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BRENTWOOD BOROUGH COUNCIL

Agenda

Audit and Scrutiny Committee
Wednesday, 13 June 2018 at 7.00 pm
Brentwood County High School, Shenfield Common, Seven Arches Road,
Brentwood CM14 4JF

Membership (Quorum – 3)

Cllrs Russell (Chair), Mrs Hones (Vice-Chair), Barrell, Chilvers, Haigh, Keeble, Mrs Middlehurst, Nolan and Mrs Slade

Substitute Members

Cllrs Barrett, Cloke, Naylor, Reed, Trump and Tumbridge

Governance & Member Support Officer: Zoey Foakes
Brentwood Borough Council, Town Hall, Ingrave Road, Brentwood, Essex CM15 8AY
01277 312 500   www.brentwood.gov.uk

7.   Urgent Business

An item of business may only be considered where the Chair is of the opinion that, by reason of special circumstances, which shall be specified in the Minutes, the item should be considered as a matter of urgency.

Chief Executive

Town Hall
Brentwood, Essex
05.06.2018

Substitutes

The names of substitutes shall be announced at the start of the meeting by the Chair and the substitution shall cease at the end of the meeting.

Where substitution is permitted, substitutes for quasi judicial/regulatory committees must be drawn from Members who have received training in quasi- judicial/regulatory decision making. If a casual vacancy occurs on a quasi judicial/regulatory committee it will not be filled until the nominated member has been trained.

Rights to Attend and Speak

Any Members may attend any Committee to which these procedure rules apply.

A Member who is not a member of the Committee may speak at the meeting. The Member may speak at the Chair's discretion, it being the expectation that a Member will be allowed to speak on a ward matter.

Members requiring further information, or with specific questions, are asked to raise these with the appropriate officer at least two working days before the meeting.

Point of Order/ Personal explanation/ Point of Information

Point of Order	Personal Explanation	Point of Information or clarification
A member may raise a point of order at any time. The Mayor will hear them immediately. A point of order may only relate to an alleged breach of these Procedure Rules or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Mayor on the point of order will be final.	A member may make a personal explanation at any time. A personal explanation must relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate, or outside of the meeting. The ruling of the Mayor on the admissibility of a personal explanation will be final.	A point of information or clarification must relate to the matter being debated. If a Member wishes to raise a point of information, he/she must first seek the permission of the Mayor. The Member must specify the nature of the information he/she wishes to provide and its importance to the current debate, If the Mayor gives his/her permission, the Member will give the additional information succinctly. Points of Information or clarification should be used in exceptional circumstances and should not be used to interrupt other speakers or to make a further speech when he/she has already spoken during the debate. The ruling of the Mayor on the admissibility of a point of information or clarification will be final.

Information for Members of the Public

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The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of

these activities, in their opinion, are disrupting proceedings at the meeting.

🔒 Private Session

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🎧 Evacuation Procedures

Evacuate the building using the nearest available exit and congregate at the assembly point in the Car Park.

BRENTWOOD BOROUGH COUNCIL

Minutes

Audit Committee
Wednesday, 14th March, 2018

Attendance

Cllr McCheyne (Chair)   Cllr Hirst
Cllr Ms Rowlands (Vice-Chair)   Cllr Mrs Hones
Cllr Chilvers   Cllr Keeble
Cllr Mrs Fulcher   Cllr Reed

Apologies
Cllr Russell

Substitute Present

Cllr Mrs Slade (substituting for Cllr Russell)

Officers Present

Phoebe Barnes   -   Principal Accountant
Zoey Foakes   -   Governance & Member Support Officer
Debbie Hanson   -   Ernst & Young, External Audit
Angela Mason-Bell   -   BDO, Manager, Public Sector
Greg Rubins   -   BDO, Internal Audit
Sue White   -   Risk and Insurance Officer

317.   **Apologies for Absence**

Apologies were received from Cllr Russell with Cllr Mrs Slade substituting.

318.   **Minutes of the Previous Meeting**

The minutes of the meeting held on 24 January 2018 were approved as a true record.

319.   **Variation of the agenda**

Cllr McCheyne **MOVED** and Cllr Rowlands **SECONDED** that item 7 – Strategic and Operational Risk Review be taken before Item 3 – Internal Audit Progress Report 2017/18.

320. Strategic and Operational Risk Review

The report updated members of the Audit Committee on the status of the Council's 2017/18 Strategic Risk Register.

The strategic and operational risk registers were monitored quarterly by the Corporate Leadership Board (CLB) who would consider the risks, the mitigations and agree the content.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Ms Rowlands to approve the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED**:

To agree the amendments to the Strategic Risk Register, as shown in Appendix A (of the report), and that the risk scores recorded for each risk accurately represents the current status of each risk.

Reasons for Recommendation
Risk Management continued to be embedded quarterly within the Senior Management Team reports, where Service Heads discussed the top-level risks for their service areas to ensure that the risks were updated to reflect the ongoing changes.

In addition, the Risk & Insurance Officer would continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

321. Internal Audit Progress Report 2017/18

The report was intended to inform the Audit Committee of progress made against the approved internal audit plan for 2017/18, which was approved by the Audit and Scrutiny Committee in March 2017.

The following reports had been finalised since the last Committee, and a summary of the findings was included in the progress report:

- Housing Benefits Shared Service (Moderate / Moderate Assurance)
- Capital Projects (Substantial / Substantial Assurance)
- Taxi Driver Licensing (Moderate / Moderate Assurance)

The full reports were available on request.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Ms Rowlands to approve the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

The Committee receives and notes the contents of the reports.

Reasons for Recommendation
To monitor the progress of work against the internal audit plan, and highlight recommendations arising from the work of internal audit and management's actions in response to those recommendations.

322. **Internal Audit Plan 2018/19**

The report outlined the Internal Audit Operational Plan for 2018/19.

The Internal Audit Operational Plan had set out the proposed work to be undertaken in 2018/19 and was attached to the report.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Ms Rowlands to approve the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

The Committee approves the Internal Audit Operational Plan and Internal Charter for 2018/19 included in Appendix A (of the report).

Reasons for Recommendation
To approve the work programme for Internal Audit Operational Plan and Internal Audit Charter for 2018-19.

323. **External Audit Plan 2017/18**

The Audit Plan sets out how Ernst & Young had intended to carry out their responsibilities as the Council's External Auditor in auditing the final accounts for the financial year 2017/18.

The plan summarised the initial assessment of the key risks driving the development of an effective audit for the Council, and outlined the planned audit strategy in response to those risks.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Ms Rowlands to approve the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

Members are requested to note the External Audit Plan 2017/18 as shown in Appendix A (of the report).

Reasons for Recommendation
The Audit Plan would inform the statutory audit opinion.

324. Certification of Claims and Returns Annual Report 2016/17

To present the External Auditor's annual report in respect of the Certification of Claims and Returns; specifically the Housing Benefit Subsidy Claim for the financial year 2016/17.

The Councils External Auditors, Ernst & Young were required to undertake certification work to provide assurances to grant paying bodies that claims for grants and subsidies were made properly or that information in financial returns was reliable.

A motion was **MOVED** by Cllr McCheyne and **SECONDED** by Cllr Ms Rowlands to approve the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

Members note the contents of the Certification of Claims and Returns Annual Report 2016/17 at Appendix A (of the report).

Reasons for Recommendation
For Members to review the findings of the external audit's certification work.

325. Urgent Business

There were no items of urgent business.

The meeting concluded at 19:50.

BRENTWOOD BOROUGH COUNCIL

Minutes

Corporate Projects Scrutiny Committee
Monday, 19th March, 2018

Attendance

Cllr Mrs Pound (Chair)   Cllr McCheyne
Cllr Reed (Vice-Chair)   Cllr Trump
Cllr Barrett   Cllr Tumbridge
Cllr Mrs Coe   Cllr Clarke

Apologies

Cllr Aspinell
Cllr Kendall

Substitute Present
Cllr Clarke

Also Present

Cllr Ms Rowlands
Cllr Hirst
Cllr Hossack

Officers Present

Kim Anderson	-	Partnership, Leisure and Funding Manager
Zoey Foakes	-	Governance & Member Support Officer
Tracey Lilley	-	Enforcement Manager
Philip Ruck	-	Chief Executive
Steve Summers	-	Chief Operating Officer

326.   Apologies for Absence

Apologies were received from Cllrs Aspinell and Kendall with Cllr Clarke substituting.

327.   Minutes of the Previous Meeting

The Chair advised the committee that as the Performance Indicators and Formal Complaints Working Group had not been able to meet then a report

on what measures services were putting into place to address issues raised by Formal Complaints had not been included within this agenda.

Cllr Tumbridge advised that there had been a specific decision from the previous committee for a report to be on this agenda and questioned why this was not the case. Mr Ruck advised that the working group meeting was cancelled due to the bad weather and another meeting could not be rescheduled due to the availability of members. In addition, he confirmed that this decision was made in consultation with the Chair.

The Chair confirmed that a report which would highlight the issues arising from complaints and how they are being addressed would be circulated to committee members.

The minutes of the previous Corporate Projects Scrutiny Committee held on 29 January 2018 were approved as a true record.

328. Community Safety Partnership

The Community Safety Partnership (CSP) was made up of Responsible Authorities as outlined in the Crime & Disorder Act 1988 which included the Council as a key partner.

Each year the partnership had a statutory duty to carry out a Strategic Intelligence Assessment which reviewed existing priorities and identified any new or emerging priorities that the partnership should focus on.

All partners agree the Strategic Priorities set out in the Partnership Plan (see Appendix A of the report) of how the partnership would work together over the next twelve months to tackle crime and disorder and achieve its priorities.

The CSPs Strategic Priorities for 2017/18 were:
- Protecting People from Harm
- Anti-Social Behaviour & Environmental Crime
- Burglary
- Community Engagement

A set of action plans were developed which underpinned delivery of the above priorities and set out how the partnership would work together to stimulate activity across the Borough, focusing on those activities that added value because of being delivered in partnership.

Section 19 of the Police and Justice Act 2006 required every Local Authority to have a Crime and Disorder Committee with the power to review, scrutinise, and make reports and recommendations regarding the functioning of the CSP.

Under the scrutiny arrangements in place the Committee were asked to consider the work of the CSP as outlined in the annual report attached at

Appendix A (of the report) and refer any comments or concerns to the partnership.

Cllr Mrs Pound **MOVED** and Cllr Barrett **SECONDED** recommendation 2.1 in the report.

Cllr Tumbridge **MOVED** and Cllr Trump **SECONDED** to add two further recommendations which were **UNANIMOUSLY APPROVED** by the Committee.

After a full discussion it was

RESOLVED UNANIMOUSLY that:

2.1 Members to consider the work of the CSP through the Partnership Plan and raise any comments for the partnerships consideration.

2.2 Members request a suitable summary of the minutes be sent from this meeting to the CSP for consideration.

2.3 The draft report under 2.2 be approved by the chair and deputy of the committee under delegated authority.

Reasons for Recommendation
The Committee was asked to consider the work of the CSP as summarised in the attached annual report and to refer any comments or concerns to the partnership. This provided a scrutiny and monitoring function of the Council's partnership role in improving community safety.

329.   **Work Programme 2017-2018**

The report provided the 2017/18 updated draft work programme for members consideration and was attached at Appendix A (of the report).

Members noted that the workplan was a timeline of the latest and proposed working position of the working groups and **not** the actual timeline of the subject matter or project being reviewed. These timelines were subject to change depending on the work and outcomes of the working groups.

The Committee was requested to consider the draft work programme at Appendix A (of the report) and agree any amendments.

As agreed at the 21.11.17 Corporate Projects Scrutiny, Min 167 refers, notes from any Working Group meetings be appended to the agenda. The Town Centre Working Group notes from the meetings on the 6th December 2017 and 23rd January 2018 were attached as Appendix B (of the report).

Mrs Anderson gave a verbal update on the Leisure Strategy as requested from the Policy, Projects and Resources Committee on 12th March 2018.

(Cllr Reed declared an interest as he is an employee of Brentwood Leisure Trust and Cllr Ms Rowlands declared an interest as she is a trustee for Brentwood Leisure Trust).

Cllr Mrs Pound **MOVED** and Cllr Reed **SECONDED** the recommendation in the report and following a full discussion it was **RESOLVED UNANIMOUSLY:**

2.1 That the Committee considers the Corporate Projects Scrutiny updated work programme 2017/18 attached at Appendix A (of the report) and agree any amendments for approval.

2.2 To note any Working Group meeting notes that have taken place during the period from the last committee meeting as attached at Appendix B (of the report).

Reasons for Recommendation

The Constitution required that the Corporate Projects Scrutiny Committee agreed its work programme at each meeting of the Committee.

330. **Urgent Business**

There were no items of urgent business.

The Chair thanked Cllr Mrs Coe as this was her last meeting.

The meeting ended at 19:55.

13 June 2018

Audit and Scrutiny Committee

Internal Audit Progress Report

Report of: *Greg Rubins, Head of Internal Audit (BDO)*

Wards Affected: *All*

This report is: *Public*

1.   Executive Summary

1.1   This report is intended to inform the Audit and Scrutiny Committee of progress made against the approved internal audit plan for 2017/18, which was approved by the Audit and Scrutiny Committee in March 2017.

1.2   The following reports have been finalised since the last Committee, and a summary of our findings is included in the progress report:

- Customer Services (Moderate / Moderate Assurance)
- Car Parks and Payment Collection (Limited / Limited Assurance)
- Environment (Limited / Moderate Assurance)
- Main Financial Systems, including Outsourced Functions (Moderate / Limited Assurance)
- Risk Management (Limited / Moderate)

1.3   We have also completed an Information Security Assessment (advisory review).

1.4   The full reports are available on request.

2.   Recommendation(s)

2.1   That the Committee receives and notes the contents of the reports.

3.   Introduction and Background

3.1   The Audit and Scrutiny Committee approved the 2017/18 annual audit plan. The progress against plan will be reported to every Audit and Scrutiny Committee.

4. Issue, Options and Analysis of Options

4.1 None.

5. Reasons for Recommendation

5.1 To monitor the progress of work against the internal audit plan, and highlight recommendations arising from the work of internal audit and management's actions in response to those recommendations.

6. Consultation

6.1 None.

7. References to Corporate Plan

7.1 Good financial management, risk management and internal control underpin all priorities within the Corporate Plan.

8. Implications

Financial Implications
Name &Title: Jacqueline Van Mellaerts, Interim Chief Finance Officer
S151 Officer
Tel & Email: 01277 312829/jacqueline.vanmellaerts@brentwood.gov.uk

8.1 There are no direct financial implications arising from this report.

Legal Implications
Name &Title: Daniel Toohey, Monitoring Officer and Head of Legal Services
Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk

8.2 There are no direct legal implications arising from this report.

Other Implications.

8.3 Not applicable

9. Background Papers

9.1 Not applicable

10. Appendices to this report

Report Author Contact Details:

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E-mail: greg.rubins@bdo.co.uk

Name: Angela Mason-Bell, Internal Audit Manager (BDO)
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Brentwood Borough Council

INTERNAL AUDIT PROGRESS REPORT

Presented to the Audit and Scrutiny Committee on 13 June 2018

Appendix A

BDO

CONTENTS

INTRODUCTION

Internal audit

This report informs the Audit and Scrutiny Committee of progress made against the internal audit plan for 2017/18, which was approved by the Audit and Scrutiny Committee in March 2017. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised.

Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal audit methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in section 2 of this report, and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

Internal audit plan 2017-18

The following assurance reviews have been completed since the last meeting of the Audit Committee.

