)

Audit opinion	Reasonable
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The overall objective of the audit was to review the effectiveness of controls over the monitoring of spend and delivery of the Housing Schemes within the Capital Programme and Housing Strategy to ensure that new build capital projects are delivered to time, budget and quality.

Our audit highlighted areas of good practice and sound controls such as Executive approvals for the projects, budget monitoring and effective progress reporting.

We made eight Priority 3 recommendations to further enhance controls in the project management areas set out below, five of which have been accepted by management. The remainder were not accepted as the service considered that they had already demonstrated that sufficient arrangements were in place.

Recommendation	Priority	Recommendation accepted?
Standard Business Cases and Benefits Management Plan and Realisation	3	No
Project Initiation Documents / Project Plans	3	No
Lessons Learned	3	No
Stakeholder Engagement and Communication Plan	3	Yes
RAID logs	3	Yes
Projects Risk Monitoring and Integration	3	Yes
Document Control	3	Yes
Governance Structure	3	Yes

Medium Term Financial Strategy (MTFS) – Planning, Forecasting and Governance Arrangements (fieldwork Quarter 1 2023/24)

Audit opinion	Substantial
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The overall objective of the audit was to review the effectiveness of controls over the financial planning process and a review of assumptions made, including documenting, approving and monitoring these. The audit did not seek to provide assurance over the accuracy and robustness of financial plans and budgets.

Through reports to full Council and the Executive, the Council has acknowledged that it faces considerable financial uncertainty in the medium term and that there remains a budget gap for future years to address.

Our audit found that there was evidence to support assumptions made in the current MTFS, that various services had contributed to the planning process, that the budget setting was subject to suitable challenge, that sufficient and detailed information had been presented to Members to enable them to make decisions and that budgets were regularly monitored.

Officers have identified the need to review both the Risk Management Strategy and the Financial Regulations and we included two Priority 3 recommendations to ensure that both of these key documents contain timescales for future review.

Both recommendations were accepted by management.

Recommendation	Priority	Recommendation accepted?
Risk Management Strategy and Toolkit	Yes	Yes
Financial Regulations	Yes	Yes

Personal Data Breaches (fieldwork Quarter 2 2023/24)

Audit opinion	Reasonable
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The objective of this audit was to assess the Council's response to personal data breaches in line with the Data Protection Act 2018 and to ensure that lessons are learnt from incidents to prevent reoccurrence.

Our analysis of the data breach incident log identified that a recurrent theme of personal data breaches is errors with emails, including emails sent to the wrong recipient. The Information Management Team evidenced that they have an action in progress to reduce the likelihood of email error by implementing an additional technical measure.

Appropriate information on reporting data breaches is readily available to staff via the intranet and the Council's policies align with legislation and Information Commissioner's Office (ICO) guidance.

Our key findings were that:

- There is currently limited corporate oversight and ownership of personal data breaches, to ensure that actions are implemented and lessons learned across the organisation. For 3/6 cases sampled, there was no evidence that actions to prevent reoccurrence had been taken within individual departments.
- Records of data breaches held by the Information Management Team were incomplete and, in some cases, inaccurate as, for example, five cases reported to the ICO or data subject had not been recorded as such on the central log.

We made two Priority 2 and one 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?
Strategic Oversight and Lessons Learned	2	Yes
Data breach records and investigations	2	Yes
Risk analysis and decision making	3	Yes

Pre-Employment Checks (fieldwork Quarter 2 2023/24)

Audit opinion	Reasonable
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The overall objective of the audit was to review the adequacy of pre-employment checks in design to mitigate recruitment risks including fraud and safeguarding, and the application of these in practice.

The design of controls in place for pre-employment checks is appropriate, covering employment history, references, medical clearance, DBS, vetting and qualification checks. Training and guidance has been given to officers within HR and any changes to legislation are identified by HR and cascaded to officers.

Our review highlighted the following areas for development:

- Policies and procedures do not fully reflect current working practices in HR and there are gaps in information in the Pre-employment Screening Policy.
- There is a monthly 'Audit spot checks' procedure, but we were unable to evidence when this was last carried out.
- The Council's Pre-employment Screening Policy sets out screening levels under a definition of 'High risk (Qualified/safeguarding roles)' and 'Low risk (Corporate roles)'. These definitions are not fully clear which roles are included in each level and also do not take into consideration risk factors other than safeguarding for specific employment roles and responsibilities.
- Best practice pre-employment checks to mitigate recruitment fraud were recommended by CIFAS in their 2022 publication 'Slipping through the net'. The gov.uk website also has an 'Employers' right to work checklist' for organisations to check prospective employees. We compared the checks set out in these publications against the design of the Council's controls currently in place and have suggested where the Council's control framework could be strengthened.

In total we made four Priority 2 recommendations and one Priority 3 recommendation. All recommendations were accepted by management.

Recommendation	Priority	Recommendation accepted?
Policies and procedures	2	Yes
Pre-employment checks carried out	2	Yes
Quality assurance	2	Yes
Assessment of high and low risk roles	2	Yes
Recruitment fraud and unsuitability mitigation checks	3	Yes

Southborough Primary School (fieldwork Quarter 1 2023/24)

Audit opinion	Reasonable
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The overall objective of the audit was to review the adequacy and effectiveness of the system of controls surrounding the financial administration of the school.

Our audit highlighted areas of good practice and sound controls including financial management, governance arrangements including budget approval, submission of VAT returns, monitoring of IR35 before engagement, management of the school's purchasing cards and monthly reconciliation of the school bank account.

However, we identified that there was no formalised procedure to monitor and recover debt. Invoices were not raised in a timely manner to collect income and there were inaccuracies on the letting forms; lettings had not been approved by the Head Teacher. An incorrect hirer's liability insurance policy had not been identified in pre-letting checks and the lettings policy incorrectly referred to the Council's insurers.

We also identified issues related to raising purchase orders, checking invoices and sourcing quotations for expenditure over £5,000. We noted that the IT asset register did not include the date of issue or disposal and the loans book and agreement forms were not updated timely. The contract register had not been updated since May 2022, did not reflect the current status of all contracts or include the start date and whole life value of each contract. There were no signed or dated pecuniary interest forms for current governors or staff with financial or procurement responsibilities.

We made five Priority 2 and one 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?
Lettings and income	2	Yes
Expenditure process	2	Yes
Asset Register and equipment loan book	2	Yes
Contracts register and contract monitoring arrangements	2	Yes
Declarations of interest	2	Yes
Documentation and Authorisation	3	Yes

St Olaves Grammar School (fieldwork Quarter 2 2023/24)

Audit opinion	Reasonable
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The overall objective of the audit was to review the adequacy and effectiveness of the system of controls surrounding the financial administration of the school.

We found that controls are in place and working well for financial reporting, committee reports and minutes, scheme of delegation, asset management, bank reconciliation, VAT returns and management of the purchasing cards.

Our review highlighted the following areas for development:

- Invoices for hire of the school pitch had been raised after the letting had taken place
- Purchase orders had not been raised in advance for 25% of payments sampled
- In two instances sampled the status of an individual had not been established when they were engaged to provide a service. In one instance payment was made before all parts of a service had been received.
- We were unable to ascertain from our examination of the Resources Committee minutes for the last twelve months when the contracts register had been presented to and approved by Governors.
- Declaration of Pecuniary Interest (PI) forms for three governors had not been completed and for another three governors the PI forms were for the previous academic year.

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

All recommendations made were accepted by management.

Recommendation	Priority	Recommendation accepted?
Income and lettings	2	Yes
Expenditure process	2	Yes
Compliance with IR35	2	Yes
Contracts and leases	2	Yes
Governors' pecuniary interests	2	Yes
Control accounts and cash flow reports	3	Yes
Loans book	3	Yes

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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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Appendix C - Priority 1 Recommendations

Report Number/Date	Title	Opinion	Details of original Recommendation	Responsible Officer	Lead Officer	Update October 2023
CEX/03/2018/AU Finalised 29.05.20	Controls to Mitigate the Risk of ICT System Failures	Limited	<i>Data Centre</i> 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 - A solution has been found but no dates have been agreed to undertake the necessary work.
PLA/02/2021 Finalised 28.09.22	Drainage Cleaning	Limited	<i>Performance Management</i> Although there is a KPI in place, the current arrangements for performance management are inadequate as they are not measuring contractual objectives within the overarching contract. A workaround needs to be done as a priority to enable access to the performance data. Technical guidance should be sought to enable the production of the supporting data retrospectively to date.	Director of Environment & Public Protection	Head of Neighbourhood Management	Closed - Implemented. The sub contractor is now providing data to support the Key Performance Indicators.
PLA/04/2022 Finalised 05.10.2022	Housing Allocations	Limited	<i>(Redacted)</i> This recommendation links to the review of the Housing Allocations Policy which is due for completion in February 2024.	Director of Housing, Planning and Regeneration	Head of Housing Allocations and Accommodation	In Progress - The Housing Allocations Policy is currently due to be finalised and approved in February 2024. One part of this recommendation relating to obtaining assurance on client checks undertaken by providers has been implemented.
PLA/06/2022 Finalised 28.9.22	Parks Management and Grounds Maintenance	Limited	<i>Client Monitoring Function</i> 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	In progress. The development of the service handbook/manual is still outstanding. Progress has been slower than originally expected because the contract owner was on sick leave from July 2023 and there has also been a change in the provider's contract manager. Parks for London are due to issue their revised Best Practice Manual and these standards will also be incorporated into the Council's manual where appropriate. The manual is near completion and will then need to be discussed and agreed with the service provider. This is currently envisaged to be the November Strategic Partnership Board.
PEO/11/2022 Finalised 22.9.23	Domiciliary care	Limited	<i>Monitoring arrangements to ensure that clients' needs, and desired outcomes are achieved, and standards of quality are met:</i> Management should review the sources and types of evidence that they will obtain to enable them to assess whether or not outcomes from domiciliary care provision are being met. This should include what key information is required, how it will be obtained, from whom and when, and how it will be analysed and reported to ensure that the needs of clients, desired outcomes and expected quality care standards are being met.	Director of Adult Services	Head of Service, Community Living Commissioning	Not yet due
PLA/05/2022 Finalised 24.08.22	Highways - Management of Major Works	Limited	<i>Compliance with Financial Regulations</i> Management should ensure that: i)the work completed are measured and details of what is being checked is sufficient to allow the Certifying Officers to satisfy themselves that the payment is accurate and due to be paid. ii)Supporting evidence for payment i.e. the Highways Inspector's emails to confirm the final site remeasurement are retained. iii)at least three designated officers were involved in the whole process (ordering / receipt of goods or services / payments approval). iv)All site visits by Highways officers, and their observations are recorded and retained.	Assistant Director, Highways	Highways and Street Lighting Manager	Not yet due
AW / 01 / 2022 Finalised 20.10.23	Domestic Abuse	Limited	<i>Domestic Abuse Strategy and Ownership</i> The Intergenerational Domestic Abuse Strategy needs to be embedded, further publicised, and communicated to all staff and agencies. This could be in part through the Domestic Abuse Employee Policy, when approved and published. This process could be assisted by the appointment of the Domestic Abuse Ambassadors. The Residents Policy should then follow subsequently. A comprehensive process to monitor and document achievement of the priorities within the DA Strategy, should be in place and overseen by the Strategic Board. There needs to be better engagement and acknowledgement of the shared responsibility and ownership in addressing Domestic Abuse throughout the Council, as it is everyone's and every agency's responsibility. The Council needs to embed this ownership, responsibility and awareness of Domestic Abuse, to all staff and services. This could be done through staff training. The Domestic Abuse Ambassadors could attend team meetings within services for the relevant areas, to further increase awareness, supported by the Domestic Abuse Employee Policy. The Bromley website should be updated with an easily accessible page detailing emergency contact details, the strategy and all help and support available.	Assistant Director, Public Protection	Domestic Abuse Lead	Not yet due

