



Agenda

Audit and Scrutiny Committee

Thursday, 11 March 2021 at 7.00 pm

Council Chamber, Town Hall, Ingrave Road, Brentwood, Essex CM15
8AY

Membership (Quorum – 3)

Cllrs Nolan (Chair), Tanner (Vice-Chair), Dr Barrett, Mrs Fulcher, Hirst, Lewis, Mrs McKinlay, Naylor and Ms Sanders

Substitute Members

Cllrs Bridge, S Cloke, McLaren, Morrissey, Mynott and Poppy

Agenda

Item	Item	Wards(s) Affected	Page No
	Live broadcast		
	<u>Live broadcast to start at 7pm and available for repeat viewing.</u>		
1.	Apologies for Absence		
2.	Minutes of the previous meeting		5 - 10
3.	Anti-Fraud Policy	All Wards	11 - 50
4.	Internal Audit Progress Report	All Wards	51 - 92
5.	Internal Audit Plan 2021/22	All Wards	93 - 112
6.	Risk Management	All Wards	113 - 130

7. **Formal Complaints & Performance Indicator Working Group** All Wards 131 - 160
8. **Scrutiny Work Programme 2020/21** All Wards 161 - 166
9. **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 'J Stephenson', is centered on a light blue rectangular background.

Jonathan Stephenson
Chief Executive

Town Hall
Brentwood, Essex
03.03.2021

Information for Members

Please note the changes in blue apply to remote meetings

Introduction

The Government has enacted The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 no 392 (the Regulations) which came into force on the 4 April 2020 and will remain in force until the 7 May 2021.

The Council will hold Committee meetings remotely and enable the public to participate by streaming those meetings that are open to the public.

Only those Committee meetings where the public have a right to speak will the facility be available to enable them to participate where the technology is not available for them to exercise this right then their participation will be by written communication read out at the remote meeting.

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 member may remotely attend any Committee to which these rules apply.

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.

 Access to Information and Meetings

You have the right to **remotely** 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 will be holding remote Committee meetings and will make these accessible to the public remotely by being recorded and streamed. Whilst the Regulations apply the following paragraphs will not apply to the meetings of the Council.

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.

The Chair or Clerk to the Committee will disconnect all persons who should leave the meeting prior to continuing there will be a short break to ensure that this has happened.

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 Access

The Council will provide remote access for public participation by the meeting be accessible.

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

This procedure does not apply whilst using remote meetings

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



Minutes

Audit and Scrutiny Committee Tuesday, 26th January, 2021

Attendance

Cllr Nolan (Chair)	Cllr Lewis
Cllr Tanner (Vice-Chair)	Cllr Mrs McKinlay
Cllr Dr Barrett	Cllr Naylor
Cllr Mrs Fulcher	Cllr Ms Sanders
Cllr Hirst	

Apologies

Substitute Present

Also Present

Officers Present

Steve Summers	-	Strategic Director (Deputy Chief Executive)
Jacqueline Mellaerts	Van	- Corporate Director (Finance & Resources)
Zoe Borman	-	Governance and Member Support Officer
Greg Campbell	-	Corporate Director (Environment & Communities)
Janine Combrinck	-	Internal Audit, BDO
Amanda Julian	-	Corporate Director (Law and Governance) and Monitoring Officer
Tracey Lilley	-	Corporate Director (Housing & Community Safety)

665. Apologies for Absence

No apologies had been received.

666. Minutes of the previous meeting

The Minutes of the Audit & Scrutiny meeting held on 24th November 2020 were approved as a true record.

667. Internal Audit Progress Report

This report was intended to inform the Audit and Scrutiny Committee of progress made against the 2020/21 internal audit plan.

The following report had been finalised since the last Committee:

- Disaster Recovery and Business Continuity (Moderate/Substantial)

Ms Janine Combrinck was present at the meeting and summarised the report.

Members requested additional information in relation to overdue recommendation 17/18; rec 3, concerning partnerships. Mr Summers assured Members that the information would be made available and advised there had been a resource issue in relation to Covid-19 which had delayed the completion of the recommendation.

Following a full discussion Members were asked to note the following recommendations:

R1. That the Committee receives and notes the contents of the Internal Audit Progress Report attached in Appendix A.

R2. That the Committee receives and notes the contents of the Internal Audit Follow Up Report attached in Appendix B.

Reason for Recommendations

To monitor the progress of work against the internal audit plan.

668. Formal Complaints & Performance Indicator Working Group

This report submitted the report and recommendations of the Formal Complaints and Performance Indicators Working Group for consideration by the Audit & Scrutiny Committee.

A motion was **MOVED** by Cllr Nolan and **SECONDED** by Cllr Tanner to approve the recommendations in the report.

Following discussion, a vote was taken and it was **RESOLVED UNANIMOUSLY** that Members:

1. **Note the Formal Complaints and Performance Indicators Working Group report, as attached at Appendix A, and agree the recommendations contained within it.**

Reasons for Recommendation

To ensure the Council provides quality customer services.

669. Local Development Plan Member Working Group Update

The Local Development Plan (LDP) Member Working Group is an established engagement between Officers and Councillors focussed on delivery of the Council's Local Plan and related work. Its purpose was approved by Policy, Projects and Resources Committee in September 2017.

The work of the working group is monitored by the Audit and Scrutiny Committee as part of the committee's work programme. The report provided an update on the most recent meetings of the working group.

Following discussion Members were asked to note the following recommendation:

1. **Note the update provided in the report and the appendices enclosed.**

Reasons for Recommendation

As part of the Audit and Scrutiny Committee work programme, an update on the work of the LDP Member Working Group was provided.

670. Scrutiny Work Programme

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee. The report provided an update of the current scrutiny work programme as set out in Appendix A.

In addition, legislation requires that an Annual report is made to the Committee on the work of the Community Safety Partnership. This report is normally made at the March committee each year.

At the last meeting of the Audit & Scrutiny Committee a presentation was made to Members on the Council's Housing Repairs and Maintenance contractor, Axis and it was agreed that a Members' Working Group be convened. A date for the working group is currently being arranged.

In addition, at the 24th November committee Cllr Barrett forwarded a recommendation for the work programme to include a review of the historic relationship between Brentwood Borough Council and the Brentwood Leisure Trust. The completed form was attached as Appendix B.

A motion was **MOVED** by Cllr Nolan and **SECONDED** by Cllr Tanner to approve the recommendations in the report.

Members agreed in setting up a cross-party working group to review the historic partnership between Brentwood Borough Council and Brentwood Leisure Trust.

Following discussion, a vote was taken and it was **RESOLVED** that:

- 1. That the Committee considers and agrees the 2020/21 Scrutiny work programme as set out in Appendix A with the addition of a cross party working group to review the historic partnership between Brentwood Borough Council and Brentwood Leisure Trust.**

Reasons for Recommendation

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

671. Urgent Business

There were no items of urgent business.

The meeting concluded at 19.38

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Committee(s): Audit and Scrutiny Committee	Date: 11 March 2021
Subject: Anti-Fraud Policy	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director, Finance and Resources	
Report Author/s: Name: Jacqueline Van Mellaerts Telephone: 01277 312500 E-mail: jacqueline.vanmellaerts@brentwood.gov.uk	For Decision

Summary

Following a fraud risk assessment undertaken by internal auditors 'BDO' in October 2020, it was subsequently recommended that the Anti-Fraud Policy be updated to incorporate a section on Money Laundering and investment properties and the Policy is also due for review.

This was deemed necessary by BDO, due to the creation of Seven Arches Investments Limited in 2018 (SAIL). SAIL is a wholly owned company for Brentwood Borough Council which seeks to generate an income stream for the Council by purchasing investment property.

This additional component has now been included within section 10.6 of the existing Anti-Fraud Policy.

Recommendation(s)

Members are asked to:

R1. To approve and adopt the Anti-Fraud Policy, incorporating the additional section 10.6 on Money Laundering and Investment Properties (Appendix A).

Main Report

Introduction and Background

1. The previous Anti-Fraud Policy was approved at Regulatory and Governance Committee on 10th October 2018.

2. A Fraud Risk Assessment was undertaken in October 2020. One recommendation was to 'Update Money Laundering guidance in relation to the purchasing and sale of investment properties and ensure that appropriate and in-depth due diligence processes are in place for the procuring and selling of all property'.
3. The additional section (10.6) has been reviewed and approved internally by the appropriate senior officer.

Issue, Options and Analysis of Options

4. It is recognised that criminal gangs may use investment properties as a channel for money laundering through selling or buying Council investment properties.
5. It was noted by internal auditors, that the Council's Anti-Fraud Policy includes a section on Money Laundering and the generic guidance that would be expected in a Money Laundering policy, however, does not specifically cover investment properties.

Reasons for Recommendation

6. To raise awareness and provide a basic level of understanding for officers surrounding the potential for money laundering within the specific area of investment properties.
7. To ensure the Council is adopting and implementing recommendations from internal auditors, which endeavours to keep any risk of fraud to the Council at a minimum.

Consultation

8. None required

References to Corporate Plan

9. Reviewing the Council Corporate Policies underpins all aspects of the Corporate Plan.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Director of Corporate Resources

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

10. No direct financial implications, however, reviewing the Council Anti-Fraud Policy provides assurance that the Council is conducting itself in the appropriate manner and internal controls are in place, and also assists in reducing the overall risk of Money Laundering within the Council.

Legal Implications

Name & Title: Amanda Julian, Director of Law & Governance and Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

11. The recommendation is lawful and within the Council's powers and duties. The addition of information regarding money laundering and investment properties within the Anti-Fraud Policy will contribute towards mitigating the risk of money laundering within current Council processes and procedures

Economic Implications

Name/Title: Phil Drane, Director of Strategic Planning

Tel/Email: 01277 312610/philip.drane@brentwood.gov.uk

12. There are no direct economic implications arising from this report.

Background Papers

- Fraud Act 2006
- Bribery Act 2010
- Proceeds Of Crime Act 2002
- Money Laundering Regulations 2020

Appendices to this report

Appendix A: Anti-Fraud Policy

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Brentwood Borough Council

Anti-Fraud Policy

(Incorporating Bribery, Corruption and Money Laundering)

Document Control

Purpose:	Policy to incorporate information and guidance on Fraud, Bribery, Corruption and Money Laundering within Brentwood Borough Council. The policy outlines and includes the culture, deterrence, roles and responsibilities and the response plan for Officers and Members of The Council.
Author & Title:	Victoria Banerji Corporate Fraud Manager
Supersedes document:	Anti-Fraud and Corruption Policy and Guidance, November 2012, Anti-Bribery Policy 2012, Proceeds of Crime Policy and Guidance 2012.
Cross reference with:	'Whistleblowing Policy and Procedures', 'Disciplinary Policy', 'Staff code of conduct'
Responsible Director:	Jacqueline Van Mellaerts Corporate Director of Finance & Resources
Target Audience:	Brentwood Borough Council Employees and Members

Revision History

Revision date	Author	Version	Main Summary of Changes	Changes marked
29/02/2016	V. Banerji	0.1	Initial draft	N/A
04/05/2016	V. Banerji	0.2	Associated and Reference Documentation	No
19/09/2018	V. Banerji	0.3	Incorporating Money Laundering, Bribery & Corruption	No
11/01/2021	V. Banerji	0.4	Incorporating money laundering and investment properties	

Approvals

Name	Title	Date	Version

Chris Leslie	Finance Director	04/05/2016 (Internally Approval)	0.2
Audit & Scrutiny Committee		10/10/2018	0.3
Audit & Scrutiny Committee			0.4

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1. Introduction

It is widely recognised that the offences of fraud, bribery, corruption and money laundering particularly within a corporate environment (whether in the public or private sector) are very closely linked together. Very often, one of these actions will give rise to another and will facilitate a second offence, or as is commonly the case, all four.

The authority has previously maintained separate policies on fraud, bribery, corruption, and money laundering. Due to their close connection as highlighted above, and the creation of a Corporate Fraud Service who is responsible for the handling of the four subject matters, it has now been considered prudent to revise this approach. This has led to the advent of one single document encompassing all previous policies.

The components found within the initial 'Fraud policy' will now form a single overarching approach to how the authority prevents, detects and investigates fraud, bribery and corruption and money laundering.

This revised combined Anti-Fraud Policy; seeks to provide guidance on all four subject areas. Most importantly it will enable the Officer of Brentwood Borough Council, to source information on what to do if any incidence of fraud, bribery, corruption money laundering is suspected, with ease.

2. Fraud Policy

2.1 Policy Statement

Brentwood Borough Council takes its duty to ensure proper stewardship of public money very seriously. The Council is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption, whether these are attempted from within or outside the organization.

The Council expects the highest standards of conduct and integrity from all who deals with it including staff, members, contractors, volunteers and the public. It is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically, honestly and to the highest possible standard of openness and accountability in order to protect public safety and public money.

All suspicions or concerns of fraudulent or corrupt practice will be investigated.

There will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.

2.2 Aims and Objectives

The aim of this policy is to provide a guide to Brentwood Borough Council Officers, Members and associates, on what fraud is, the roles and responsibilities of the individual in preventing fraud, and how to report it fraud if suspected. This policy provides an overview of the measures designed to combat any attempted fraudulent or corrupt act.

For ease of understanding it is separated into six key areas:

- Culture
- Prevention, Roles and Responsibilities
- Deterrence
- Detection
- Awareness and Monitoring
- The Response Plan

2.3 Scope

This policy applies to all Brentwood's operations and activities and covers both internal and external fraud issues which are committed against the Council.

The policy applies to all Brentwood Borough Council employees (permanent and temporary), at all levels and grades, as well as contractors, partners, agency staff, agents,

volunteers, consultants and Members (including independent members).
It is recommended that any partners, providers and suppliers either adopt this policy, or, ensure they adhere to a policy consistent with the principles outlined in this document.

2.4 Fraud Definition

The Fraud Act 2006 introduced the first legal definitions of fraud. These legal definitions are used for the criminal prosecution of fraud offences. For the purposes of this policy fraud is considered to be any action taken by an individual, group or organisation which is designed to facilitate dishonest gain at the expense of the council, the residents of Brentwood or the wider national community.

Fraud offences can vary in nature, and often involve other criminality. This can include theft, deception, misappropriation, embezzlement, forgery, corruption, bribery, extortion, false accounting, false representation, concealment of material facts and acts of conspiracy, collusion and aiding and abetting any act of dishonesty.

2.5 Fraud and Corruption risks

It is important that the Council recognises and manages the risks relating to fraud and corruption in order to prevent them from occurring. Furthermore, it is imperative that these risks are routinely considered as part of the Council's overall approach to risk management. To understand the nature of these risks, the following have been identified as key issues that are relevant to Brentwood Borough Council:

- Social Housing Tenancy Fraud – this includes risks such as fraudulent housing applications, mutual exchanges, illegal subletting etc.
- The Right to Buy scheme – fraudulent applications and suspected money laundering
- Money Laundering – Exposure to suspect transactions
- Council Tax – fraudulently claimed discounts (including Local Council Tax Support), refund scams
- Non-Domestic Rates – fraudulent applications for exemptions, unlisted properties
- Grants (including Disabled Facilities Grants) – false eligibility and applications, diverted funds, works not carried out.
- Insurance Fraud – suspected false claims particularly those relating to personal injury
- No recourse to public funds – fraudulent eligibility for Council services such as Social Housing
- Payroll Fraud – false and “ghost” employees, overtime and mileage claims,

- expenses.
- Internal Frauds – such as fund diversion, accepting bribes, stealing monies and / or Council property, social housing misallocations for personal gain, working elsewhere whilst off sick, abuse of position such as misuse of assets / resources.
 - Procurement Fraud – tendering issues, split contracts, double invoicing
 - Cyber Crime / Fraud – frauds such as false applications for services, fund diversion.

