



Agenda

Audit and Scrutiny Committee

Wednesday, 25 July 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

Agenda

Item	Item	Wards(s) Affected	Page No
	Contents		
1.	Apologies for Absence		
2.	Minutes of the previous meeting		5 - 32
3.	Annual Statement of Accounts 2017/18 Report to follow.	All Wards	
4.	Leisure Strategy Working Group Report	All Wards	33 - 42
5.	Scrutiny Work Programme 2018/19 Update	All Wards	43 - 52

6. 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.

A handwritten signature in black ink, appearing to read 'P. L. Russell', with a large, sweeping underline.

Chief Executive

Town Hall
Brentwood, Essex
17.07.2018

Information for Members

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

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.

Personal Explanation

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.

Point of Information or clarification

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

Access to Information and Meetings

You have the right to attend all meetings of the Council and Committees. You also have the right to see the agenda, which will be published no later than 5 working days before the meeting, and minutes once they are published.

Dates of the meetings are available at www.brentwood.gov.uk.

Guidelines on filming, photography, recording and use of social media at council and committee meetings

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities.

Where members of the public use a laptop, tablet device, smart phone or similar devices to make recordings, these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

If you wish to record the proceedings of a meeting and have any special requirements or are intending to bring in large equipment then please contact the Communications Team before the meeting.

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

Occasionally meetings will need to discuss some of its business in private. This can only happen on a limited range of issues, which are set by law. When a Committee does so, you will be asked to leave the meeting.

modern.gov app

View upcoming public committee documents on your Apple or Android device with the free modern.gov app.

Access

There is wheelchair access to the meeting venue from the Main Entrance. If you do wish to attend this meeting, please contact the clerk should you have specific accessibility needs. There is an induction loop in the meeting room.

Evacuation Procedures

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



Minutes

Audit and Scrutiny Committee Wednesday, 13th June, 2018

Attendance

Cllr Russell (Chair)
Cllr Mrs Hones (Vice-Chair)
Cllr Barrell
Cllr Chilvers
Cllr Haigh

Cllr Keeble
Cllr Mrs Middlehurst
Cllr Nolan
Cllr Mrs Slade

Apologies

Substitute Present

Also Present

Cllr Naylor

Officers Present

Steve Summers	-	Chief Operating Officer
Jacqueline Van Mellaerts	-	Chief Financial Officer
Zoey Foakes	-	Governance & Member Support Officer

24. Apologies for Absence

There were no apologies received and all members of the committee were present.

25. Minutes of the previous meeting

The minutes of the Audit Committee meeting held on 14 March 2018 were approved as a true record.

The minutes of the Corporate Projects Scrutiny Committee meeting held on 19 March 2018 were approved as a true record.

26. Internal Audit Progress Plan 2017/2018

The report was 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 Committee in March 2017.

The following reports had been finalised since the last Committee, and a summary of the findings were 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)

Information Security Assessment (advisory review) had also been completed.

The full reports were available on request.

Following a discussion from the committee, members did have concerns on what was reported.

A motion was **MOVED** by Cllr Russell and **SECONDED** by Cllr Mrs Hones 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.

27. Internal Audit Annual Report 2017/18

Since publication of the agenda, further information had been supplied to the auditors which increased the assurance from limited to moderate. The new report from the Auditors was appended to the minutes as a revised Appendix A.

Overall, the auditors were able to provide moderate assurance that there was a sound system of internal control, designed to meet the Council's objectives and that controls were being applied consistently. In forming the view of the auditors they took into account that:

The Council had performed broadly in line with budget regarding financial performance. The Council had shown strong financial management with

moderate / substantial and substantial assurance opinions provided in the 2017/18 audits on the financial planning and budget monitoring and capital projects respectively.

The Council's record in implementing audit recommendations required some improvement. Whilst management were proactive in discussing plans to address the risks identified in audits, there was a lack of engagement when internal audit followed up recommendations, therefore they could not report a year end position relating to recommendations made during 2017/18 that had 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. Although the main financial systems issues were mainly contractual.

Whilst a moderate assurance had been given, which had been a more marginal decision than previous years, Internal Audit had noted a deterioration in the controls environment whilst new arrangements were taking time to bed down. However, management had responded positively to the reports and if the improvements required were implemented this would support a better position in 2018/19.

A motion was **MOVED** by Cllr Russell and **SECONDED** by Cllr Mrs Hones to amend the recommendation in the report:

That the Committee receives and notes the contents of the report revised Appendix A.