- Customer services
- Car parks and payment collection
- Environment
- Main financial systems (including outsourced functions)
- Risk management

We have also completed the following advisory review:

- Information security assessment

The status of the plan for 2017/18 is summarised on pages four to six.

The executive summaries, and agreed management actions for the assurance audits, are included in appendices II to VII.

Internal audit plan 2018-19

The internal audit plan for 2018-19 is underway, with the reporting for two of the audits being completed (Building Control and Planning) and the timing of the third agreed (Commercial Activities).

The progress report to be presented to the Audit and Scrutiny Committee on 25 July 2018 will provide further details.

Work outside of the internal audit plan

BDO has been appointed to provide VAT advice to the council. In our opinion, this does not present a conflict of interest or affect the independence of the internal audit service provided to the Council.

REPORTS FINALISED SINCE THE AUDIT COMMITTEE IN MARCH 2018

Area	No. of days	Head of Service / Manager Responsible	Assurance - System Design	Assurance - Operating Effectiveness	No. of High priority recommendations	No. of Medium priority recommendations	No. of Low priority recommendations	Ref to Executive Summary
Customer services	10	Steve Summers & Lorraine Jones	Moderate	Moderate	0	4	0	Appendix II
Car parks and payment collection	20	Steve Summers & Alan McBean	Limited	Limited	4	3	2	Appendix III
Environment	15	David Carter, Darren Laver, Dean Carroll & David Wellings	Limited	Moderate	0	4	4	Appendix IV
Main financial systems (including outsourced functions)	40	Jacqueline Van Mellaerts & Phoebe Barnes	Moderate	Limited	2	7	3	Appendix V
Risk management	10	Jacqueline Van Mellaerts & Sue White	Limited	Moderate	1	2	1	Appendix VI
Information security assessment	25	Tim Huggins & Philip Devonald	n/a – Advisory Review		10 advisory recommendations were raised in the report			Appendix VII

PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2017/18

Area	2017/18 days	Date work undertaken	Progress Update	Assurance – System Design	Assurance – Operating Effectiveness
Transformation					
Main Financial Systems	40	Q4	FINAL REPORT	Moderate	Limited
Risk Management and Governance Arrangements	10	Q4	FINAL REPORT	Limited	Moderate
Housing Benefits - Shared Service	10	Q3	FINAL REPORT	Moderate	Moderate
Financial Planning & Budget Monitoring	15	Q2	FINAL REPORT	Moderate	Substantial
Customer service	10	Q4	FINAL REPORT	Moderate	Moderate
Minimum Reserve Levels	10	Q2	FINAL REPORT	Substantial	Moderate
Insurance	10	Q1	FINAL REPORT	Moderate	Moderate
Disaster recovery and business continuity	15	Q4	Deferred to 2018-19	n/a - Deferred	
Information Security Assessment	25	Q3	Draft Report issued 23 February 2018	n/a - Advisory	
Counter fraud	20	Q3	Completed	n/a - Advisory	
	165				
Community and Health					
Partnerships	20	Q2	FINAL REPORT	Moderate	Limited
Car Parking & Payment Collection	20	Q4	FINAL REPORT	Limited	Limited
Community Halls Viability	15	Q2	FINAL REPORT	Limited	Limited
	55				

PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2017/18

Area	2017/18 days	Date work to be undertaken	Progress Update	Assurance – System Design	Assurance - Operating Effectiveness
Environment and Housing					
Housing Services	20	Q2	FINAL REPORT	Limited	Moderate
Environment	15	Q3	FINAL REPORT	Limited	Moderate
	35				
Economic Development					
Capital Projects	15	Q3	FINAL REPORT	Substantial	Substantial
	15				
Planning, Reporting, Follow-up and Contingency					
Audit Management	20	As required	Ongoing arrangement of audits and liaison with management		
Contingency – Taxi Driver Licensing	10	Q3	FINAL REPORT	Moderate	Moderate
Total	**30**				
Total	**300**				

Appendix I – Definitions

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

Recommendation Significance	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

Appendix II – Customer Services – Executive Summary

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)		
Design	Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.
Operational Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)	
High	
Medium	4
Low	
Total number of recommendations: 4	

OVERVIEW

Background:
Brentwood Borough Council made commitments to offering modern and effective customer services that meet at least 80% of customers' needs at the first point of contact, to improve the customer experience and satisfaction, and to reduce costs through economies of scale and joined up processes. The Council's Customer Access Strategy (2015 – 2018) provides a framework for the objectives of being open to all, providing choice, meeting needs, delivering first time, and providing satisfaction. The Council has created a Customer Contact Centre and promoted the Customer Access Strategy and approach to staff, to enable a review of customer processes and has sourced technology to support channel shift.

The following areas of good practice were noted:
- The Digital Services Team maintains a basic project tracker detailing the projects they are working on and record the actual start and completion dates against the planned dates and resource hours required and actual to date.
- The Council has adopted a new approach to Customer Services and Channel Shift and has already created a Service Improvement Team who are undertaking reviews of services requirements to finalise the Service Improvement Programme and Customer Services Strategy.
- The Council has already taken action in using the Firmstep platform and has uploaded over 200 on-line forms for the public to use.

The following areas for improvement were identified:
- The Council does not have a Channel Shift Policy to outline how it intends to use new technologies or a cross council group to manage the policy. However, it is noted a new Project Board has been created to cover all departments and a new Service Improvement Team is in place to start addressing the Channel Shift issues. There was no evidence that progress against the Customer Access Strategy was regularly reported to Senior Management (Finding 1 - Medium)
- There were no business cases or summaries for the projects being worked on by the Digital Services Team, detailing the reason for the project, costs, stakeholders and planned implementation dates, to provide clarity on outcomes, how the project aligns to the Customer Access Strategy, stakeholder engagement and the financial and resources impact on the Council. There has been no effective targeting of services to establish a plan of needs and priorities as the Digital Services Team's priorities over the last eight months were to ensure the Council's electronic forms were set up on the new platform before the old one was switched off to avoid the risk of on-line payments and enquiries not being available to the public. (Finding 2 - Medium)
- Whilst statistical packs are sent to departments that analyse customer contact through electronic measures, telephone or face to face, there are no action plans in place to demonstrate how departments are using these packs in considering channel shift. (Finding 3 - Medium)
- Evidence is not always available to demonstrate that external partners have been engaged in future projects and their feedback been sought to help guide a project forward to a digitalised platform. (Finding 4 - Medium)

Appendix II – Customer Services – Executive Summary cont'd

OVERVIEW			
Conclusion: The audit has identified gaps in the strategy and control framework across the different areas audited which needs addressing but acknowledges the Council has already been taking action to address these issues, including the creation of the Service Improvement team and development of a Service Improvement Programme. The Council needs to continue to ensure it completes the outstanding actions to ensure a fully controlled framework is in place in relation to its approach to Customer Services. A number of resources are included in the appendices to assist the Council in developing its Channel Shift Strategy.			

LOOKING FORWARD: SUPPORTING THE COUNCIL'S JOURNEY FROM LIMITED TO SUBSTANTIAL ASSURANCE			
Design	Moderate 3 -	Substantial 6 months	• Compile an updated Customer Access Strategy • Update the Service Improvement Programme to include the actions for Channel Shift. • As part of the Service Improvement Team's review continue to Identify all external partners and stakeholders to ensure all parties and included in the Service Improvement Programme. • Introduce a Business Case Summary for each project which is approved by an appropriate committee.
Effectiveness	Moderate 3 -	Substantial 6 months	• Provide Senior Management with regular updates on the progress of Service Improvement Programme. • Use statistical information with the reviews of services by the Service Improvement Team to continue to identify where channel shifts could be productive for stakeholders and produce efficiencies for the Council • Continue to undertake reviews with all departments to inform the Service Improvement Programme.

Appendix II – Customer Services – Recommendations Summary

Ref.	Recommendations	Sig.	Management actions
1	Customer Access Strategy to be updated and the Service Improvement Programme developed incorporating the Councils Channel Shift actions. These should be approved by the relevant decision maker. Progress against the Service Improvement Programme should be reported to senior management on a regular basis using the Corporate Project register process.	M	The Customer Access Strategy will be reviewed and a Service Improvement Programme developed which will incorporate the Channel Shift actions. This will be reported via the Corporate Projects register process. *Responsible Officer: Chief Operating Officer* *Implementation Date: September 2018*
2	Reviews should be carried out with all departments to identify service requirements and needs and where channel shift will improve stakeholders' interaction with the Council and generate efficiencies. Once completed, priority action plans should be agreed with Heads of Departments and feed in to the overall strategy and Channel Shift Plan. The Council should introduce a Business Case summary for each project which should be approved by an appropriate board or panel before a project commences to ensure it ties in with the Council's Customer Services Strategy. • The Business Case should include: • A brief discussion of the project • Project outcomes (including potential savings in finances and resources) • Planned project start date • Planned project completion date • The stakeholders identified and the role they will play in the project • Financial implications • Resource requirements This will ensure a formal trial for all projects from the start and evidence stakeholder engagement.	M	The Council has created a Service Improvement Team which will is reviewing the Customer Strategy and channel shift requirements. A Service Improvement Programme will then be developed. A Business Case form will be developed to incorporate the items stated in the recommendation. *Responsible Officer: Chief Operating Officer* *Implementation Date: September 2018*

Ref.	Recommendations	Sig.	Management actions
3	The Council should be using the statistical information compiled of the customer contacts to help identify where channel shift could be productive for stakeholders and produce efficiencies for the Council. The Digital Team should identify services from the statistics and work with the service to identify areas which could be improved for stakeholders and devise an action plan to identify potential new channels or how to improve current ones and build this in to the Council's channel shift plan.	M	This will be covered by the Service Improvement Teams review of the Customer Strategy and development of the Service Improvement Programme. *Responsible Officer: Chief Operating Officer* *Implementation Date: September 2018*
4	As part of department reviews the Service improvement Team should identify all external partners and stakeholders to ensure all parties are included in drawing up of the Service Improvement Programme to help either introduce new technology and establish the possible impact on all parties or development of current channels to assist in improving interaction with the Council.	M	The review of services will be undertaken as part of the Service Improvement Teams review and will be used in the development of the Council's Service Improvement Programme. *Responsible Officer: Chief Operating Officer* *Implementation Date: September 2018*

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Appendix III - Car Parks and Payment Collection

CLIENT STRATEGIC RISKS	
Risk	To ensure the provision of efficient and effective services

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)		
Design	Limited	System of internal controls is weakened with system objectives at risk of not being achieved.
Effectiveness	Limited	Non-compliance with key procedures and controls places the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)

High	4
Medium	3
Low	2

Total number of recommendations: 9

OVERVIEW

Background

Brentwood Borough Council operates eleven car parks where fees are charged for parking. The car parks are located in Brentwood Town, Ingatestone and Shenfield. Customers can pay by cash, card (multi-storey), phone, text, or mobile application. The Council has a contract for the administration of phone, text ,and mobile application with 'Phone and Pay', and for the management of the pay and display machines operated by 'Parkeon'. G4S collect Parking Services income from the Council and bank it on their behalf. Two of the Council's car parks (Friars Avenue and Hunters Avenue) have been free of charge for two years due to the development of Cross Rail; the Council plans to re-implement charges in these car parks imminently.

The Council received £1.731m in income for car parking services, including pay and display fees, penalty charge notices and season tickets recording a profit of £1.067m. For 2017/18 the projected outturn for the service is the collect £1.764m in income and to potentially realise a profit of £1.115m.

Scope and Approach

The purpose of this review was to assess the arrangements in place for the administration and collection of Parking Services income and highlight opportunities for improvement. We conducted interviews with the Parking Services Manager, CCTV/Parking Officer, and Finance Team, observed cash counts and completed sample testing.

Good Practice

We identified the following areas of good practice;

- Parking charges are clearly displayed in the Council's car parks and on the Council's website

- The parking machines used by the Council can identify and reject fake coins

- Serial numbers on coin collection bags are recorded before being handed over to G4S

Appendix III – Car Parks and Payment Collection – Executive Summary cont'd

OVERVIEW (cont)

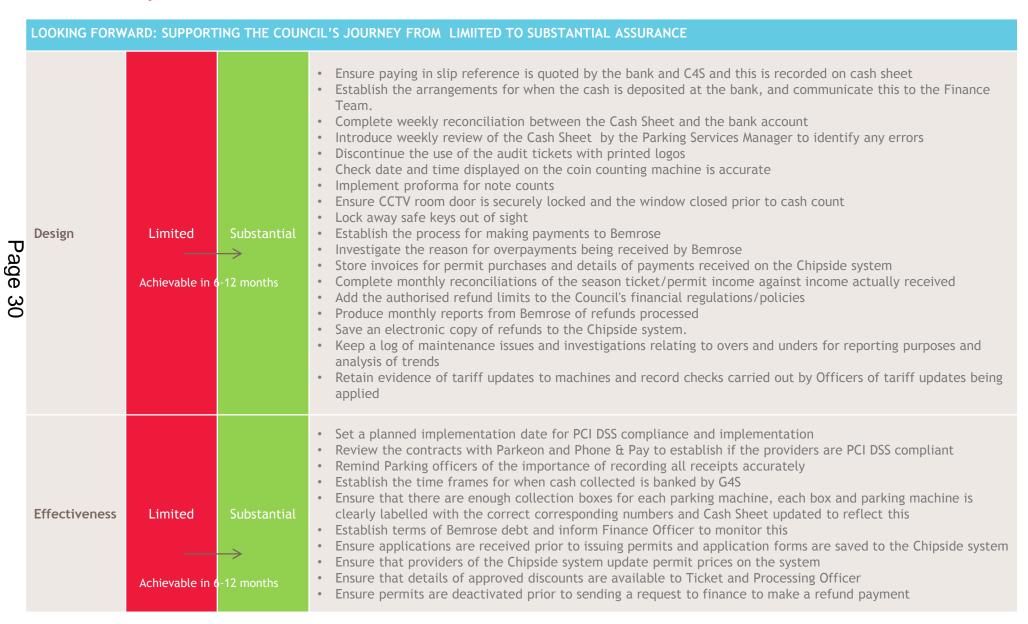- Parking Fees are approved by the Policy, Projects and Resources Committee on an annual basis.

Key Findings

- The Finance Team is unable to reconcile income from pay and display machines or for season tickets/permits from Parking Services to the Council's bank account (Findings 1 and 2 - High)
- The Council does not meet compliance standards for taking payments securely, and there was no evidence of secure payment methods for contracted administrators Bemrose/phone and pay and Parkeon (Finding 2 – High)
- No evidence of compliance with PCI DSS to ensure secure payment systems are in place (Finding 3 – High)
- Receipts relating to the counting of cash collected from machines are not recorded accurately (Finding 4– High)
- Expected income from Phone and Pay cannot be reconciled to income received (Finding 5 – Medium)
- Season ticket/permit prices are incorrect on the Chipside system and approved discounts levels are not clear (Finding 6 – Medium)
- Electronic season tickets/permits are not deactivated before refunds are being issued (Finding 7 – Medium)

Conclusion

The Council does not have a sound system of internal controls in place for the administration and collection of Parking Services income. We identified weaknesses in the operational effectiveness of some of the existing controls in relation the recording of cash collection, the reconciliation of parking income and the issuing of season ticket/permit refunds. During our review we have raised four high and three medium priority recommendations, resulting in an internal audit opinion of Limited Assurance for both the design and operational effectiveness of the controls in place to manage the identified risks.