It is important to note that the above represents the key fraud risk areas and examples of each. It is not intended to be an exhaustive list.

3. Culture

The prevention/detection of fraud/corruption and the protection of public money are responsibilities of everyone, both internal and external to the organisation. The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence. The public also has a role to play in this process and should inform the Council if they feel that fraud/corruption may have occurred.

Concerns must be raised when members, employees or the public reasonably believe that one or more of the following has occurred, is in the process of occurring, or is likely to occur:

- A criminal offence
- A failure to comply with a statutory or legal obligation
- Improper or unauthorised use of public or other official funds
- A miscarriage of justice
- Maladministration, misconduct or malpractice
- Endangering an individual's health and/or safety
- Damage to the environment
- Deliberate concealment of any of the above

The Corporate Fraud Team have the remit to investigate all matters of suspected fraud, theft and corruption within Brentwood Borough Council, both internally and externally (with the exception of Housing Benefit fraud investigation which transferred to the Department for Work and Pensions). The Team will ensure that any allegations received in any way,

including by online form, anonymous letter or telephone call, will be taken seriously and investigated in an appropriate manner.

The Council will deal firmly with those who defraud the Council or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees/members raising malicious allegations) may be dealt with as a disciplinary matter (employees) or through Group procedures (members).

When fraud or corruption has occurred due to a breakdown in the Council's systems or procedures, Directors will ensure that appropriate improvements in systems of control are implemented in order to prevent a re-occurrence.

4. Prevention

Brentwood Borough Council recognises that fraud and corruption are costly, both in terms of reputational risk, and financial losses. The prevention of fraud is therefore a key objective of the authority and the fundamental roles and responsibilities are detailed in the chart below.

Role	Responsibilities
Audit & Scrutiny Committee; (or equivalent)	To monitor the Council's policies, recommend their application across the Council and to consider the effectiveness of the arrangements for countering fraud.
Contractors and Partners	Contractors and partners are expected to create an environment in which their staff feel able to approach them (or the Council directly) with any concerns they may have about suspected irregularities. Where they are unsure of the procedures, they must refer to the Whistleblowing Policy, or may contact the Corporate Fraud Team directly.
Senior Leadership Team / Managers	<p>The Senior Leadership Team, and Managers at all levels are responsible for the communication and implementation of this policy. They are also responsible for ensuring that their employees are aware of the Council's HR policies and procedures, the Council's Financial Regulations and Standing Orders and that the requirements of each are being met.</p> <p>Managers are expected to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. They must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the correct anti-fraud/zero tolerance culture throughout</p>

Role	Responsibilities
	<p>Brentwood Borough Council.</p> <p>The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or agency staff. The Council's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history. As in other public bodies Criminal Records Bureau (CRB) checks are undertaken for employees working with or who may have contact with children or vulnerable adults.</p> <p>The Corporate Leadership Board and Managers have a responsibility to ensure that effective systems of control are in place corporately and within their service area, to both prevent and detect fraud, and that those systems operate properly. Risk assessments should take place on a regular basis to monitor the effectiveness of the current systems.</p> <p>Managers and the Corporate Leadership Board have a duty to inform the Corporate Fraud Team immediately, of any suspected cases of fraud. They must not endeavour to undertake any form of investigating themselves.</p>
Elected Members	<p>As elected representatives, all members of the Council have a duty to protect the Council and public money from any acts of fraud and corruption. This is done through existing practice, compliance with the National and Local Code of Conduct for Members, the Council's Constitution including Financial Regulations, Standing Orders, the Anti-Bribery Policy and relevant legislation. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. Officers advise members of new legislative or procedural requirements.</p>
External Audit	<p>Independent external audit is an essential safeguard of the stewardship of public money. This is currently carried out by Ernst and Young through specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditors function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice.</p>

Role	Responsibilities
External Bodies	Brentwood Borough Council will ensure that the exchange of information on national and local fraud activities will take place with external bodies such as Police, county, unitary and district Council groups, Department for Work and Pensions and other government departments.
Chief Finance Officer	<p>The statutory responsibilities of the Chief Finance Officer as defined by S151 of the Local Government Act 1972 outlines that every local authority in England & Wales should:</p> <p>'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility or the administration of those affairs'</p> <p>'Proper administration' encompasses all aspects of local authority financial management including:</p> <ul style="list-style-type: none"> - Compliance with the statutory requirements for accounting and internal audit; - Managing the financial affairs of the Council; - The proper exercise of a wide range of delegated powers both formal and informal; - The recognition of the fiduciary responsibility owed to local tax payers. <p>Under these statutory responsibilities, the Finance Director contributes to the anti-fraud and corruption framework of the Council.</p>
Corporate Fraud Team	<p>All suspected instances of fraud or corruption should be reported to the Council's Corporate Fraud Team.</p> <p>The Corporate Fraud Team will investigate all matters of suspected fraud, theft and corruption (with the exception of Housing Benefit Fraud which has been transferred to the Department for Work and Pensions) within Brentwood Borough Council.</p> <p>Following investigation, the Corporate Fraud Team may seek to prosecute as per section 5.2. or, where appropriate, seek guidance from the relevant services such as Human Resources, or Legal Services.</p> <p>The Corporate fraud team will ensure employees are provided with fraud awareness training to assist in the prevention of fraud.</p>
Internal Audit	<p>It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. As such, Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. However, Internal Audit do endeavour to plan their work so that they have a reasonable expectation of detecting significant control weaknesses and, if detected, will carry out additional work directed towards identification of consequent fraud or other irregularities. Internal Audit liaises with management to recommend changes in procedures to reduce risks and help to prevent losses to the authority.</p>

Role	Responsibilities
Monitoring Officer	<p>The Monitoring Officer is responsible for ensuring that all decisions made by the Council are within the law. The Monitoring Officer's key role is to promote and maintain high standards of conduct throughout the Council by developing, enforcing and reporting appropriate governance arrangements including codes of conduct and other standards policies.</p> <p>The Council also has a Whistleblowing Policy and process in place to protect such a process.</p>
Staff	<p>Each employee is governed in their work by the Council's Standing Orders and Financial Regulations, and other policies on conduct and IT usage. Included in the Council policies are guidelines on Gifts and Hospitality, and codes of conduct associated with professional and personal conduct and conflict of interest. In addition, employees are responsible for ensuring that they follow any instructions given to them, particularly in relation to the safekeeping of the assets of the Council. Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with the Corporate Fraud Team.</p>
Stakeholders and customers	<p>This policy is primarily aimed at implementing the necessary culture and processes within the Council. It's stakeholders and customers may become aware of issues that they feel might indicate fraud. They should refer to the Council's Whistleblowing Policy, or they can contact the Section 151 Officer directly.</p>
The Public	<p>To be aware of the possibility of fraud and corruption against the Council and report any concerns or suspicions.</p>
The Chief Executive	<p>The Chief Executive is accountable for the Council's overall governance arrangements including the procedures and effectiveness of the Council's arrangements for countering fraud and corruption.</p>

5. Deterrence

5.1 Disciplinary Action

The Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. Theft and dishonesty are serious matters which may constitute gross misconduct against the Council. Employees will face disciplinary action if there is evidence that they have been involved in these activities, including benefit fraud. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual

case.

Members will face appropriate action under this policy if they are found to have been involved in theft, fraud and corruption against the Council. Action will be taken in addition to, or instead of criminal proceedings, depending on the circumstances of each individual case but in a consistent manner. If the matter is a breach of the Code of Conduct for Members, then it will also be referred for investigation and appropriate sanction through the Council's due process.

Employees or Members involved in fraud, theft, or corruption, that does not involve the Council or its finances, may still be subject to the above action if it is considered to undermine the Council and its reputation.

Please refer to the link within appendix 12.1 for the Council's Code of Conduct

5.2 Prosecution

Utilising the provisions of Section 222 of The Local Government Act 1972, the Corporate Fraud Team in conjunction with Legal Services are appropriately authorised to undertake investigations and criminal prosecutions into cases of fraud and corruption that involve the Council.

Brentwood Borough Council will evaluate each case on its own merits, and, in certain circumstances, the prosecution of offenders may be deemed necessary. Where appropriate, the Proceeds of Crime Act will be used to maximize the penalty suffered by the fraudster, and the level of financial recovery by Brentwood Borough Council.

5.3 Publicity

Brentwood Borough Council recognizes the key role publicity plays, in the deterrence of fraud. Communications will try to ensure that actions taken including prosecutions will be reported in the media.

6. Detection

All staff, Members and any other stakeholders in Council Services, play an important role the identifying potential fraud and corruption. It is however, not the responsibility of those groups to investigate suspicions themselves. The investigating of suspected fraud by an unqualified person, may undermine the ability for a case to be pursued.

The Council has endeavored to develop systems and procedures that include effective and efficient controls. These are designed to achieve clarity and accountability. One important control is giving people separate duties. This prevents any one person having too great an influence over any transaction.

The Council's controls are designed so that even if a fraud happens, it will be found quickly, and the responsible person will be identified. The effectiveness and appropriateness of these controls are reviewed regularly by management including an independent review by Internal Audit.

7. Awareness and Training

The Council recognises that the continuing success of this policy and its general credibility will depend in part on the effectiveness of training and awareness for members and employees and will therefore take appropriate action to raise awareness levels.

Fraud Awareness training will be available to all staff via attendance at training sessions, or via our e-learning system.

Specific fraud training will be offered to those employees in higher risk roles such as those working within finance.

8. The Response Plan

8.1 Reporting Fraud or Corruption

Should you have a concern, or suspect fraudulent activity taking place, there are various channels to help you raise your concern.

In the first instance, you must complete an online fraud reporting form (Appendix 13.2). This form will be directed to the Council's Corporate Fraud Team to investigate. Please refer to the Appendices 13.1, to ensure you are following correct procedures when reporting your concern.

Should you have concerns about a member of senior management, please refer to the Whistleblowing policy for guidance found in the HR microsite on the staff intranet.

We aim to encourage openness and will support anyone who raises a genuine concern. There will be no recriminations against staff that report reasonably held suspicions, and victimising or deterring staff from reporting concerns will be treated as a serious disciplinary matter.

8.2 Housing Benefit and Council Tax Issues

The Revenues and Benefits Service, currently works as part of a shared service, along with our neighbouring council; Basildon Borough Council. The fraud team within

Brentwood Borough Council will however still investigate and referrals which are related to the Borough of Brentwood.

The response plan for fraudulent activity suspected within the Revenues and Benefits Service, alters depending on which type of fraud is suspected;

- **Housing Benefit fraud** is investigated by the Department for Work and Pensions. If you have information on suspected Housing Benefit fraud, you must complete relevant form found in section 13.2. This will be received by the Department for Work and Pensions who will investigate accordingly.
- **Council Tax Support, Discount and Business Rate fraud** will be investigated by the Fraud team within Brentwood Borough Council. In the first instance, you must complete an online fraud reporting form which is located on the staff intranet or found in section 13.2. The fraud team will receive the referral and investigate as appropriate.

8.3 Investigations

Once in receipt of a referral regarding suspected fraud, bribery or money laundering, initial enquiries will take place in order to:

- Determine any facts that gave rise to the suspicion
- Examine any factors to determine whether there has been a genuine mistake made, or whether an irregularity has occurred

Following the findings of the initial enquiries, a formal investigation may be deemed necessary. The nature of the investigation, lines of enquiry followed and evidence obtained will vary depending on the irregularity being investigated and will, for the most part be fluid and reactive. The investigating officer will be seeking to gather evidence by way of interviews, the taking of written witness statements and the obtaining of evidence.

The investigating officer will consult and take advice from Human Resources particularly on matters regarding employment law, policies and procedural matters where required. It is imperative in these circumstances, that a clear distinction must be made between those advising the investigating officer and those advising the staff member.

Legal Services may also be consulted as appropriate, to advise or seek external advice in order to support any investigation.

Any investigation will be conducted with full compliance with The Criminal Procedures and Investigations Act 1996 which governs the conduct of a criminal investigation (such as obtaining and recording evidence) as well as any other legislation that may apply such as The Police and Criminal Evidence Act 1984 (PACE), The Regulation of Investigatory Powers Act 2000 (RIPA), The Human Rights Act 1998 and Data Protection Act 2018 (this is not an exhaustive list).

In general terms however, the following principles will apply to the investigation:

- Any investigation will be conducted promptly (subject to evidence gathering activities) with periodic updates given as appropriate to the Chief Finance Officer
- All actions and evidence will be recorded either by written or electronic means and stored securely with access given purely on a “need to know” basis.
- Enquiries and evidence gathering activities will be undertaken as discreetly as possible with sensitivities observed where appropriate.
- Confidentiality will be maintained throughout with information only shared where circumstances and the law allows.

Where it is considered appropriate, the investigation may involve the input of other agencies such as local authorities as well as other law enforcement agencies such as the Police and HM Revenue & Customs. Liaison and / or joint working will be conducted in accordance with established guidelines and protocols.

The investigating officer must not and will not accept any offer of repayment of monies or resignation at any stage during the investigation, however any such offers will be noted and recorded on the investigation file and reported to the Chief Finance Officer.

The Council has a right to suspend any employee involved pending the outcome of an investigation. Any such suspension, is, in the opinion of the Council, a neutral act and does not imply any guilt on behalf of the suspended employee. The suspension of an employee can, in some circumstances aid the speed in which an investigation can be conducted and serve to preserve vital evidence.

When suspects are not suspended, supervision of the employee will usually need to be increased and any manager should seek the advice of Human Resources and ICT on how this can best be accomplished.

8.4 Outcomes of an Investigation

It should be noted that due to Data Protection Regulations, it may not always be possible for the Corporate Fraud team to provide an update to the referrer on the outcomes of any investigations undertaken.

Should any control weaknesses be identified, the Chief Finance Officer and relevant manager will be informed and remedies be actioned immediately.

Should there be disciplinary issues identified as part of the investigation, a full report will be made to Human Resources who will work with the relevant manager to decide what happens next. Should any course of action result in a disciplinary hearing, the investigating officer will (if required) make themselves available to give evidence at the hearing.

If taking criminal action presents itself as an option, this decision will be fully explored and should fraud be proven, the Council will make every effort to recover any monetary losses. The method of doing so may vary depending on the type of loss and relevant legislation, however all options will be explored including civil court proceedings and in the case of criminal prosecution, proceedings brought under The Proceeds of Crime Act 2002.

9. Bribery Act Policy

9.1 Policy statement

Bribery is a criminal offence. We do not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.

To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.

We are committed to the prevention, deterrence and detection of bribery. We have zero-tolerance towards bribery. We aim to maintain anti-bribery compliance as a “business as usual” attitude rather than as a one-off exercise.

9.2 Objective

This policy provides a coherent and consistent framework to enable the Council’s Members and employees to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable both Members and employees to identify and effectively report a potential breach.

We require that **all** Members and employees, including those permanently employed, temporary agency staff and contractors:

- act honestly and with integrity at all times and to safeguard the Council’s resources for which they are responsible
- comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

9.3 Scope

This policy applies to all of the Council’s activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the organisation. It does not rest solely within assurance functions, but in all business units and corporate functions.

This policy covers all staff, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members (including independent members), volunteers and consultants.

9.4 Definition

Corruption is defined as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person. This may include bribery and embezzlement.

Broadly, bribery is defined as giving or receiving a financial or other advantage in connection with the 'improper performance' of a position of trust, or a function that is expected to be performed impartially or in good faith. Bribery does not have to involve cash or an actual payment exchanging hands, and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event (this is not intended to be an exhaustive list).