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

That the Committee receives and notes the contents of the revised Appendix A.

Reasons for Recommendation

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.

28. Scrutiny Work Programme 2018/2019 Update

The report provided the 2018/19 draft scrutiny work programme for members consideration and was attached at Appendix A.

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.

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

The Committee was requested to consider the draft work programme at Appendix A and agree any amendments. The committee did not identify any amendments to the work programme at this stage.

A motion was **MOVED** by Cllr Russell and **SECONDED** by Cllr Mrs Hones to approve the recommendations in the report.

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

That the Committee agrees the Scrutiny work programme 2018/19 attached at Appendix A.

Reasons for Recommendation

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

29. Leisure Strategy Working Group Report

The report provided a progress since the last Leisure Strategy Working Group for consideration by the Audit and Scrutiny Committee. The Committee had no further comments to make on the progress of the Leisure Strategy.

A motion was **MOVED** by Cllr Russell and **SECONDED** by Cllr Mrs Hones to approve the recommendations in the report.

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

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.

Reasons for Recommendation

To ensure that options within each of those strands were fully examined, reviewed and prioritised and that the Leisure Strategy delivers Value for money was sustainable and met the needs of Brentwood residents.

30. Urgent Business

There were no items of urgent business and the meeting concluded at 7:40pm.



BRENTWOOD BOROUGH COUNCIL
INTERNAL AUDIT ANNUAL REPORT
AND STATEMENT OF ASSURANCE

2017/18

CONTENTS

	Page
<i>Executive Summary</i>	3
<i>Review of 2017-18 work</i>	4
<i>Summary of Findings</i>	16
<i>Added Value</i>	17
<i>Background to annual opinion</i>	18
<i>Operational Plan - Progress</i>	21
<i>Key Performance Measures</i>	22
<i>Appendices:</i>	
<i>I - Opinion and recommendation significance definitions</i>	24



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 moderate 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, although we have been able to establish that 48% of recommendations due have been implemented.
- 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, although the main financial systems issues were mainly contractual.
- While we have given moderate assurance, this has been a more marginal decision than previous years and we have noted a deterioration in the controls environment as 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 an improved 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	<p>Good Practice</p> <ul style="list-style-type: none"> 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	<p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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.

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	
Customer Services	0	4	0	Moderate	Moderate	<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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	<p>Key Areas for Improvement</p> <ul style="list-style-type: none"> • 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	<p>Good Practice</p> <ul style="list-style-type: none"> • 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> • 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	<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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	<p>Good Practice</p> <ul style="list-style-type: none"> 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 <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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.		<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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	<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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	<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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.

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	<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <p><u>General Ledger</u></p> <ul style="list-style-type: none"> Reconciliations are not reviewed in a timely manner. <p><u>Payroll</u></p> <ul style="list-style-type: none"> 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. However, there are mitigating controls in Finance to ensure payroll is accurate. 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. <p><u>Council Tax and NDR</u></p> <ul style="list-style-type: none"> 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. <p><u>Payments and Creditors</u></p> <ul style="list-style-type: none"> 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	<p>Good Practice</p> <ul style="list-style-type: none"> • 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> • 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

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	<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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.

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	
Risk Management	1	2	1	Limited	Moderate	<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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	<p>Good Practice</p> <ul style="list-style-type: none"> 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. <p>Key Areas for Improvement</p> <ul style="list-style-type: none"> 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 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.

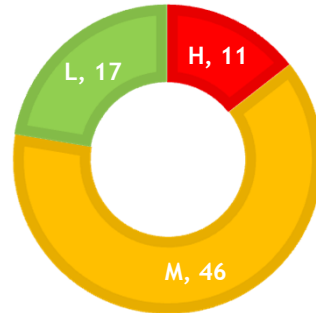
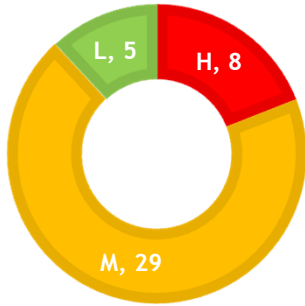
SUMMARY OF FINDINGS