Appendix III - Car Parks and Payment Collection – Executive Summary cont'd

LOOKING FORWARD: SUPPORTING THE COUNCIL'S JOURNEY FROM LIMIITED TO SUBSTANTIAL ASSURANCE			
Design	Limited → Substantial Achievable in 6-12 months		• Ensure paying in slip reference is quoted by the bank and C4S and this is recorded on cash sheet • Establish the arrangements for when the cash is deposited at the bank, and communicate this to the Finance Team. • Complete weekly reconciliation between the Cash Sheet and the bank account • Introduce weekly review of the Cash Sheet by the Parking Services Manager to identify any errors • Discontinue the use of the audit tickets with printed logos • Check date and time displayed on the coin counting machine is accurate • Implement proforma for note counts • Ensure CCTV room door is securely locked and the window closed prior to cash count • Lock away safe keys out of sight • Establish the process for making payments to Bemrose • Investigate the reason for overpayments being received by Bemrose • Store invoices for permit purchases and details of payments received on the Chipside system • Complete monthly reconciliations of the season ticket/permit income against income actually received • Add the authorised refund limits to the Council's financial regulations/policies • Produce monthly reports from Bemrose of refunds processed • Save an electronic copy of refunds to the Chipside system. • Keep a log of maintenance issues and investigations relating to overs and unders for reporting purposes and analysis of trends • Retain evidence of tariff updates to machines and record checks carried out by Officers of tariff updates being applied
Effectiveness	Limited → Substantial Achievable in 6-12 months		• Set a planned implementation date for PCI DSS compliance and implementation • Review the contracts with Parkeon and Phone & Pay to establish if the providers are PCI DSS compliant • Remind Parking officers of the importance of recording all receipts accurately • Establish the time frames for when cash collected is banked by G4S • Ensure that there are enough collection boxes for each parking machine, each box and parking machine is clearly labelled with the correct corresponding numbers and Cash Sheet updated to reflect this • Establish terms of Bemrose debt and inform Finance Officer to monitor this • Ensure applications are received prior to issuing permits and application forms are saved to the Chipside system • Ensure that providers of the Chipside system update permit prices on the system • Ensure that details of approved discounts are available to Ticket and Processing Officer • Ensure permits are deactivated prior to sending a request to finance to make a refund payment

Appendix III – Car Parks and Payments Collection – Recommendations Summary

Ref.	Recommendations	Sig.	Management actions
1	a) The Council should make arrangements with either G4S or the Council's bank to ensure that they are quoting the reference on the paying in slip supplied with the cash banked by G4S. The Parking Services Manager should amend the Cash Sheet to include a field to input the paying in slip reference for the day the cash is collected. b) The Council should develop a Car Parking Strategy outlining the approach for the future including whether to consider moving to a cashless system for parking payments. c) The Parking Services Manager should review the Council's contract with G4S to establish the arrangements for when the cash is actually deposited at the bank, and this should be communicated to the Finance Team. Once this is established, a weekly reconciliation between the Cash Sheet and the bank account should be completed by the Finance Officer, based around the banking days. d) The policy for reporting overs and unders of £2 or more to the Parking Services Manager should be reiterated to the Parking Officers. The Parking Services Manager should review the Cash Sheet on a weekly basis, prior to submitting to the Finance Officer for reconciliation, so that any errors/incomplete fields are identified and investigated if necessary. e) All overs and unders should be recorded and include details of the machine collected from, who collected from that machine and who undertook the count. This should help identify trends of when overs and unders are occurring and who was involved. f) Parking Services Manager to review the cash collection spreadsheet on a regular basis. g) Finance Team should complete a formal reconciliation of the sums banked to those recorded as collected by the Parking Services team h) Delays to banking not in accordance with the contract requirements should be recorded and raised with G4S to establish the reasons why this has occurred. Continual failure to meet requirements should be raised with the contractor and if no improvement then consideration should be given to terminating the contract.	H	a) & c) Agreed. Will liaise with G4S to establish why references not being provided when banking and confirm how long they would take to bank. b) Agreed. Will liaise with Head of Service to consider devising a formal carp park strategy including new technologies and moving to cashless position. d) & e) Agreed. Will ensure officers are aware of their responsibilities and review spreadsheet on a weekly basis to ensure completed correctly. f) to h) Already in discussion with Finance Team and information passed for reconciliation purposes. *Responsible Officers and Implementation Dates* a) & c) *Parking and CCTV Services Manager – June 2018* b) *Parking & CCTV Services Manager - For discussion – May 2018; For draft strategy Sept 2018* d) & e) *Parking & CCTV Services Manager. – June 2018* f) *To h) Finance Services Manager – June 2018*

Ref.	Recommendations	Sig.	Management actions
2	a) The Parking Services Manager should clearly establish which General Ledger codes the "additional" income is being charged to so he is aware of the actual performance of each car park. b) The Finance Officer and Parking Services Manager should investigate the overpayments being received from Bemrose to identify why this is happening, and to ensure that reconciliations are being completed correctly and accounts are balancing moving forward. Completing this task at the end of the financial year will make it more difficult to identify errors.	**H**	a) Agreed. Need to confirm with Finance Team how this codes were selected and how to deal with such issues in future. b) Agreed. Need to liaise with the Finance Team about the "additional" income and what actions taken should be taken. *Responsible Officers and Implementation Dates* *Parking & CCTV services Manager - June 2018*
3	a) The Systems Accountant, along with the support of ICT, should set a planned implementation date for PCI DSS compliance b) The Parking Services Manager should review the Council's contracts with Parkeon and Phone & Pay to establish whether they are PCI DSS compliant, and if not, explore other options for service providers who are compliant.	**H**	a) Agreed b) Agreed, will gain evidence from contractors. *Responsible Officers and Implementation Dates* *a) Systems Accountant - June 2018* *b) Parking & CCTV Services Manager - June 2018*
4	a) All Parking officers should be made aware by the Parking Services Manager of the importance of recording all receipts accurately. Where audit receipts relate to a collection on the previous day, this should be recorded in the appropriate section on the Cash Sheet. b) The Parking Services Manager should discontinue the use of the audit tickets with printed logos, and discard any remaining tickets to ensure that they are not used. c) The Parking Services Manager should establish the time frames for when cash collected is banked by G4S, when they collect on alternative days to those agreed. d) The Parking Services Manager should ensure that there are enough collection boxes for each parking machine and that each box and parking machine are clearly labelled with the correct corresponding numbers. The Cash Sheet should also be updated to reflect the correct box and machine numbers. *Continued...*		a) Agreed. Have already outline to staff following auditors visit. b) Will review these receipts and if an issue cease using logo receipts if its causing a problem. c) Will liaise with G4S to confirm banking dates. d) Bought 10 new boxes recently but there is an issue over damage and currently working with staff about how to remove boxes if stuck rather than damage them in removing them. e) This may be down to the day they collected the cash in that it was the night before the actual cash count as not always collected on the morning of the cash count. Staff are to record on the spreadsheet if this is the case. f) Agreed. Will design and introduce and ensure retained as part of evidence of collection. g) Agreed. Staff were told on the day that this was not acceptable and staff have been made aware of the requirements of security over cash count. *Continued...*

Ref.	Recommendations	Sig.	Management actions
4	e) Parking Officers completing the cash count should check the date and time displayed on the coin counting machine to ensure that it is correct, and if not, report this to the Parking Services Manager to rectify this. The Parking Services Manager should also check that this hasn't impacted previous days' coin counting receipts. f) A proforma which resembles a coin counting machine receipt should be created by the Parking Services Manager for note counts to be documented by Parking Officers. g) CCTV/Parking Officers should ensure that the CCTV door is securely locked and the window closed prior to commencing the cash count. h) The Parking Services Manager should ensure the safe keys are either held by an individual to control or securely held with very restricted access.	H	h) This was a security weakness and once identified by the auditor action was taken to make the Deputy Parking & CCTV Services Manager the safe key holder. Will organise official hand overs of the key if they are due to be absent for a period of time. Safe key holder has had the responsibilities of holding the key explained to. *Responsible Officers and Implementation Dates* *a) Parking & CCTV Services Manager – completed.* *b) to f) Parking & CCTV Services Manager – June 2018* *g) & h) Parking & CCTV Services Manager – completed*
5	a) The Ticket and Permit Processing Officer should ensure that applications are received prior to issuing permits and application forms should be saved electronically onto the Chipside system linked to the associated permit account. b) The Parking Services Manager should ensure that the providers of the Chipside system apply the necessary updates so that the correct prices are reflected on the system. c) The Ticket and Permit Processing Officer should ensure that where customers are invoiced for bulk purchases, a record of the invoice is stored on the Chipside system as well as details relating to whether full payment has been received. d) The Parking Services Manager should ensure that details of approved discounts are made available to the Ticket and Processing Officer so that they can be applied to eligible permit purchases.	M	a) Agreed. b) Agreed. Chipside system has not been maintained for a while a position inheirited. Currently working with the firm to rectify the position. c) Agreed. d) Agreed. There has been an issue over discounts for bulk purchase by firms and this is an area which is being looked at and could form part of the Car Park Strategy. *Responsible Officers and Implementation Dates* *a) b) & c) Parking & CCTV Services Manager – June 2018.* *d) Parking & CCTV Services Manager – June 2018*
6	The Finance Officer should complete monthly reconciliations of the season ticket/permit income against income actually received for sales. Reconciliations should be completed on a monthly basis in the same way this is done for cash and phone and pay income.	M	Finance will liaise with Parking Services Manager to implement an appropriate reconciliation. *Responsible Officers and Implementation Dates* *Parking & CCTV Services Manager / Systems Accountant – June 2018*

Ref.	Recommendations	Sig.	Management actions
7	a) The Financial Service Manager should ensure that only authorised officers are making refund payments, and that authorised refund limits are stated within the Council's financial regulations/policies b) The Parking Services Manager should request monthly reports from Bemrose/phone and pay of refunds processed including refund amounts and reasons for refunds c) The Ticket and Permit Processing Officer should save an electronic copy of refund requests on to the relevant permit record on the Chipside system. Where requests are made over the phone, details of the refund request should be manually entered onto the system d) The Ticket and Permit Processing Officer should ensure that season tickets/permits are deactivated prior to sending a request to finance to make a refund payment.	M	a) Agreed. Finance Service Manager, is confident that although there is no formal protocol in place, This risk of fraud is low. However, we welcome Internal Audits comments and will look into reviewing this procedure. b) Agreed will request monthly reports and review refund levels. c) Agreed officer has been instructed to do this. d) Agreed officer has been instructed and will ask Deputy manager to review on a regular basis. *Responsible Officers and Implementation Dates* *Parking and CCTV Manager – July 2018*

Appendix IV – Environment – Executive Summary

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)		
Design	Limited	System of internal controls is weakened with system objectives at risk of not being achieved.
Effectiveness	Moderate	Non-compliance with key procedures and controls places the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)	
High	-
Medium	4
Low	4
Total number of recommendations: 8	

OVERVIEW

The Council has expressed a strong commitment to keeping streets and green spaces clean and tidy. The Corporate Plan 2016-2019 includes a key theme of finding new ways of working with partners and embracing the support of communities to enhance the cleanliness of the environment and maintain the attractiveness of the Borough, including Environment Services involvement to: enable communities to take a more active role in delivering a cleaner and safer environment, and encourage residents to work with the Council to take responsibility for the environment, and improve the cleanliness of our streets. The Council has recently commissioned a review of its Environmental Services function, and the scope of the Internal Audit review as discussed with the Council's Operations Manager is intended to complement but not duplicate the work of the Environment consultant. The internal audit therefore focusses on matters relating to Health and Safety and Risk Assessment activity of the Environment Team's Street Cleansing and Fly Tipping response, and Enforcement.

Key Areas for Improvement:

- There is no formal process for monitoring or reviewing of staff compliance with health and safety procedures
- The risk assessments do not specify implementation dates for additional actions
- There is no formal health and safety monitoring system in place which automatically collates and monitors all data, such as the number of incidents Council-wide or departmentally, broken down into the type of incident occurred.

Conclusion:

Overall, we could not provide assurance that some controls were operating in practice due to a lack of recorded evidence. From discussion with key members of staff, the risks were known and were being addressed, however no formal record was being maintained to provide assurance that the risks were being addressed through an adequate control framework. Areas where this applied included the overall arrangements for managing health and safety risks, the risk assessments review process including discussions with staff about roles and responsibilities, site visit reviews and the monitoring of health and safety incidents.

We have been advised by management that action has been taken to address a number of the issues raised in the report since the time of the audit fieldwork. This has included updating the corporate health and safety policy, a monitoring scheduled being implemented and the risk assessment template being updated.

Information relating to the advisory review of the Enforcement service can be found in appendix 1. The findings in this area have not impacted on the overall rating of the audit. In summary, risk profiling was not undertaken within the enforcement team to determine those cases bearing the highest risk, a log of cameras was not evidenced, with regular checks to ensure compliance with RIPA requirements and there was no protocol to be followed to ensure a consistent approach to enforcement.

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Appendix IV – Environment – Executive Summary cont'd

LOOKING FORWARD: SUPPORTING THE COUNCIL'S JOURNEY FROM MODERATE /LIMITEDTO SUBSTANTIAL ASSURANCE			
Design	**Limited** →	**Substantial**	• Implement an overall policy which outlines the key roles and responsibilities for managing health and safety risks • Create a monitoring process to ensure regular reviews of work sites are undertaken and documented • Implement a health and safety monitoring process
Effectiveness	**Moderate** →	**Substantial**	• Ensure all health and safety incidents are reported at departmental meetings

Appendix IV – Environment – Recommendations Summary
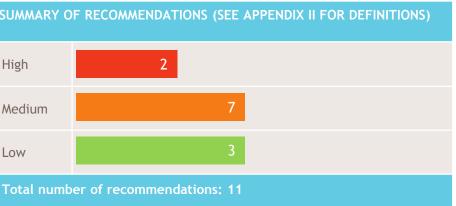
Ref.	Recommendations	Sig.	Management actions
1	All actions raised as part of risk assessments undertaken should have a fixed timeframe for implementation. Actions should be subsequently monitored after their expected implementation date to confirm if they have been implemented. Sufficient supporting evidence should be retained for this review and confirmation. When the risk assessments are reviewed and updated, the additional control measures previously raised should be reviewed and either their occurrence confirmed, in which case they should be added to the existing control measures, or an explanation sought on why they are yet to be implemented. Reports should be presented at the Depot Health and Safety meeting to state the number of actions due, broken down into those outstanding and those that have been implemented in the period.	M	• Review of risk assessments will ensure that where additional controls have been inserted that a date of implementation is stated. • Further reviews will ensure the additional risks when implemented are moved to the current controls column of the respective risk assessment. • The H&S Policy has been revised to include reviews of risk assessments. • Depot H&S meetings will include reviews of outstanding actions from risk assessments. • Day log records are used to demonstrate the activity the operatives are undertaking each day. *Responsible Officer: Dean Carroll & David Wellings* *Implementation Date: July 2018*
2	A formal schedule for site visits should be created, based on the risks associated with the places of work, to ensure an appropriate number of site visits are completed on an annual basis. A record should be maintained of all site visits undertaken to review health and safety processes. This should state who undertook the site visit, whether any non-compliance was identified, the individual who was not compliant, whether actions in place are effectively managing the risk and any actions that need to be raised and who these should be allocated to. This log can then be presented at Depot Health and Safety meetings and used to identified repeat instances of non-compliance.	M	A monitoring system is being implemented on a trial basis as a Beta system with managers within Streetscene, before upgrading to an Alpha DASH system following the trials and feedback. *Responsible Officer: Darren Laver* *Implementation Date: July 2018*