9.5 The Bribery Act

The [Bribery Act 2010](#) came into force on 1 July 2011, and places responsibilities and powers on organizations such as local authorities. Particular attention should be paid to:

- Sections 1-4, General bribery offences, which includes 'Offences of bribing another person' and 'Offences relating to being bribed'.
- Section 7, 'Failure of commercial organizations to prevent bribery'. The statutory 'adequate procedures' defense to the failure to prevent bribery, highlights the need to have appropriate procedures in place within Brentwood Borough Council to prevent Bribery taking place.

The following six principles should be considered in order to avoid committing the offence of failing to prevent bribery, they should also be considered for the prevention of fraud:

1. Proportionality – the action taken should be proportionate to the risks we face and the size of our authority
2. Top Level Commitment – Directors, Heads of Service and Senior Managers need to create an environment of zero tolerance toward bribery
3. Risk Assessment – Ensuring risk assessments take place to understand the bribery risks we may face
4. Due Diligence – Knowing and understanding who our organization is dealing with
5. Communication – Ensuring all staff are given adequate training and are aware of policies and procedures
6. Monitoring and Review – Ensuring policies are kept up to date following changes.

9.6 Brentwood Borough Council's commitment to action

This organisation commits to:

- Setting out a clear anti-bribery policy and keeping it up to date
- Making Members and employees aware of their responsibilities to adhere to this policy at all times
- Training for all Members and employees so that they can recognise and avoid the use of bribery by themselves and others
- Encouraging both its Members and employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- Taking firm and vigorous action against any individual(s) involved in bribery
- Provide information to all Members and employees to report breaches and suspected breaches of this policy
- Include appropriate clauses in contracts to prevent bribery

9.7 Unacceptable behaviours

It is unacceptable to:

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

9.8 Facilitation payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

9.9 Gifts and Hospitality

This policy does not change the requirements of the Council's Gifts and Hospitality guidance nor does it interfere with the duties on Members to disclose as set out in the Code of Conduct under the Localism Act. All staff should ensure that they are in compliance with Gifts and Hospitality procedures as set out in the Staff Code of Conduct. Similarly, Members should ensure they comply with requirements of Gifts and Hospitality as set out in the Members Code of Conduct.

9.10 Public contracts and failure to prevent bribery

Under the Public Contracts Regulations 2006 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. There are no plans to amend the 2006 regulations for this to include the crime of failure to prevent bribery. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. However, the Council has the discretion to exclude organisations convicted of this offence.

9.11 Member and Staff responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Brentwood Borough Council or under its control. All Members and staff are required to avoid activity that breaches this policy.

You must:

- ensure that you read, understand and comply with this policy
- raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future

As well as the possibility of civil and criminal prosecution, staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct. Similarly, Members will face action through the Standards Committee for breaches of the Code of Member Conduct

9.12 Raising a concern

Brentwood Borough Council is committed to ensuring that all of us have a safe, reliable and confidential way of reporting any suspicious activity. We want Members and every member of staff to know how they can raise concerns.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

Preferably, the disclosure will be made and resolved internally. However, where internal disclosure proves inappropriate, concerns can be raised with the regulator. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).

Concerns can be anonymously. In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. The Council has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. This is easier and quicker if concerns raised are not raised anonymously.

Staff who refuse to accept or the offer of a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

The Council are committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

Please refer to appendix 13.2 for the ways to report bribery and corruption.

10. Anti-Money Laundering Policy

10.1 Policy Statement

Local Authorities are not directly covered by the requirements of the Money Laundering Regulations 2007, however, guidance from CIPFA (The Chartered Institute of Public Finance and Accountancy) indicates Local Authorities should comply with the underlying spirit of the legislation and regulations.

Brentwood Borough Council is committed to the highest possible standards of conduct and has therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

10.2 Objective

Its aim is to enable employees and Members to understand the basic concepts of money laundering, how to report any concerns they may have, and how their concern will be dealt with.

10.3 Scope

This policy applies to all Brentwood Borough Council employees (permanent and temporary) at all levels and grades as well as contractors, partners, agency staff, agents volunteers, consultants and Members of the Council (including independent members.)

Individuals who have a concern relating to a matter outside work should contact the Police.

10.4 Definition

The most common motive for crime is financial gain or to obtain valuable property. Whenever criminals do anything with that financial gain or criminal property, they 'launder' it. Money laundering offences are serious; they carry sentences of up to 14 years' imprisonment, but criminals and their associates still commit them every day.

Money laundering is the process by which criminals try to hide the origin of the proceeds of their crimes, making it look as if those proceeds were acquired legitimately. In doing so, criminal property obtained unlawfully is turned into property or money that can be accessed via legitimate methods without arousing suspicion. In other words, 'laundering' is the process of turning 'dirty' money into 'clean' money.

Money laundering has three distinct phases. They are:

- Placement; the movement of criminally-obtained money into the wider economy;
- Layering; undertaking transactions (perhaps bogus) to conceal the origin of the money; and
- Integration; making it look as if money has come from a legitimate source.

Two distinct offences affect employees, contractors and Members of the Council

- Failure to disclose one of the offences listed above, where there are reasonable grounds for knowledge or suspicion.
- Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.

Although the term 'money laundering' is generally used to describe the activities of organised crime, for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

Successful money laundering means criminals can enjoy the fruits of their criminality and fund further criminal activity. Stopping money laundering disrupts organised crime by removing the life-blood of the 'business' and prevents low level criminals from moving up into major level crime.

10.5 Requirements of the Money Laundering Legislation

The main requirements of the legislation are:

- To appoint a money laundering reporting officer.
- Maintain client identification procedures known as know your customer (KYC) and know your business (KYB).
- Implement a procedure to enable the reporting of suspicions of money laundering.
- Maintain record keeping procedures.

10.6 Money Laundering and Investment Properties

If you are involved in property transactions, you must ensure you are complying with the following:

- Money Laundering Regulations 2017
- Proceeds of Crime Act 2002
- Terrorism Act 2000

You have duties under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 to:

- Identify and verify the identity of your client
- Identify and take reasonable steps to verify any beneficial owners of your client
- Get information on the purpose of the client's business relationship with you

The last requirement means more than just finding out that a person wants to sell a property. It includes looking at all the information in the retainer and deciding if it's consistent with a lawful transaction or not.

A series of the more common methods of money laundering via investment properties have been identified and those undertaking any form of property investments should be aware of the following:

- **Use of complex loans or credit finance**

Depending on the way in which a loan is structured, two different schemes have been detected, loan-back schemes and back to back loans.

Loan-Back schemes are transactions used by suspected criminals to buy properties – either directly or indirectly – through the purchase of shares in property investment funds.

Criminals lend themselves money, creating the appearance that the funds are legitimate.

Back to back loans are where a financial institution lends money based on the existence of collateral posted by the borrower in the usual way. However, the collateral presented to the financial institution originates from criminal or terrorist activities.

- **Use of non-financial professionals**

Obtaining Access to Financial Institutions Through Gatekeepers

Criminals and terrorists have often used non-financial professionals or gatekeepers to access financial institutions. This means seeking out the experience of professionals such as lawyers, tax advisors, accountants, financial advisors, notaries and registrars in order to create the structures needed to move illicit funds unnoticed. These professionals act as gatekeepers by providing access to the international financial system, and knowingly or not, can also facilitate concealment of the true origin of funds. This is especially important during the process of determining eligibility for a mortgage, opening bank accounts, and contracting other financial products, to give the deal greater credibility.

Non-financial professionals can be approached by money launderers and terrorists not just to create legal structures, but also to manage or administer these companies. These professionals may have been aware that they are taking an active role in a money laundering operation.

- **Use of corporate vehicles**

Corporate vehicles (legal persons of all types and various legal arrangements eg trusts) are often found to be misused in order to hide the ownership, purpose, activities and financing related to criminal activity.

Apart from obscuring the identities of the beneficial owners of an asset or the origin and destination of funds, these corporate vehicles are also sometimes used in criminal schemes as a source of legal income. In addition to shell companies, there are other specialised companies that carry out perfectly legitimate business relating to real estate, which have sometimes been misused for money laundering purposes;

Offshore Companies

Legal persons formed and incorporated in one jurisdiction, but actually used by persons in another jurisdiction without control or administration of a natural or legal resident person and not subject to supervision.

Legal Arrangements

The use of some legal arrangements such as trusts can play an important role in money laundering. Under certain conditions these legal arrangements can conceal the identity of the true beneficiary in addition to the source and/or destination of the money.

Shell Companies

A shell company is a company that is formed but which has no significant assets or operations, or it is a legal person that has no activity or operations in the jurisdiction where it is registered. The potential for anonymity is a critical factor in the use of shell companies. They may be used to hide the identity of the natural persons who are the true owners or who control the company.

Property Management Companies

A property that is bought or constructed using illegally obtained funds may subsequently be rented out to provide an apparently legal source of income. This seeks to camouflage movements of funds between various jurisdictions (for example, the tenant and the landlord are located in different jurisdictions).

Non-trading real estate investment companies

Several characteristics of these companies make them especially vulnerable to abuse by suspected criminals. It is often very difficult to identify the real owner or controller, the company can be created very easily with no minimum initial capital and without an authentic deed and finally the shares of such companies can be sold without certification so that the true owner is not easily identified.

- **Manipulation of the appraisal or valuation of a property**

Manipulation of the real value of properties involves the overvaluing or undervaluing of a property followed by a succession of sales and purchases.

Over-valuation or Under-valuation

This technique consists of buying or selling a property at a price above or below its market value. This process should raise suspicions, as should the successive sale or purchase of properties with unusual profit margins and purchases by apparently related participants.

Successive Sales and Purchases

In the case of successive sales and purchases, the property is sold in a series of subsequent transactions, each time at a higher price.

- **Use of monetary instruments.**

Cash

The purchase of high-value properties in cash is one way in which large sums of money can be integrated into the legal financial system.

As well as being used to buy real estate, cash is also used in currency exchange and to structure deposits. It is common to structure cash transactions involving funds from criminal or terrorist sources and then to use these funds to buy, build or renovate a property. When the improved property is finally sold, the transaction has the advantage that it is difficult, or even impossible, to relate it to a specific individual or a criminal activity.

Cheques and Wire Transfers

Criminals frequently use what might be termed payable-through accounts to channel large sums of money, generally through a series of transactions. In many cases sums are initially paid into these accounts in cash, cheques or via international wire transfers. The money never stays in the account for long, the rate of turnover of the funds is high, and the funds are then used to purchase real estate.

- **Use of mortgage schemes.**

Mortgage loans comprise one of the main assets on the balance sheets of banks and other financial institutions. An inherent risk in this activity arises from the fraudulent or criminal use of these products. Through this misuse of the mortgage lending system, criminals or terrorists mislead the financial institution into granting them a new mortgage or increasing the amount already lent.

- **Use of investment schemes and financial institutions.**

Direct or indirect investment in the real estate sector by banks and other financial institutions is significant. Indirect investments are those considered to be limited or in which there is no direct control over the assets of the fund or investment vehicle. Investment funds may or may not be publicly listed. If funds are unlisted it means that some or the entire fund or investment vehicle is capitalised by the financial institution

- **Use of properties to conceal money generated by illegal activities.**

The use of real estate to launder money seems to afford criminal organisations a triple advantage, as it allows them to introduce illegal funds into the system, while earning additional profits and even obtaining tax advantages (such as rebates, subsidies, etc.). Real estate is commonly acquired in what is known as the integration or final phase of money laundering. Buying property offers criminals an opportunity to make an investment while giving it the appearance of financial stability.

- **Warning signs of money laundering**

Warning signs of money laundering through the property market include:

- cash-only buyers
- an unusual sale price
- the buyer attempting to mislead a lender, for example by exaggerating the sale price
- payments from a number of different individuals or sources
- funds provided by one person and registration in another person's name
- funds provided by unknown third parties
- transactions involving nominee companies or multiple owners
- sudden or unexplained changes in ownership
- direct payments between buyers and sellers

- **Know your clients**

Make sure you're confident that your client is who they say they are. You may want to ask your client further questions if their attitude is unusual – for example they're disinterested, secretive or vague, they're eager to undertake a quick transaction or, they request key changes mid-way through a transaction.

It's important to know what documents you can accept as evidence of identity. You should also consider using an electronic third-party verification solution.

Make sure your client understands what you'll ask and why you're asking. Update your client care information so people know what to expect.

Remember that payments made through the mainstream banking system are not necessarily clean. Make sure your information about the source of funds is consistent with your knowledge of the client and their risk profile.

Keep a record and make sure you take notes whenever you talk to a client. This will help you to identify any concerns or inconsistencies which you may need to look into further.

Report suspicious activity. If you know or suspect a money laundering offence is taking place, you must make a disclosure to the Money Laundering Reporting Officer (MLRO).

10.7 The Money Laundering Reporting Officer (MLRO)

The Council must appoint an MLRO to act as the focal point within the organisation for money laundering matters. The MLRO is responsible for:

- receiving disclosures from other staff; and
- deciding whether disclosures should be passed on to NCA.

The MLRO must keep copies of all disclosures received by them, notes of action taken and copies of all correspondence with NCA and other agencies.

10.8 Identifying and disclosing suspicious transactions

Brentwood Borough Council will consider the threats to Council being used by money launderers and put systems in place to guard against them. Policies and procedures should be laid out clearly so that all relevant staff understand and have access to them.

The officer nominated to receive disclosures about money laundering activity is Victoria Banerji, the Council's Corporate Fraud Manager. She can be contacted as follows:

Victoria Banerji
Brentwood Borough Council
Town Hall
Ingrave Road
Brentwood
CM15 8AY

Telephone: 01277 312 715
Mobile: 07711 139188
Email: victoria.banerji@brentwood.gov.uk

All suspicions should be reported directly to the MLRO.

In the absence of the MLRO, suspicions should be raised to the Council's Chief Finance Officer (see Appendix 13.3)

10.9 Reporting Procedure for Suspicions of Money Laundering

Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within "hours" of the information coming to your attention, not weeks or months later. Your disclosure should be made to the MLRO using the fraud reporting form, or, if preferred, via an email to the above email address.

Your referral must include as much detail as possible including:

- Full details of the people involved
- Full details of the nature of their/your involvement
- The types of money laundering activity involved
- The dates of such activities
- Whether the transactions have happened, are ongoing or are imminent;
- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;
- Why, exactly, you are suspicious.

Along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable her to prepare her report to the National Crime Agency (NCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

Once you have reported the matter to the MLRO you must follow any directions she may give you. You must NOT make any further enquiries into the matter yourself: any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise you may commit a criminal offence of “tipping off”.

Do not, therefore, make any reference on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

10.10 Consideration of the disclosure by the Money Laundering Reporting Officer

Upon receipt of a disclosure report, the MLRO must note the date of receipt on their section of the report and acknowledge receipt of it. They should also advise you of the timescale within which she expects to respond to you.

The MLRO will consider the report and any other available internal information she thinks relevant for example:

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held;

And undertake such other reasonable inquiries they think appropriate in order to ensure that all available information is considered in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with you.

Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:

- there is actual or suspected money laundering taking place; or
- there are reasonable grounds to know or suspect that is the case; and
- whether he needs to seek consent from the NCA for a particular transaction

to proceed.

Where the MLRO does so conclude, they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless she has a reasonable excuse for non-disclosure to the NCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not disclosing the information).

Where the MLRO suspects money laundering but has a reasonable excuse for nondisclosure, then they must note the report accordingly; they can then immediately give their consent for any ongoing or imminent transactions to proceed.

All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a secure manner, for a minimum of five years.

The MLRO commits a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

10.11 Training

Officers considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training by Brentwood Borough Council.

Notwithstanding the paragraph above, it is the duty of officers and Members to report all suspicious transactions whether they have received their training or not.