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Appendix D - Priority 2 and 3 Recommendations

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
Public Health Covid 19 Lessons Learnt	2	2	0	0
Creditors	3	2	0	1
VAT	1	1	0	0
Cash and Bank	4	3		1
Pre paid cards	5	2	1	2
QA - Childrens	3	1	0	2
Sickness Management	8	4	1	3
Housing Allocations	2	1	0	1
Net Zero	3	2	1	0
HMO Licensing	4	4	0	0
Complaints	7	6	0	1
Edgebury Primary School	2	1	0	1
Cyber Security	2	1	0	1
Parks Management and Grounds Maintenance	2	2	0	0
Totals	48	32	3	13

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Area for Development	Issue	Actions	Original Timeframe	Progress update October 2023
	<p>careful when allocating assignments to ensure rotation and objectivity, whilst making use of skills and experience.</p> <p>EQA raised issue around HAA independence re Financial Regulations responsibilities, and where audits take place in areas for which HAA responsible.</p>	<p>detailed planning about previous work in the area and any impact this may have</p> <p>3) Update the HAA job description to remove reference to reviewing and updating the Financial Regulations.</p> <p>4) Where the Head of Audit and Assurance has operational responsibility for an area to be covered in the internal audit plan, the Director of Finance should review and agree the terms of reference for the review, the draft report to be issued to management and the final report to be issued for the engagement.</p>	<p>embedded by March 2023</p> <p>30/09/2023</p> <p>As of date of next relevant review</p>	<p>3) Complete</p> <p>4) No relevant review to date</p>
IT Risks and Controls	Some staff did not feel confident auditing IT risks and controls.	1) Source and deliver training as part of the IA Training Plan	Mar-23	1) Complete – training provided in June 2023
Data Analytics	There is limited use of data analytics.	<p>1) Develop a data analytics strategy which includes training, skills and roll out</p> <p>2) Ensure auditors have opportunities to practice their skills within individual audits</p>	Mar-23	1&2) Two team members now part of the IIA Data Analytics Forum to assist with developing a strategy, to be complete by end March 2024 (to incorporate new standards)
Procedures	The Audit Manual has not been fully updated and disseminated since 2015.	<p>1) Update the Audit Manual and roll out to the Team</p> <p>2) The Audit Checklist should be amended so that the auditor can record where confidential information has been obtained during the audit</p>	<p>Dec-22</p> <p>31 July 2023</p>	<p>1) Complete.</p> <p>2) Completed as part of audit manual review</p>

Area for Development	Issue	Actions	Original Timeframe	Progress update October 2023
		and whether this information has been included in the report provided to management. Such information would then need to be redacted or removed when the final report is published.		
Reliance on other assurance providers	There is no defined process for identifying and placing reliance on other assurance providers. Relationships with EA are not well developed.	1) Assurance mapping included as part of the 2022-23 Internal Audit Plan 2) Develop process for placing reliance on other forms of assurance	Mar-23	1) Assurance mapping planned but not yet delivered due to reductions in staff hours, this work will be continued into 2023/24 2) Complete.
Audit Coverage	Internal Audit's role in providing assurance on, and promoting ethics and values, needs to be enhanced. Similarly, there has been limited work on strategic decisions although operational decisions are routinely covered.	1) Future audit plans need to consider assurance over ethical matters and strategic decisions making.	November 2023 onwards	1) In progress – assurance work is now covering strategic decisions. We will continue to develop assurances over ethical matters.
Fraud Risks	There is no fraud risk assessment for the organisation and the Counter Fraud strategy is due an update.	1) Update CF Strategy 2) Develop a fraud risk assessment	Nov 2022 March 2024	1) Complete 2) Not yet started, due end March 2024.
Consultancy work	There is no template for consultancy work, including the respective roles and responsibilities of both parties	1) Develop a template for consultancy Terms of Reference which includes roles and responsibilities of both parties	Jul-22	1) Complete

Area for Development	Issue	Actions	Original Timeframe	Progress update October 2023
Fieldwork	<p>Work programmes (RCMs) are inconsistent in detail and quality. RCMs do not always include how information will be identified, analysed, evaluated and documented, including how samples will be selected.</p> <p>There is limited evidence on file of RCM review and approval prior to fieldwork.</p> <p>Files do not always contain information on how processes are designed and meant to operate, in order to assess adequacy of design.</p> <p>The level of information and detail held on each file is mixed, some do not contain a sufficient level of detail to fully support conclusions and results.</p>	<ol style="list-style-type: none"> 1) Provide training on RCMs in team meeting 2) Review individual RCMs and provide follow up support / coaching as required 3) Planning checklist contains controls section to prompt process design work 4) Provide training on process mapping 5) Request process maps or procedure notes from clients where applicable, checking if correct. 	Dec-22	<ol style="list-style-type: none"> 1) Complete 2) Complete and ongoing 3) Complete but needs to be reviewed 4) Not started, to be scheduled for late 2023 / early 2024 team meeting depending on staffing numbers. 5) Ongoing - not yet fully consistent
Reporting	<p>Audit reports have not consistently acknowledged good practice as in some instances the report has been exception only.</p> <p>There is no defined process for releasing full (non redacted) reports to parties outside the organisation.</p>	<ol style="list-style-type: none"> 1) Ensure that all audit reports identify areas which are working well. 2) Determine a process for releasing full reports outside LBB. 	<p>01/05/2022</p> <p>31/10/2022</p>	<ol style="list-style-type: none"> 1) Complete. 2) Complete.

Area for Development	Issue	Actions	Original Timeframe	Progress update October 2023
Follow Up	<p>Follow up process newly developed and not embedded.</p> <p>Process for monitoring consultancy pieces of work not defined.</p>	<p>1) Continue to embed follow up process</p> <p>2) Review new process in September 2022 and make any amends.</p> <p>3) Define process for follow up of actions agreed as part of consultancy engagements</p>	Sep-22	<p>1) Complete</p> <p>2) Complete.</p> <p>3) Complete.</p>

Report No.
FSD23065

London Borough of Bromley

PART ONE - PUBLIC

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

Date: **Tuesday 7 November 2023**

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

Title: **INTERNAL AUDIT PLAN NOVEMBER 2023 - MARCH 2024**

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 2023 – March 2024 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 2023 – March 2024 (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: £640, 240
 5. Source of funding: General Fund
-

Personnel

1. Number of staff (*current and additional*): 6.5 Internal Audit staff (establishment)
 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 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: Some audits are designed to provide assurance on property-related risks and controls.
-

Carbon Reduction and Social Value

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

Impact on the Local Economy

1. Summary of Local Economy Implications: None
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing 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 The Public Sector Internal Audit standards 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 As with 2022/23, the Audit Plan for 2023/24 has been developed in two halves, with the April – October Plan approved by Audit and Risk Management Committee in March 2023. This approach is intended to make the Plan more flexible and to ensure that audits during the latter part of the year are still relevant and focused on the right areas.

Resourcing

- 3.3 Since our April - October 2023 Plan was approved, there have been significant changes to the resourcing of the Internal Audit team which have impacted on the available days for audit work. Reductions in available resource are largely due to:
- One team member has been on sick leave since the end of June 2023
 - One team member has been on secondment to the IT Project Team since early September; this secondment is due to last for the remainder of the financial year
 - One team member has handed in their resignation and their last day of service will be 2 January 2024, with an actual leaving date of 30 November 2023.
- 3.4 My current estimate of available audit resource for additional work is shown in the table below. Available days are the total days left once allowances have been made for annual leave, training, sickness and administrative tasks for example team meetings, 121s and all-staff briefings.

Available days for audit work November – March – internal resource		211
Less the activities below:		
National Fraud Initiative	5	
Follow up of recommendations	15	
Provision for completion of April – September work	165	
Net available days for additional audit work – internal resource		26
Add external contractor resource – already booked	42	
Total Available for additional audit work November 2023 – March 2024		68

- 3.5 The above resource estimate assumes that:
- We are unable to obtain any further contractor resource (although we will still endeavour to obtain additional resource within available budget so this estimate may change)
 - All work required on Risk Management and the Annual Governance Statement can be undertaken by the Head of Audit and Assurance (assistance is usually provided by the team member currently on sick leave)
 - We do not receive any whistleblowing or other investigations
 - There are no further changes to internal resource

- The team member on long term sick is unable to undertake any substantial audit work this financial year.

Internal Audit Plan

3.6 The overall aims of the Plan are to:

- Align to the strategic objectives and risks of the Authority
- Meet the needs of key stakeholders including Members, Chief Officers and senior managers
- Provide assurance on a sufficiently broad range of risks to ensure that an overall opinion on systems of risk management, governance and control can be provided at the end of the financial year
- Provide an appropriate balance of assurance and consultancy work – consultancy work is usually particularly valuable in times of change.