RECOMMENDATIONS AND ASSURANCE DASHBOARD

2016/17

2017/18

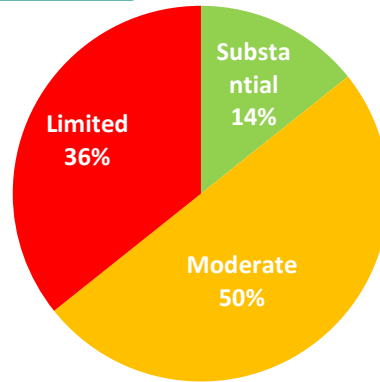
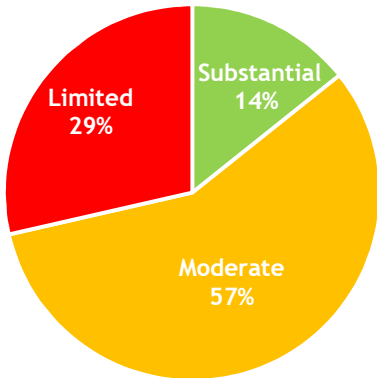
The number of recommendations raised and their significance over 2016-17 and 2017-18 are set out below:



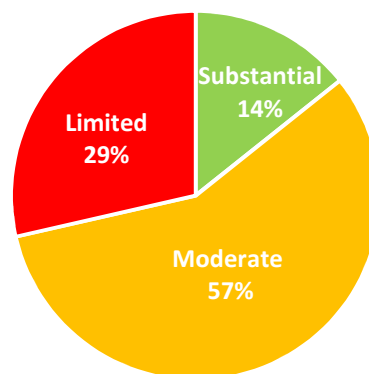
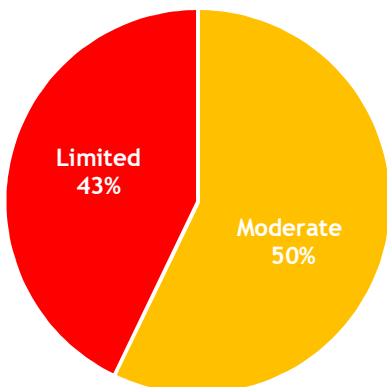
In 2017-18 we raised an average of five recommendations per assurance audit as compared to six in 2016-17. Whilst the proportion of high and medium priority recommendations has decreased from 19% to 14% and from 69% to 62% respectively, the eleven high recommendations made during the year reflect some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



CONTROL EFFECTIVENESS



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.



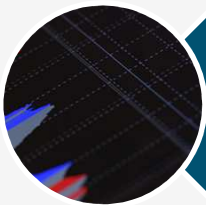
RESPONSIVENESS-

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 74 recommendations were raised in 2017/2018 and of these, 57 were eligible for follow up (medium or high recommendations). Of these 21 (19 medium and 2 high recommendations) were due to have been implemented by 31 March 2018. Of the 21 recommendations 10 (48%) have been implemented, 11 (52%) are in currently in progress with revised dates.