11. Review

11.1 Monitoring and auditing of policy effectiveness

Quarterly updates on the progress of the Corporate Fraud team and ongoing investigations, will be provided to the Chief Finance Officer.

The MLRO will provide an annual report to the Chief Finance Officer outlining any money laundering investigations undertaken during the year.

11.2 Review of this policy

This policy and associated procedures will be reviewed annually by the Regulatory & Governance Committee (or equivalent) and will be made available to all employees and Members.

12. Associated & Reference Documentation

12.1 Associated Documentation

- [Whistleblowing Policy and Procedures](#)
- [Disciplinary Policy](#) (Internal Use Only)
- [Staff Code of Conduct](#) (Internal use only)

12.2 Reference Documentation

12.2.1 [The Fraud Act 2006](#)

12.2.2 [The Bribery Act 2010](#)

12.2.3 Bribery Act 2010 Quick Start guide



Bribery act 2010
quick start guide

13. Appendix

13.1 What should I do if I suspect a fraud is being committed?

DO NOT:

✗ Confront the individual with your concerns

Never attempt to question the person you suspect of committing fraud. You could be accusing an innocent person, or, you could be putting at risk the chance of investigating the matter further.

✗ Discuss the matter with anyone else

Never discuss the matter with your friends or colleagues, please follow the correct protocol for reporting fraud.

✗ Attempt to gather evidence yourself

Whilst you may feel it helpful to do this, gathering evidence yourself, may hinder any further investigations if not done in the correct manner. Please leave this for the fraud investigators.

✗ Be afraid of raising your concerns

Brentwood Borough Council are committed to protecting employees who have reasonable concerns. You should have no fears of reprisal.

✗ Do nothing

Do not do nothing. You must raise any concerns you have in line with this policy.

DO:

✓ Note down your concerns

Record as much information as you can, to ensure it is not forgotten at a later date. Write down dates, names, times, concerns, details of conversations. Please sign, time and date your notes.

✓ Retain any evidence

You must not attempt to collate evidence yourself, however, if you do have evidence, please keep in a safe place.

✓ Report your Suspicion

You must report your suspicions as per the guide to reporting fraud.

13.2 Fraud Reporting

Officers of the council can report any incidences of suspected fraud, bribery and corruption and money laundering, via the link below or access the fraud reporting form via the staff microsite.

[Internal Fraud Referral Form](#)

If you prefer, you may email any information to: victoria.banerji@brentwood.gov.uk. Please find further details of how to contact Victoria within section 13.3 'Key Contacts'.

Members of the public may report suspected fraud via the link below:

[Online Fraud Reporting Form](#)

To report an incidence of suspected Housing Benefit Fraud, please complete the below form and send to email address: localauthorityfraudreferralinbox.centralgroup@dwp.gsi.gov.uk



Housing Benefit
Fraud reporting form

13.3 Key Contacts

Name	Position	Contact Details
Victoria Banerji	Corporate Fraud Manager	Tel: 01277 312 715 Internal Extension: 2715 Mobile: 07711 139188 Email: victoria.banerji@brentwood.gov.uk
Jacqueline Van Mellaerts	Director of Corporate Resources	Tel: 01277 312 829 Email: jacqueline.vanmellaerts@brentwood.gov.uk
Amanda Julian	Director of Law and Governance	Tel: 01277 312 705 Internal Extension: 2705 Email: amanda.julian@brentwood.gov.uk
Action Fraud	N/A	Tel: 0300 123 2040 Website: www.actionfraud.police.uk

Agenda Item 4

Committee: Audit and Scrutiny Committee	Date: 11 March 2021
Subject: Internal Audit Progress Report	Wards Affected: all
Report of: Jacqueline Van Mellaerts, Corporate Director of Finance & Resources	Public
Report Author/s: Name: Greg Rubins, Head of Internal Audit (BDO) Telephone: 02380 881 892 E-mail: greg.rubins@bdo.co.uk Name: Janine Combrinck, Internal Audit Manager (BDO) Telephone: 020 7893 2631 E-mail: janine.combrinck@bdo.co.uk	For Information

Summary

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2020/21 internal audit plan.

The following reports have been finalised since the last Committee:

- Environment – Street Cleaning, Fly Tipping and Enforcement (Limited / Limited)
- Cyber security (Moderate/Moderate)
- Procurement and Contract Management (Substantial/Moderate)

Recommendation(s)

Members are asked to:

R1. That the Committee receives and notes the contents of the Internal Audit Progress Report attached in Appendix A.

R2. That the Committee receives and notes the contents of the Internal Audit Follow Up Report attached in Appendix B.

Introduction and Background

1. This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2020/21 internal audit plan. It summarises the work we have

done, together with our assessment of the systems reviewed and the recommendations we have raised.

2. 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.
3. The Audit Committee approved the 2020/21 annual audit plan in March 2020. The progress against plan is reported at every Audit and Scrutiny Committee during 2020/21.

Issue, Options and Analysis of Options

4. The following reports have been finalised since the last Committee:

Environment – Street Cleaning, Fly Tipping and Enforcement 2020/21 (Limited / Limited)

5. Our review identified weaknesses in the system of internal controls in place, with a number of significant gaps identified in procedures and controls in key areas of the street care team and enforcement team. In particular, there is a need for key performance indicators for the Street Care Team and up to date policies and procedures, as well as better monitoring of fixed penalty notices and fly tipping incidents. We have raised two high priority and four medium priority recommendations.

This has led us to our opinion of “Limited” assurance for both control design and operational effectiveness.

Cyber Security (Moderate/Moderate)

6. Overall, there is a robust framework in place for cyber security management and the Council has taken actions to design the configuration of its IT network perimeter security controls so that the exposure to a cyber-attack is reduced.

However, we found that absence of a defined cyber security training programme increases the risk that the actions of a member of staff result in the security of the Council’s IT network being compromised. The plan to respond to cyber-incidents has not been finalised, which could affect the Council’s ability to recover from an incident and could disrupt its ability to provide critical services to the public. Additionally, absence of regular scan for vulnerabilities and security issues increases the risk of security of the Council's IT network being compromised. We have raised three medium priority findings.

We conclude there is a moderate assurance over the design and operational effectiveness of the controls in place for the Council in relation to cyber security.

Procurement and Contract Management (Substantial/Moderate)

7. The Council has a well-designed system for procuring goods and services and managing its contracts. Contract monitoring arrangements are operating effectively. However, the Council's procurement policies are not always being complied with, or evidence retained to support processes, and we identified instances of signed contracts not being in place. We have raised four medium and two low priority recommendations.

Consequently, we have concluded an opinion of substantial assurance over the design of the control framework and moderate assurance over its operational effectiveness.

8. A Summary of outstanding Recommendations from previous audits are included in Appendix B – Follow up report.
9. This is regularly monitored by Senior Officers and will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due by 31 December 2021.

Reasons for Recommendation

10. To monitor the progress of work against the internal audit plan

Consultation

11. Not applicable.

References to Corporate Plan

12. Good financial management underpins all priorities within the Corporate Plan.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director of Finance & Resources

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

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

Legal Implications

Name & Title: Amanda Julian, Corporate Director of Law & Governance

Tel & Email: 01277 312500/amanda.jullian@brentwood.gov.uk

14. There are no legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Corporate Director of Planning & Economy

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

15. There are no economic implications arising from this report.

Background Papers

16. None

Appendices to this report

17. Appendix A – Internal Audit Progress Report
Appendix B – Internal Audit Follow Up Report

INTERNAL AUDIT PROGRESS REPORT

BRENTWOOD BOROUGH COUNCIL

March 2021

IDEAS | PEOPLE | TRUST



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SUMMARY OF 2020/21 WORK

Internal Audit

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2020/21 internal audit plan. 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 Appendix 1 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.

2020/21 Internal Audit Plan

We are making reasonable progress in the delivery of the 2020/21 audit plan and are pleased to present the following reports to this Audit and Scrutiny Committee meeting:

- Environment - Street Cleaning, Fly Tipping and Enforcement
- Cyber security
- Procurement and Contract Management

We are also completing the fieldwork on the following audits:

- Covid-19 Related Grants (completion stage)
- Risk Management (completion stage)
- Licensing (in progress)
- Main Financial Systems (in progress)
- Financial Planning and Monitoring (in progress)

We anticipate presenting these reports at the next Audit and Scrutiny Committee meeting.

Changes to the Plan















We agreed changes to the timings of the three audits below, where officers requested that we postpone the audits to allow the Council to focus only on business critical services during the onset of the Covid-19 pandemic:

- Corporate Strategy - moved from Q1 to Q2 - now complete
- Procurement and Contract Management - moved from Q1 to Q2 - completed in Q4
- Performance Management and Formal Complaints - moved from Q1 to Q2 - now complete
- Affordable Housing - moved from Q3 to Q1 of 2021/22

We also agreed to change the audit plan to address Covid-19 related risks as follows:

- Postpone the Car Parking audit to 2021/22 and carry out an audit on Covid-19 related grants - in progress

REVIEW OF 2020/21 WORK

Audit	Exec Lead	Start Date	Planning	Fieldwork	Reporting	Design	Effectiveness	
Risk Management	Jacqui Van Mellaerts	Q4 Jan 2021	✓	✓ Completion				
Main Financial Systems	Jacqui Van Mellaerts	Q4 Feb 2021	✓	✓ In progress				
Financial Planning and Monitoring	Jacqui Van Mellaerts	Q4 Feb 2021	✓	✓ In progress				
Procurement & Contract Management	Jacqui Van Mellaerts	Q2 Aug 2020	✓	✓	✓ Final			
Performance Management & Formal Complaints	Steve Summers	Q2 Sep 2020	✓	✓	✓ Final			
Disaster Recovery & Business Continuity	Jacqui Van Mellaerts	Q3 Oct 2020	✓	✓	✓ Final			
Cyber Security	Jacqui Van Mellaerts	Q3 Dec 2020	✓	✓	✓ Final			
Sickness Absence	Jacqui Van Mellaerts	Q2 Aug 2020	✓	✓	✓ Final			
Fraud Risk Assessment	Jacqui Van Mellaerts	Q2 Sep 2020	✓	✓	✓ Final	N/A	N/A	
Environment - Street Cleaning, Fly Tipping & Enforcement	Greg Campbell	Q3 Oct 2020	✓	✓	✓ Final			
Affordable Housing	Tracey Lilley	Q1 of 2021	-----Postponed to 2021/22-----					
Covid-19 Related Grants	Jacqui Van Mellaerts	Q2 Sep 2020	✓	✓ Completion				
Licensing	Greg Campbell	Q3 Dec 2020	✓	✓ In progress				
Corporate Strategy	Jonathan Stephenson	Q2 Aug 2020	✓	✓	✓ Final			
Follow Up	Jacqui Van Mellaerts	Ongoing	-----Separate follow up report-----					

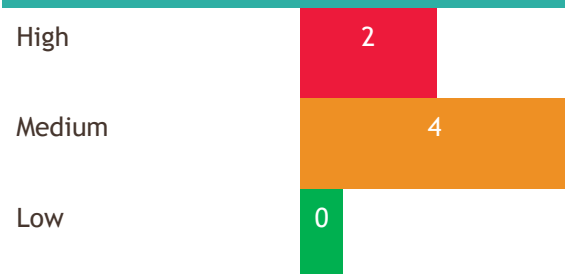
EXECUTIVE SUMMARY – STREET CLEANING, FLY TIPPING AND ENFORCEMENT

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE:

Design	Limited	System of internal controls is weakened with system objectives at risk of not being achieved.
Effectiveness	Limited	The controls that are in place are being consistently applied.

SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 6

BACKGROUND:

The Environmental Protection Act (EPA) 1990 imposes a duty on local authorities to keep specified land and public highways clear of litter and refuse so far as is practicable. A Code of Practice (CoP) on litter and refuse, which was issued under section 89(7) of the Act, defines standards of cleanliness and sets out how quickly differing types of land should be returned to a set cleanliness standard. The Code also provides guidance on taking proportionate and effective enforcement action against littering, fly tipping and related offences to help enforcing authorities in delivering their statutory duties.

Brentwood Borough Council’s “Corporate Strategy 2020-2025” sets out how the Council plans to continue protecting the environment by developing an anti-littering campaign, reducing incidents of fly tipping via proactive enforcement and resident education, and aims to respond to fly tips blocking the carriageway within 24 hours. The 2020/21 environmental budget, which includes these services, is £1.83 million.

The Street Cleansing service is carried out by in-house Street Care teams (SCTs), which fall under the Environmental Services directorate. Key statutory functions include daily scheduled work relating to grounds and street cleansing including removal of fly tipping and educational awareness. Additionally, a Neighbourhood Action team is in place, which enhances the work of the operational teams. The Town Centre Ranger is an additional resource in the Street Cleansing team and helps in delivering immediate improvements to the streets network. The Environment, Enforcement & Housing (EEH) Committee meets quarterly, to provide leadership decisions on environmental, waste, enforcement and housing issues.

The duty to enforce fly tipping lies with the Environmental Health Pollution team within the Environmental Services directorate, but the Council’s Corporate Enforcement team, which sits

under the Housing and Enforcement directorate, supports Environmental Health in this process. The Corporate Enforcement annual report 2018/19 highlighted 685 fly tips reported to and removed by the Council. The Council has introduced £400 penalty notices with no early payment discount in addition to existing powers of prosecution. The 2018/19 annual report confirmed five prosecuted offences resulting in fines totalling £5,000. We are informed that 463 fly tips occurred in 2019/20.

Internal Audit carried out an Environment audit in May 2018, which identified that improvements were required in overall management of health and safety risks, the risk assessments review process, defined roles and responsibilities, site visit reviews and the monitoring of health and safety incidents. Further improvements were recommended in risk profiling of fly tipping cases, Regulation of Investigatory Powers Act 2000 (RIPA) compliance checks and defined protocol for enforcement.

Following previous Internal Audit recommendations, the Council has revised its Health and Safety policy and Risk Assessment Standard. The Risk Assessment template has been updated and incorporates a RAG rating highlighting the importance and prioritisation of each risk and is available to all staff on the Council's health and safety microsite. A formal schedule for site visits has been created to highlight the number of sites visited on an annual basis and the Depot Street Care Team retains daily logs of street operatives' activities. An improved Incident Report form is now in use.

GOOD PRACTICE:

We identified the following good practice areas from our fieldwork:

Street Care Team (SCT)

- Our sample testing of six fly tipping incidents confirmed that appropriate actions have been undertaken following the reporting of an incident. The sampled incidents were initially responded to and issued to operatives in an average of four days and fully resolved in an average of seven days, in compliance with the Council's Complaints policy response target (10 days) and resolution target (15 days).

Environmental Health and Enforcement Team

- A central staff training tracker is maintained, supported by appropriate evidence to confirm the Environmental Health staff and Street Inspector involved in fly tipping enforcement have completed induction and refresher training to ensure compliance with EPA and CoP, including RIPA.