3.7 In compiling the Plan for the remainder of the financial year, I have reviewed our existing Plan, assessed our priorities and consulted with Chief Officers and their senior management teams. I have also taken into account risk registers, strategies, and our own knowledge of the organisation and the wider environment. Discussions with senior managers and Chief Officers have included whether any audits not already started should remain on the Plan or, whether any other areas should be prioritised instead. Finally, I have considered Internal Audit's ability to provide an appropriate balance of assurance and consultancy work, the latter being particularly relevant for significant projects including the accommodation move and operational property review.

3.8 The full draft Plan for the remainder of the financial year is attached as **Appendix A**.

- **Table 1, Appendix A** sets out the audits that have already been agreed as part of the April – October Plan, grouped by their current status.
- **Table 2, Appendix A** sets out the proposed additions to the Internal Audit Plan for the remainder of the year.
- **Diagrams 1 and 2, Appendix A** map the Plan as a whole against the current Corporate Risk Register and the MBEB ambitions.

3.9 We propose to remove two audits from the existing Plan (subject to Audit and Risk Management Committee agreement):

- Procurement of IT Service (Advisory) – We had allowed some time for this in the current financial year as a contingency to continue our work in from 2022/23, however this has not been necessary
- Leaving Care – This is likely to be subject to Ofsted in the very near future and so to minimise duplication and allow the team to focus on their preparation for Ofsted we propose to swap this audit for Children Missing Education.

3.10 The current resource estimate and the proposed Audit Plan do not allow for any contingency time. To provide some contingency and ensure that audit work is appropriately prioritised I propose that we undertake the following audits after other work and otherwise carry them forward to Q1 2023/24:

- Quality of Temporary Accommodation – This is because with the Temporary Accommodation & Housing Rents audit (reported as part of the Audit and Fraud Progress Report) and the pro-active counter fraud work in Temporary Accommodation, we already have some coverage of Temporary Accommodation risks. We raised one recommendation in our Temporary Accommodation & Housing Rents audit around property checks which is due for implementation by November 2023.

- Quality of Care (Adults) – We have discussed audit priorities with Adult Social Care and agreed that Safeguarding and Learning Disabilities are priority areas. We have carried forward two audits in this area from 2022/23 and we have also set aside some time for CQC preparation. We raised one recommendation around provider quality checks in our 2022/23 ‘Placements’ audit which is due for implementation by the end of December 2023.

3.11 Prior to presenting the Plan to Members for approval, we have also presented the draft Plan to Chief Officer Executive (COE) for review, comment and endorsement. COE have agreed the Plan as set out in Appendix A.

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.

9. PROPERTY IMPLICATIONS

Some audits are designed to provide assurance on property-related risks and controls.

Non-Applicable Headings:	Transformation / policy implications Carbon reduction / social value implications Impact on the Local Economy Impact on Health and Wellbeing Customer impact Ward Councillor views
Background Documents: (Access via Contact Officer)	None

Appendix A – Draft Internal Audit Plan 2023/24

Table 1 - Internal Audit Plan April – October 2023

The table below shows the Internal Audit Plan for April – October 2023 as approved by Audit and Risk Management Committee in March 2023. The Audit Plan has been broken down according to the current status of the individual audit. The table includes audits carried forward from the approved 2022/23 Internal Audit Plan that will now form part of the 2023/24 Annual Opinion.

Audit	Notes
Complete	
Temporary Accommodation Housing Rents (carried forward from 2022/23)	
Highways – Management of Major Works (carried forward from 2022/23)	
Transformation (carried forward from 2022/23)	
Gifts and Hospitality / Declarations of Interest (carried forward from 2022/23)	
Domiciliary Care (carried forward from 2022/23)	
Housing Capital Schemes (carried forward from 2022/23)	
Medium Term Financial Strategy	
Personal Data Breaches	
Schools Rolling Programme	Southborough Primary School and St Olaves Grammar School
Pre-Employment checks	
Domestic Abuse (carried forward from 2022/23)	
Draft Report Issued	
Discharge to Assess (carried forward from 2022/23)	Draft Report Issued 6 September 2023
Street Environment (Contract Management)	Draft Report issued 26 October 2023
Fieldwork	
Parking Income (carried forward from 2022/23)	
Social Care System Implementation Review	
Grant Assurance Work	Supporting Families September – Complete

	Disabled Facilities Grant – Fieldwork
Health and Safety Framework – Authority Wide	
Community Safety	
Health and Safety Framework – Environment and Public Protection	
Homes for Ukraine	
Contract Management – Property	
Children and Young People’s Mental Health and Emotional Wellbeing	
Planning	
Exchequer Services / Customer Services Contract Management	
Cloud Design and Migration Plan	
Quality of Accommodation (TA)	Paused due to staff sickness - <i>Proposed to start after other audits on the Plan – see 3.10 of covering report</i>
Not yet started	
Recruitment and Retention	
IT Procurement (Advisory)	<i>Proposed to remove from the Plan - see 3.9 of covering report</i>
CQC Inspection Preparation	
Learning Disabilities	
Safeguarding Adults	
Quality of Care – Adults	<i>Proposed to start after other audits on the Plan – see 3.10 of covering report</i>
Leaving Care	<i>Proposed to replace with Children Missing Education – see 3.9 of covering report</i>
Staff Wellbeing (carried forward from 2022/23)	

Table 2 – Proposed additional audits November 2023 – March 2024

The table below sets out our proposed additions to the existing Plan.

Audit	Provisional Outline Scope	Number of Days	Links to Corporate and Departmental Risk Registers
Payroll	Review of controls in place in the new system to ensure staff are paid accurately and on time, and to minimise risks of fraud and error.	15	HR&CS7
Drug and Alcohol Partnership	Review of the governance arrangements in place to ensure a safe and effective service and delivery of objectives. This audit will also include review of grant funding, as per grant conditions.	15	ACH8
Children Missing Education	Replaces Leaving Care. Review of the Council's approach to missing children to mitigate safeguarding risks and prevent repeat episodes.	15	CEF2, CEF11
Accommodation Move	Consultancy work to ensure that governance is sound and risks are effectively mitigated as the project progresses.	15	CRR20
Operational Property Review	Consultancy work to ensure that governance is sound and risks are effectively mitigated as the project progresses.	6	CRR18 and CRR19
SEND transport provider payments	Mini review to ensure that payments made to providers are supported by valid invoices for charges that have been incurred.	2	CEF6
Temporary Accommodation Pro active counter fraud exercise	Pro active counter fraud work to identify any properties which have been sublet or otherwise not used by the intended client.	NA – to be resourced via counter fraud contract	CRR9
	TOTAL DAYS	68	

Diagram 1 – Proposed Internal Audit Coverage for 2023 / 24 against ‘Making Bromley Even Better’ ambitions

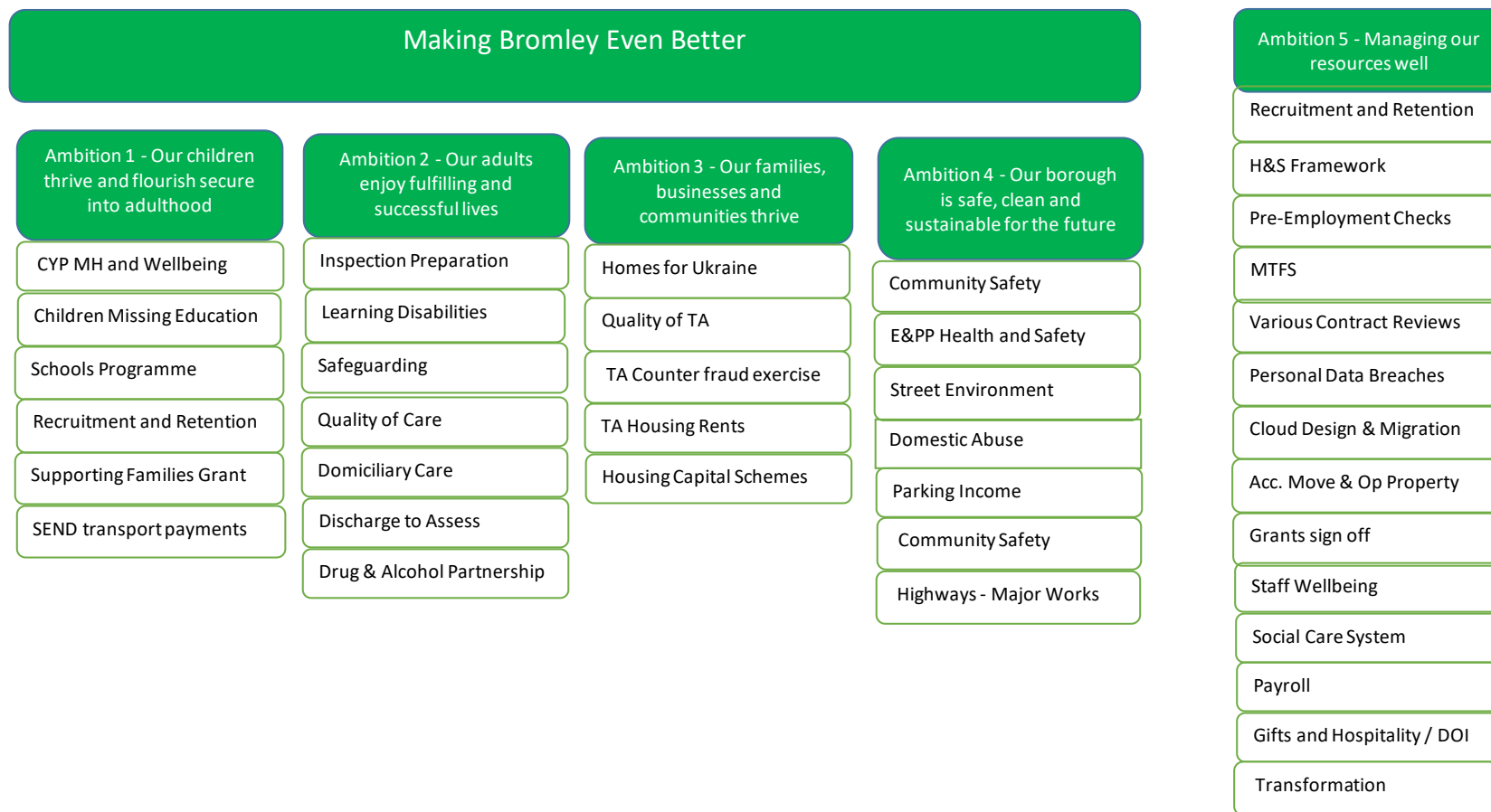


Diagram 2 - Internal Audit Coverage against current Corporate Risk Register

Risk	Current Net Rating	Proposed Coverage 2023/24
Failure to deliver a sustainable financial strategy	20	Medium Term Financial Strategy Transformation
Ineffective governance and management of contracts	8	Contract Management audits for Property Services, Street Environment, Children and Young People's Mental Health and Well-being, Exchequer & Customer Services
Failure to maintain and develop IT information systems	6	Cloud Design and Migration Plan Social care system implementation review
Cyber Attack and failure to comply with GDPR	15	Personal Data Breaches
Failure to maintain robust BC and EP arrangements	8	None - all contract audits in 2022-23 considered supplier BC arrangements.
Failure to deliver effective Children's Services	12	Children and Young People's Mental Health and Well-being Children Missing Education
Temporary Accommodation	16	Quality of Temporary Accommodation TA Housing Rents Pro active counter fraud activity
Failure to deliver Transforming Bromley Programme	15	Transformation
Climate Change	8	None (Net Zero audit in 2022/23)
Health and Safety (Fire and First Aid)	20	Health and Safety Framework Health and Safety - EPP
Homes for Ukraine	16	Homes for Ukraine
Capital Financing Shortfall	12	None (Capital Planning, Strategy and Monitoring audit in 2022/23)
Operational Property Repair – Budget and Buildings	12	Operational Property Review (ongoing advisory)
Recruitment and Retention	9	Recruitment and Retention
Accommodation Move to Direct Line Building	16	Accommodation Move (advisory)