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

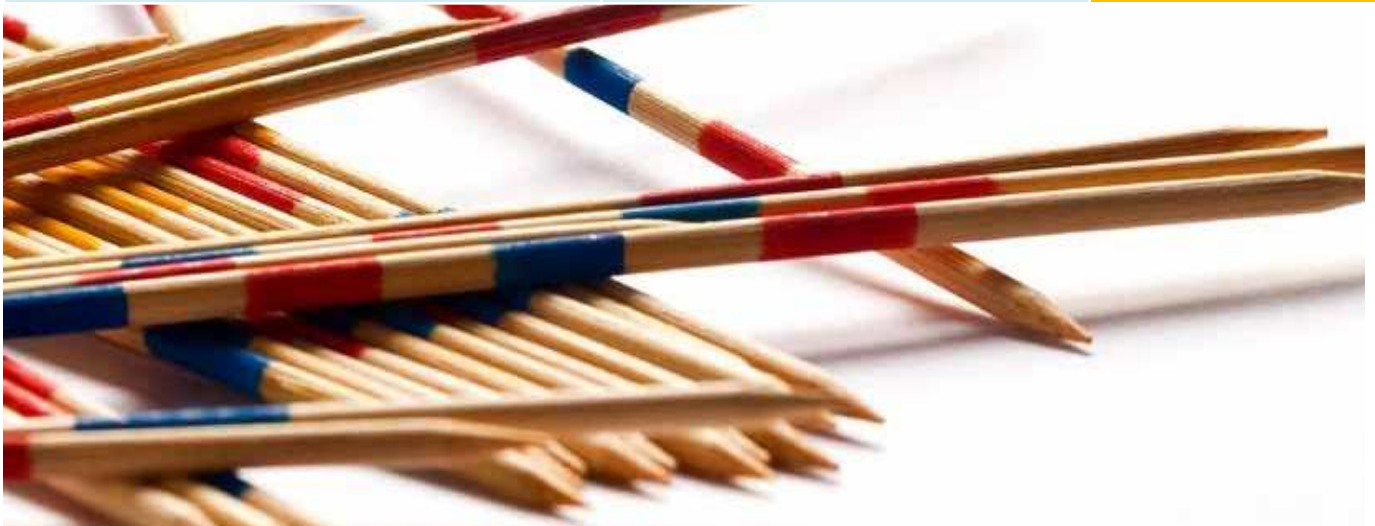


INTERNAL AUDIT OPERATIONAL PLAN

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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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		
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> Information is presented in the format requested by the customer. 	No requests to change the BDO format.	N/A
Audit Protocol		
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 90 % recommendations to be accepted by management 	This target has been met.	Green
<ul style="list-style-type: none"> At least 60% input from qualified staff 	All audits have been led by a qualified senior auditor.	Green
<ul style="list-style-type: none"> 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:

GREG RUBINS

Partner, Public Sector

0238 088 1892 (DDI)

Mobile: 07710 703441

greg.rubins@bdo.co.uk

This is carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact Greg Rubins to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Copyright ©2016 BDO LLP. All rights reserved.

www.bdo.co.uk

25 July 2018

Audit and Scrutiny Committee

Leisure Strategy Working Group Report

Report of: *Phil Ruck, Chief Executive*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report submits the report and recommendations of the Leisure Strategy Working Group which met on 9 July 2018, for consideration by the Audit and Scrutiny Committee. The Members of the Working Group consists of the following Members: Cllrs Hossack, Poppy, Tierney, Davies and Barrett and they are supported by the following Officers: Philip Ruck, Kim Anderson and Stuart Anderson.

2. Recommendation(s)

- 2.1 To note the Leisure Strategy Working Group and agree the recommendations contained within and refer it to the 11 September Community Health and Housing Committee.**

3. Background

- 3.1 The Leisure Strategy Working Group (LSWG) was established to inform and assist the Community, Health and Housing Committee in agreeing recommendations on each of the three phases (now revised to six workstreams) of the Leisure Strategy.
- 3.2 The LSWG will review the report submitted by 4Global which undertook a Value for Money Review and Options Appraisal of the Council's Leisure and Cultural facilities together with other relevant information and reports provided by officers and the agree the workplan and next steps for officers for each of the workstreams and inform recommendations that will come back to the Audit and Scrutiny Committee.
- 3.3 Ensure that the Leisure Strategy delivers Value for Money, provides a sustainable and fit for purpose leisure provision for the residents of Brentwood by:

- Reduce revenue and capital expenditure to Brentwood Borough Council in its leisure facilities
 - Increase capital investment in leisure facilities
 - Explore alternative operational management opportunities
 - Reduce the risk to the Council
 - Increase sport and leisure participation in Brentwood
- 3.4 The focus in this report is the future development of King George's Playing Fields and Warley Playing Fields. It was noted by Members that the official opening of the play area in Warley Playing Fields would be on 10 July 2018.

4 Reasons for Recommendation

- 4.1 As part of the Council's due diligence in delivering a successful Leisure Strategy, Members and officers need to have a complete picture of the current associated costs, risk profiles of the Borough's Leisure facilities and identify opportunities for income generation.
- 4.2 Comments received from Sport England as part of the Local Development Plan consultation, stated that a Leisure Strategy is required that assesses Council owned sports and leisure facilities in order that the Council can continue to work with partners to ensure that appropriate provision is made for the residents of Brentwood. The strategy should not only consider how the Council can provide services, but also how other partners can. The strategy should also use current sports facility evidence to identify strategic priorities to then inform what will be included in the Council's Infrastructure Delivery Plan. Following this feasibility work, the Council will then be able to determine which projects will be funded by the Community Infrastructure Levy (CIL) and those funded by planning obligations.
- 4.3 The Council's Asset Management Strategy 2014/15 also sets out the need to obtain maximise income where possible from its asset portfolio.

5 References to Corporate Plan

The Leisure Strategy sits under two main strands of the Vision for Brentwood 2016-19: Environment and Housing Management to develop a Leisure Strategy to provide strong and sustainable leisure facilities for residents and businesses; and Community and Health - to work with community and voluntary organisations to develop the priorities for community development. There are also strong links for the priorities of the Council's Health and Wellbeing Strategy 2014-2017, the Local Development Plan, Active Brentwood/Essex and the Council's Asset Management Strategy 2014/15.