KEY FINDINGS:

We identified the following areas where the control framework needs to be strengthened:

Street Care Team (SCT)

- There are currently no controls in place for monitoring or reporting service performance of the SCT's day to day operations. No SCT key performance indicators (KPIs) have been defined, monitored or reported to any relevant monitoring committees with delegated authority such as Environmental, Enforcement and Housing committee. (Finding 1 - High)
- The Council is in the process of reclassifying its lands, according to the intensity of use zones, as required by the revised CoP. This is a work in progress and has not made the CoP deadline of September 2020 due to Covid 19. (Finding 2 - Medium)

- There are no formal and documented procedures or protocols in place defining the scope of the services provided by the SCT and providing guidance on how the workload is scheduled, conducted, completed, managed and how resources are allocated. Several different templates of work schedules are being used by the SCT, to document daily operations for different activities, developed on the basis of historical unstructured working practices. The work is allocated at undocumented intervals, with no fixed timeframes attached. (Finding 3 - Medium)

Corporate Health & Safety Team

- The SCT risk assessments were found to be out of date at the time of the audit and were last reviewed in November 2017. There was no formal process defined for measuring progress of the mitigations and if any monitoring or reviews were undertaken. (Finding 4 - Medium)
- The Council’s Health and Safety policy was found to be out of date at the time of the audit and was last reviewed in September 2018. (Finding 5 - Medium)

Environmental Health and Enforcement Team

There are no formal or documented enforcement protocols in place, providing guidance on their activities and current working practices. No risk profiling has been undertaken to guide the enforcement process and focus on the areas of the greatest risk. The enforcement team is not actively monitoring the FPNs issued to ensure they have been paid. In addition, information on fly tipping incidents investigated and complaints received is limited, with long delays identified for dealing with complaints (over 7 months in two cases). (Finding 6 - High)

CONCLUSION:

Our review identified weaknesses in the system of internal controls in place, with a number of significant gaps identified in procedures and controls in key areas of the SCT and enforcement team. In particular, there is a need for KPIs for the SCT and up to date policies and procedures, as well as better monitoring of FPNs and fly tipping incidents. We have raised two high priority and four medium priority recommendations. This has led us to our opinion of “Limited” assurance for both control design and operational effectiveness.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
1. Street Care Team (SCT): Performance standards and indicators 1.1 Performance standards and KPIs should be agreed as part of the service review and reviewed annually to ensure they reflect any changing business and service needs. The KPIs should be monitored on a monthly basis to ensure the Council is operating in compliance with the requirements of the	High	The KPI for the effectiveness of street cleansing (NI195/BV199) ended April 2011, when the DCLG ceased the requirement for the reporting of a large number of PIs due to their ineffective nature and intensive waste on resources. Local authorities were given the option to continue or to end this PI. The Council decided to stop reporting on this PI.	Darren Laver (Operations Manager) 31 December 2021

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p>revised CoP service standards and response times. Performance against the KPIs should be regularly reported to the Environmental, Enforcement and Housing Committee.</p>		<p>Monitoring is currently undertaken on an infrequent basis. The Service however recognises the need to measure its performance and have recently undertaken a structure review which will introduce two new supervisors who will be monitoring, inspecting and reporting on the quality of work undertaken and identifying where improvements can be made. This work will include the introduction of appropriate performance measures. These supervisors following the recruitment process should be in place by April 2021. The appointment of the supervisors will enable a structured monitoring process to be implemented.</p> <p>It should be noted that the Council has not been subject to a Litter Abatement Order. There is no evidence that the Council has allowed its land to fall below acceptable standards for longer than the allowed response time, however we accept that we can improve our performance for reporting to the Environmental, Enforcement and Housing Committee and this will be reviewed and tackled with appropriate performance measures that will be put into place.</p>	
<p>2. Street Care Team (SCT): Categorisation of land</p> <p>2.1 The SCT should complete the N195 categorisation exercise identifying all the land they manage and reclassify them in the intensity of use zones as required by the revised CoP. Supporting the database, a detailed annual work plan should be developed identifying</p>	<p>Medium</p>	<p>The CoP refers to the Duty Body having to publish the details and then to make them available to the public by request. Nonetheless, once the exercise is completed, consideration will be given to having a link on our website.</p> <p>The local environmental quality is important to every member of the public; as such any non-</p>	<p>Darren Laver (Operations Manager) 31 December 2021</p>

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p>all the land reclassified in the CoP zones, related cleaning activities and appropriate frequencies and timeframes should be allocated, depending on the response times required by the CoP and the resources available to the SCT.</p>		<p>compliance would be highlighted. We regard that current working practices meet the expectations of the legislation and ensure compliance.</p>	
<p>3. Street Care Team (SCT): Service specification, protocols and work schedules</p>	<p>Medium</p>	<p>The current work templates indicate the process followed by the SCT, they are specific to a given discipline and are time related.</p>	
<p>3.1 The Council should conduct a detailed review of the services provided by the SCT under the EPA. A service specification document should be developed identifying the roles and responsibilities of the SCT, service areas, tasks and activities they conduct on a day to day basis, service delivery standards, response times and monitoring activities, in compliance with the revised CoP published in September 2019.</p>		<p>The operatives are advised as to the expectations of management in terms of what should be achieved from the operative's induction and throughout their employment. They are deployed by management throughout the Borough, in a structured manner; with the aim to keep our relevant land clear of litter and refuse. The cleansing works are undertaken with the input approach; for example, 'high intensity' areas are cleansed daily, ensuring Grade A standard is achieved by 8am. For example, there are four templates used on a daily basis which ensure a structured approach to cleansing.</p>	<p>Darren Laver (Operations Manager) 31 March 2022</p>
<p>3.2 The SCT should develop comprehensive protocols or procedures, providing guidance on their activities and current working practices, in consultation with employees and unions. The protocols should include the management of their annual work plan, development of work schedules, management and allocation of resources, completion of work schedules by staff on a daily basis (including signing and dating), monitoring of the work schedules and</p>		<p>Dependant on the type of work involved, work sheets may be handed out on a daily or weekly basis, and they are returned on a daily/weekly basis; for example, daily schedules are handed out and returned the same day, which is verified by the responsible manager. Some of the instructions sheets are in the process of being updated, and they will include expectations/instructions.</p> <p>The recommendations will be implemented, although we consider that a large number of our processes are compliant. However once the Supervisors are</p>	<p>Darren Laver (Operations Manager) 31 March 2022</p>

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p>documenting completion against the annual work plan.</p> <p>3.3 Management should also conduct random spot checks on a sample of work schedules on a weekly basis, to ensure that the work is completed as stated and spot checking templates should be developed to document these monitoring activities.</p>		<p>employed, elements referred to, such as spot checks, will be enhanced.</p>	<p>Darren Laver (Operations Manager) 31 March 2022</p>
<p>4. Corporate Health and Safety Team: Risk assessments</p> <p>4.1 Management should review and update the formal risk assessments to ensure that it remains in compliance with the Council’s Health and Safety policy, that the assessments are relevant to the current working practices and in line with the Council’s strategic health and safety objectives.</p> <p>4.2 A formal tracker should be maintained, including all mitigating actions raised as part of risk assessments, actions risk rated, allocated owners and fixed timeframes for implementation. Actions should be subsequently monitored with their status recorded to confirm implementation and sufficient formal supporting evidence retained. An explanation should be documented for any delays to the implementation timeframes.</p>	<p>Medium</p>	<p>The review of the SCT risk assessments had commenced prior to the audit being undertaken. As mitigation, the review is undertaken every two years and events conspired to delay the completion; as a result, the remaining element is the consultation period, which has been partially completed.</p> <p>The Corporate Health & Safety Advisor continues to implement recommendations from the previous audit: such as, establishing a database for recording the details of actions identified, along with a detailed timeline.</p>	<p>David Wellings (Corporate Health & Safety Advisor) 31 December 2021</p> <p>David Wellings (Corporate Health & Safety Advisor) 31 December 2021</p>

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
4.3 Formal reports should be presented at Depot Health and Safety meetings to state the number of actions due, broken down into those outstanding and those that have been implemented within the required period.			David Wellings (Corporate Health & Safety Advisor) 31 December 2021
5. Corporate Health and Safety Team: Policy	Medium		
5.1 Management should review and update the Health and Safety policy to ensure that it remains in compliance with the Health and Safety at Work Act 1974, is relevant to current working practices and is in line with the Council's health and safety objectives.		The review of the Council's Health and Safety policy has been delayed as the 'Corporate Health and Safety Advisor' has been committed to addressing a number of issues concerning the coronavirus pandemic. Nonetheless, work has started on the review. The policy is to be renamed, 'Health, Safety and Wellbeing'.	David Wellings (Corporate Health & Safety Advisor) 31 March 2022
6. Enforcement Team: Protocols and Incidents	High		
6.1 The Environmental Health and Enforcement Team should develop detailed protocols or procedures, providing guidance on their activities and current working practices. The protocols should include their current working arrangements including documentation, response targets and actions, follow up actions, risk profiling, conflict resolution, the FPN issuing process and cancellations, investigations, evidence retention and training.		Management agrees with some of the findings documented in the content of this report. The recommendations put forward were something the service were looking to implement as a department and this report only reiterated the need for rigorous policies and procedures in this area of service. Our priority will be to implement a reactive database where cases, locations and type can be identified, quantified, and tracked. We will introduce a new policy and procedure to support recommendations and ensure it captures the findings presented in this report. The service's aim because of this will be able to proactively demonstrate the work done to prevent fly tipping whilst addressing the ongoing frequency with reactive measures. The report recognises the ongoing collaboration with other department such as housing and	Daniel Cannon (Community Safety & CCTV Manager) 31 October 2021
6.2 The Environmental Health and Enforcement Team should develop a detailed and combined database incorporating all the			Daniel Cannon (Community Safety & CCTV Manager)

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p>incidents raised by the SCT and complaints received from the wider community to ensure all investigations are carried out correctly and to eliminate the possibility of duplication or non-identification. The database should also include complaint resolution dates and action dates to compare performance against the informal five day response targets and 28 days target for cases to be resolved.</p>	<p></p>	<p>street scene as well as with external partners such as Essex Police and other housing associations. Work will also be done to ensure any databases can be collaboratively reviewed.</p> <p>The service have acted decisively and proactively since the initial recommendation of the report was supplied to us. The Council is now working with National Enforcement Solutions to devote significant and intentional resources to this area. To coincide with this, policy and procedures and corresponding databases will support the effective administration and delivery of this service, with a future review in order to reinstate the Enforcement back into the Council.</p>	<p>31 October 2021</p>

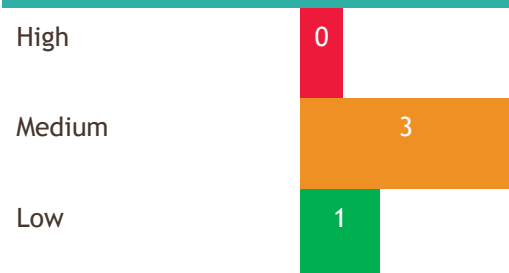
EXECUTIVE SUMMARY – CYBER SECURITY

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE:

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	Moderate	Evidence of non-compliance with some controls that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 4

BACKGROUND:

The use of information technology has driven improvements to the efficacy and efficiency of the Council's services. From the processing of a customer's information to the delivery of a critical service, technology underpins all of the Council's operations. However, these IT systems are not infallible and their use combined with the value of the Council's information assets increases the risk of a cyber-attack occurring.

A cyber-attack will exploit vulnerabilities in IT systems or the IT infrastructure that supports them in order to gain unauthorised access to the Council's information assets. A perceived lack of awareness regarding security issues have led to criminals successfully targeting local authorities. As recent incidents at other authorities have demonstrated, an attack can have a significant reputational and financial impact.

The Council is using Microsoft Azure as an Infrastructure as a Service (IaaS), for managing applications and services through a global network of Microsoft-managed data centres. In light of the Covid-19 pandemic, there have been significant changes in working arrangements, with employees working from home and remotely due to government guidelines.

The Council's overall transformation project, 'New Ways of Working', delivered the priority given to digital identity and digital channels for members and residents via an on-line portal. Cloud desktops and Office 365 provided the workspace for officers, and digital technologies supported all of that with an Azure tenancy (containing users, domains etc) and IaaS, and Platform as a Service (PaaS, which allows the development and management of applications).

The Council has contracted a third party provider, Hytec, for the management of the IT network, which filters traffic from all external connections, including to the internet. All office firewalls are owned by the Council and managed by Hytec.

Our work was designed to provide assurance that effective controls are in place to mitigate against cyber risks, but cannot provide absolute assurance that the Council would withstand an attack on its systems.

GOOD PRACTICE:

The following areas of good practice were noted during our review:

- There is an operational risk register which has identified cyber security as a risk and includes the mitigation controls, original and controlled risk ratings. The strategic risk register includes IT risks such as Information Management and Security, and Disaster Recovery and Business Continuity Planning. The risks are reviewed, based on the level of the risks, by the risk owners, Senior Leadership Team Risk Working Group and then Audit and Scrutiny Committee.
- There is an Information Security Policy in place to advise staff of the procedures to follow in relation to safeguarding information. This must be signed off by any new staff members to ensure that they understand the policy.
- There is an Agile Working Policy in place that provides a long-standing commitment to flexible working and includes the protocols for what is agile working.
- A report on Cyber Security and Awareness Training went to the Senior Leadership Team (SLT) in October 2020 to raise cyber awareness and SLT approved Executive Briefing and Awareness Session (EBAS) training for Members and senior management.
- The Council's external penetration test was performed by a third party, Prism Infosec Limited, in November 2020 and action plans have been developed for the identified weaknesses.
- There is a Public Services Network (PSN) Schematic diagram of the Council's network from November 2020, which includes a schematic representation of all the Council's services including Desktop as a Service (DaaS, which allows users to access the internet etc from PCs and laptops).
- Service Review meetings are held between the IT members and Hytec members on a monthly basis. The meetings cover performance issues, moving to proactive vulnerability scanning, new security centre alerts from Azure, and PSN renewal process activities.
- Extended support for Windows Server 2008 ended in January 2020. However, one of the benefits of the Council's Microsoft Azure as an Infrastructure as a Service (IaaS) is that Azure has provided free extended security updates for the Council's Windows 2008 servers.
- The Council has Azure defender Antivirus installed on its servers, which provides threat detection and advanced defences for Windows and Linux machines. For Windows, it integrates with Azure services to monitor and protect Windows based machines.

KEY FINDINGS:

During our review the following key findings were identified:

- Cyber security awareness training has not been provided to staff and Members this year (Finding 1- Medium).
- The draft cyber incident response plan has not yet been finalised and ratified (Finding 2 - Medium).
- Whilst there is a software tool in place that monitors and alerts cyber threats and the Council is continually adapting to new threat landscapes, currently no internal vulnerability scans are performed on the Council's IT network which leaves the Council at risk of vulnerabilities not being resolved (Finding 3- Medium).

CONCLUSION:

Overall, there is a robust framework in place for cyber security management and the Council has taken actions to design the configuration of its IT network perimeter security controls so that the exposure to a cyber-attack is reduced.

However, we found that absence of a defined cyber security training programme increases the risk that the actions of a member of staff result in the security of the Council's IT network being compromised. The plan to respond to cyber-incidents has not been finalised, which could affect the Council's ability to recover from an incident and could disrupt its ability to provide critical services to the public. Additionally, absence of regular scan for vulnerabilities and security issues increases the risk of security of the Council's IT network being compromised.