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Report No.
FSD23064

London Borough of Bromley

PART ONE - PUBLIC

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

Date: **Tuesday 7 November 2023**

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, including additional commentary on net 'High' risks.

It also provides summary heat maps for Departmental Risk Registers.

2. **RECOMMENDATIONS**

Members are asked to review and comment on the Corporate Risk Register and Departmental Heat Maps.

Impact on Vulnerable Adults and Children

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

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.
-

Impact on the Local Economy

1. Summary of Local Economy Implications: None
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: None
-

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. The Corporate Risk Register is presented in full as **Appendix B** whilst the departmental risk registers are summarised as heat maps (**Appendices D to K**). The risk assessment guidance is attached at **Appendix A**.
- 3.2 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, alongside changes to net rating since the previous report. Departmental Risk Registers are also presented to the relevant Policy, Development and Scrutiny (PDS) Committees.
- 3.3 As requested at the Audit and Risk Management Committee meeting of 4th July 2023, risk owners have provided additional commentary for risks with a net 'High' rating. This commentary is attached as **Appendix C**.
- 3.4 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 Chief Officer Executive and the Corporate Leadership Team as a collective and each risk has an accountable owner. The Corporate Risk Register is reviewed on a quarterly basis by Chief Officer Executive and Corporate Leadership Team and was last reviewed in September 2023.
- 3.5 Key changes to the Corporate Risk Register (**Appendix B**) at the last review are as follows:
- No risks have been added or removed
 - The gross and net scores for the 'Recruitment and Retention' risk have reduced which reduces the overall risk from 'High' to 'Medium':

	July 2023	September 2023
Gross Score	25	12
Net	16	9

- 3.6 The Director of Human Resources, Customer Services and Public Affairs has advised that the scoring has been reduced to reflect the current position as per the available data however the situation could change and therefore will continue to be closely monitored.
- 3.7 There have been minor changes to some causes, effects, controls and actions to better reflect the current situation and the arrangements that are in place.
- 3.8 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 Information Governance, Health and Safety, Business Continuity and Insurance. The CRMG met most recently in September 2023. A further meeting has been set up for December 2023 as a 'collective challenge' session to scrutinise departmental risk registers.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

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

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 H. 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 J. Where applicable, the risk category in all risk registers is reflected as 'Personnel, Operational'. The Council takes seriously the health and safety of its staff and third parties' staff on Council premises and hence every reasonable/proportionate step will be taken to fulfil the Council's moral and legal duty of care.

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:	17 10 23
					LIKELIHOOD	IMPACT	RISK RATING	LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED		RISK OWNER		
					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 2023/24 Draft Budget report to Executive identified the need to reduce the Council's 'budget gap' of £29.6m per annum by 2026/27. The Council received a one-year financial settlement for 2023/24, with various funding allocations for 2024/25 which creates uncertainty on funding levels for the medium term. The fundamental review of local government funding through the Fair Funding Review and Business Rate review is now expected to be delayed until at least 2026/27 which adds to financial uncertainty in considering the impact on the financial forecast for 2024/25 to 2026/27. Apart from cost/growth pressures relating to SEN, social care and homelessness, the significant cost increases relating to inflation continue for some time and uncertainty on the future timing of the Adult Social Care Reforms remain. These factors can have a significant impact on the future years' 'budget gap' identified above. More background is included in the Draft 2023/24 Budget and Update on the Council's Financial Strategy 2024/25 to 2026/27 report to Executive on 18th January 2023 and 2023/24 Council Tax report of 8th February 2023. 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 (reforms and ageing population); Children's Social Care, Education (central costs, high needs transport and DSG deficit), Waste (growing number of households) and limited delivery of planned mitigation savings. Dependency on external grants to fund services (schools and housing benefits are ring-fenced) - effect if grant reduces (Public Health services) or ceases. Increases in national living wage will have cost implications to the Council over the next few years (e.g. care providers and carers). Local government may be required to take on new funding responsibilities in the future without adequate funding. Impact of future welfare reforms. Ongoing risk of inflation exceeding Bank of England inflation target levels. Failure to identify and highlight frauds and weaknesses in the system of internal control (which invariably have a financial impact). Overall, identified fraud losses are mainly benefit related (Council Tax Support / Single Person Discount). <p>Effect(s):</p> <ol 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	- Regular update to forward forecast - Regular analysis of funding changes and new burdens including full year impact - 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	4 5	20	The Council continues to explore transformation opportunities to help meet the ongoing budget gap
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> <ol 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	- 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 - Quarterly RAG rated contract reports to COE/CLT with individual reports to Contract Owners - Procurement Board oversight - Member scrutiny including regular Contract Monitoring Reports for £500k+ contracts - Regular programme of training delivery to staff - Quarterly Contract Owners meetings	2 4	8	- Contract Management guidance on toolkit to be reviewed - Ongoing training delivery - Sample check of contract management and contract monitoring arrangements across Council - Review of Third Party Spend, identification of any issues and follow up for remedial action and key messaging - 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"> Some information systems not fully fit for future business purpose Insufficient capacity and skill within Corporate IT and services to maintain and support systems during a period of significant change and in the future, including for individual systems 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). - (Phase 2 upgrade of website planned) IT failure impacting on critical operational systems. Over the next 3 years we will need to undertake gateway reviews / procurement plans for Council's business critical systems for example, Uniform, Housing info system and Education's Capita One system plus the main LBB website Transfer of IT contract to a provider following procurement process Potential risk in transferring from one site to another if there is lack of adequate support and sufficient timeframe <p>Effect(s):</p> <ol style="list-style-type: none"> Service disruptions Inability to access key systems Reputational damage Inability to support organisation change and savings targets Failure to achieve our MBEB priorities. 	ICT Data and Information Technological	3 4	12	Robust backup arrangements in the new accommodation Enhanced antivirus/cyber security, tested system restoration arrangements. Cloud migration project New contract Accommodation better equipped to support resilience	2 4	8	Review data storage /hosting arrangements. Completion of cloud migration, office accommodation, contract procurement and award	Director of Corporate Services supported by AD IT				
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> <ol style="list-style-type: none"> Service Disruption Data loss Inability to access systems ICO Fine 	ICT Data and Information Technological	4 5	20	- information governance training provided to all officers - system security reviews - ITHC/PSN Compliance reviews (Annual) - SIEM system monitoring - Data Protection Impact Assessments - ongoing vulnerability management through Tenable system - phishing exercises to raise awareness - PCI DSS compliance reviews (Quarterly)	3 5	15	review and implementation of retention schedule in all systems hosting data - Further phishing exercises - increased training and awareness of Cyber Security - continuously improve technical measures to assist Cyber Security, Data Management and Data Search - Security Operation Centre(SOC) will be implemented by December/January which will proactive monitoring all of the LBB Data and Infrastructure.	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> <ol 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	3 4	12	- 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	2 4	8	- CLT to continue drive of business continuity management programme - Further development of Business Continuity response to a cyber attack - Further development of corporate business continuity plan following completion of directorate testing and exercising regime	Director of Environment and Public Protection				