Appendix IV – Environment – Recommendations Summary cont'd

Ref.	Recommendations	Sig.	Management actions
3	a) Risk assessments should be reviewed on a regular basis. This review period should be a fixed time in keeping with the risk profile of the activity, i.e. more frequent review for activities with evolving risks, and agreed at an appropriate level. Also if an incident does happen this should also prompt a review. The future review date should be recorded on the risk assessment. b) The 'simple' risk assessments should be updated to include a review of the inherent and residual risk rating to allow for a review of the effectiveness of the mitigating controls and to provide clear reasoning for the overall level of residual risk. This risk rating need not be in a number format if this is deemed detrimental to the risk management process though a lack of staff support, and can be in a colour coding format to ensure a user friendly and understandable format. **Management Comments:** • **The risk assessments review period has now been defined in the Council's revised H&S Policy 2018 and in the Risk Assessment Standard. The review date is recorded on the risk assessment.** • **The Risk Assessment template has been revised and updated as a 'Standard' Risk assessment and has incorporated a RAG rating colour scheme of Red , high risk task, Amber, medium risk task, and green as low risk task so operatives can see immediately the importance of the risk and the control measures applied. The Document is available to all staff on the Council H&S Microsite.**	M	**ALREADY IMPLEMENTED.**
4	The Council should implement an accident and incident monitoring solution. This could be in the form of a spreadsheet which breaks down the incidents by the service line and department. This will allow for more regular scrutiny and increased efficiency and aid in the compilation and monitoring of health and safety incidents Council-wide.	M	Agreed.(1) H&S software is being sought and a demonstration has been seen with a Director to take forward this to aid general H&S compliance. (2) The Incident Report Form has also been revised and simplified on the DASH software system to improve reporting processes. *Responsible Officer: David Wellings* *Implementation Date: (1) Dec 2018 and (2) June 2018*

Appendix V – Main Financial Systems (including Outsourced Functions) – Executive Summary

CLIENT STRATEGIC RISKS	
Risk	To ensure the provision of efficient and effective services

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)		
Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	Limited	Non-compliance with key procedures and controls places the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)

High	2
Medium	7
Low	3

Total number of recommendations: 11

OVERVIEW

Background

The Council is required to have sound controls in place with regards to its finance systems, in order to detect error and fraud. The purpose of this review was to ensure that there are adequate controls in operation relating to the Council's General Ledger, Payroll, and Payments and Creditors systems. We also reviewed the Council's systems and processes relating to Council Tax and National Non-Domestic Rates (NNDR), where there is a shared service agreement in place with Basildon Borough Council. The Payroll Service has also been outsourced to Midland Human Resources.

Scope and Approach

Our review involved conducting interviews with members of the Finance Team at Brentwood Borough Council and officers within the Revenues and Benefits teams at Basildon Council to establish the controls in operation for our areas of audit work. We selected samples to test that the controls were operationally effective. We tried to undertake data analytic testing on Payroll and Creditors data but were unable to perform the testing due to reports not being provided to the audit team or insufficient data in those provided.

Good Practice
- General Ledger reconciliations were carried out on a monthly basis and there was a segregation of duty with regards to preparation and review of reconciliations.
- General Ledger user access is reviewed on an annual basis and the individuals with access at the time of the audit had appropriate access for their job roles.
- Billing was timely for NNDR properties added to the CIVICA system.
- Council Tax properties were being charged in compliance with the Council's legislation and schemes.

Key Findings
General Ledger
- Reconciliations are not reviewed in a timely manner.

Appendix V – Main Financial Systems (including Outsourced Functions) – Executive Summary cont'd

OVERVIEW *continued*

Payroll
- Due to the outsourced Human Resources and Payroll Provider failing to produce the requested information, we were unable to undertake the full range of payroll testing and could only review if starters and leavers were added or removed from the payroll in a timely manner. Therefore we can not give an assurance on all processes in this area.
- We were unable to confirm controlled access to the payroll database as no information concerning those with access was supplied by the contractor.
- Starters are not added to the Payroll in a timely manner.

Council Tax and NDR
- Council tax and NDR refunds are not authorised before being processed, including one for over £100,000..
- No policy is in place for the management, monitoring and authorisation of the Council Tax and NDR suspense account payments.
- NDR discounts and exemptions granted do not include the supporting documentation to confirm they are eligible.
- Reconciliations with the Valuation Office Agency are not appropriately authorised or completed in a timely manner.
- Monitoring and billing of new properties are not completed in a timely manner.
- We were unable to confirm controlled access to the database as Basildon Council failed to supply relevant information during the audit. Therefore we could not confirm only authorised access is allowed.
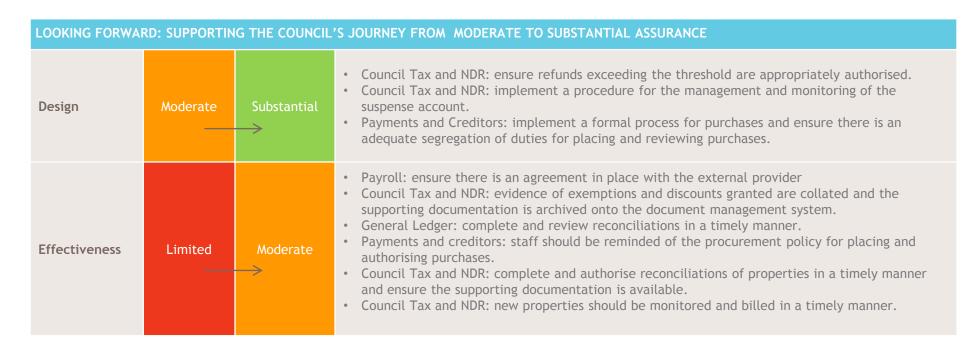
Payments and Creditors
- Purchase orders are not being raised for all purchases of goods/services.
- Purchases on the procurement card were not fully compliant with the Council's policy.

Conclusion:
The Council needs to address its monitoring of performance and system controls with providers where it has outsourced its financial services. This includes the security over access to the Council's data held by external sources. The review confirmed there are issues with the current payroll provider and we were unable to complete the full range of payroll testing to enable us to give an assurance in this area. The Council has cancelled the contract and a new provider is to be in place in April 2018. The audit also highlighted performance issues with Basildon Council in the service they provide for Council Tax and NNDR and the Council needs to ensure this is addressed and monitored. The Council also has issues with purchases of goods/services being committed without a formal purchase order being raised and approved by the appropriate budget holder or authorised signatory but it is understood the Council does not formally adopt purchase order processing in its control framework.

Overall, the design of the systems remains moderate, as the Council's procedures remain reasonable. However, there have been issues with implementation of the outsourcing arrangements which leads to an opinion of limited for control effectiveness.

Appendix V – Main Financial Systems (including Outsourced Functions) – Executive Summary cont'd

LOOKING FORWARD: SUPPORTING THE COUNCIL'S JOURNEY FROM MODERATE TO SUBSTANTIAL ASSURANCE			
Design	Moderate	Substantial →	• Council Tax and NDR: ensure refunds exceeding the threshold are appropriately authorised. • Council Tax and NDR: implement a procedure for the management and monitoring of the suspense account. • Payments and Creditors: implement a formal process for purchases and ensure there is an adequate segregation of duties for placing and reviewing purchases.
Effectiveness	Limited	Moderate →	• Payroll: ensure there is an agreement in place with the external provider • Council Tax and NDR: evidence of exemptions and discounts granted are collated and the supporting documentation is archived onto the document management system. • General Ledger: complete and review reconciliations in a timely manner. • Payments and creditors: staff should be reminded of the procurement policy for placing and authorising purchases. • Council Tax and NDR: complete and authorise reconciliations of properties in a timely manner and ensure the supporting documentation is available. • Council Tax and NDR: new properties should be monitored and billed in a timely manner.

Appendix V – Main Financial Systems (including Outsourced Functions) – Recommendation Summary

Ref.	Recommendations	Sig.	Management actions
1	The Council needs to ensure that all new starters and leavers are added to or removed from Payroll on a timely basis. A report of starters and leavers should be run monthly, reviewed and confirmed it is correct by the appropriate level of management. The Council should ensure that an agreement is in place with the new provider, whereby they agree to provide the required reports requested by the Council by set dates. The Council needs to ensure the payroll provider is meeting its contractual responsibilities and hold monthly meetings to ensure any operational issues are captured as part of contract monitoring. The Council should instigate performance monitoring and KPI's as part of any contract with outsourced financial services providers. This should include clear targets being set and evidence of the provider's procedures to show the controls in place which could be monitored. Confirmation should be sought over access controls to the contractors systems to ensure Council data is protected and only accessed by authorised officers.	H	Acknowledged that audit could not complete all testing due to current payroll provider failing to supply information requested. The Council has had issues with the current payroll provider and has decided to cancel the contract and will be using a new provider as from April 2018. We will ensure a full recorded process is in place for starters and leavers with relevant reports received each month for review. *Responsible Officer: Chief Financial Officer* *Implementation Date: June 2018*
2	a) The Council should ensure that they agree and record a procedure with Basildon Council for Council Tax and NNDR refunds. This should include: i) That two separate officers should raise, review and authorise all refunds. ii) Agreed authorisation levels for refunds. This should include a limit where 'high value' refunds should be referred to Brentwood Council for authorising. iii) A monthly report of all Council Tax and NNDR Refunds should be sent to Brentwood Council, which should be reviewed and approved. Once agreed, Basildon Council should ensure all relevant officers are aware of the requirements for a refund to be processed. b) Brentwood Council should review a sample of refunds each month to ensure the process is being adhered to.	H	We agree that the Council needs to agree with Basildon Council a process for refunds to ensure a separation of duties is in place and where refunds are authorised by senior officer. A limit needs to be set for 'high value refunds' and these are sent to Brentwood with relevant details for verification and authorisation. Basildon Council: We also agree that a formal process needs to be agreed, which will include a separation of duties and a high value level for verification. At Basildon Council we already have a process for Basildon which has been agreed with internal audit and finance, and we will share this process with Brentwood Council. *Responsible Officer: Chief Financial Officer / Revenues & Benefits Operational Manager (Basildon)* *Implementation Date: June 2018*

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Appendix V – Main Financial Systems (including Outsourced Functions) – Recommendation Summary cont'd

Ref.	Recommendations	Sig.	Management actions
3	a) Basildon council should implement an overarching procedure for management and monitoring of the suspense account outlining the responsibilities of both Brentwood Council and Basildon Council. The procedure should include: The reason for requesting to transfer the sum. Evidence is retained to support the request. transactions from suspense should be authorised by a manager. Monthly reconciliation of the suspense accounts with aged analysis. b) Details of historical suspense entries should be reported to Brentwood Council on a minimum of an annual basis as part of the end of year closedown process so a decision can be taken on how to action these.	M	Basildon Council should be applying the same processes for both suspense accounts. Basildon Council should have set the responsibility to clear suspense accounts to a manager. Brentwood Council need to agree a process with Basildon. Communication needs to be improved between the two councils and they should request confirmation from Brentwood if they need to move funds to Brentwood. Basildon Council: Agreed that communication between Basildon's Systems and Controls team and Brentwood Councils Finance team needs improvement, including agreeing clear processes for all suspense payments with agreed timescales. *Responsible Officer: Chief Financial Officer / Revenues & Benefits Operational Manager (Basildon)* *Implementation Date: June 2018*
4	The Council should ensure that reconciliations are prepared by the 15th of the following month, and that the Interim Financial Controller reviews the reconciliations by the 22nd of the following month (one week later). The finance team should also implement a process whereby the review of reconciliations are recorded (either by signing the reconciliation or the reconciliation monitor).	M	The Interim Financial Controller is responsible for reviewing all the recs and due to the number involved and current responsibilities this may prove impractical to be completed by the 15th. The team should be able to prepare these by the 15th and then reviewed by 22nd. Financial Account will review the reconciliation monitor to ensure they are being completed. Financial Accountant will authorise any clearance journals so is reviewing items as such but appreciate that this isn't evidenced as they do not sign off the rec paper copy. *Responsible Officer: Interim Financial Controller* *Implementation Date: June 2018*

Ref.	Recommendations	Sig.	Management actions
5	The Council should ensure that all applications (especially ones surrounding Empty Rate Relief) are supported by appropriate backing documentation to ensure the reason for the discount or exemption awarded is evidenced. In addition, it should be investigated as to whether Basildon Council's system parameters could be updated to include a section for management review to ensure that all new applications are appropriately authorised by the Business Rates Manager. Brentwood Council should liaise with Basildon Council to confirm if it wishes for visits to be undertaken as another control process to ensure the exemption or discount awarded is still valid.	M	Sufficient evidence should be retained on file to support any discount or exemption awarded. We will liaise with Basildon Council to agree the level of evidence to be retained for each award. Basildon Council: We agree that sufficient evidence should be retained on file, although in certain circumstances, evidence is not required for all reliefs, discounts and exemptions. A visiting regime is in place for NNDR and Ctax properties to be visited to ensure where possible that reliefs, discounts and exemptions are correct. We also employ a Compliance team who through other avenues, like credit reference agencies, tracing etc. also proactively review reliefs, discounts and exemptions are correct, working with the visiting officers and their knowledge. *Responsible Officer: Chief Financial Officer / Revenues & Benefits Operational Manager (Basildon)* *Implementation Date: June 2018*
6	The Council should confirm its process as to whether a Purchase Order should be raised for all purchases of goods/services to ensure the commitment of expenditure is formally authorised. Once confirmed the procedures need to be updated to reflect this position. Once implemented the finance team should not process an invoice payment without an authorised Purchase Order being in place. The invoice should not be approved by the same person who authorises the Purchase Order. The finance Team should run a monthly report to establish if Purchase orders are being raised in advance of the receipt of goods/services and subsequent invoice and report on the level of retrospective raising of Purchase Orders by Services. This could be reported at the Corporate Leadership Board so compliance can be monitored by Senior Management.	M	It is not formally enforced throughout the Council procedures that a purchase order MUST be raised for all good/services. Finance understand this is best practice, but is also mindful that this is a massive culture shift in the authority should this be implemented. Finance plan is to implement purchase order processing in line with our system upgrade later on in the year. This will need additional resource and highlighted as a corporate project. Budget Managers are responsible for managing their commitments and invoices via the financial management collaborative planning system. As well as the invoice authorisation process This ensures expenditure should be reviewed to avoid the risk that the Council is paying for goods it doesn't received. The query is there is a lack of evidence is held, most good/services notes are received despite not having a anywhere to record them if a purchase order is not raised. *Responsible Officer: Chief Financial Officer* *Implementation Date: June 2018*