We have raised three medium priority findings. We conclude there is a moderate assurance over the design and operational effectiveness of the controls in place for the Council in relation to cyber security.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
1. Cyber Security Training Programme	Medium		
1.1 The Council should establish a cyber security awareness programme for all staff and implement the approach that is planned to raise awareness for Members and senior management.		Awareness training for Extended Leadership has been carried out (5 th Feb 2021). The Senior leadership Training is booked in for 9 th March 2021 and Member training to be arranged.	Tim Huggins (ICT Manager) 31 July 2021
1.2 Training completion should be monitored and there should be a record of all the training that has been provided and completed.		Training for all staff will be through our GDPR e-learning course which should be undertaken yearly.	Tim Huggins (ICT Manager) 31 July 2021

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p>2 Cyber Incident Response Plan</p> <p>2.1 The draft Cyber Incident Response Plan should be finalised and approved and made available to all relevant members of staff.</p>	<p>Medium</p>	<p>Work has begun on the Cyber Incident Response Plan and the final draft for version is aimed for May 2021. This will be a regularly reviewed document to reflect the continuing change within Cyber security and the threat landscape.</p>	<p>Tim Huggins (ICT Manager) 31 May 2021</p>
<p>3 Vulnerability Scanning</p> <p>3.1 The Council should either deploy appropriate vulnerability scanning tools or approach Hytec for adding extra functionality to Alien Vault to identify all vulnerabilities present across its IT network on a routine basis (monthly/quarterly).</p> <p>3.2 There should be defined procedures in place for addressing vulnerabilities as and when they are identified.</p>	<p>Medium</p>	<p>A lot of this work has already taken place, with MS Azure auto-highlight vulnerabilities on servers, and Alien Vault using AI to scan with Millions of events from Azure and Office365 to hunt out threat patterns. The IT Health check, mandatory for PSN was carried out in November and carried out a vulnerability scan. Our aim is to go above this good practice and have proactive scanning, which links the current proactive scanning in assure with Alien Vault's AI to bring issues to the surface quicker. Hytec provide a Security Operations Centre (SOC) service, which review highlighted threats and attack, who then work with Brentwood's IT team to resolve or stop. This service is reviewed monthly to monitor current trends. We are also looking into joining up with another partner to have quarterly Cyber strategic discussions to carry out horizon scanning. We are a member of Essex Warp which allows information from Central government to be shared, plus also share threats and attack in realtime across local authorities in Essex. This also links in processes with the Essex Resilience forum. Therefore, project already started and will continue over next six months and will finish with BaU handover, adding to the procedures being finished for 3.2 - September 2021.</p>	<p>Tim Huggins (ICT Manager) 30 September 2021</p> <p>Tim Huggins (ICT Manager) 30 September 2021</p>

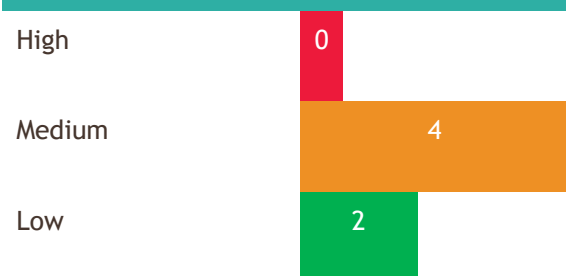
EXECUTIVE SUMMARY – PROCUREMENT AND CONTRACT MANAGEMENT

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE:

Design	Substantial	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Moderate	Evidence of non-compliance with some controls that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 6

BACKGROUND:

The achievement of many aspects of Brentwood Borough Council’s purpose and vision relies on effective procurement and contract management, alongside the management of relationships with key partners.

Local authorities are required to demonstrate sound financial administration supporting protection of the public purse, and work to rules governing how the Council will conduct procurement and ensure fair and transparent competition in the award of contracts.

Public Contracts Regulations set out detailed procedure requirements for award of contracts above certain values. The thresholds from 1 January 2020 are £189,330 for supply, services and design contracts and £4,733,252 for works contracts.

The Council’s standing orders include instructions for purchases of £10,000 to £50,000, and for purchases over £50,000 which are required to go through a full tender process to help ensure that the Council achieves value for money. Standing orders are updated when thresholds change. The Council also has a procurement strategy, which is currently being updated.

Sound contract management practices are essential for ensuring that contracts continue to meet their aims and support Council objectives, along with timely information on potential contract issues to facilitate early resolution.

The Council maintains a contracts register, which is published on the Council’s website and periodically updated from information provided by the departments. The Senior Procurement

Officer advises on procurement pathways depending on value and oversees tender exercises. She keeps track of invoices/purchase orders over £10,000 on the procurement system and checks whether due processes were followed.

Paper copies of contracts are physically stored within the Council and electronic copies are held by the Legal Team. An exercise to scan all paper contracts and convert them into electronic versions is underway.

Contract performance monitoring is done at departmental level.

GOOD PRACTICE:

We identified the following good practice areas from our fieldwork:

- Comprehensive guidance is available to staff on contract management and procurement requirements, including information regarding national and OJEU thresholds and procedures to be followed based on the value of contracts.
- Robust contract monitoring arrangements are in place to ensure regular liaison, reporting and review of performance indicators.

KEY FINDINGS:

We identified the following key areas where the control framework needs to be strengthened:

- Training on contract management and procurement has not been provided to staff since 2016 (Finding 1 - Medium).
- Our testing of procurement processes identified two suppliers for which the Council did not comply with its policy of obtaining quotations and carrying out tender exercises (the value of each was approximately £40k), one instance of inconsistent documentation and one instance where evidence to support a procurement exercise was not made available for the audit (Finding 2 - Medium).
- Our testing of contract extensions found one instance where evidence to support approval of the contract extension was not available (Finding 3 - Medium).
- Our testing of procurement processes and contract management identified a total of four instances where there was no signed contract in place (Finding 4 - Medium).

We also raised two low priority recommendations in respect of the approval of procurement and contract management guidance and the completeness of the contracts register.

CONCLUSION:












The Council has a well-designed system for procuring goods and services and managing its contracts. Contract monitoring arrangements are operating effectively. However, the Council's procurement policies are not always being complied with, or evidence retained to support processes, and we identified instances of signed contracts not being in place. Consequently, we have concluded an opinion of substantial assurance over the design of the control framework and moderate assurance over its operational effectiveness. We have raised four medium and two low priority recommendations.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
1. Staff training relating to contract management and procurement	Medium		
1.1 A training need analysis should be carried out and a training programme for contract management and procurement devised.		Agreed. Training on contract management and procurement was discussed at a Senior Leadership Team meeting in February 2021. Actions agreed were to repeat a diagnostic of the Council's contract management capability, and then to arrange further training.	Jane Mitchell (Senior Procurement Officer) 30 June 2021
1.2 Training in this area should be delivered to relevant members of staff according to their needs and completion of training should be overseen by the Senior Leadership Team.			Jane Mitchell (Senior Procurement Officer) 30 September 2021
2. Procurement processes	Medium		
2.1 A senior member of the procurement team should review contract waiver documentation for current waivers to ensure that correct procedures are being followed and that information contained within the documents is consistent.		Agreed. This was a one off error.	Jane Mitchell (Senior Procurement Officer) 30 June 2021
2.2 Evidence to support procurement activity should be organised and stored appropriately. A senior member of the procurement team should review procurement files to ensure accuracy and completeness.		Agreed. Providing training to members of staff will further improve documentation.	Jane Mitchell (Senior Procurement Officer) 30 June 2021
2.3 The Council's procurement policies should be followed for all purchases over £10,000		Agreed. Providing training to members of staff will further improve procurement processes.	Jane Mitchell (Senior Procurement Officer)

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
(the minimum level at which quotations and tender exercises are required).			30 September 2021
3. Evidence to support contract extensions	Medium		
3.1 Evidence to support contract extensions should be organised and stored appropriately so that they are easily retrievable for future use. A senior member of the procurement team should review the documentation for adequacy and completeness.		When reviewing the Contracts Register and asked to extend a contract, the Procurement Officer to ask for evidence for the extension.	Jane Mitchell (Senior Procurement Officer) 31 January 2022
4. Existence of signed contracts	Medium		
4.1 Officers should be reminded of the need to send instructions for drawing up contracts on a timely basis and the importance of obtaining signed contracts.		Agreed. To form part of Contract Management training.	Jane Mitchell (Senior Procurement Officer) 30 September 2020
4.2 The finance team should be advised not to release payments to suppliers where a valid contract is not in place		Disagreed. Contracts do not have to be signed to be legal and cannot agree this as it would expose the Council to legal proceedings.	n/a

KEY PERFORMANCE INDICATORS 2020/21

Quality Assurance as per the Internal Audit Charter	KPI Results	RAG Rating
1. Annual Audit Plan delivered in line with timetable.	Four audits were deferred, as detailed on page 3.	
2. Actual days are in accordance with Annual Audit Plan.	This KPI has been met.	
3. Customer satisfaction reports - overall score at least 70% for surveys issued at the end of each audit.	No survey responses received in relation to 2020/21 to date.	
4. Annual survey to Audit Committee to achieve score of at least 70%.	Annual survey responses for 2019/20 scored between 80% and 100%.	
5. At least 60% input from qualified staff.	This KPI has been met.	
6. Issue of draft report within 3 weeks of fieldwork 'closing' meeting.	This KPI has been met for 8 out of 8 audits (see table below).	
7. Finalise internal audit report 1 week after management responses to report are received.	This KPI has been met for 8 out of 8 audits (see table below).	
8. Positive result from any external review.	No external audit reviews have been carried out to date.	
9. Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.	The KPI regarding Council agreement of the terms of reference has been met for 11 out of 13 audits (see table below). The KPI regarding draft report has been met for 3 out of 8 audits (see table below).	
10. Audit sponsor to implement audit recommendations within the agreed timeframe.	Of the 37 recommendations raised in 2020/21, 1 has been completed, 9 are in progress and 27 are not yet due. Of the 17 recommendations raised in 2019/20, 11 have been completed, 3 are in progress and 3 are not yet due. There are also 5 outstanding recommendations from 2018/19 and 2017/18, of which 2 are overdue, 2 are in progress and 1 is not yet due.	
11. Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff.	We can confirm that for the audit work undertaken to date, management and staff have supported our work and their co-operation has enabled us to carry out our work in line with the terms of reference through access to records, systems and staff as necessary.	

AUDIT TIMETABLE DETAILS (2020/21 AUDITS)

Audit	Draft TOR issued	Management response to TOR received	Closing meeting	Draft report issued	Management response to draft report received	Final report issued
Risk Management	08/01/21	08/01/21 (KPI 9 met)				
Main Financial Systems	05/02/21	10/02/21 (KPI 9 met)				
Financial Planning and Monitoring	08/02/21	10/02/21 (KPI 9 met)				
Contract Management and Procurement	12/08/20	19/08/20 (KPI 9 met)	08/02/21	26/02/21 (KPI 6 met)	02/03/21 (KPI 9 met)	02/03/21 (KPI 7 met)
Performance Management & Formal Complaints	08/09/20	09/09/20 (KPI 9 met)	29/10/20	02/11/20 (KPI 6 met)	06/11/20 (KPI 9 met)	09/11/20 (KPI 7 met)
Disaster Recovery & Business Continuity	06/10/20	07/10/20 (KPI 9 met)	04/12/20	14/12/20 (KPI 6 met)	11/02/21 (KPI 9 not met)	15/01/21 (KPI 7 met)
Cyber Security	26/11/20	15/12/21 (KPI 9 not met)	14/01/21	18/01/21 (KPI 6 met)	02/03/21 (KPI 9 not met)	03/03/21 (KPI 7 met)
Sickness Absence	26/08/20	31/08/20 (KPI 9 met)	20/10/20	25/10/20 (KPI 6 met)	11/11/20 (KPI 9 not met)	13/11/20 (KPI 7 met)
Fraud Risk Assessment	02/09/20	07/09/20 (KPI 9 met)	22/09/20	13/10/20 (KPI 6 met)	16/11/20 (KPI 9 not met)	16/11/20 (KPI 7 met)
Street Cleaning, Fly Tipping & Enforcement	09/10/20	11/11/20 (KPI 9 not met)	23/12/20 (further info received)	8/01/21 (KPI 6 met)	03/03/21 (KPI 9 not met)	03/03/21 (KPI 7 met)
Affordable Housing						
Covid-19 Related Grants	11/09/20	14/09/20 (KPI 9 met)				
Licensing	05/01/21	07/01/21 (KPI 9 met)				
Corporate Strategy	21/08/20	24/08/20 (KPI 9 met)	02/11/20	09/11/20 (KPI 6 met)	16/11/20 (KPI 9 met)	16/11/20 (KPI 7 met)

KEY FOR RAG RATING:



= met target



= not met target







= partly met target



= not applicable

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

Level of Assurance	Design Opinion	Findings from review	Effectiveness Opinion	Findings from review
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.

FOR MORE INFORMATION:

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INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

Brentwood Borough Council

March 2021

IDEAS | PEOPLE | TRUST



Summary

We have followed up on the status of those High (H) and Medium (M) recommendations due for implementation by 28 February 2021. The position as at 26 February 2021 is summarised below:

	Total	Complete		In Progress		Overdue		Superseded		Not Due		% H & M Recs Completed / Superseded
	H & M	H	M	H	M	H	M	H	M	H	M	
	Recs											
2020/21												
Procurement & Contract Management	4	-	-	-	-	-	-	-	-	-	4	0%
Cyber security	3	-	-	-	-	-	-	-	-	-	3	0%
Street cleaning, Fly Tipping & Enforcement	6	-	-	-	-	-	-	-	-	2	4	0%
Disaster Recovery & Business Continuity	1	-	-	-	-	-	-	-	-	-	1	0%
Performance Management & Formal Complaints	1	-	-	-	1	-	-	-	-	-	-	0%
Sickness Absence	5	-	-	1	4	-	-	-	-	-	-	0%
Corporate Strategy	3	-	-	-	1	-	-	-	-	-	2	0%
Fraud risk assessment	14	-	1	-	2	-	-	-	-	1	10	7%
2019/20												
Risk Management	3	-	-	-	1	-	-	-	-	-	2	0%
Main Financial Systems	3	-	2	-	-	-	-	-	-	-	1	33%
Treasury Management	2	-	2	-	-	-	-	-	-	-	-	100%
Housing Repairs and Maintenance	1	-	-	-	1	-	-	-	-	-	-	0%
Leisure Services	2	-	2	-	-	-	-	-	-	-	-	100%
Housing Benefits	3	-	3	-	-	-	-	-	-	-	-	100%
Food Safety	1	-	1	-	-	-	-	-	-	-	-	100%
Trade Waste	1	-	-	-	1	-	-	-	-	-	-	0%
HR Recruitment	1	-	1	-	-	-	-	-	-	-	-	100%
2018/19												
Workforce Strategy	2	-	1	-	1	-	-	-	-	-	-	50%
Housing Department	2	1	-	-	-	-	-	-	-	-	1	50%
Main Financial Systems	6	-	6	-	-	-	-	-	-	-	-	100%
Housing - Homelessness	2	1	1	-	-	-	-	-	-	-	-	100%
GDPR Compliance	1	-	1	-	-	-	-	-	-	-	-	100%
Disaster Recovery and Business Continuity	3	-	3	-	-	-	-	-	-	-	-	100%
Local Development Plan	2	-	2	-	-	-	-	-	-	-	-	100%
Corporate Projects	3	-	3	-	-	-	-	-	-	-	-	100%
PCI/DSS Compliance	5	1	2	-	-	-	2	-	-	-	-	60%
2017/18												
Minimum Reserve Levels	1	-	1	-	-	-	-	-	-	-	-	100%
Community Halls Viability	5	2	3	-	-	-	-	-	-	-	-	100%
Housing	8	2	6	-	-	-	-	-	-	-	-	100%
Insurance	3	-	3	-	-	-	-	-	-	-	-	100%
Financial Planning & Budget monitoring	2	-	2	-	-	-	-	-	-	-	-	100%
Partnerships	7	-	6	-	-	-	1	-	-	-	-	86%
Environment	4	-	4	-	-	-	-	-	-	-	-	100%
Housing Benefit Shared Service	2	-	2	-	-	-	-	-	-	-	-	100%
Main Financial Systems	9	2	7	-	-	-	-	-	-	-	-	100%
Risk Management	3	1	2	-	-	-	-	-	-	-	-	100%
Customer Service	4	-	4	-	-	-	-	-	-	-	-	100%
Information Security Assessment	10	-	10	-	-	-	-	-	-	-	-	100%
Car Parks and Payment Collection	7	4	3	-	-	-	-	-	-	-	-	100%
Taxi Driver Licensing	2	-	2	-	-	-	-	-	-	-	-	100%
Local Development Plan	4	-	4	-	-	-	-	-	-	-	-	100%
Contract Management & Procurement	9	3	6	-	-	-	-	-	-	-	-	100%
	160	17	96	1	12	-	3	-	-	3	28	

Total BDO Recommendations

Of the total 160 recommendations (relating to 2017/18 to 2020/21), 129 were due to be implemented by 28 February 2021. We have confirmed with reference to evidence that 113 have been completed. No high priority recommendations are outstanding.