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)			CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	RISK OWNER		
					Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating	FURTHER ACTION REQUIRED			
8	Corporate Risk	Failure to deliver effective Children's services The Council is unable to deliver an effective children's service to fulfil its statutory obligations in safeguarding and protect those at risk of significant harm or death, sexual exploitation or missing from care	<p>Cause(s):</p> <ol style="list-style-type: none"> Inability to recruit and retain sufficient numbers of staff to carry out statutory duties across the division to manage current levels of demand <p>Effect(s):</p> <ol style="list-style-type: none"> Impact on life chances and outcomes for children Adverse inspection leading to reputational damage and further operational difficulties (staff leave etc) 	Children's Social Care Legal, Reputational	3	5	15	2	5	10	<p>- Multi Agency Bromley Children's Safeguarding Partnership (BCSP) Training programme 2023/24 has been agreed.</p> <p>- 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 to ensure we have a broad and comprehensive approach. We are also currently actively recruiting from overseas.</p> <p>- Scrutiny of Performance Management Framework and Indicators</p> <p>- Effective procurement framework and contract monitoring arrangements to ensure acceptable quality of service provision and value for money</p> <p>- Quality Assurance Audit Programme continues to be in place. We have also added "Dip Sampling" of cases to the ways in which we are auditing quality of practice.</p> <p>- Children's Service Practice Improvement Board; this meeting continues to be the key forum for discussing and evaluating the quality of practice.</p> <p>- Continued monitoring of caseloads to keep these in line with the Bromley Caseload Promise.</p> <p>- Identified training plan for qualified social workers and other professionals reviewed and updated quarterly</p>	<p>- Phase 3 'to excellence' plan continues with Performance Improvement Board (PIB) sessions continuing to be held quarterly.</p> <p>- Practice review cycle has continued as has Practice Assurance Stocktakes (PAS)</p>	17 10 23	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. 15 per month). Lack of local affordable sustainable options Rising energy and other costs households facing increasing risk of homelessness Uncertainty around the impact of move on requirements for schemes such as Homes for Ukraine, Afghanistan resettlement programme <p>Effect(s):</p> <ol 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 unsuitable accommodation and increased risk of Out of Borough Placements Increased risk of legal challenge due to provision of unsuitable accommodation (including shared accommodation) Pressure on other services Increase in the number of out of borough placements 	Housing Social	5	4	20	4	4	16	<p>- Focus on preventing homelessness and diversion to alternative housing options through:-</p> <ul style="list-style-type: none"> Landlord and Tenancy advice, support and sustainment Assistance, (including financial aid) to access the private rented sector Access to employment and training Debt, money, budgeting and welfare benefits advice, including assistance to resolve rent and mortgage arrears <p>- Sanctuary scheme for the protection of victims of domestic violence</p> <p>- Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money -</p> <p>- Development of social housing on LBB sites and implementation of Meadowship Homes acquisition</p> <p>- Implementing the Homelessness Strategy - setting up the multi agency Homelessness forum and taking forward the priorities of the strategy</p> <p>- New incentive campaign for private sector landlords embedded and benefits being realised</p>	<p>- Phase 2 of meadowship homes property acquisition now live. Approval to progress with a further 3 housing sites under the LBB affordable housing delivery programme</p> <p>- ongoing conversion of tenancies in the More Homes Bromley scheme from temporary to permanent</p> <p>- Undertake rolling programme of SLA agreements and quality assurance programme for TA to ensure that accommodation procured meets all required accommodation standards</p> <ul style="list-style-type: none"> Review requirement for block bookings to ensure sufficient TA supply Undertake a review of the support and incentives provided to increase access to private sector accommodation. 	Director of Housing, Planning and Regeneration	
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 required to deliver a balanced budget in the Medium Term Financial Strategy 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. <p>Effect(s)</p> <ul style="list-style-type: none"> Inability to address the Council's budget gap. Unable to meet key commitments of the Medium Term Financial Strategy 	Finance Financial	4	5	20	3	5	15	<p>1. Robust governance process: fortnightly meetings of the Transformation Board, chaired by the Chief Executive and attended by Chief Officers</p> <p>2. Each Transformation Board workstream attends the Transformation Board before proposals are reviewed by Cabinet/Directors, PDS Committees and the Executive.</p> <p>3. Each Transformation workstream has appropriate resources to successfully deliver proposals</p> <p>4. Monthly Transformation newsletter in place to appropriately engage with key stakeholders</p> <p>5. Where transformation proposals have public law implications, an appropriate assessment is carried out and stakeholders are engaged, including Procurement and Legal Services.</p> <p>6. Each Chief Officer gives an update at their respective PDS Committee(s) on Transformation progress</p> <p>7. Transformation Fund supports the successful delivery of transformation proposals subject to a suitable business case being provided</p> <p>8. 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</p> <p>9. All relevant proposals will be submitted to the Executive to inform budget setting for MTFs.</p> <p>10. Finance provide assurances through budget monitoring to ensure that agreed mitigation and transformation programmes are on track to deliver the savings identified. Where Directors declare a deviation from the plan, alternative proposals are sought for approval.</p>	<p>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.</p> <p>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.</p> <p>Timeframe against which savings proposals are established and agreed to enable a balanced MTFs.</p> <ul style="list-style-type: none"> Nov/December 2023, Options consulted, EIA, discussed at PDS committees and Executive January 2024, MTFs discussed and agreed at ERC PDS and Executive 26 February 2024, Approval of budget at "Special Budget Council" 	Chief Executive	
13	Corporate Risk	Climate Change Failure to adapt the borough and Council services to our changing climate	<p>Cause(s)</p> <p>Severe weather events including extreme heat, storms, floods etc</p> <p>Effects</p> <p>Resulting in threats to service service provision, environmental quality and residents' health in addition to reputational damage caused by perceived lack of action to tackle climate change</p>	Service Delivery	3	4	12	2	4	8	<p>1. Emergency Planning to liaise with Public Health on cross-cutting issues e.g. excess summer deaths and vector-borne disease etc.</p> <p>2. Detailed climate action plan developed as part of ongoing Carbon Management Programme, in order to achieve net zero organisational carbon emissions by 2027.</p> <p>3. Public signposting document to be developed early in 2023/24 to support homeowners and businesses to reduce their emissions.</p>	Director of Environment and Public Protection		

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)			CURRENT RISK RATING (See next tab for guidance)			DATE COMPLETED:	17 10 23	
					LIKELIHOOD	IMPACT	RISK RATING	LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER	
													EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK
14	Corporate Risk	Health & Safety (Fire and First Aid) Non compliance with legislation	<p>Cause(s)</p> <ol style="list-style-type: none"> No trained fire responsible person (legal) for some sites Insufficient numbers of trained fire wardens working from the site to safely manage an evacuation (in accordance with the Fire Risk Assessments). Insufficient fire safety and fire fighting equipment and insufficient first aid supplies Property related issues Insufficient numbers of trained first aiders working from site to ensure sufficient first aid cover Insufficient arrangements for monitoring who is onsite at any given time Fire risk assessments not undertaken <p>Effect(s)</p> <ul style="list-style-type: none"> Non compliance with legislation which could lead to legal and financial consequences Inadequate plans for fire safety and evacuation 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 Reputational Legal Physical Personnel	5	5	25	<ul style="list-style-type: none"> Reduced number of staff on site Check in and check out arrangements adopted at the Civic Centre site New fire evacuation instructions for the Civic Centre site published All staff required to complete fire prevention and evacuation e-learning course Currently trying to recruit more volunteers to be fire wardens and first aiders To encourage people to become fire wardens and first aiders, monthly allowance volunteers receive was increased Fire Safety is standing item at Corporate Health and Safety Committee New Fire Safety policy published Arrangements for new accommodation implemented and are under constant review 	3	5	15	<ol style="list-style-type: none"> Learning and Development arranging fire responsible person, fire warden and first aider training. Facilities Management to ensure Fire Risk Assessments are completed. Facilities Management to engage fire safety supplier to produce Emergency Plans. Civic Centre Emergency Plan is to include the 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. Fire safety documents to be stored corporately to retain corporate knowledge and ensure regularly reviewed. Fire Safety to be added to COE agenda as a standing item. Fire drills to be undertaken. Alternatives to current Civic Centre check in and check out arrangements to be reviewed due to issues with current arrangements. Out of normal office hours arrangement to be reviewed. 	Director of Human Resources, Customer Services and Public Affairs
15	Corporate Risk	Homes for Ukraine and other Refugee programmes 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> <ol 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 Impact on available accommodation to meet other statutory duties 	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. Approval given to continue to operate the dedicated team for the next twelve months Deliver incentive scheme for hosts prepared to extend sponsor placement Continue to extend and deliver range of floating support schemes Implement dedicated housing advice role to offer intensive support to families at risk of placement breakdown Ongoing dialogue with sponsors to enable modelling of when placements may come to an end Implementing the re matching service 	Director of Housing, Planning and Regeneration
16	Corporate Risk	Capital Financing Shortfall Risk of significant costs increase in the Capital Programme and possible reductions in proceeds from disposals could impact on the Council's ability to fully fund the Capital programme	<p>Cause(s):</p> <ol style="list-style-type: none"> Property price reductions as a result of the economic environment could have a negative impact on sale proceeds. Limited scope to identify further Council assets for disposal Significant increase in cost of capital schemes due to inflation and supply issues requiring an increase in funding Significant additional costs and future liabilities across the Council's operational estate arising from any further condition survey liabilities not identified at this stage. Requirement to obtain funding for significant new Housing Schemes and impact of higher borrowing costs In January 2023, a report titled Capital Strategy 2023-24 to 2026-27 and Q3 Capital Programme Monitoring to Executive identified a significant increase in the Council's capital programme and resulting funding proposals given the factors identified above there is a risk that significant changes in cost and proceeds could create a new capital financing shortfall that needs to be addressed. The full funding identified excludes the potential works relating to potential works on the Churchill Theatre and library with proposals expected to be reported to Members later this year. Only limited earmarked reserves available to support the capital programme, once other pressures (inc revenue budget gap) are factored in. <p>Effect(s):</p> <p>Without alternative funding, the Council would require drawdown from revenue resources. This would increase the Council's revenue budget gap. Or many schemes would not progress due to lack of funding available although the scope to do this may be limited given the critical nature of some of the works required.</p>	Economic - Strategy	4	4	16	<ol style="list-style-type: none"> Fundamental review of capital programme undertaken to inform updated Capital Strategy 2023/24 to 2026/27 as reported to Executive in January 2023 - this includes full capital programme, approved asset disposals, mitigations and agreed financing options. Regular reporting to Members via SAG, FSG and Executive Tight control and scrutiny [by finance] of capital spending commitments as they reach the level of business case. Quarterly capital programme monitoring reports to Executive. Current programme has now had funding agreed (ie Members have approved PWLB borrowing to refinance existing housing schemes (£50m via PWLB) and the additional option of up to £10m support from the Council's revenue earmarked reserves). 	3	4	12	Director of Finance	
17	Corporate Risk	Operational Property Repair The OPR Programme cannot be delivered to budget and within programme	<p>Cause(s):</p> <ol style="list-style-type: none"> That building cost inflation and other economic uncertainties continue The scope of works required exceeds the budget The programme continues beyond the time anticipated Resource to deliver the programme not available as anticipated <p>Effect(s):</p> <ol style="list-style-type: none"> Not all works required can be implemented Impacted properties may continue to have repair liabilities beyond those anticipated Impacted properties may not be compliant for building regulations and health & safety Works continue beyond the end of the anticipated programme 		5	4	20	<ul style="list-style-type: none"> Surveys undertaken across the portfolio, Cost estimates undertaken utilising average cost per m², Executive Report on findings of the review and proposed capital works to refurbish the properties agreed at Full Council in Dec '22 Ensure alternative and adequate resources are available 	4	3	12	Monitor costs at Programme Board	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:	17 10 23
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER
18	Corporate Risk	Operational Property Repair Buildings within the OPR Programme fail prior to commencement of works	<p>Cause(s):</p> <ol style="list-style-type: none"> 1. Infrastructure that is beyond economic repair fails <p>Effect:</p> <ol style="list-style-type: none"> 1. The property cannot be occupied 2. A Council service or stakeholder is unable to continue to offer a service from the property 3. There is a health & safety incident 5. The Council suffers financial and/or reputational loss 		5	4	20	Works on properties known to be at risk are being accelerated	4	3	12	Monitor Facilities Management reports of infrastructure failure	Director of Housing, Planning and Regeneration
19	Corporate Risk	Recruitment and Retention Ineffective recruitment and retention strategies for hard to fill posts	<p>Cause(s):</p> <ol style="list-style-type: none"> 1. Physical environment/hygiene facilities 2. Culture 3. Increasingly fluid market 4. Increases in demand and/or reductions in supply 5. Lack of experienced staff in the labour pool 6. Budget constraints 7. Lack of leadership 8. Failure to compete with other organisations to recruit the highest quality candidates to build an agile work force 9. Cost of living rises deter potential candidates from working in London 10. Recruitment can fluctuate due to external pressures <p>Effect(s):</p> <ol style="list-style-type: none"> 1. Potential service delivery impacts 2. Increased costs due to use of agency workers 3. Reduction in quality of service 	Personnel / Operational	3	4	12	<ol style="list-style-type: none"> 1. Horizon scanning to anticipate changes and trends to staff complement 2. Keeping up to date on national trends for hard to recruit professions 3. Case load review 4. Review of pay and comparison with neighbouring LAs 5. R&R Board to regularly review 6. No Quit Policy in place 7. Implement grow your own initiatives e.g. senior practitioners progression pathway, training pathways for social workers, graduate trainees, apprentices 8. Overseas recruitment 9. Signed up to the London Pledge - all Councils have a memorandum or understanding to pay social workers same rate 10. LBB staff present at recruitment fairs/events 11. Dedicated HR team to support managers in recruiting hard to fill positions in CSC and Education 12. Recruitment drive to convert locums to permanent staff 13. Exit interviews to understand why staff leave 14. Recruitment event took place in January 2023 	3	3	9	<ol style="list-style-type: none"> 1. Review of retention strategies 2. Development of a Talent Management Strategy 3. Consideration to resurrect 'Future Leaders Programme' 	Director of HR, Customer Services and Public Affairs
20	Corporate Risk	Accommodation Move to Direct Line Building	<p>Cause(s)</p> <ol style="list-style-type: none"> 1. Purchase is not financially viable. 2. Scope Creep 3. Conflicting Council Priorities and resources 4. Building not ready for occupation 5. Unable to dispose of the Civic Centre 6. Unable to Maintain the Building 7. Dual running costs of 2 sites 8. Lack of as is surveys and drawings <p>Effect(s):</p> <ol style="list-style-type: none"> 1. Overspend on the capital and revenue budgets. 2. Unable to occupy the building. 3. Subject to circa £40m of works on the Civic Site 4. Wasted costs on the due diligence work 5. Public and staff dissatisfaction 6. Reputational damage 7. Financial implications of not being able to dispose of CC site including ongoing dual running costs 	Financial & Political	5	5	25	<p>Building purchased and Phase 3 level 2/3 operational for a number of staff classed as early movers</p> <ul style="list-style-type: none"> - Subject to member approval Awarded the contract for the refurbishment works - 2 stage tender process so that we can work in partnership with teh awarded contractor to work up the final desk and costs - Engaged key property consultants to market the civic centre site and already and a lot of interest already - Key workstreams up and running with oversight through a Programme Board and COE 	4	4	16	On-going monitoring as one of the Council's biggest Capital Programme with clear governance process in place and oversight through COE.	Director of Environment and Public Protection