6 Implications

Financial Implications

Name & Title: Jacqueline Van Mellaerts, Deputy S151 Officer

Tel & Email: 01277 312829/jacquelinevanmellaerts@brentwood.gov.uk

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

Legal Implications

Name & Title: Daniel Toohey, Monitoring Officer & 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 None.

8 Appendices to this report

Appendix A – Leisure Strategy Working Group Report.

Report Author Contact Details:

Name: Kim Anderson

Telephone: 01277 312500

E-mail: kim.anderson@brentwood.gov.uk

This page is intentionally left blank

Date 25 July 2018

Audit and Scrutiny Committee

Leisure Strategy Working Group Report

<p>Working Group Members Cllr Hossack Cllr Poppy Cllr Tierney Cllr Davies Cllr Barrett</p>
<p>Supporting Officers Phil Ruck, Chief Executive Kim Anderson, Partnership, Leisure and Funding Manager Stuart Anderson, Countryside and Open Space Supervisor</p>
<p>Scope</p> <ol style="list-style-type: none">1. Review the approach to the delivery of the Leisure Strategy.2. Review the outcome of the consultation with residents and visitors on options of new activities for King George's Playing Fields.
<p>Methodology</p> <ul style="list-style-type: none">• Cross party working group meetings• Consultants reports• Presentations from leisure providers• Consultations• Local data analytics such as health profiles
<p>Meeting Dates 9 July 2018 24 September 2018 November 2018 (tbc) w/c 13 February 2019 (tbc)</p> <p>Attached as Addendum 1 are the notes of the 9 July meeting</p>
<p>Terms of Reference</p> <p>The Working Groups Terms of Reference are attached at Addendum 2.</p>

1. Report Recommendations

The report recommendations of the working group are set out in full below.

R.1 Officers benchmark any proposed car parking charges for King George's Playing Fields with similar parks across Essex and that these are fed into the wider Car Parking Strategy.

R.2 Officers undertake an audit of the play areas as agreed at Community Health and Housing Committee which will identify the capital programme of investment required, the repair and maintenance costs, the current accessibility and proximity to alternative play areas and the current usage of the play areas.

R.3 That the Officers undertake a market engagement exercise with five of the six community halls and review the present arrangements with Essex County Council in relation to Willowbrook Hall.

2. Introduction

The Council needs to ensure that it has a clear vision in respect of the Leisure Strategy to ensure that it delivers value for money, is sustainable and fit for purpose for the future needs of the residents of Brentwood. It was agreed at Policy, Projects and Resources Committee on 20 June 2017 that the Leisure Strategy work will be split in three separate phases to allow officers and members to thoroughly explore the options available to them. This approach was subsequently amended to 6 workstreams to allow for greater flexibility in the delivery of the Leisure Strategy.

The focus within this report is the progress of the sustainable business plan for King George's Playing Fields. The scope of the Play Areas strategy audit and any other identified works that identified emerging implications to the Council.

The Leisure Strategy Working Group noted the good progress being made on the sustainable business plan for King George's Playing Fields. The outcome of the face to face and online consultation further informed type of play desired and the indicative travel time and mode of transport to the park. Initial concept designs for the pavilion building, the indoor play and outdoor play were also looked at. Members queried the possible car parking charges for the park as they may well be additional pressure on the parking with the introduction of new and improved facilities.

Members agreed the direction of travel for the Play Area Strategy audit and for officers to ascertain the capital cost requirements in the development of 'destination' play areas, current repairs and maintenance costs, proximity to alternative play areas and the usage of the existing play areas. It was also agreed that officers develop an on-line survey for residents to complete to identify usage of the play areas.

Members were also updated on the current community halls arrangement with Brentwood Leisure Trust which is due to expire at the end of March 2019. It was recommended that officers undertake a market engagement exercise with five of the six community halls to ascertain if there is any interest for an alternative third-party provider to manage the halls on the Council's behalf. Willowbrook Hall was not included as it is owned by Essex County Council. It was therefore recommended that Officers liaise with Essex County Council about future arrangements.

Members were invited to the official opening of the Warley Play Area on 10 July 2018.

3. Purpose

The purpose of the Leisure Strategy Working Group (LSWG) is to inform and assist the Community, Health and Housing Committee in agreeing recommendations on each of the three phases (now six workstreams).

The LSWG will review the report submitted by 4Global which undertook a Value for Money Review and Options Appraisal of the Council's Leisure and Cultural facilities together with other relevant information and reports provided by officers and the agree the workplan and next steps for officers for each of the workstreams and inform recommendations that will come back to the Audit and Scrutiny Committee.