2020/21 Recommendations

Of the 37 recommendations raised in 2020/21 (14 of which relate to a fraud risk assessment), 1 has been completed, 9 are in progress (one of which is a high priority) and 27 are not yet due.

2019/20 Recommendations

Of the 17 recommendations raised in 2019/20, 11 have been completed, 3 are in progress and 3 are not yet due. The 3 recommendations not yet due are being covered by the internal audits of the main financial systems and risk management in quarter 4 of 2020/21.

2018/19 Recommendations

Of the 26 recommendations raised in 2018/19, 22 have been completed, 1 is in progress, 2 is overdue and 1 is not yet due. The 1 recommendation not yet due will be covered as part of an internal audit of Housing Management information in due course.

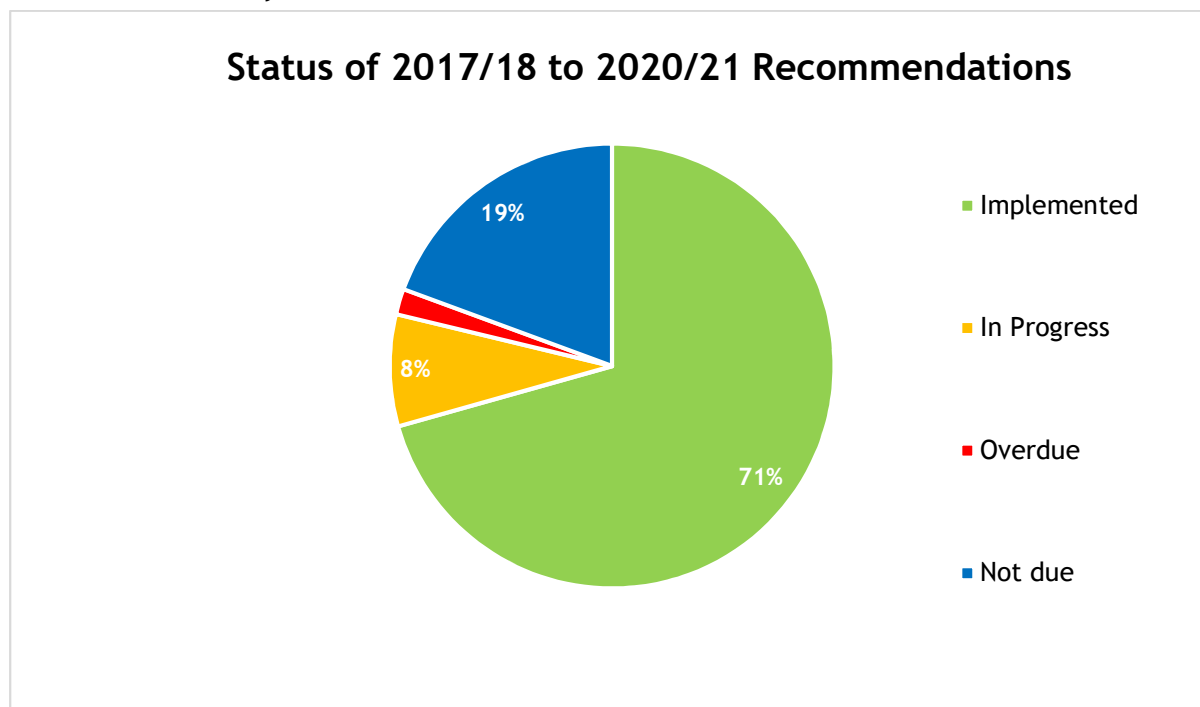
2016/17 and 2017/18 Recommendations

Of the 80 recommendations raised in 2016/17 and 2017/18, 79 have been completed and there is 1 overdue.

Those which are overdue have surpassed both the original implementation date and the revised implementation dates more than once or no update has been received from officers.

Recommendations not completed will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due.

Where recommendations are in progress, more information on the current status is provided in the pages that follow. This includes those recommendations where management has advised us that the recommendation has been implemented but evidence has yet to be received to enable internal audit to confirm this. No recommendations that have been closed since our last follow-up report to the Audit and Scrutiny Committee.



Recommendations: Overdue

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2017/18 - Partnerships				
<p>17/18 Partnerships rec 3:</p> <p>The approval status should be verified for all existing partnerships recorded in the Partnership Register. Where approval was not obtained, the 'Partnership Checklist' and 'Partnership Self-Assessment Tool' should be completed and submitted for retrospective approval from the Head of Service or relevant Committee as appropriate</p>	Medium	Kim Anderson (Partnership Leisure and Funding Manager)	<p>March 2018</p> <p>January 2019</p> <p>March 2019</p> <p>February 2020</p> <p>September 2020</p> <p>December 2020</p> <p>March 2021</p>	<p><u>Previous update:</u></p> <p>The recommendation has not been a priority to complete during the Covid-19 pandemic. It requires reviewing historic and applying retrospective information.</p>
2018/19 - PCI/DSS Compliance				
<p>18/19 PCS/DSS rec 2:</p> <p>a) Identify and clearly and fully document the Council's complete card payment environment</p> <p>b) Review the existing arrangements whereby different systems are used for payment processing and consider rationalising the card payment process</p> <p>c) Complete the annual Self-Assessment Questionnaire as a means of identifying gaps in the Council's requirements of PCI-DSS across the Council's three card payment channels and develop actions to address them</p> <p>d) Establish a timetable for the completion of the annual Self-Assessment Questionnaire.</p>	Medium	Tim Huggins (ICT Manager)	<p>September 2019</p> <p>June 2020</p> <p>September 2020</p> <p>December 2020</p> <p>March 2021</p>	<p><u>Previous update:</u></p> <p>All elements complete except for completion of the annual self-assessment questionnaire (SAQ). The SAQ has been partially completed, further work delayed to deliver priority services for Covid-19 response.</p> <p>All elements complete except for completion of the annual self-assessment questionnaire. The SAQ has been partially completed, further work delayed to deliver priority services for Covid-19 response.</p> <p><i>Internal Audit satisfied from review of evidence provided that all elements complete except for annual self-assessment questionnaire, which the Council is now aiming to complete by December 2020.</i></p>
<p>18/19 PCS/DSS rec 5:</p> <p>A policy should be developed, which sets out how the Council will manage PCI DSS compliance activities and the policy should be reviewed on a regular basis. The policy should include but not be limited to:</p>	Medium	Tim Huggins (ICT Manager)	<p>September 2019</p> <p>June 2020</p> <p>September 2020</p> <p>October 2020</p>	<p><u>Previous update:</u></p> <p>The policy has been developed for approval. Further work delayed to deliver priority services for Covid-19 response. Policy to be approved by September 2020.</p>

Recommendations: Overdue

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
<ul style="list-style-type: none"> • Assignment of roles and responsibilities for ensuring that the Council is PCI DSS compliant have been assigned • Procedures for staff that are responsible for taking card payments • The Council's security strategy in relation to the storage, processing and transmission of credit card data • A set of instructions for detecting, responding to and limiting the effects of an information security event. The Council should develop and disseminate suitable procedure notes for staff, to ensure that working practices are compliant. Appropriate training should be provided on PCI DSS requirements to all members of staff dealing with card payments. 			<p>December 2020</p> <p>March 2021</p>	<p>Storage of data in within the information security policies and management of data is part of the GDPR training.</p> <p>Training to be made available by October 2020.</p> <p><i>Internal Audit satisfied from review of the policy dated November 2019 that some of these elements have been included, however further work required to fully complete the recommendation.</i></p> <p>Policy requires approval and training has not yet been completed, due to conflicting priorities with Covid-19 and limited resources. A review will need to be carried out on appropriate virtual training as there are now limited staff dealing with card payments.</p>

Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2018/19 - Workforce Strategy				
<p>2018/19 Workforce Strategy rec 1:</p> <p>Where outcomes are monitored to confirm progress evidence should be retained to confirm that the outcome is on track or completed. This ensures that any potential slippage is discovered early and there is a greater chance of resolving issues in a timely manner. When formal reviews of the RAG spreadsheet are completed evidence should be checked and if missing, requested and retained on file to support the progress of these outcomes.</p>	Medium	Jacqueline Van Mellaerts (Director of Corporate Resources)	<p>February 2020</p> <p>December 2020</p> <p>March 2021</p>	<p><u>Previous update:</u></p> <p>The Council decided to recruit a Senior HR Manager, and bring HR & Recruitment back in house. Although many actions have taken place, a formal review of the workforce strategy and supporting evidence has been delayed due to conflicting priorities during Covid-19 and onboarding of new positions. A review will take place later in the year as part of the recovery phase of Covid-19.</p> <p>Same update as before. It was not envisaged the pandemic would continue to later in the year.</p>
2019/20 - Trade Waste				
<p>19/20 Trade Waste rec 1:</p> <p>a) Actively search and identify possible opportunities/events available to promote the trade waste service, ensuring that the market audience is understood prior to attending events to ensure they are aligned with the service's target market.</p> <p>b) Liaise with the business rates team to ensure that trade waste leaflets with fee information are distributed as part of the annual business rates information packs.</p> <p>c) Liaise with the food safety team to identify new businesses that may require trade waste services.</p> <p>d) Undertake cold-calling of local businesses in the borough to attract new customers.</p>	Medium	Mike Dun (Trade Waste Officer)	<p>a) March 2020</p> <p>March 2021</p> <p>b) October 2019</p> <p>February 2020</p> <p>Closed</p> <p>c) October 2019</p> <p>February 2020</p> <p>Closed</p> <p>d) Ongoing</p> <p>31 March 2021</p>	<p><u>Previous update:</u></p> <p>a) Staff issues and the impact of Corona Virus have adversely affected progress.</p> <p><i>This part of the recommendation remains open. Due date was previously revised to March 2021.</i></p> <p>b) A leaflet was drawn up that promotes the services of the Business Waste Team and was delivered in March along with the NDR demand to all businesses in Brentwood.</p> <p><i>This part of the recommendation has been closed by Internal Audit following receipt of the leaflet.</i></p> <p>c) The Food Safety Team do refer to the waste services that the Council can offer.</p> <p><i>This part of the recommendation has</i></p>

Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				<p><i>been closed by Internal Audit following confirmation received from the service.</i></p> <p>d) Staff issues and the adverse impact of Corona Virus making this activity difficult at the moment. All efforts going on existing client base to protect it.</p> <p><i>This part of the recommendation remains open.</i></p>
2019/20 - Housing Repairs and Maintenance				
<p>19/20 Housing R&M rec 1:</p> <p>a) Variation Order and repairs approval limits should be formally documented, for example, within a Scheme of Delegation.</p> <p>b) Management should consider documenting any accepted exceptions to the authorisation limits, such as in respect of Technical Officer/Surveyor approvals of voids repairs.</p> <p>c) The Council should ensure that all Variation Orders are approved by the appropriate individual within the Rocc system, or where this is done outside of the system (e.g. via email), that this is formally documented, and a record kept on file of who approved the variation.</p>	Medium	Nicola Marsh (Housing Manager)	<p>a) August 2020 December 2020 March 2021</p> <p>b) July 2020 December 2020 March 2021</p> <p>c) Sept 2020 December 2020 March 2021</p>	<p><u>Previous update:</u></p> <p>a) All officers completed financial user forms to provide an audit trail of approval limits. The form isn't set up for such so it has been amended, officers now have to recomplete the form. They have been asked to do this by the end of October due to staffing changes.</p> <p>b) Void baskets are still being reviewed but all jobs over an officers approval limit are now being signed off by someone with the relevant limit (such as the contracts manager).</p> <p>Loss of void surveyor and new one doesn't start until October.</p> <p>c) We are still awaiting final sign off of contract amendments but we are working under local agreements. Once Axis open their offices again we can get these formally signed by Axis.</p> <p><i>Recommendation remains open.</i></p>

2019/20 - Risk Management & Governance				
19/20 RMG rec 2: Management should seek commitment from departments that risk discussions will be included as standard agenda items in departmental or team meetings on at least a quarterly basis.	Medium	Jacqueline Van Mellaerts (Director of Corporate Resources)	June 2020 January 2021 March 2021	<u>Previous update:</u> Risk has been discussed regularly at Senior leadership team workshops and commitment has been expressed at Extended Leadership Team meetings. Evidence requires to be sought. <i>Recommendation left open until it can be evidenced; being reviewed as part of the 2020/21 Risk Management audit in January 2021.</i>
2020/21 - Fraud Risk Assessment				
20/21 FRA rec 3.1: Regarding disabled facility grants, it is recommended that the GDPR/Data Protection Officer is contacted for their advice regarding GDPR, collection and use of personal data.	Medium	Tim Huggins (DPO Officer)	December 2020 March 2021	<u>Previous update:</u> A Privacy Notice has been put together which will be checked by DPO Officer. <i>Recommendation left open until it can be evidenced.</i>
20/21 FRA rec 5.1: Specific processes and risks to be considered as part of procuring and selling property to ensure that there are appropriate and in depth due diligence processes in place. The Financial Action Task Force document "Money Laundering & Terrorist Financing through the Real Estate Sector" (2007) may be able to provide some additional advice.	Medium	Victoria Banerji (Corporate Fraud Manager)	December 2020 March 2021	<u>Previous update:</u> Officers to review and include additional guidance within Money Laundering Policy on investment properties. Due diligence is under taken and appropriate staff are consulted with regarding these transactions. <i>Recommendation left open until it can be evidenced.</i>
2020/21 - Performance Management and Formal Complaints				
20/21 PM rec 2: a) The Council should formally consider whether it is appropriate to extend the response deadlines set out in the Complaints Policy during the Covid-19 pandemic. b) Management should ensure that response dates are correctly recorded in the complaints register, based on the dates in the response letters, so that there is an accurate record of actual response times against the required times.	Medium	Sarah Bennett (Manager of Customers and Performance) Sarah Bennett (Manager of Customers and Performance) and Stephanie Meek (Customer Contact Supervisor)	February 2021 January 2021	<u>Update:</u> a) Response deadlines have been unaffected during recent COVID activity b) Complete - human error will remain a risk, however, complaints administrators have been made aware of the importance of accurately recording the response date on the