Ref.	Recommendations	Sig.	Management actions
7	The Council should ensure that all Procurement Card holders are aware of the Procurement Card Policy, and are reminded of what is deemed to be acceptable when making purchases. When reviewing monthly procurement card transactions, line managers should also be aware of the policy and raise with officers any inappropriate purchases, or purchases which are not in line with the Council's policy. Finance Team should undertake a 10% transaction test to ensure purchases are appropriate and authorised correctly.	M	Chief Financial Controller signs off all transactions logs as S151 officer but obviously items raised not picked up. Hoping to move this so a more electronic based system in the future so that forms and receipts can be uploaded and submitted straight to line manager and then finance team for review and sign off. *Responsible Officer: Chief Financial Controller* *Implementation Date: June 2018*
8	Brentwood Council should request that Basildon Council complete reconciliations within seven days of the VOA schedule date for Brentwood domestic and commercial properties. This should be monitored by the Council and action taken if there are delays. Reconciliations should be clearly signed and dated by the officer completing the reconciliation, as well as the manager approving the reconciliation The Council should ensure all supporting documentation for the reconciliations are retained.	M	Reconciliations process passed to Basildon Council last April so still some embedding of the process. Will liaise with Basildon to review and agree process. Basildon Council: Wherever possible VOA schedules are completed within seven days. Since September 2017 for both NNDR and Ctax, reconciliations are signed and dated by the officer and for NNDR then the business rates manager. Since May 2018 the Billing & Benefits Senior Officer approves the Ctax reconciliation. Supporting documentation for the reconciliations is retained. *Responsible Officer: Chief Financial Officer / Revenues & Benefits Operational Manager (Basildon)* *Implementation Date: June 2018*
9	The Council's procedures on billing regulations should state the target number of days to assess whether timeliness has been met. Best practice would be 10 working days. Reasons should be recorded as to why the target is not met and monitored. The Business Rates Manager should ensure that there is a system in place (such as a spreadsheet) to monitor outstanding new properties without billing addresses, and ensure that these are followed up and the system is updated. If the Systems and Controls Officer is awaiting information for billing then the reasons for the delays should be recorded on the system or within the spreadsheet.		Basildon Council should have a process for tracking properties or visiting officers who will visit to obtain billing details. We will liaise with them to discuss and agree a process. Basildon Council: This process was changed in September 2017, the property is now created on Civica immediately to allow tracing of occupiers, visiting schedules and tracked by officers. Audit Comment: Note that when undertaking testing staff did not make the auditors aware of such a practice being in place and did provide evidence of a working list of properties where no billing details were recorded and how these would be target to gather information. *Responsible Officer: Interim Financial Controller / Revenues & Benefits Operational Manager (Basildon)* *Implementation Date: June 2018*

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Appendix VI – Risk Management – Executive Summary

CLIENT STRATEGIC RISKS	
Risk	To ensure the provision of efficient and effective services

LEVEL OF ASSURANCE (SEE APPENDIX VII FOR DEFINITIONS)	
Design	System of internal controls is weakened with system objectives at risk of not being achieved.
Effectiveness	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS (SEE APPENDIX VII FOR DEFINITIONS)	
High	1
Medium	2
Low	1
Total number of recommendations: 4	

OVERVIEW

Background

Risk Management is the process of identifying and mitigating risks to the achievement of Council objectives. The Council's Risk and Insurance Officer within the Financial Services team maintains the Strategic Risk Register, develops the Council's approach and guides staff in its implementation. Service departments are responsible for maintenance of operational risk registers. The Council's Audit Committee is charged with monitoring the effective development and operation of risk management and corporate governance in the Council. The Audit Committee considered a report on the status of the Council's 2017/18 Strategic Risk Register and a revised Insurance and Risk Management Strategy at a meeting on 27 September 2017.

The purpose of our review was to consider the design and effectiveness of the controls in place around the processes for risk management including risk appetite, risk identification and risk mitigation and to identify where the controls may be improved.

Areas of good practice identified were:

- Since the last review in 2016 further resources have been provided to support risk management within the Council, such as the use of Microsoft SharePoint to aid in the update and accessibility of the risk registers

- Risk registers are formally updated every quarter, with all strategic risks reported to both the Corporate Leadership Board and the Audit Committee in order to review progress

- The Risk and Insurance Officer has developed a Risk Management Training module which is currently in the process of being made available via the Council's e-learning system and will be required to be completed by all members of staff

- A Risk Management Handbook is in place within the Council which provides guidance and advice to all staff as well as an in-depth Insurance and Risk Management Strategy

Appendix VI – Risk Management – Executive Summary cont'd

OVERVIEW

However, we identified the following areas of improvement:

- Risk management is still in the process of being embedded with a number of practices yet to be taken to further embed processes. We identified a lack of consistent engagement at all levels of the Council (Finding 1 – High)

- Clear processes are not in place with regards to risk identification. There is a lack of forums within departments to regularly challenge, discuss and review current and potential risks (Finding 2 – Medium)

- There is a lack of oversight and review of all forms of risk and their relevant risk registers with reviews not happening in accordance with the Strategy (Finding 3 – Medium)

- Risks are not being clearly described in all cases with key information such as target scores not recorded. We identified cases where target dates for mitigation had passed, indicating a lack of oversight (Finding 3 – Medium)

- There is no explicit and formalised risk appetite statement within the Council (Finding 4 – Low)

Conclusion

It is clear that a great deal of work has been completed with regards to risk management since our last review. Our review identified scope for improving the Council's risk management controls, but there were no major instances of non compliance with the current controls. Consequently, we have provided limited assurance over the control design and moderate assurance over the control effectiveness.

With regards to the limited opinion over the control design, it is derived from the following key points:

- Processes and controls are currently focused on strategic risks and whilst the framework for these is well designed and operationally effective, operational and project risks need to be brought up to the same level, there is significant work to do here.

- Linked to the above point, risk Management is very limited to the senior management and is therefore not embedded within the Council with risks rarely, if ever, discussed outside of CLB.

Whilst awareness and engagement from management has increased it is the engagement across the Council, at all levels and in all departments that requires improvement.

Appendix V – Risk Management – Recommendations Summary

Ref.	Recommendations	Sig.	Management actions
1	a) Those with risk management responsibilities should have this area of their job role reviewed during annual appraisals with their job descriptions updated where necessary b) Risk Management resources should be reviewed with contingencies put in place to ensure resilience and continuity if the current Risk and Insurance Officer was to leave or was off for a prolonged period of time. c) Refresher training for management is required to be arranged to ensure continued awareness and engagement in the risk management process d) KPI's should be developed and implemented in order to assess the overall effectiveness of the risk management function. (see Appendix V for examples of KPIs)	H	As highlighted our Risk and Insurance Officer has undertaken significant work in order to embed risk management across the council. a) This would need to be separately resourced as a specific project with our new HR provider. Agree in principal this should be managed. b) Agreed this will be internally managed. c) As Highlighted in findings, eLearning is being rolled out with a view for further training to be implemented in the year, through one to one meetings or drop in sessions. d) In Principle agreed, The Risk & Insurance strategy is updated annually where this will be reviewed. *Responsible Officer: Risk and Insurance Officer & Financial Services manager* *Implementation Date: March 2019*
2	a) To aid in the identification, escalation and challenge of risks a pro-forma should be produced and held on the intranet (see Appendix IV for example). This will allow staff at all levels of the Council to record what they feel the risk and risk score is as well as any current controls. This can then be escalated via their Manager and discussed at the team meeting (see point C. below) b) The risk identification process should be more clearly defined in the Insurance and Risk Management Strategy with details of how to identify risk and how to complete the pro-forma discussed in point A.) above. c) Departmental Team Meetings should be established with Risk being a standing agenda item. Any escalated or potential risks will be discussed here as well as current risks on the their risk register. d) Project risks as described on Highlight reports should be reviewed and added to departmental risk registers where necessary.	M	a) Risk identification form has been produced and will be rolled out with eLearning. b) The strategy is updated annually where this will be reviewed. c) This will be encouraged top down from CLB d) Risk and Insurance Officer to liaise with Project and Programmes Team *Responsible Officer: Risk and Insurance Officer & Financial Services manager* *Implementation Date: December 2018*

Ref.	Recommendations	Sig.	Management actions
3	a) All required parts of the risk registers should be completed appropriately to ensure controls are in place and monitored to ensure mitigation is occurring as expected. This includes: • All risks having risk owners • Appropriate and realistic target scores completed • Target dates being recorded • Links to strategic/corporate goals included b) Risks should be assigned a category in order to undertake more informed trend analysis. c) The Insurance and Risk Management Strategy should be updated and the responsibilities of SMT disseminated. d) Risks with a score of 12 or higher should be discussed at CLB as per the Insurance and Risk Management Strategy e) The process for removing risks should be clarified in the strategy with removed risks being held on file f) All new risks should be scrutinised to ensure that the risk is actually a risk and the mitigation recorded is sufficient to nullify the risk and to reduce it to within the risk appetite of the Council.	M	a) We will encourage via CLB and one to one meetings with risk officer to ensure risk registers are completed. b) Agreed and in the process of being implemented. c) The strategy is updated annually where this will be reviewed. d) Agreed and in the process of being enforced. e) The strategy is updated annually where this will be reviewed. f) Agreed and in the process of being implemented alongside the new Risk Identification form. *Responsible Officer: Risk and Insurance Officer & Financial Services manager* *Implementation Date: December 2018*

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Appendix VII – Information Security Assessment – Executive Summary

CLIENT STRATEGIC RISKS		DIRECTION OF TRAVEL	AREAS FOR CONSIDERATION
Risk	The Council is not compliant with its statutory and regulatory obligations.	Action is required to address a number of areas that could undermine the provision of IT services to the Council.	We have identified ten areas for consideration to support the work being undertaken by the Council.

OVERVIEW

The purpose of this review was to assess the design and effectiveness of the Council's systems and procedures for information security in line with the requirements of ISO27001 – Information Security Management Systems. The Council's Town Hall Re-modelling project was completed in October 2017. As part of this restructuring process, the Council has migrated to a cloud environment Microsoft Azure, for managing applications and services through a global network of Microsoft-managed data centres. Due to the recent changes, it was agreed that this audit would be advisory, to provide areas for improvement under the new arrangements. Therefore no assurance opinion is given.

We found the following examples of good practice:
- The Council's IT governance controls pertaining to IT Strategy, management, roles and responsibilities are in place.
- The Council has a corporate risk management process
- All the Information security policies are reviewed and updated from July 2017.
- The Council has a defined business continuity and disaster recovery plan from July 2017.
- The Council has a defined procedure for user access management of starters, movers and leavers.

However, we identified the following areas of improvement:
- There is no information security training being conducted across the Council.
- There are no procedures for subject access requests and freedom of information.
- The Council do not have effective IT Asset management controls, e.g. no formal IT asset register.
- There is no defined Information Classification policy and no building access controls
- There have been no penetration tests performed post migration to the Cloud environment.
- There has been no testing performed of business continuity and disaster recovery arrangements

Overall, the controls in place are not sufficient to protect attacks against the information that the Council holds and would not currently be sufficient to meet changes to data protection legislation from May 2018 under the General Data Protection Regulations (GDPR). Whilst the ICT Service has taken action to apply IT general controls, there are a number of issues that, if not addressed, could result in a breach in information security management systems. Therefore, we have provided an improvement plan for management to implement the controls for an effective information security management system.

To enable the Council to prioritise the actions identified, we advise that areas for consideration 1, 2, 4 and 7 are treated as high and the remaining areas ate treated as medium priority.

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13 June 2018

Audit and Scrutiny Committee

Internal Audit Annual Report 2017/18

Report of: *Greg Rubins, Head of Internal Audit (BDO)*

Wards Affected: *All*

This report is: *Public*

1.   Executive Summary

1.1   Overall, we are able to provide limited assurance that there is a sound system of internal control, designed to meet the Council's objectives and that controls are being applied consistently. In forming our view we have taken into account that:

1.2   The Council has performed broadly in line with budget regarding financial performance. The Council has shown strong financial management with moderate / substantial and substantial assurance opinions provided in this year's audits on the financial planning and budget monitoring and capital projects respectively.

1.3   The Council's record in implementing audit recommendations requires some improvement. Whilst management are proactive in discussing plans to address the risks identified in audits, there is a lack of engagement when internal audit follow up recommendations, therefore we cannot report a year end position relating to recommendations made during 2017/18 that have fallen due before 31 March 2018.

1.4   47% of audits received limited or part limited assurance. These included car parking and payment collection, environment and community halls viability, and the key areas of risk management, main financial systems, housing and partnerships.

1.5   The reduction in assurance this year is disappointing and may reflect the significant changes that have taken place in the Council over the last year. New arrangements are taking time to bed down. However, management have responded positively to our reports and if the improvements required are implemented this will support a better position in 2018/19.

2.   Recommendation

2.1   **That the Committee receives and notes the contents of the report.**

3. Introduction and Background

3.1 The role of internal audit is to provide an opinion to the Council, through the Audit and Scrutiny Committee, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed.

3.2 The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes, within the scope of work undertaken by our firm as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period.

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4. Issue, Options and Analysis of Options

4.1 None.

5. Reasons for Recommendation

5.1 To review the results of internal audit reviews undertaken during the year, and highlight key themes and areas for consideration arising from the work of internal audit.

6. Consultation

6.1 None.

7. References to Corporate Plan

7.1 Good financial management, risk management and internal control underpin all priorities within the Corporate Plan.

8. Implications

Financial Implications
Name &Title: Jacqueline Van Mellaerts, Interim Chief Finance Officer S151 Officer
Tel & Email: 01277 312829/jacqueline.vanmellaerts@brentwood.gov.uk

8.1 There are no direct financial implications arising from this report.

Legal Implications
Name &Title: Daniel Toohey, Monitoring Officer and Head of Legal Services
Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk

8.2   There are no direct legal implications arising from this report.

Other Implications.

8.3   None.

9.   Background Papers

9.1   None.

10.   Appendices to this report

Appendix A – Internal Audit Annual Report 2017/18

Report Author Contact Details:

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BRENTWOOD BOROUGH COUNCIL

INTERNAL AUDIT ANNUAL REPORT AND STATEMENT OF ASSURANCE

2017/18

BDO

CONTENTS
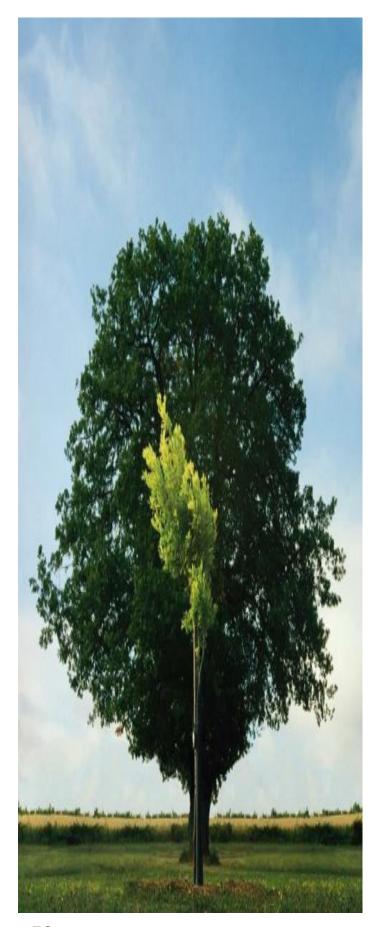
EXECUTIVE SUMMARY

Internal Audit 2017/18

This report details the work undertaken by internal audit for Brentwood Borough Council and provides an overview of the effectiveness of the controls in place for the full year. The following reports have been issued for this financial year:

Capital Projects	Insurance
Community Halls Viability	Main Financial Systems
Customer Service	Minimum Reserve Levels
Environment	Parking Strategy and Payment Collection
Financial Planning and Budget Monitoring	Partnerships
Housing Services	Risk Management
Housing Benefit Shared Service	Taxi Driver Licensing
Information Security Assessment	

We have detailed the opinions of each report and key findings on pages four to fourteen. Our internal audit work for the 12 month period from 1 April 2017 to 31 March 2018 was carried out in accordance with the internal audit plan approved by management and the Audit Committee. The plan was based upon discussions held with management and was constructed in such a way as to gain a level of assurance on the main financial and management systems reviewed. There were no restrictions placed upon the scope of our audit and our work complied with Public Sector Internal Audit Standards.

Head of Internal Audit Opinion

The role of internal audit is to provide an opinion to Members, through the Audit Committee (AC), on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed.