Appendix C – Corporate Risk Register Net ‘High’ Risks – Further Commentary

Corporate Risk Register			
Risk Title & Descriptor	Risk Owner	NET score and risk rating	Commentary
<p>Financial Strategy <i>Failure to deliver a sustainable Financial Strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget</i></p>	<p>Director of Finance</p>	<p>20 - High</p>	<p>Local Government faces the challenge of the impact of inflation, service and cost pressures continuing to reflect demographic changes and new burdens whilst income from council tax and government funding is not expected to be able to keep pace with inflation and other cost pressures. There is an increase in reported Section 114 notices and capitalisation directions which is a sign of deteriorating financial position facing local authorities. Although these were initially caused by poor governance and financial management, more are expected as due to the ongoing funding challenges, whilst needing to maintain statutory services. This Council has a statutory duty to have a balanced budget and the funding challenge is also faced by this Council as reported to Executive and Council as part of the annual budget process.</p> <p>The transformation programme and options to generate income will continue but the scale of cost pressures including housing, adult and children’s social care and special educational needs (and possibly higher inflation in the future) creates a deteriorating financial position in the medium to longer term.</p> <p>Bromley is ‘better placed’ than many authorities but the significant financial challenges remain. The awaited Government review of local government finance continues to be deferred and is not expected until at least 2026/27.</p>

			<p>On that basis, the significant financial sustainability risk is likely to remain in the medium to longer term without a fundamental review of local government finance.</p> <p>Work will continue to deliver a balanced budget but the ongoing financial sustainability challenge remains.</p>
Cyber attack and failure to comply with GDPR	Assistant Director – IT	15 – High	<p>Review and implementation of retention schedule in all systems hosting data</p> <ul style="list-style-type: none"> - Further phishing exercises - increased training and awareness of Cyber Security - continuously improve technical measures to assist Cyber Security, Data Management and Data Search - Security Operation Centre (SOC) will be implemented by December/January which will proactive monitoring all of the LBB Data and Infrastructure.
Temporary Accommodation - <i>Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homeless budgets</i>	Director of Housing, Planning and Regeneration	16 – High	<p>Increases in homelessness and the use of temporary accommodation is being faced particularly in London and the Southeast. With increased difficulty in procuring sufficient supply of accommodation and significant price increases all placing an upward pressure. Phase 2 of the Meadowship acquisition programme is a 2-year acquisition programme overseen by the Meadowship board (the 2 leads are the Director of HPP&R and Head of Finance). The housing sites delivery programme current has 2 sites underway and a further 3 sites now approved. This is a 3-year programme overseen by the AD Culture and Regeneration. Conversion of the More Homes Bromley tenancies is an ongoing programme as these become available for letting overseen by the AD Housing. Review of landlord incentive to be completed by January 2023 – lead Head of Housing Allocations and Accommodation and runs alongside</p>

			<p>on-going negotiations for block booking arrangements and inspections against the SLAs to ensure standards are met.</p> <p>Officers also continue to engage with the market to explore all potential schemes which may increase supply and these are brought to members for consideration when such scheme opportunities arise. Progress against actions is reviewed minimum quarterly.</p>
<p>Failure to deliver the Transforming Bromley Programme</p>	<p>Chief Executive</p>	<p>15 – High</p>	<p>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.</p> <p>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.</p> <p>Timeframe against which savings proposals are established and agreed to enable a balanced MTFS.</p> <ul style="list-style-type: none"> • Nov/December 2023, Options consulted, EIA, discussed at PDS committees and Executive • January 2024, MTFS discussed and agreed at ERC PDS and Executive • 26 February 2024, Approval of budget at “Special Budget Council”.
<p>Health and Safety – (Fire and First Aid)</p> <p><i>Non compliance with legislation:-</i></p> <p><i>(i) Regulatory Reform (Fire Safety) Order 2005, as amended by</i></p>	<p>Director of HR, CS and PA</p> <p>Director of Housing, Planning and Regeneration</p>	<p>15 – High</p>	<p>Due to the vast number of LBB sites, and due to the higher risk nature of work undertaken at our sites, including waste collections and supporting vulnerable persons, the risk rating will always be somewhat high.</p> <p>Given the known ongoing issues with LBB’s fire safety arrangements and first aid arrangements, and the severe findings noted in recently completed fire risk assessments, the risk remains high. Some actions</p>

<p><i>the Fire Safety Act 2021,</i> <i>(ii) Health and Safety (First Aid) Regulations 1981</i></p>			<p>have now been progressed, such as some of the courses needing to be delivered have now been delivered.</p> <p>Ensuring there is sufficient cover of first aiders and fire wardens continues to be difficult to manage now that staff members are working in a hybrid way. Many people previously providing cover are not doing set days every week (they are flexing the days they are on-site each week) which means it is hard to ensure there is sufficient cover at any given time.</p> <p>Actions to be taken:</p> <ul style="list-style-type: none"> - Learning and Development to arrange training – Ongoing – Accountable officer: Assistant Director of Human Resources. - Facilities Management to ensure Fire Risk Assessments are completed – Ongoing – Accountable officer: Director of Housing, Planning, Property and Regeneration. - Facilities Management to engage fire safety supplier to produce Emergency Plans -As soon as possible – Accountable officer: Director of Housing, Planning, Property and Regeneration. - Facilities Management team to implement new signage – Ongoing – Accountable officer: Director of Housing, Planning, Property and Regeneration. - Facilities Management team to distribute emergency plan to site occupiers and to arrange training on plan for fire marshals – As soon as possible – Accountable officer: Director of Housing, Planning, Property and Regeneration. - Fire safety documents to be stored corporately to retain corporate knowledge and ensure regularly reviewed – Ongoing – Accountable officers: Director of Housing, Planning, Property and Regeneration & Director of Human Resources, Customer Services & Public Affairs.
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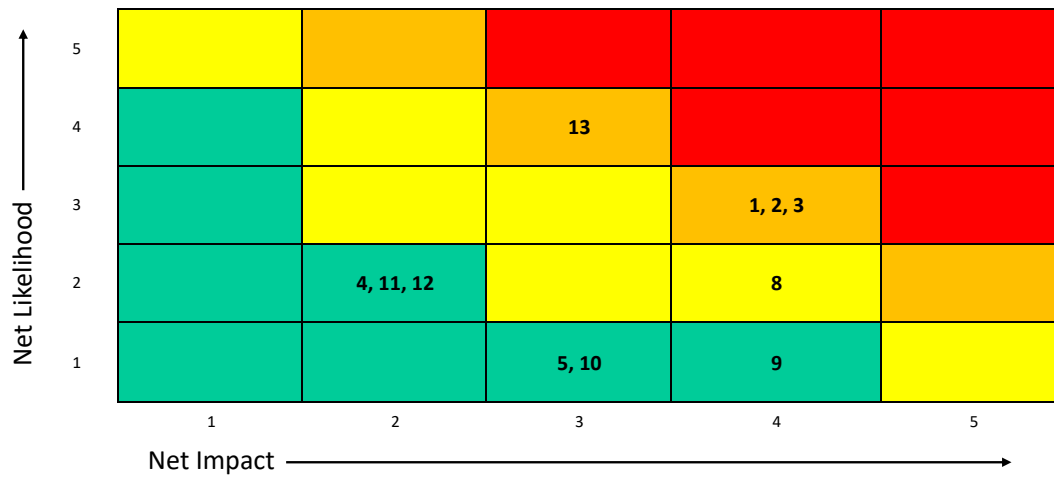
			<ul style="list-style-type: none"> - Fire Safety to be added to COE agenda as a standing item – As soon as possible – Accountable officer: Director of Housing, Planning, Property and Regeneration & Director of Human Resources, Customer Services and Public Affairs. - Fire drills to be undertaken – Ongoing – Accountable officer: Director of Housing, Planning, Property and Regeneration. - Alternatives to current Civic Centre check in and check out arrangements to be reviewed due to issues with current arrangements – As soon as possible – Accountable officer: Director of Human Resources, Customer Services and Public Affairs & Director of Housing, Planning, Property and Regeneration.
Homes for Ukraine and other Refugee Programmes	Director of Housing, Planning and Regeneration	16 – High	<p>Quarterly Report provided to ERC and Executive (last report 20th September 2023). Funding for arrivals halved in March 2023 with Education funding ending in March 2023. There is a risk that many of those that have arrived will not be able to continue staying with their sponsor due to the period of time that they have been with their sponsor. Early intervention work is being undertaken to manage expectations. Re-matching and private sector accommodation is a priority to avoid placements into nightly paid accommodation. Accountable officer: Director of Housing, Planning, Property and Regeneration.</p>
Accommodation Move to DL building	Director of Environment and Public Protection	16 – High	<p>In July 2023 the Council have completed on the acquisition of the DL building known as Churchill Court.</p> <p>There was an absence of “as built drawings” provided as part of the sale and in light of this additional survey work has had to be commissioned to understand the construction and intricacies of the building management system, ventilation, heating, fire management, lighting, and security systems.</p>