Ensure that the Leisure Strategy delivers Value for Money, provides a sustainable and fit for purpose leisure provision for the residents of Brentwood by:

- Reduce revenue and capital expenditure to Brentwood Borough Council in its leisure facilities
- Increase capital investment in leisure facilities
- Explore alternative operational management opportunities
- Reduce the risk to the Council
- Increase sport and leisure participation in Brentwood

The focus in this report is the future development of King George's Playing Fields and Warley Playing Fields.

4. Key Findings

- The Council needs to develop a clear vision for King George’s Playing Fields and Warley Playing Fields.
- Short and long-term priorities for both sites need to be agreed and any immediate actions for the play areas need to be undertaken
- Explore options of private/public partnerships and alternative operational management opportunities. Members needs to agree whether one partner or a hybrid approach is appropriate
- Agree requirements for any pavilion buildings on both sites
- Financial implications to the Council to be identified for any development
- That use is made of existing trails and paths to link the Council’s leisure facilities
- Any development plans ensure that all facilities are accessible (including paths), sustainable/eco-friendly and sympathetic to its surroundings
- That Officers liaise with other authorities to identify opportunities and issues in respect of their own leisure facilities and explore external funding models.
- On completion of the refurbished play area in Warley Playing Fields, representatives are invited to the official opening.

5. Explanation of Recommendations

Recommendation 1 Officers benchmark any proposed car parking charges for King George’s Playing Fields with similar parks across Essex and that these are fed into the wider Car Parking Strategy.
Explanation With the planned improvement to the facilities in King George’s Playing Fields the Council needs to ensure that the car parking charges for King George’s Playing Fields with the planned improvement of facilities are in line with similar parks in the immediate vicinity but that any charges will be in line with the Council’s Car Parking Strategy
Recommendation 2 Officers undertake an audit of the play areas as agreed at Community Health and Housing Committee on 3 rd July 2018, which will identify the capital programme of investment required, the repairs and maintenance costs, the current accessibility and proximity to alternative play areas and the current usage of the play areas.
Explanation The Audit will identify those play areas that are in need of capital

investment so that a capital investment programme is developed for the play areas. Current Repairs and maintenance costs are also identified. The Audit will also identify the proximity of sites and if there is rationalisation that there will be no more than a 15minute walk time to a play area. Officers as part of the audit will undertake a usage survey via social media and ask the following questions:

- a) Where do you live? (please provide postcode)
- b) What's your favourite park?
- c) Why is it your favourite park?
- d) How often do you visit (daily, weekly, monthly or less frequent)?
- e) How do you get there (car, cycle or walk)?
- f) What is the age of your child(ren)?

Recommendation 3

That the Officers undertake a market engagement exercise with five of the six community halls and review the present arrangements with Essex County Council in relation to Willowbrook Hall.

Explanation

The current halls management agreement is with Brentwood leisure Trust. It was recommended that officers undertake a market engagement exercise so that the Council can ascertain any there is any other external interest in the management of the Community Halls. Willowbrook Hall is not owned by Brentwood Borough Council and as it is within Willowbrook School and has a number of limitations for use during school times. It was recommended that officers liaise with Essex County Council to ascertain if they will manage the hall directly.

This page is intentionally left blank

25 July 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 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

This page is intentionally left blank

Jul-18

Audit & Scrutiny Committee

2018-19 Draft Scrutiny Work programme

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 visitors on options of new activities for King George's Playing Fields.								
Membership 2018/2019	Cllrs Mrs Teirney, Hossack, Poppy, Barrett & Mrs Davies								
Detailed timeline									
1. Leisure Strategy Working Group Meeting 9th July - review progress of Alliance Leisure Services business plan for King George's Playing Fields									
2. Audit and Scrutiny Committee 25 July 2018 - minutes and recommendations from LSWG to be referred to Community Health and Housing 11 September for consideration									
3. Report to Community Health and Housing 11 September 2018 - Alliance Leisure Services report King George's Playing Fields									
4. Leisure Strategy Working Group Meeting (w/c 17 or 24 September) with minutes and recommendations to 5 December Community Health and Housing Committee									
5. 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.								
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.								
Membership 2018/2019	Cllr Mrs Pound, Russell, Hones, Keeble, Mynott								
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 - October 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
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 & Scrutiny Committee - Jan 2019									

This page is intentionally left blank

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.