The approved plan has been delivered in its entirety by internal audit. In agreement with management, the cyber security and IT disaster recovery audits were combined into the information security assessment, to establish key areas where the council can further develop its controls. An additional audit of taxi driver licensing was undertaken to address concerns raised by members.

The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the council's risk management, control and governance processes, within the scope of work undertaken by our firm as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period.

Opinion

The basis for forming my opinion is as follows:

- An assessment of the design and operation of the underpinning risk management arrangements and supporting processes;

- An assessment of the range of individual opinions arising from risk based audit assignments contained within internal audit risk base plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses; and

- Any reliance that is being placed upon third party assurances.

Overall, we are able to provide limited assurance that there is a sound system of internal control, designed to meet the Council's objectives and that controls are being applied consistently. In forming our view we have taken into account that:

- The Council has performed broadly in line with budget regarding financial performance. The Council has shown strong financial management with moderate / substantial and substantial assurance opinions provided in this year's audits on the financial planning and budget monitoring and capital projects respectively.

- The Council's record in implementing audit recommendations requires some improvement. Whilst management are proactive in discussing plans to address the risks identified in audits, there is a lack of engagement when internal audit follow up recommendations, therefore we cannot report a year end position relating to recommendations made during 2017/18 that have fallen due before 31 March 2018.

- 47% of audits received limited or part limited assurance. These included car parking and payment collection, environment and community halls viability, and the key areas of risk management, main financial systems, housing and partnerships. The reduction in assurance this year is disappointing and may reflect the significant changes that have taken place in the Council over the last year. New arrangements are taking time to bed down. However, management have responded positively to our reports and if the improvements required are implemented this will support a better position in 2018/19.

REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Capital Projects	0	0	2	Substantial	Substantial	**Good Practice** • As part of the budget monitoring process, capital projects are reviewed on a monthly basis by the budget holder and appropriate accountant and progress reports are on a six-monthly basis to the Ordinary Council and reported as part of the outturn report for the financial year. • The Council uses the Collaborative Planning (CP) spreadsheet with a RAG (Red/Amber/Green) rating system to record the financial position of each project following monthly Corporate Leadership • There is a clear governance structure that is adhered to, whereby each project reports to CLB. There is a separate project board for the Town Hall project due to its financial size and importance • The Town Hall project has its own Risk Register, which is detailed with risk scores and responsible risk owners. likelihood ratings, mitigating factors, reviewed risk ratings and colour RAG ratings. The council has also employed a project management firm to manage the works • Quarterly meetings of the Star Chamber run through the budget as a whole, as well as the Policy Projects and Resources (PPR) committee who meet monthly.
Community Halls Viability	2	3	2	Limited	Limited	**Key Areas for Improvement** • The Council needs to undertake further work to ensure that the financial information on running the Community Halls is adequate enough for members to be able to make an informed decision. Our audit found significant variances between income and expenditure totals reported in the statutory accounts, reported to the Charity Commission, and the management accounts supplied by Brentwood Leisure Trust (BLT) to the Council • Until a decision is made on the future management of the halls, further monitoring is required of the financial performance of BLT and ensuring that information required as part of the Service Level Agreement is received and reviewed on the agreed basis • The Council should Introduce more formality into the community halls project for establishing the future management of community halls including compiling a project plan to cover all aspects of the project, with clear outcomes, set deadlines and a risk register, all of which should be monitored and updated on a regular basis • Monitoring of the condition of the six community halls on a regular basis is necessary to ensure that BLT is meeting the requirements of its lease to ensure that the halls are maintained to a good standard.

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Customer Services	0	4	0	Moderate	Moderate	**Good Practice** • The Digital Services Team maintains a basic project tracker detailing the projects they are working on and record the actual start and completion dates against the planned dates and resource hours required and actual to date. • The Council has adopted a new approach to Customer Services and Channel Shift and has already created a Service Improvement Team who are undertaking reviews of services requirements to finalise the Service Improvement Programme and Customer Services Strategy • The Council has already taken action in using the Firmstep platform and has uploaded over 200 on-line forms for the public to use. **Key Areas for Improvement** • The Council does not have a Channel Shift Policy to outline how it intends to use new technologies or a cross council group to manage the policy. However, it is noted a new Project Board has been created to cover all departments and a new Service Improvement Team is in place to start addressing the Channel Shift issues. There was no evidence that progress against the Customer Access Strategy was regularly reported to Senior Management • There were no business cases or summaries for the projects being worked on by the Digital Services Team, detailing the reason for the project, costs, stakeholders and planned implementation dates, to provide clarity on outcomes, how the project aligns to the Customer Access Strategy, stakeholder engagement and the financial and resources impact on the Council. There has been no effective targeting of services to establish a plan of needs and priorities as the Digital Services Team's priorities over the last eight months were to ensure the Council's electronic forms were set up on the new platform before the old one was switched off to avoid the risk of on-line payments and enquiries not being available to the public • Whilst statistical packs are sent to departments that analyse customer contact through electronic measures, telephone or face to face, there are no action plans in place to demonstrate how departments are using these packs in considering channel shift • Evidence is not always available to demonstrate that external partners have been engaged in future projects and their feedback been sought to help guide a project forward to a digitalised platform.

REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Environment	0	4	0	Limited	Moderate	**Key Areas for Improvement** • There is no formal process for monitoring or reviewing of staff compliance with health and safety procedures • The risk assessments do not specify implementation dates for additional actions • There is no formal health and safety monitoring system in place which automatically collates and monitors all data, such as the number of incidents Council-wide or departmentally, broken down into the type of incident occurred. • Overall, we could not provide assurance that some controls were operating in practice due to a lack of recorded evidence. From discussion with key members of staff, the risks were known and were being addressed, however no formal record was being maintained to provide assurance that the risks were being addressed through an adequate control framework.
Financial Planning and Budget Monitoring	0	2	0	Moderate	Substantial	**Good Practice** • Savings targets are set appropriately with reference to overarching targets and based upon documented assumptions • The budget setting process and proposed savings are discussed and recorded • Income assumptions are reviewed regularly by the link accountants • The controls currently in place for financial planning and budget monitoring are being consistently applied across all departments • Saving targets have been appropriately discussed and assigned to relevant budget holders • Budget monitoring meetings are being held on a regular basis • Budget challenge meetings are being held on a regular basis • Appropriate information is being communicated to the relevant boards and committees to allow decisions to be made • The medium term financial plan is updated regularly to reflect changing circumstances and previous financial results. **Key Areas for Improvement** • There is currently no formal way of documenting the monthly budget holder meetings between budget holders and link accountants, and there is no interim review and sign off for individual budgets. • There is no formal process for identifying, monitoring and following up on issues arising from the quarterly budget challenge meetings.

REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Housing Services	2	6	1	Limited	Moderate	**Good Practice** • The Housing team provide reports on Housing assets to the Finance Team monthly, and the Finance Team have performed a detailed check of the Finance Asset Register to the properties recorded on the Orchard System, and plan to repeat this check annually • Rents are determined through calculations applied to source data from the Orchard system on properties, and through application of policies and transitional arrangements using the Rent Model. Invoices for rent due are produced promptly and checked by the Housing team prior to the new year rents becoming due • Tenants are offered a variety of methods to pay their rent. **Key Areas for Improvement** • Housing records are dispersed, many records are maintained in paper form, and records and information management does not accord with best practice guidelines. There is scope to develop the current retention guidelines, introduce records management protocols, review arrangements for storage and retrieval of records, and ensure that staff are aware of the requirements of the Data Protection Act and new General Data Protection Regulations. • The Council does not have an Estates Management Strategy, and estates inspections had lapsed. • There is a need to clarify the arrangements for allocation of Council properties between the HRA and General Fund and review current allocations, to provide clarity over roles and responsibilities between the Housing and Assets team, and review the format of asset related records. • Protocols for cyclical and responsive repairs have not been defined. • There is scope to review the Anti Social Behaviour Strategy (ASB) and to link it to the Community Safety and Housing pages on the Council's website. There is also scope to review the format of ASB records. • Records of vulnerable tenants and those with enacted Lasting Power of Attorney are not currently easily accessible. • The process of uploading tenant payments made via All Pay should be automated. • Accounts in credit are not subject to regular checks by Housing staff, giving due consideration to fraud risks.

REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Housing Benefit Shared Service	0	2	0	**Moderate**	**Moderate**	**Good Practice** • Four weekly reconciliations are conducted by the Subsidy Officer (Basildon Borough Council) of the claimable subsidy to the benefits paid to claimants • Brentwood Council project governance arrangements have been established to support implementation of significant projects • Payment processes include communication between Basildon and Brentwood Councils, and checks on and authorisation of payment files **Key Areas for Improvement** • Manual checks are conducted on high value Benefit payments and on Council Tax, these checks are to be extended to benefit claim processing and amendment. Automated checks were delayed pending system development to support multi site working. • Reconciliations of Benefit payments to the Ledger have not been completed since July 2017. Brentwood and Basildon Council are working to enable Basildon Council staff to complete reconciliations for Brentwood Benefits payments.
Information Security Assessment **DRAFT**		10 advisory recommendations were raised in the report		**Advisory Review** **Direction of Travel - Action is required to address a number of areas that could undermine the provision of IT services to the Council.**		**Good Practice** • The Council's IT governance controls pertaining to IT Strategy, management, roles and responsibilities are in place. • The Council has a corporate risk management process • All the Information security policies are reviewed and updated from July 2017. • The Council has a defined business continuity and disaster recovery plan from July 2017. • The Council has a defined procedure for user access management of starters, movers and leavers. **Key Areas for Improvement** • There is no information security training being conducted across the Council. • There are no procedures for subject access requests and freedom of information. • The Council do not have effective IT Asset management controls, e.g. no formal IT asset register. • There is no defined Information Classification policy and no building access controls • There have been no penetration tests performed post migration to the Cloud environment. • There has been no testing performed of business continuity and disaster recovery arrangements

REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Insurance	0	3	3	Moderate	Moderate	**Good Practice** • During our testing we found no exceptions with regard to the timeliness of initial claim forms sent to the insurer • The Risk and Insurance Officer works closely with the Corporate Health and Safety Advisor to identify trends in claims, and devise solutions to mitigate the risk of such claims • The Council has thorough insurance covering all relevant areas including newer risks such as terrorism and cyber related risks • A corporate risk register and departmental risk registers are maintained, and risks are reported quarterly to the Corporate Leadership Board. **Key Areas for Improvement** • During our testing we found one claim where a Council employee had accepted liability without first checking that it related to a Council owned property, at a potential additional cost of £350. • There had been no training given to staff in relation to the Insurance Act 2015 over the past two years. • We found some weaknesses in the use of the ClaimControl system, such as delays in reporting information. • During our testing we found two examples of a delay in providing the insurer with requested information, and one instance where no settlement letter was evidenced.
Minimum Reserve Levels	0	1	0	Substantial	Moderate	**Good Practice** • The Council performs an annual risk assessment of Reserves, which demonstrates that new risks are recognised and incorporated into the assessment, and values and risk levels are reassessed • An annual report to the Council explains the processes followed to determine appropriate levels of reserves and provides assurance by the S151 Officer of the levels of reserves applied • The Council has separately identified Earmarked Reserves relevant to specific areas of activity and risk. **Key Areas for Improvement** • There is potential to capture forecast significant financial risks in the Reserves Risk Assessment, to provide clarity over the financial impact of risks within the Corporate Risk Register and to identify the sources of information used in determining the Reserve Risks within working papers to support the risk assessment.

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REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Main Financial Systems	2	7	3	Moderate	Limited	**Good Practice** • General Ledger reconciliations were carried out on a monthly basis and there was a segregation of duty with regards to preparation and review of reconciliations. • General Ledger user access is reviewed on an annual basis and the individuals with access at the time of the audit had appropriate access for their job roles. • Billing was timely for NNDR properties added to the CIVICA system. • Council Tax properties were being charged in compliance with the Council's legislation and schemes. **Key Areas for Improvement** General Ledger • Reconciliations are not reviewed in a timely manner. Payroll • Due to the outsourced Human Resources and Payroll Provider failing to produce the requested information, we were unable to undertake the full range of payroll testing and could only review if starters and leavers were added or removed from the payroll in a timely manner. Therefore we can not give an assurance on all processes in this area. • We were unable to confirm controlled access to the payroll database as no information concerning those with access was supplied by the contractor. • Starters are not added to the Payroll in a timely manner. Council Tax and NDR • Council tax and NDR refunds are not authorised before being processed, including one for over £100,000 • No policy is in place for the management, monitoring and authorisation of the Council Tax and NDR suspense account payments • NDR discounts and exemptions granted do not include the supporting documentation to confirm they are eligible • Reconciliations with the Valuation Office Agency are not appropriately authorised or completed in a timely manner • Monitoring and billing of new properties are not completed in a timely manner • We were unable to confirm controlled access to the database as Basildon Council failed to supply relevant information during the audit. Therefore we could not confirm only authorised access is allowed. Payments and Creditors • Purchase orders are not being raised for all purchases of goods/services. • Purchases on the procurement card were not fully compliant with the Council's policy.

REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Car Parks and Parking Collection	4	3	2	**Limited**	**Limited**	**Good Practice** • Parking charges are clearly displayed in the Council's car parks and on the Council's website • The parking machines used by the Council can identify and reject fake coins • Serial numbers on coin collection bags are recorded before being handed over to G4S • Parking Fees are approved by the Policy, Projects and Resources Committee on an annual basis. **Key Areas for Improvement** • The Finance Team is unable to reconcile income from pay and display machines or for season tickets/permits to the Council's bank account • The Council does not meet compliance standards for taking payments securely, and there was no evidence of secure payment methods for contracted administrators Bemrose/phone and pay and Parkeon • No evidence of compliance with PCI DSS to ensure secure payment systems are in place • Receipts relating to the counting of cash collected from machines are not recorded accurately • Expected income from Phone and Pay cannot be reconciled to income received • Season ticket/permit prices are incorrect on the Chipside system and approved discounts levels are not clear • Electronic season tickets/permits are not deactivated before refunds are being issued

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REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Partnerships	0	7	1	Moderate	Limited	**Good Practice** • The Council's Partnerships policy and guidance includes template risk assessments and Terms of Reference which ensures a robust and consistent approach to joining partnerships • The Council has prepared guidance which defines partnerships, to support governance of partnerships and establish when it is appropriate to form a partnership • The Revenues and Benefits Service monitors performance indicators using the Covalent system. **Key Areas for Improvement** • The Council has created a new framework , the 'Partnership Policy and Procedures 2017', however this has not been applied to existing partnerships and there is no clear date for implementation. Furthermore the Council's Partnership Register does not contain all of the information required, as specified in the Council's new policy. • We reviewed four of the Council's existing partnerships and found that insufficient assessment of risks and benefits of joining the partnership, including governance arrangements, and financial and resource risks had been carried out. • Of the four partnerships we reviewed, we were only able to obtain evidence of one of the partnerships having been approved. • We reviewed the governance arrangements for four of the Council's existing partnerships and found that one of the partnerships did not have a responsible office or lead, and therefore we were unable to sufficiently review the partnership. We also found that none of the partnerships had clear governance structures or arrangements in place. • Of the four partnerships we tested, we found that none of the partnerships had been reviewed since the partnerships had been formed. • Of the four partnerships reviewed we found that none had defined roles and responsibilities within their Terms of Reference, Partnership Agreements, or similar documents. • There is no formal process in place to monitor the Revenues and Benefits Shared Service performance, or action plans where targets have not been met.