			<p>In addition, prior to taking possession of the building in July 2023 it was not possible to fully investigate the structural integrity of the building to assess against proposed alterations that would be necessary to transform it into a Public Sector office i.e., Council Chamber, Committee Rooms, and Reception Area.</p> <p>The Fire Regulation requirements on a Public Sector building differ from that of a private sector commercial entity and further work had to be undertaken to consider this against the proposed floor plan and design layout for the building.</p> <p>As Members may be aware that the building is constructed in four phases, prior to taking possession a floor planning exercise was undertaken with Morgan Lovell PLC and from this it is proposed that the Council occupy Phases 1 & 2 with the democratic hub situated on Floor 0 of Phase 1 which allows unfettered but controlled access to the area by members of the public.</p> <p>Members should note that access will be limited and controlled until the final fit out works have been completed as a significant part of the site will become a construction fit out area from October 2023 to August 2024.</p> <p>To manage the risk around occupation of the building we have tender the Cat B Fit-out Contract via a 2 stage process through the Procure Partnership Framework so that officers can collaborate with the contractor of the final design and costings to ensure that the contract delivers to our specific needs. We will have weekly/fortnightly meetings with the contractor to review progress and delivery against key milestones and are working towards a confirmed plan and final costings for works to commence in January 2024.</p>
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			Since taking vacant possession, the Programme Team have brought Phase 3 level 2 & 3 into operational use and have set up 150 desks with circa 400 staff based in Churchill Court across the working week. Members should note that access will be limited and controlled until the final fit out works have been completed as a significant part of the site will become a construction fit out area from October 2023 to August 2024.
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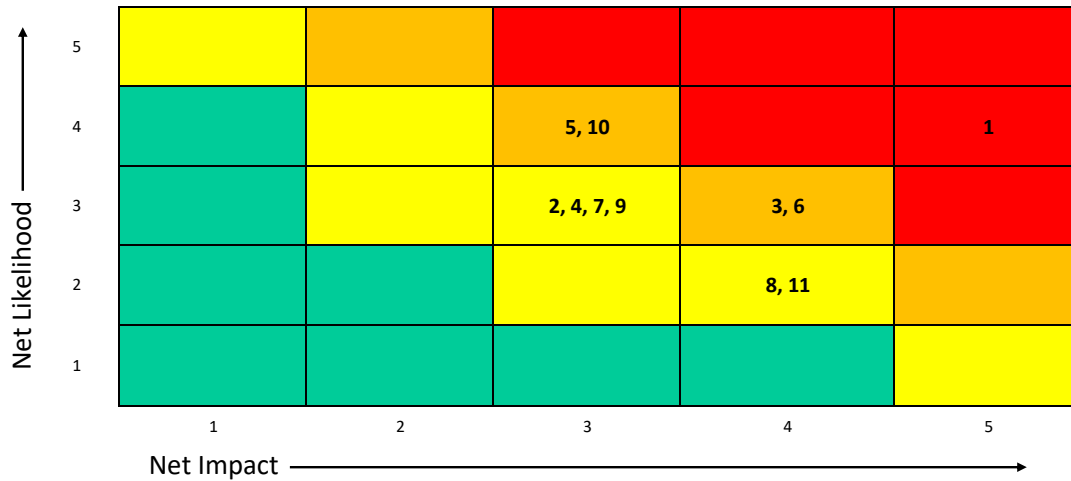
Adult Care and Health Risk Register - Appendix D



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating	Change to Net rating since last report
1	Failure to deliver Financial Strategy	25	12	↔
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	10	4	↔
13	Adult Transport	12	12	Risk Added

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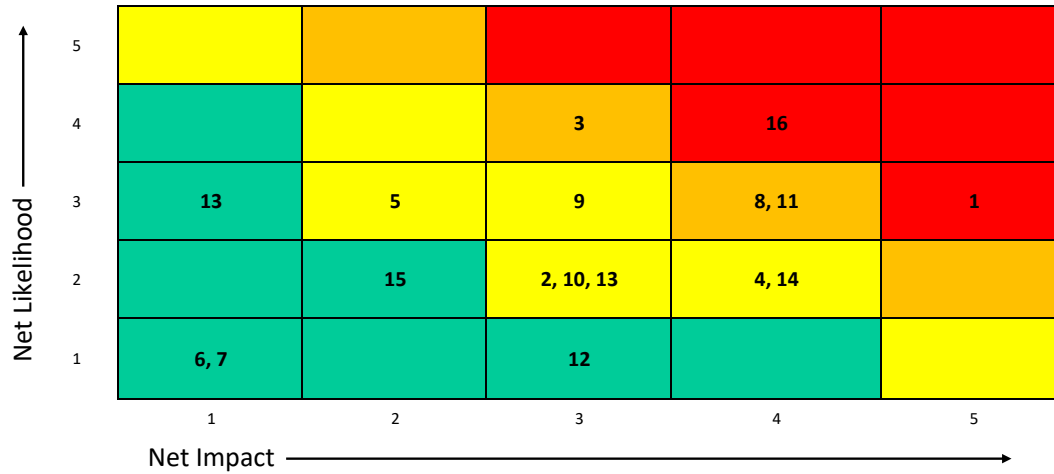
Children, Education and Families Risk Register - Appendix E



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating	Change to Net rating since last report
1	Failure to deliver Children's Services Financial Strategy	25	20	↔
2	Failure to deliver effective Children's services	15	9	↔
3	Recruitment and Retention	20	12	↔
4	Business Interruption / Emergency Planning	12	9	↔
5	School Place Planning	12	12	↔
6	SEND Transport	15	12	↔
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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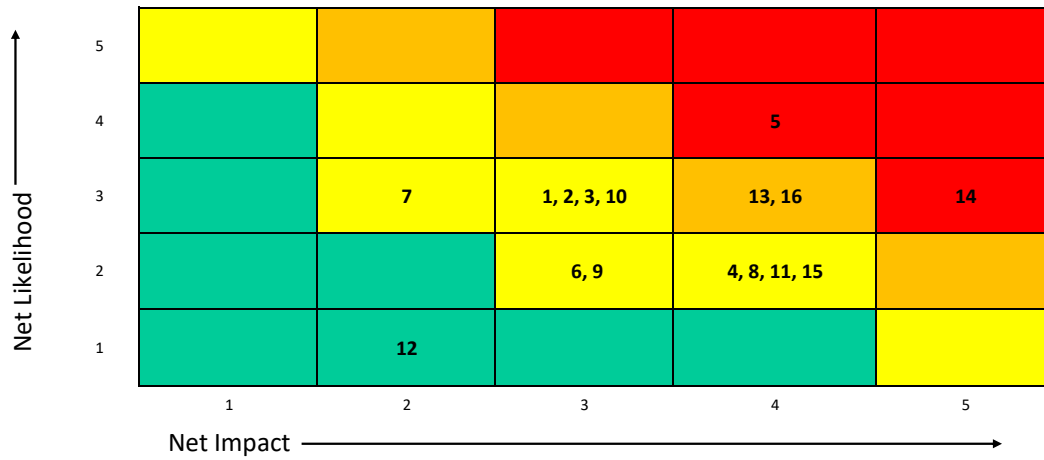
Corporate Services Risk Register - Appendix F



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating	Change to Net rating since last report
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 the Council	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	Budgetary overspend	12	9	↔
10	Failure to follow Legal Advice Breach of law, statutory duty or carrying out inadequate consultation arising from failure of clients to follow Legal briefing procedures	9	6	↔
11	Data Protection Breach	20	12	↔
12	Failure to publish Register of Electors	6	3	↔
13	Failure to manage election process	12	6	↔
14	Ineffective governance and management of contracts	12	8	↔
15	Ineffective governance and management of contracts - Contracts Database	6	4	↔
16	Information Request non-Compliance	20	16	↔