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Risk Management	1	2	1	Limited	Moderate	**Good Practice** • Since the last review in 2016 further resources have been provided to support risk management within the Council, such as the use of Microsoft SharePoint to aid in the update and accessibility of the risk registers • Risk registers are formally updated every quarter, with all strategic risks reported to both the Corporate Leadership Board and the Audit Committee in order to review progress • The Risk and Insurance Officer has developed a Risk Management Training module which is currently in the process of being made available via the Council's e-learning system and will be required to be completed by all members of staff • A Risk Management Handbook is in place within the Council which provides guidance and advice to all staff as well as an in-depth Insurance and Risk Management Strategy. **Key Areas for Improvement** • Risk management is still in the process of being embedded with a number of practices yet to be taken to further embed processes. We identified a lack of consistent engagement at all levels of the Council • Clear processes are not in place with regards to risk identification. There is a lack of forums within departments to regularly challenge, discuss and review current and potential risks • There is a lack of oversight and review of all forms of risk and their relevant risk registers with reviews not happening in accordance with the Strategy • Risks are not being clearly described in all cases with key information such as target scores not recorded. We identified cases where target dates for mitigation had passed, indicating a lack of oversight.

REVIEW OF 2017/18 WORK

Reports Issued	Recommendations and significance			Overall Report Conclusions (see Appendix I)		Summary of Key Findings / Recommendations
	H	M	L	Design	Operational Effectiveness	
Taxi Driver Licensing	0	2	0	Moderate	Moderate	**Good Practice** • Costs coded to the Driver Trading Account in 2016-17 could be substantiated and income relating to 2016-17 had been properly accounted for • Expenditure budgets assigned to the Driver Trading Account for 2017-18 were supported by working papers and income assumptions appeared reasonable and were supported by working papers • An end of year adjustment to the Driver Trading Account will be undertaken to reflect actual Corporate Overhead costs and Licensing Team support costs, in line with usual Council practice • Timesheets have been reintroduced since 31 July 2017 to support the percentage allocations to the Driver Trading Account of the Licensing Team and support costs and the various Corporate overheads. **Key Areas for Improvement** • In respect of some Licensing Team costs, a virement to the current budget within the finance system following in-year review of the budgets set has not yet been amended to the spreadsheet supporting the Driver Trading Account. • Timesheet monitoring needs to be aligned the regular meetings between the Principal l Licensing Officer and the Taxi Trade Consultancy Group and should be undertaken until such time as the fluctuations of activity can be determined with certainty.
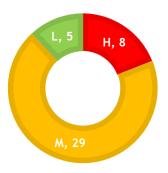
SUMMARY OF FINDINGS
RECOMMENDATIONS AND ASSURANCE DASHBOARD
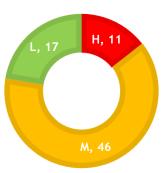
2016/17	2017/18
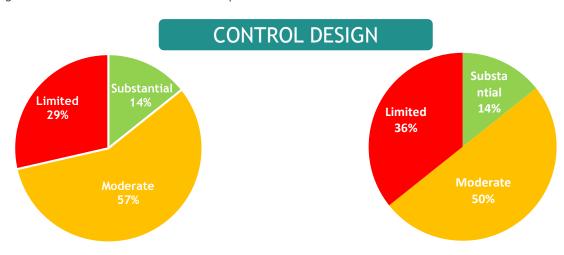
The number of recommendations raised and their significance over 2016-17 and 2017-18 are set out below:

L, 5 · H, 8 · M, 29

L, 17 · H, 11 · M, 46
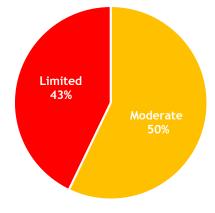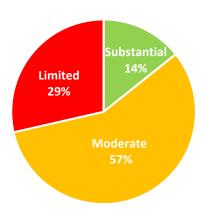
In 2017-18 we raised an average of five recommendations per assurance audit as compared to six in 2016-17. Whilst the proportion of high and medium priority recommendations has decreased from 19% to 14% and from 69% to 62% respectively, the eleven high recommendations made during the year reflect some significant weaknesses in the control environment.

We also provide an overall opinion on both the design and operational effectiveness of the controls operating over the areas we review when we are providing assurance. The assurance levels given during 2016-17 and 2017-18 are set out below. The proportion of limited opinions with regards to the control design has increased from 29% to 36%, although the control effectiveness overall as improved.

CONTROL DESIGN

Limited 29% · Substantial 14% · Moderate 57%

Limited 36% · Substantial 14% · Moderate 50%

CONTROL EFFECTIVENESS

Limited 43% · Moderate 50%

Limited 29% · Substantial 14% · Moderate 57%

ADDED VALUE

How we have added value during the year

USE OF SPECIALISTS

We have used our IT specialists to deliver the Information Security Assessment.

RESPONSIVENESS-

We have been able to adapt our audit plan to address your emerging risks such as the inclusion of the review of taxi driver licensing.

BENCHMARKING AND BEST PRACTICE

We have shared best practice examples from our clients and other local government organisations in a number of our reviews. We have also performed benchmarking exercises in a number of audits. We have performed this in approximately 75% of our reviews.

INNOVATION

We have used our audit days innovatively to support the Council in achieving its aims e.g. by using data analytics where possible in the main financial systems audit.

BACKGROUND TO ANNUAL OPINION

Introduction

Our role as internal auditors to Brentwood Borough Council is to provide an opinion to the Board, through the Audit Committee (AC), on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. Our approach, as set out in the firm's Internal Audit Manual, is to help the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Our internal audit work for the 12 month period from 1 April 2017 to 31 March 2018 was carried out in accordance with the internal audit plan approved by management and the Audit Committee, adjusted during the year for any emerging risk issues. The plan was based upon discussions held with management and was constructed in such a way as to gain a level of assurance on the main financial and management systems reviewed. There were no restrictions placed upon the scope of our audit and our work complied with Public Sector Internal Audit Standards.

The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes, within the scope of work undertaken by our firm as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period.

Scope and approach

Audit Approach

We have reviewed the control policies and procedures employed by Brentwood Borough Council to manage risks in business areas identified by management set out in the 2017-18 Internal Audit Annual Plan approved by the Audit Committee. This report is made solely in relation to those business areas and risks reviewed in the year and does not relate to any of the other operations of the organisation. Our approach complies with best professional practice, in particular, Public Sector Internal Audit Standards, the Chartered Institute of Internal Auditors' Position Statement on Risk Based Internal Auditing.

We discharge our role, as detailed within the audit planning documents agreed with Brentwood Borough Council management for each review, by:

• Considering the risks that have been identified by management as being associated with the processes under review

• Reviewing the written policies and procedures and holding discussions with management to identify process controls

• Evaluating the risk management activities and controls established by management to address the risks it is seeking to manage

• Performing walkthrough tests to determine whether the expected risk management activities and controls are in place

• Performing compliance tests (where appropriate) to determine that the risk management activities and controls have operated as expected during the period.

BACKGROUND TO ANNUAL OPINION

The opinion provided on page 3 of this report is based on historical information and the projection of any information or conclusions contained in our opinion to any future periods is subject to the risk that changes may alter its validity.

Coverage

During 2017-18 BDO LLP has reviewed and evaluated Brentwood Borough Councils processes in the following areas:

Capital Projects	Insurance
Community Halls Viability	Main Financial Systems
Customer Service	Minimum Reserve Levels
Environment	Parking Strategy and Payment Collection
Financial Planning and Budget Monitoring	Partnerships
Housing Services	Risk Management
Housing Benefit Shared Service	Taxi Driver Licensing
Information Security Assessment	

Reporting mechanisms and practices

Our initial draft reports are sent to the key officer responsible for the area under review in order to gather management responses. In every instance there is an opportunity to discuss the draft report in detail. Therefore, any issues or concerns can be discussed with management before finalisation of the reports.

Our method of operating with the Audit Committee is to agree reports with management and then present and discuss the matters arising at the Audit Committee meetings.

Management action on our recommendations

Management have generally been conscientious in reviewing and commenting on our reports. For the reports which have been finalised, management have responded positively. The responses indicate that appropriate steps to implement our recommendations are expected.

Recommendation follow-up

Implementation of recommendations is a key determinant of our annual opinion. If recommendations are not implemented in a timely manner then weaknesses in control and governance frameworks will remain in place. Furthermore, an unwillingness or inability to implement recommendations reflects poorly on management's commitment to the maintenance of a robust control environment.

Management have generally implemented findings within a timely manner although we believe this can be enhanced within the coming year.

A total of 52 recommendations were raised in 2016/2017 and of these, 49 were eligible for follow up (medium or high recommendations). 46 (94%) of these recommendations eligible for follow up have been implemented and three (6%) are overdue.

A total of 50 recommendations were raised in 2017/2018 and of these, 45 were eligible for follow up (medium or high recommendations). Eight (18%) of these have been implemented, with a further 30 (67%) not yet due, and six (13%) in progress, leaving one overdue (2%).

Relationship with external audit

All our final reports are available to the external auditors through the Audit Committee papers and are available on request. Our files are also available to external audit should they wish to review working papers to place reliance on the work of internal audit.

BACKGROUND TO ANNUAL OPINION

Report by BDO LLP to Brentwood Borough Council

As the internal auditors of Brentwood Borough Council we are required to provide the Audit Committee, and the Director with an opinion on the adequacy and effectiveness of risk management, governance and internal control processes, as well as arrangements to promote value for money.

In giving our opinion it should be noted that assurance can never be absolute. The internal audit service provides Brentwood Borough Council with limited assurance that there are no major weaknesses in the internal control system for the areas reviewed in 2017-18. The statement of assurance is not a guarantee that all aspects of the internal control system are adequate and effective. The statement of assurance should confirm that, based on the evidence of the audits conducted, there are no signs of material weaknesses in the framework of control.

In assessing the level of assurance to be given, we have taken into account:

- All internal audits undertaken by BDO LLP during 2017-18

- Any follow-up action taken in respect of audits from previous periods for these audit areas

- Whether any significant recommendations have not been accepted by management and the consequent risks

- The effects of any significant changes in the organisation's objectives or systems

- Matters arising from previous internal audit reports to Brentwood Borough Council

- Any limitations which may have been placed on the scope of internal audit – no restrictions were placed on our work

INTERNAL AUDIT OPERATIONAL PLAN

Name of Review	Days in Plan	Plann-ing	Field-work	Final Report	Reported to Audit Committee	Opinion Design & Operational Effectiveness	
Capital Projects	15	✔	✔	✔	March 2018	Substantial	Substantial
Community Halls Viability	15	✔	✔	✔	September 2017	Limited	Limited
Customer Services	10	✔	✔	✔	June 2018	Moderate	Moderate
Environment	15	✔	✔	✔	June 2018	Limited	Moderate
Financial Planning and Budget Monitoring	15	✔	✔	✔	January 2018	Moderate	Substantial
Housing Services	20	✔	✔	✔	January 2018	Limited	Moderate
Housing Benefit Shared Service	10	✔	✔	✔	March 2018	Moderate	Moderate
Information Security Assessment	25	✔	✔	DRAFT	June 2018	Advisory	
Insurance	10	✔	✔	✔	September 2017	Moderate	Moderate
Main Financial Systems	40	✔	✔	✔	June 2018	Moderate	Limited
Minimum Reserve Levels	10	✔	✔	✔	January 2018	Substantial	Moderate
Parking and Car Parks Collection	10	✔	✔	✔	June 2018	Limited	Limited
Partnerships	15	✔	✔	✔	January 2018	Moderate	Limited
Risk Management and Governance	10	✔	✔	✔	June 2018	Limited	Moderate
Taxi Driver Licensing	10	✔	✔	✔	March 2018	Moderate	Moderate

KEY PERFORMANCE INDICATORS

Quality Assurance	Detail on KPI's	RAG Rating 2017-18
• High quality documents produced by the auditor that are clear and concise and contain all the information requested.	No survey responses have been received for 2017-18. However, in light of our reappointment we infer that the Council overall considers our service to be of high quality and meeting expectations	Green
• Frequent communication to the customer of the latest mandatory audit standards and professional standards prescribed by the main accountancy bodies.	Sector updates are provided within the Audit Committee progress report, new internal audit charter issued.	Green
Reporting Arrangements		
• The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Audit Committee meetings, pre-meetings, individual audit meetings, contract reviews and monthly catch ups.	Green
• Information is presented in the format requested by the customer.	No requests to change the BDO format.	N/A
Audit Protocol		
• Customer satisfaction reports – overall score at average at least 3.5 / 5 for surveys issued at the end of each audit.	No survey responses have been received for 2017-18.	N/A
• Annual survey to Audit Committee to achieve score of at least 70%	A new survey is being developed, to be issued in May 2018	N/A
• External audit can rely on the work undertaken by internal audit (where planned)	External Audit has indicated that their strategy and approach has changed where no reliance could be place on our work.	N/A
• Annual Audit Plan delivered in line with timetable • Actual days are in accordance with Annual Audit Plan	Planned number of audit days in line with those agreed with Audit Committee. Only one audit was delivered in quarter one in 2017-18, when the plan was to deliver three. This has been addressed in 2018-19.	Amber

KEY PERFORMANCE INDICATORS

Delivery	Detail on KPI's	RAG Rating 2017-18
• Draft report to be produced 3 weeks after the end of the fieldwork	All draft report have been issued within 3 weeks of the closing meeting. This has on some occasions been after the end of the onsite fieldwork.	Green
• Management to respond to internal audit reports within 3 weeks	Management responses have not been received within 3 weeks for the majority if audits, this is an area that needs to be improved in 2018-19 through working with management.	Amber
• Final report to be produced 1 week after management responses	All final reports have been issued within one week of receipt of management response.	Green
• 90 % recommendations to be accepted by management	This target has been met.	Green
• At least 60% input from qualified staff	All audits have been led by a qualified senior auditor.	Green
• Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in April 2015, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards.	Green

APPENDIX 1
OPINION AND RECOMMENDATION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

FOR MORE INFORMATION:

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13 June 2018

Audit & Scrutiny Committee

Scrutiny Work Programme 2018/19 Update

Report of: *Phil Ruck, Chief Executive*

Wards Affected: *All*

This report is: *Public*

1.   Executive Summary

1.1   This report provides the 2018/19 draft scrutiny work programme for members consideration and is attached at Appendix A.

1.2   Members should note that the workplan is a timeline of the latest and proposed working position of the working groups and **not** the actual timeline of the subject matter or project being reviewed. These timelines are subject to change depending on the work and outcomes of the working groups.

1.3   Following the Policy, Projects and Resources Committee on the 19th June 2018 there may be further additions to the Work Programme.

1.4   The Committee is requested to consider the draft work programme at Appendix A and agree any amendments.

2.   Recommendation(s)

2.1   That the Committee considers the Scrutiny work programme 2018/19 attached at Appendix A and agree any amendments for approval.

3.   Introduction and Background

3.1   At the Annual Council it was agreed that the committee structure would include the introduction of an Audit & Scrutiny Committee.

3.2   The Policy, Projects and Resources Committee agrees the Corporate Projects and scope that it requires to be reviewed by the Audit & Scrutiny Committee in 2018/19.

3.3   The Audit & Scrutiny Committee also has responsibility to review decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions. In addition it has responsibility for the monitoring of Council service performance, including Performance Indicators and Formal Complaints.

3.4   The Scrutiny work programme should not include management or staffing issues which are the responsibility of the Head of Paid Service.