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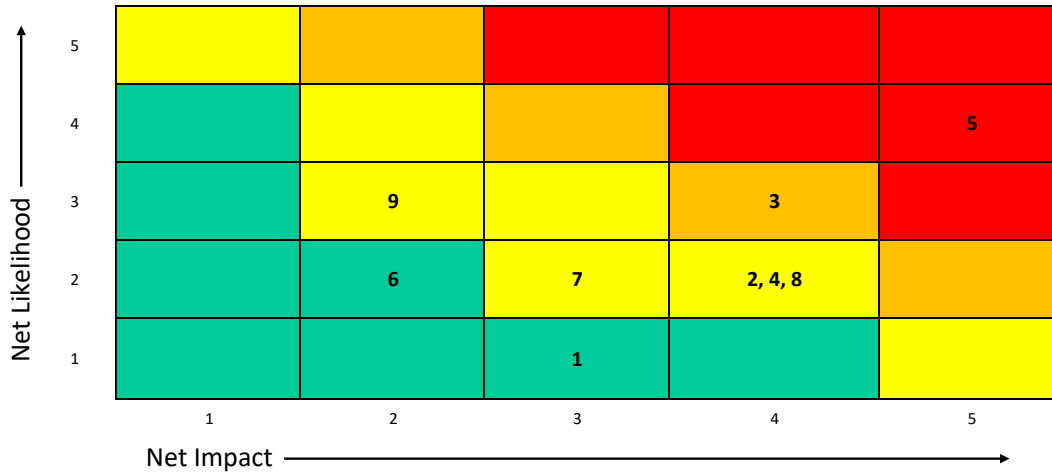
Environment and Community Services Risk Register - Appendix G



Risk No.	E&PP Risk Ref	Risk Description	Gross Risk Rating	Current Risk Rating	Change to Net rating since last report
1	1	Emergency Response	12	9	↔
2	2	Central Depot Access	12	9	↔
3	4	Business Continuity Arrangements	12	9	↔
4	8	Health & Safety (ECS)	12	8	↔
5	12	Highways Management	16	16	↔
6	13	Arboricultural Management	12	6	↔
7	14	Income Variation (Highways, Traffic and Parking)	9	6	↔
8	15	Waste Budget	12	8	↔
9	18	Town Centre Markets	12	6	↔
10	20	Staff Resourcing and Capability	12	9	↔
11	22	Climate Change	12	8	↔
12	26	Income Reconciliation (Waste Management)	6	2	↔
13	40	Disruption to waste services during the Depot Improvement Programme works	20	12	↔
14	42	Supplier Failure	15	15	↔
15	43	Horizontal Swing Barriers	12	8	↔
16	44	Arboricultural Management: Service Provider Performance Issues	12	12	↔

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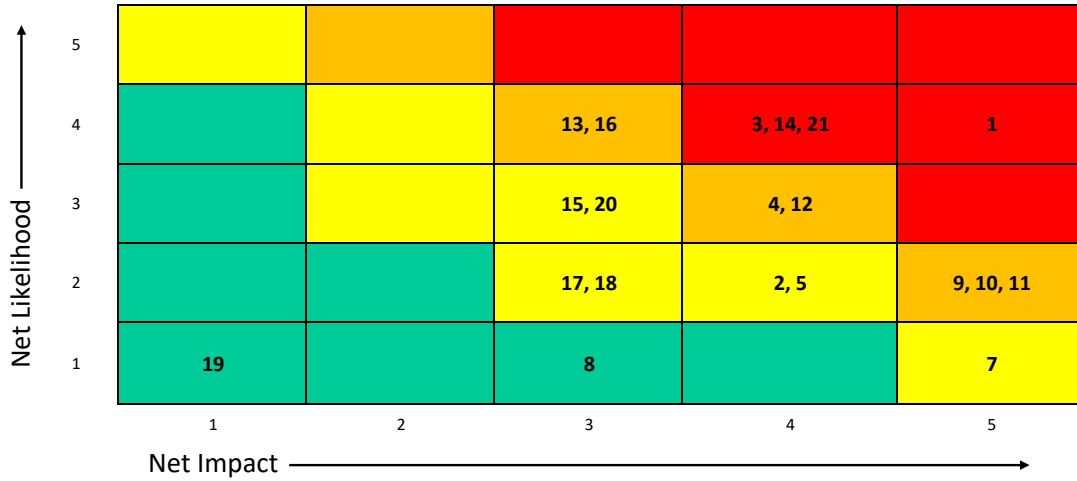
Finance Risk Register - Appendix H



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating	Change to Net rating since last report
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 Risk of significant costs increase in the Capital Programme and possible reductions in proceeds from disposals could impact on the Council's ability to fully fund the Capital programme	16	12	↔
4	Pension Fund The pension fund not having sufficient resources to meet all liabilities as they fall due	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 of Finance IT systems	6	4	↔
7	Failure of external contractors	9	6	↔
8	Contractor Poor Performance Contractor fails to meet performance expectations across Revs & Bens, Payroll, Pensions, Debtors and Accounts Payable	12	8	↑ 2
9	Significant Fraud/Corruption	12	6	↔

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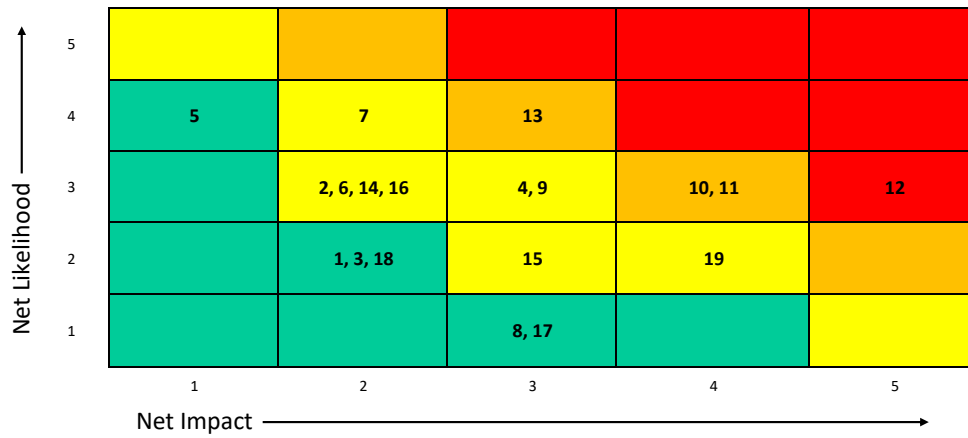
Housing, Planning and Regeneration Risk Register - Appendix I



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating	Change to Net rating since last report
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	8	↔
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	12	↔
13	Vitality and Prosperity of Town Centres	16	12	↔
14	Capital Schemes	25	16	↔
15	Leisure Centres	16	9	↔
16	Library Service	16	12	↑ 3
17	Planning Service	12	6	↔
18	Community Infrastructure Levy	6	6	↔
19	Section 106 Agreements	9	1	↔
20	London Plan	15	9	↔
21	Homes for Ukraine	20	16	↔

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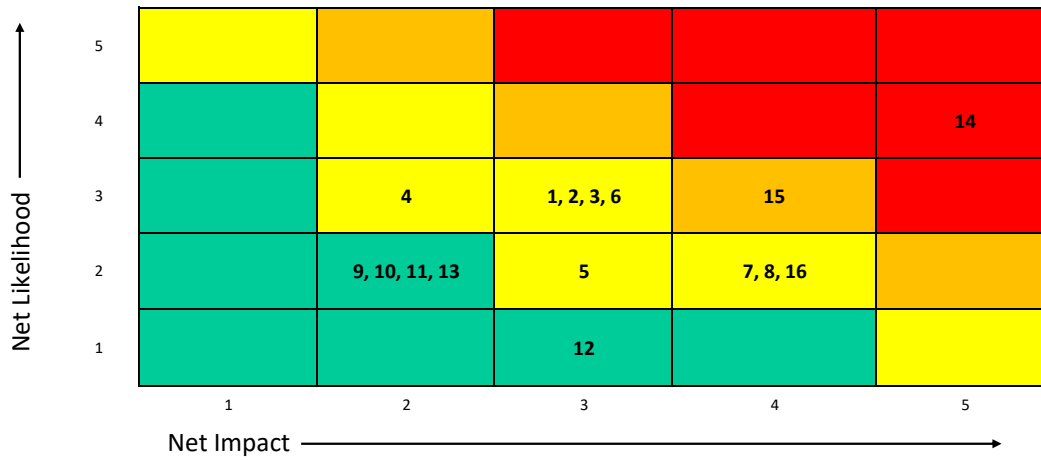
Human Resources and Customer Services - Appendix J



Risk Ref	Risk Description	Gross Risk Rating	Net Risk Rating	Change to Net rating since last report
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, Building Control	12	9	↓7
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 alternative delivery options)	12	6	↔
7	HR systems failures e.g. payroll, recruitment, HR self-service, pensions	10	8	↔
8	Ineffective compliance with IR35	10	3	↔
9	Staff not completing mandatory and/or required training	12	9	↔
10	Health & Safety (Council) Ineffective management, processes and systems across all Council departments Including in relation to the following areas: Fire Safety Lone Working Violence & Aggression at work	20	12	↓8
11	Failure to comply with H&S related legislative requirements e.g. Health and Safety at Work etc. Act 1974	20	12	↓8
12	Insufficient fire safety arrangements Non compliance with Regulatory Reform (Fire Safety) Order 2005, as amended by the Fire Safety Act 2021	25	15	↔
13	Insufficient first aid arrangements Non compliance with Health and Safety (First Aid) Regulations 1981	15	12	↔
14	Fall in income from Registrars	9	6	↔
15	Contractor Failure	8	6	↔
16	Contractor Performance	12	6	↔
17	Maintenance of Statutory and GRO standards	9	3	↔
18	Loss of Facility	9	4	↔
19	Safety of Statutory Records	8	8	↔

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Public Protection and Enforcement Risk Register - Appendix K



Risk No.	E&PP Risk Ref	Risk Description	Gross Risk Rating	Current Risk Rating	Change to Net rating since last report
1	1	Emergency Response	12	9	↔
2	2	Central Depot Access	12	9	↔
3	4	Business Continuity Arrangements	12	9	↔
4	14	Income Variation (Highways and Parking)	9	6	↔
5	18	Town Centre Markets	12	6	↔
6	20	Staff Resourcing and Capability	12	9	↔
7	22	Climate Change	12	8	↔
8	29	Out of Hours Noise Service	16	8	↔
9	30	Integrated Offender Management post	9	4	↔
10	31	Community Impact Day Co-ordinator post	9	4	↔
11	32	Serious Youth Violence and Gangs Officer post	9	4	↔
12	33	The provision of 24/7 CCTV Monitoring	12	3	↔
13	34	Loss of income from Licenced Premises fees	9	4	↔
14	37	Increased Costs for Coroners Service	20	20	↔
15	39	Dysfunctionality of Uniform Information Management System	20	12	↔
16	42	Health & Safety (PP&E)	12	8	↔

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

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