4   Reasons for Recommendation

4.1   The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee.

5   Consultation

5.1   None.

6   References to Corporate Plan

6.1   The vision of Transformation includes an action to improve the Council's governance arrangements, leading to faster, more effective decision-making. An effective scrutiny function is an essential element of that priority.

7   Implications

Financial Implications
Name &Title: Jacqueline Van Mellaerts, Interim Chief Finance Officer
S151 Officer
Tel & Email: 01277 312829/jacqueline.vanmellaerts@brentwood.gov.uk

7.1   There are no direct financial implications arising from this report.

Legal Implications
Name &Title: Daniel Toohey, Monitoring Officer and Head of Legal Services
Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk

7.2   There are no direct legal implications arising directly from this report.

8   **Background Papers**

8.1   None

9   Appendices to this report

Appendix A – Amended Work Programme 2018/19

Report Author Contact Details:

Name: Phil Ruck, Chief Executive
Telephone: 01277 312500
E-mail: phil.ruck@brentwood.gov.uk

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Jun-18
Audit & Scrutiny Committee
2018-19 Draft Scrutiny Work programme

Appendix A

Subject Matter	July	August	September	October	November	December	January	February	March
Leisure Strategy	Phase 1 - Play Area Strategy - Community Health and Housing 3 July 2018; King George's Playing Fields sustainable business plan to Community Health and Housing Committee 11.9.18			Phase 1 -Planning submission for King George's Playing Fields 16 October Planning Committee			Phase 1 - Capital bids for any works to King George's Playing Fields works subject to planning approval.		
Scope	1. Review the approach to the delivery of the Leisure Strategy. 2. Review the outcome of the consultation with residents and vistors on options of new activities for King George's Playing Fields.								
Current Membership (Members)	Cllrs Davies, Hubbard, Pound, Murphy, Middlehurst								
Proposed Membership 2018/2019	Cllrs McLaren, Hossack, Poppy, Barrett & Mrs Davies								
Detailed timeline									
1. Report to Community Health and Housing Committee - Leisure Strategy final version with comments back from consultation									
2. Leisure Strategy Working Group Meeting (3rd, 11th or 13th July tbc) - review progress of Alliance Leisure Services business plan for King George's Playing Fields									
3. Audit and Scrutiny Committee 25 July 2018 - minutes and recommendations from LSWG to be referred to Community Health and Housing 11 September for consideration									
4. Report to Community Health and Housing 11 September 2018 - Alliance Lesiure Services report King George's Playing Fields									
5. Leisure Strategy Working Group Meeeting (w/c 17 or 24 September) with minutes and recommendations to 5 December Community Health and Housing Committee									
6. Report to Policy Projects and resources Committee 18 September - Alliance Leisure Services report King George's Playing Fields									

Subject Matter	July	August	September	October	November	December	January	February	March
Town Centre						Review work		Consult on Design Guide	
Scope	Review content of Design Guide Consultation responses.								
Current Membership (Members)	Cllrs Reed, Rowlands, Wiles, Barrett and Kendall								
Proposed Membership 2018/2019	Cllrs Ms Slade, Wiles, McLaren, Barrett and Kendall								
Detailed timeline									
1. Working Group Meeting - 06.12.17									
2. Working Group Meeting - 23.01.18									
3. Town Centre Guide due by 31.03.18									
4. Public consultation - To be finalised.									

Subject Matter	July	August	September	October	November	December	January	February	March
Local Development Plan					Review work				Report to Committee
Scope	1. Review the Council's Plan making process as required by the National Planning Policy Framework (NPPF). 2. Review efforts to ensure that necessary cooperation on strategic cross boundary matters have been made. 3. Review subjects and issues covered by LDP evidence base to ensure it is appropriate and proportionate.								
Current Membership (Members) - LDP Scrutiny Group	Cllrs Pound (Chair), Bridge, Keeble, McCheyne and Mynott								
Proposed Membership 2018/2019	Cllr Mrs Pound, Russell, Hones, Keeble, Mynott								
Current Membership (Members) - LDP Working Group	Cllr Kerslake (Chair), Bridge, Keeble, McCheyne, Mynott, Morrissey and Sanders								
Proposed Membership 2018/2019	Cllr Kerslake, Bridge, McCheyne, Ms Sanders Keeble, Mynott, Morrissey								
Detailed timeline									
1. Working Group Meeting 28.11.17									
2. Working Group Meeting 19.12.17									
3. Working Group Meeting 09.01.18 - Housing Evidence Focus									
4. Working Group Meeting 30.01.18 - Infrastructure Delivery Plan focus									
5. Working Group Meeting 20.02.18 - Cancelled									
6. Working Group Meeting 13.03.18 - Initial Green Belt discussion									
7. Report to Audit & Scrutiny Committee - July 2018									

Subject Matter	July	August	September	October	November	December	January	February	March
Performance and Formal Complaints	Collate Data	Review with services	Member Working Group	Report to Committee	Review work	Report to Committee	Review work		Report to Committee
Current Membership (Members)	Cllrs Pound, Poppy, Rowlands, Barrett and Chilvers								
Proposed Membership 2018/2019	Cllrs Mrs Pound, Russell, Reed, Barrett, Chilvers								
Detailed timeline									
1. Working Group Meeting - September 2018									
2. Report to Audit & Scrutiny Committee - 17th October 2018									
3. Working Group Meeting - Nov/Dec 2018									
4. Report to Audit & Scrunity Committee - Jan 2019									

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13 June 2018

Audit and Scrutiny Committee

Leisure Strategy Progress Report

Report of: *Kim Anderson - Partnership, Leisure & Funding Manager/Working Group Lead Officer*

Wards Affected: *All*

This report is: *Public*

1.   Executive Summary

1.1   This report provides a progress since the last Leisure Strategy Working Group for consideration by the Audit and Scrutiny Committee.

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2.   Recommendation(s)

2.1   Note the Progress Report and that any comments from the Audit and Scrutiny Committee are submitted to the Community, Health and Housing Committee on 3 July 2018 for their consideration.

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3.   Background

3.1   The Leisure Strategy Working Group was established in August 2017 to review the following areas of the Council's leisure and cultural provision.

This was spilt into three key area of work. These workstreams allow for a flexible approach for delivery of Leisure Strategy.

The three workstreams are:-

a) King George's Playing Fields and Warley Playing Fields
b) Play areas and Sport Pitches
c) Brentwood Centre and Community Halls

3.2   The purpose of the review was to ensure that the Leisure Strategy delivers Value for Money, provides a sustainable and fit for purpose leisure provision for the residents of Brentwood by:

a)   Reducing revenue and capital expenditure to Brentwood Borough Council in its leisure facilities
b)   Increase capital investment in leisure facilities
c)   Explore alternative operational management opportunities
d)   Reduce the risk to the Council
e)   Increased sport and leisure participation in Brentwood

3.3   A Value for Money Review and Options appraisal was undertaken by 4Global in 2016 to evaluate the options and future provision and operational management of the Brentwood Centre, community halls, play areas and Hartswood Golf Course. The report was circulated to all Members in June 2017. There were a number of recommendations within their report, and while the Council does not necessarily accept all of them, officers would need to identify any areas that required further clarification or investigation before submitting any future recommendations back to Members.

3.4   A separate piece of work is also being finalised by consultants to look at the play pitch provision across the borough and a built facilities strategy which are due to completed by June 2018.

3.5   Since the last meeting of the Leisure Strategy Working Group (6 November 2017), a verbal update was provided to the Corporate Projects Scrutiny Committee on 19 March 2018 which is set out at **Appendix A**.

3.6   Further to that update in March, further progress has been in relation to the Leisure Strategy. Alliance Leisure Services have now been appointed to develop a sustainable business plan for King George's Playing Fields. A project brief has been agreed with some key desirables for the site and an update on progress is due to take place on 25 June 2018. Consultations with key stakeholders is currently taking place.

3.7   Wider consultation on King George's Playing Fields will take at the Council's Strawberry Fair event on 16 June 2018.

3.8   The consultation for the draft Leisure Strategy has now closed and feedback from respondents will be included in the final version which will come back to Community Health and Housing Committee on 3 July for Member consideration.

3.9   The refurbishment of the play area in Warley Playing Fields is progressing well and the official opening is planned for 10 July 2018. Pupils from Warley Primary School, Butterfly Montessori, together with residents of Gibraltar House have been invited to attend a mini family fun day to celebrate. Once agreed the Working Group report will be submitted to Community, Health and Housing Committee for consideration on 3 July 2018. A separate piece of work is being undertaken for the installation of an outdoor gym with a contribution from the Brentwood Health and Wellbeing Board.

3.10   A separate Play Area Strategy is due to come to Community Health and Housing Committee on 3 July for Member consideration.

4   Reasons for Recommendation

4.1   To ensure that options within each of those strands are fully examined, reviewed and prioritised and that the Leisure Strategy delivers Value for money is sustainable and meets the needs of Brentwood residents.

5   References to Corporate Plan

5.1   The vision of Transformation includes an action to improve the Council's governance arrangements, leading to faster, more effective decision-making. An effective scrutiny function is an essential element of that priority.

6   Implications

        Financial Implications
        Name &Title: Jacqueline Van Mellaerts, Interim Chief Finance Officer S151 Officer
        Tel & Email: 01277 312829/jacqueline.vanmellaerts@brentwood.gov.uk

6.1   There are no direct financial implications arising from this report.

        Legal Implications
        Name &Title: Daniel Toohey, Monitoring Officer and Head of Legal Services
        Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk

6.2   There are no legal implications arising directly from this report.

7   Background Papers

7.1   4Global Report. This report was circulated in June 2017. If Members require an electronic copy of this report, please contact the author of this report.

8 Appendices to this report

Appendix A – Verbal update to Corporate Projects Scrutiny Committee, 19 March 2018

Report Author Contact Details:

Name: Kim Anderson, Partnership, Leisure and Funding Manager
Telephone: 01277 312634
E-mail: kim.anderson@brentwood.gov.uk

<u>Corporate Projects Scrutiny Committee 19 March 2018</u>

Leisure Strategy Verbal Update

- Two presentations were given to interested Members in November looking at possible options for future facilities in Brentwood with two Leisure Development organisations
- In February two cross party workshops were facilitated by industry experts to assist the Council in developing its Leisure Strategy and comments were fed into the draft Leisure Strategy
- The draft leisure Strategy was presented to the Community, Health and Housing Committee on 5 March 2018
- A letter of intent was also agreed for Brentwood Youth AFC in respect of Larkin's Playing Fields (this was also referred and agreed by PPR on 12 March 2018)
- Budget allocations were agreed at Ordinary Council on 6 March 2018 to assist the next steps for the Leisure Strategy
- As there are a number of Council assets within the Leisure Strategy this was then referred to the Policy, Projects and Resources Committee on 12 March 2018 for their approval. Delegated authority was also given to the Chair of PPR in consultation with the Chief Executive to appoint a Leisure Development Partner to develop a business case for King George's Playing Fields
- Currently references are being checked as part of the due diligence on two possible Leisure Development Partners
- The draft Leisure Strategy is currently out for consultation for comments and feedback and it is proposed that once those have been added to the final Leisure Strategy it will come back to the relevant committee for consideration in June/July.
- Designs have been agreed and approved by the ward Members with officers and agreed at CHH on 5 March for the play area in Warley Playing Fields and a separate piece of work is being undertaken for the installation of an outdoor gym with a contribution from the Brentwood Health and Wellbeing Board
- At PPR on 12 March is was agreed to remove the RedGra Area at Warley Playing Fields from the existing Joint Use agreement which enables BCHS and Mavericks Rugby Club to develop an all-weather pitch in the area to be used by the school, club and local community groups
- At Policy Projects and Resources Committee on 12 March 2018 Members agreed to a new Halls agreement.

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Members Interests

Members of the Council must declare any pecuniary or non-pecuniary interests and the nature of the interest at the beginning of an agenda item and that, on declaring a pecuniary interest, they are required to leave the Chamber.

- **What are pecuniary interests?**

  A person's pecuniary interests are their business interests (for example their employment trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and asset including land and property).

- **Do I have any disclosable pecuniary interests?**

  You have a disclosable pecuniary interest if you, your spouse or civil partner, or a person you are living with as a spouse or civil partner have a disclosable pecuniary interest set out in the Council's Members' Code of Conduct.

- **What does having a disclosable pecuniary interest stop me doing?**

  If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not :

  - participate in any discussion of the business at the meeting, of if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business or,
  - participate in any vote or further vote taken on the matter at the meeting.

  These prohibitions apply to any form of participation, including speaking as a member of the public.

- **Other Pecuniary Interests**

  Other Pecuniary Interests are also set out in the Members' Code of Conduct and apply only to you as a Member.

  If you have an Other Pecuniary Interest in an item of business on the agenda then you must disclose that interest and withdraw from the room while that business is being considered

- **Non-Pecuniary Interests**

Non –pecuniary interests are set out in the Council's Code of Conduct and apply to you as a Member and also to relevant persons where the decision might reasonably be regarded as affecting their wellbeing.

A 'relevant person' is your spouse or civil partner, or a person you are living with as a spouse or civil partner

If you have a non-pecuniary interest in any business of the Authority and you are present at a meeting of the Authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest whether or not such interest is registered on your Register of Interests or for which you have made a pending notification.

Audit and Scrutiny Committee

The Audit and Scrutiny Committee provides advice to the Council and the committees on the effectiveness of the arrangements for the proper administration of the Council's financial affairs, including all relevant strategies and plans. Without prejudice to the generality of the above, the terms of reference include those matters set out below;

Audit Activity
(a) To approve the Annual Internal Audit risk based plan of work.
(b) To consider the Head of Internal Audit's annual report and opinion, and a summary of Internal Audit activity and the level of assurance it can give over the Council's corporate governance, risk management and internal control arrangements.
(c) To consider regular progress reports from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
(d) To consider the External Auditor's annual letter, relevant reports, and the report to those charged with governance.
(e) To comment on the scope and depth of external audit work and to ensure it gives value for money.
(f) To consider the arrangements for the appointment of the Council's Internal and External Auditors.
(g) To be responsible for the Council's strategic and budgetary framework and its implementation.

Accounts
1) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
2) To review and agree the Council's Annual Governance Statement.
3) To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

Scrutiny Activity
The Audit and Scrutiny Committee acts as the Council's Overview and Scrutiny Committee with all the powers under Part 3 of the Local Authorities (Committee System) (England) Regulations 2012 and discharges the functions under section 19 of the Police and Justice Act 2006 (local authority scrutiny of crime and disorder matters). Without prejudice to the generality of the above, the terms of reference include those matters set out below:
1) Responsible to scrutinise major Corporate projects as identified and agreed by the Policy, Projects and Resources Committee.
2) To report to the Policy, Projects and Resources Committee or the appropriate committee on the progress of the major Corporate projects and to make relevant recommendations as required.
3) To establish working groups (in line with agreed protocols) to undertake the major Corporate projects work programme, including setting their terms of reference, the reporting arrangements, and to co-ordinate and review the work of the working groups.
4) Responsibility for the monitoring of Council service performance, including Performance Indicators and, Formal Complaints, making reports if required to any committee, or subcommittee, any officer of the Local Authority, or any joint committee on which the Local Authority is represented, or any sub-committee of such a committee.
5) To review and/or scrutinise decisions made, or other action taken, in connection with the discharge of any functions of the Local Authority.
6) To deal with those issues raised through the 'Councillor Call for Action' scheme in line with agreed protocols and procedures.
7) To review and/or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions.

8) To make reports or recommendations to the Local Authority with respect to the discharge by the responsible authorities of their crime and disorder functions.