<p>c) Management should consider including complaints response times in the quarterly performance and complaints report, to allow adequate monitoring.</p>	<p>Sarah Bennett (Manager of Customers and Performance)</p>	<p>July 2021</p>	<p>case management document. c) It is intended to consider this for the 2021/22 reporting cycle (Q1 reporting due July 21). <i>Recommendation held open until all elements complete and evidenced.</i></p>
<p>2020/21 - Corporate Strategy</p>			
<p>20/21 CS rec 3: a) Management should ensure that the service plans for Corporate Finance, Risk & Insurance and Communications are completed and made available to staff. b) The focus areas and annual targets in service plans should clearly identify and reference to each of the strategic objectives for the year, as relevant to each service.</p>	<p>Medium</p>	<p>Jacqui Van Mellaerts (Director of Corporate Resources)& Steve Summers (Chief Operating officer) Tim Huggins (ICT Manager)</p>	<p>No update received. December 2020 January 2021</p>
<p>2020/21 - Sickness Absence</p>			
<p>20/21 SA rec 1: Depot management should ensure that all staff complete a sickness self-certification form on return to work for absences of less than seven days, or provide a fitness for work certificate from their doctor or hospital for absences over seven days, and that this documentation is retained.</p>	<p>High</p>	<p>Darren Laver (Operations Manager) & Nichola Mann (HR Manager)</p>	<p>No update received. February 2021</p>
<p>20/21 SA rec 2: Depot management should ensure that line managers are maintaining regular contact with employees who have been off sick for more than four weeks and that a central confirmation of this contact is made by the line manager to evidence that it is being done.</p>	<p>Medium</p>	<p>Darren Laver (Operations Manager) & Nichola Mann (HR Manager)</p>	<p>No update received. February 2021</p>
<p>20/21 SA rec 3: Depot management should ensure that line managers carry out return</p>	<p>Medium</p>	<p>Darren Laver (Operations Manager) &</p>	<p>No update received. February 2021</p>

to work interviews and retain a record of it.		Nichola Mann (HR Manager)		
20/21 SA rec 4:	Medium			
a) Line managers should be reminded to look out for short term sickness trigger events and ensure that the stages of absence management process within the Council's Absence Management Policy is followed.		Nichola Mann (HR Manager) supported by Extended Leadership Team	February 2021	No update received.
b) Depot management should ensure that stage 1 and stage 2 interviews are carried out for all long term sickness in accordance with the Council's policy.		Extended Leadership Team & Nichola Mann (HR Manager)	February 2021	
c) Line managers should inform the HR Manager when trigger events occur and seek HR support when carrying out the second stage of the absence management stage process.		Darren Laver (Operations Manager) & Nichola Mann (HR Manager)	February 2021	
20/21 SA rec 5:	Medium			No update received.
a) Line managers should be reminded of the importance of entering the correct number of sickness days in DASH.		Extended Leadership Team & Nichola Mann (HR Manager)	February 2021	
b) Management should periodically carry out spot checks on the number of sickness days entered into DASH, back to the signed return to work forms.		Nichola Mann (HR Manager) supported by Extended Leadership Team	February 2021	
c) Management should periodically carry out spot checks on the number of sickness days entered into the payroll system for both DASH and Depot absences, back to the DASH system or the Depot's Waste and Grounds absences recording spreadsheet.		Nichola Mann (HR Manager) supported by Extended Leadership Team	February 2021	



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Committee: Audit and Scrutiny Committee	Date: 11 March 2021
Subject: Internal Audit Plan 2021/22	Wards Affected: all
Report of: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) & Section 151 Officer	Public
Report Author/s: Name: Greg Rubins, Head of Internal Audit (BDO) Telephone: 02380 881 892 E-mail: greg.rubins@bdo.co.uk Name: Janine Combrinck, Internal Audit Manager (BDO) Telephone: 020 7893 2631 E-mail: janine.combrinck@bdo.co.uk	For Decision

Summary

This report outlines the Internal Audit Operational Plan for 2021/22, three year Strategic Plan and Internal Audit Charter, as included in Appendix A.

Recommendation(s)

Members are asked to:

- R1. Approve the Internal Audit Operational Plan 2021/22, three year Strategic Plan and Internal Audit Charter attached in Appendix A.**
- R2. Delegated authority is given to the Section 151 Officer to amend the plan in year as necessary to deliver the contract.**

Introduction and Background

BDO has been the appointed Internal Auditor for the Council since 1 April 2014.

Issue, Options and Analysis of Options

1. The Internal Audit Plan sets out the proposed work to be undertaken in 2021/22 and is attached as Appendix A to this report.

2. It is recommended that delegated authority is given to the Section 151 Officer, should the plan need to be amended in year, to align itself with current resources and service requirements.

Reasons for Recommendation

3. To approve the work programme for the Internal Audit Plan 2021/22.

Consultation

4. Not applicable.

References to Corporate Plan

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

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) & Section 151 Officer

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

6. Internal Audit supplier for 2021/22 have been procured using the appropriate procurement framework. Internal resources will be required to deliver the internal audit plan.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) & Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

7. There are no legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

8. There are no economic implications arising from this report.

Background Papers

9. None

Appendices to this report

10. Appendix A – Internal Audit Plan 2021/22

INTERNAL AUDIT ANNUAL PLAN

Brentwood Borough Council

2021/22

IDEAS | PEOPLE | TRUST



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AUDIT RISK ASSESSMENT

Background

Our risk based approach to Internal Audit uses the Council's own risk management process and risk register as a starting point for audit planning as this represents the client's own assessment of the risks to it achieving its strategic objectives.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects Brentwood Borough Council's current risk profile.

Planned approach to internal audit 2021/22

The indicative Internal Audit programme for 2021/22 is shown from page 6, with an indicative strategic plan for 2021-2024 shown from page 9. In producing this plan we have taken account of discussion with the Director of Corporate Resources, who has sought feedback from other Executive Directors. This plan will be presented at the March 2021 Audit and Scrutiny Committee meeting. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three year audit cycle. In setting the number of days in the plan we have assumed that the control environment within the Council will improve as we work with you to address the issues you have.

Individual audits

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required we will obtain approval from the appropriate Executive Director prior to commencing fieldwork.

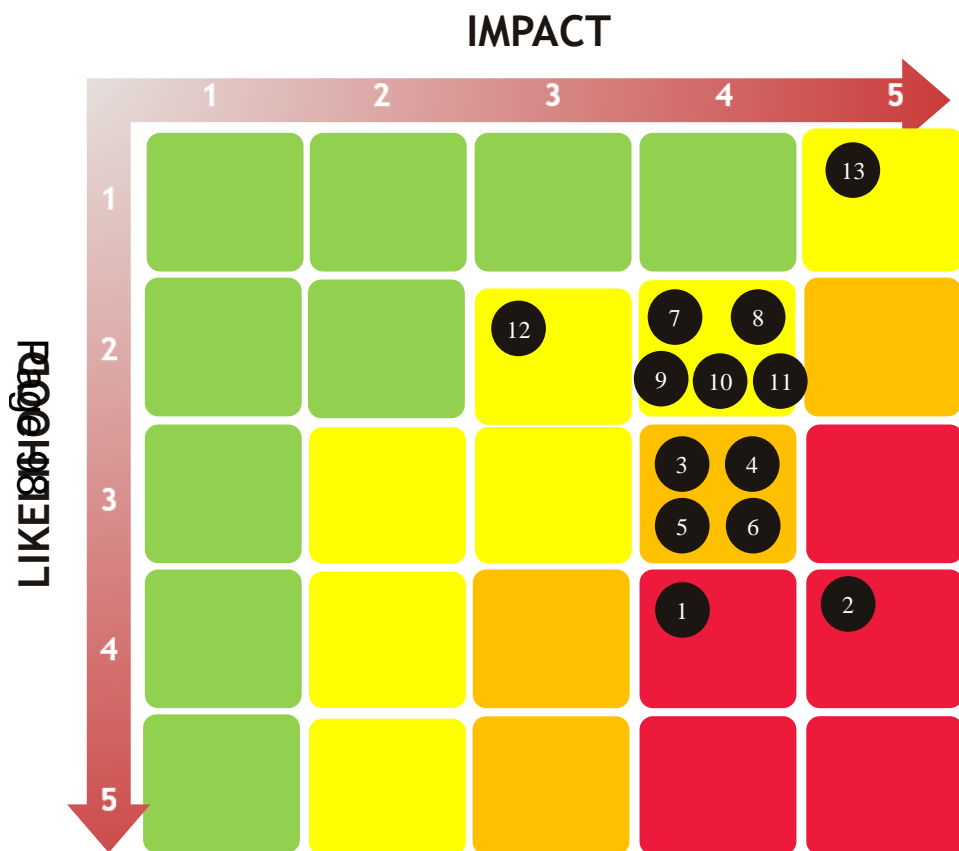
In determining the timing of our individual audits we will seek to agree a date which is convenient to the Council and which ensures availability of key management and staff.

Variations to the Plan

We review the three year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we are undertaking, demonstrating we are focussing on your most important issues.

As such our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the Executive Directors.

MAPPING YOUR STRATEGIC RISKS



	Ref	Strategic Risks from your CRR	Score
1	RSK 10	Rollout of universal credit	16
2	RSK 2	Local Development Plan	15
3	RSK 13	Brexit	12
4	RSK 15	Failure to deliver a clear leisure strategy	12
5	RSK 11	Failure to deliver key corporate projects	12
6	RSK 1	Finance pressures	10
7	RSK 3	Disaster recovery / business continuity	8
8	RSK 6	Commercial activities	8
9	RSK 5	Information management and security	8
10	RSK 7	Contract / partnership failure	8
11	RSK 9	Failure to deliver the Council's Strategic Housing Development Plan	8
12	RSK 4	Organisational capacity	6
13	RSK 14	Treasury management	5

MAPPING YOUR CRR TO THE STRATEGIC PLAN

Ref	Strategic Risks from your CRR	2021/22	2022/23	2023/24
RSK 10	Rollout of universal credit <i>(covered by main financial systems audit)</i>	✓	✓	✓
RSK 2	Local Development Plan	✓		
RSK 13	Brexit <i>(covered by risk management audit)</i>	✓		
RSK 15	Failure to deliver a clear leisure strategy		✓	
RSK 11	Failure to deliver key corporate projects		✓	
RSK 1	Finance pressures	✓	✓	✓
RSK 3	Disaster recovery / business continuity			✓
RSK 6	Commercial activities		✓	
RSK 5	Information management and security	✓	✓	✓
RSK 7	Contract / partnership failure	✓		
RSK 9	Failure to deliver the Council's Strategic Housing Development Plan <i>(covered by 2020/21 audit plan although postponed into 2021/22)</i>			
RSK 4	Organisational capacity		✓	
RSK 14	Treasury management <i>(covered by main financial systems audit)</i>		✓	

INTERNAL AUDIT OPERATIONAL PLAN 2021/22

Area	Days	Timing	Description of the Review	Reason for Inclusion
Core reviews				
Risk management and governance	15	Q4	Review of risk management and governance arrangements against the Council's risk management strategy, including processes to ensure that any risks associated with Brexit are adequately identified and managed, and ensure that the Council is operating reasonably against the CIPFA Good Governance Code.	Links to all the Council's risks, including RSK 13 (Brexit).
Main financial systems	40	Q4	Detailed annual review of general ledger controls, including system interfaces and journals; cyclical audit of accounts payable, council tax, business rates and housing benefits (including impact on benefits of the rollout of universal credit) and follow ups of issues identified in sample testing of financial controls in 2020/21.	Links to all the Council's risks, including RSK 10 (Rollout of universal credit).
Covid-19 related grants/expenditure	15	Q1	Review of the governance, reporting and controls in place with regards to Covid-19 related expenditure, to include both grants awarded by the Council and other expenditure claimed from DCLG.	Links to RSK 1 (Finance pressures)
Financial Planning and Monitoring	10	Q4	Review of budget setting and budget monitoring processes, including how the Council is addressing budget gaps in the Medium Term Financial Plan, achieving commercial income targets and identifying and acting on savings opportunities.	Links to RSK 1 (Finance pressures) and RSK 6 (Commercial activities).
Capital projects	20	Q3	Review of the adequacy and effectiveness of the governance and monitoring of the progress of capital projects in continuing to ensure capital projects are brought in on time and within budget, avoiding delays and potential funding issues which could impact on the Council's financial position in the mid-term.	Links to RSK 1 (Finance pressures), RSK 6 (Commercial activities) and RSK 11 Failure to deliver key corporate projects).
Partnerships	20	Q3	Review of the adequacy and effectiveness of the Council's arrangements for the management of its key partnerships.	Links to RSK 7 (Contract / partnership failure).

Area	Days	Timing	Description of the Review	Reason for Inclusion
Core reviews (continued)				
Local Development Plan	15	Q2	Review of the overall oversight and monitoring of the Local Development Plan, whether project plans are being adhered to and sufficient resources have been assigned to ensure timely delivery.	Links to RSK 2 (Local development plan)
IT and data security	15	Q2	Review of the adequacy and effectiveness Council's arrangements for handling of data security breaches.	Links to RSK 5 (Information management and security).
Counter fraud	15	Throughout	Fraud risk management assessment and preventative measures, e.g. presentations and advice.	Links to all risks.
Total	165			

Area	Days	Timing	Description of the Review	Reason for Inclusion
Operational reviews				
Building control	15	Q2	Review of the Council's compliance with the Building Control Regulations.	Cyclical review.
Planning	20	Q2	Review of the Council's compliance with Planning Regulations, including a customer focus (how easy is the current application process to use, including uploading or providing required documentation).	Cyclical review.
Housing - Homelessness	20	Q3	Review of the Council's fulfilment of its prevention duties under the Homelessness Reduction Act 2017.	Cyclical review.
Democratic services	15	Q3	Review of the adequacy and effectiveness democratic processes and support for the senior leadership team for ensuring that the Council functions in an open and accountable way.	Cyclical review.
Total	70			

Area	Days	Timing	Description of the Review	Reason for Inclusion
Audit management				
Follow Up Work	10	Ongoing	Rolling programme of follow up, including testing of high and medium priority recommendations.	To ensure that previous recommendations are being implemented.
Audit Management	20	Ongoing	Planning, reporting, attendance at meetings.	Central resource.
Contingency	10	As required	Time to allow increased scope and / or additional sample testing where further work is required.	Contingency.
Total	40			
Grand total	275			

INTERNAL AUDIT STRATEGIC PLAN 2021- 2024

Area	2021/22	2022/23	2023/24
Core Reviews			
Risk Management and Governance Arrangements	15	15	15
Counter fraud	15	15	15
Main Financial Systems	40	40	40
Covid-19 related grants/expenditure	15		
Payroll shared service		15	
Financial Planning and Budget Monitoring	10		10
Commercialisation and cost savings		15	
Capital Projects	20		
Partnerships	20		
Corporate Plan and Priorities		15	
Corporate Projects		15	
Local Development Plan	15		
Disaster Recovery and Business Continuity			15
General Data Protection Regulations		15	
Cyber Security			15
IT and Data Security Breaches	15		
PCI / DSS Compliance		15	
Asset Management (IT and non-IT)			20
Health and Safety			20
Workforce Strategy and Organisation Structure		15	
Human Resources - Sickness			15
Insurance		10	
Core Reviews - Total Days	165	185	165

Area	2021/22	2022/23	2023/24
Operational Reviews			
Street Cleansing, Fly Tipping and Enforcement			
Trade Waste			15
Food Safety			15
Health and Safety			20
Affordable Housing			
Housing Repairs and Maintenance			20
Car Parking		15	
Licensing			
Building Control	15		
Planning	20		
Housing - Homelessness	20		
Democratic Services	15		
Leisure Services		15	
Safe and Clean Environment			
Customer Services		20	
Operational Reviews - Total Days	70	50	70
Audit Management			
Follow Up Work	10	10	10
Audit Management	20	20	20
Contingency	10	10	10
Audit Management - Total Days	40	40	40
Total	275	275	275

APPENDIX I

Internal Audit Charter - Role and Scope of Internal Audit

Purpose of this charter

This charter is a requirement of Public Sector Internal Audit Standards (PSIAS).

The charter formally defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within Brentwood Borough Council and defines the scope of internal audit activities.

The charter shall be reviewed and approved annually by management and by the Audit and Scrutiny Committee.

Internal audit's mission

Internal audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Standards of internal audit practice

To fulfil its mission, internal audit will perform its work in accordance with PSIAS, which encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF): Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

Internal audit definition and role

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

Internal audit acts primarily to provide the Audit and Scrutiny Committee with information necessary for it to fulfil its own responsibilities and duties. Implicit in internal audit's role is that it supports management to fulfil its own risk, control and compliance responsibilities. The range of work performed by internal audit is set out in PSIAS and not repeated here.

Internal audit's scope

The scope of internal audit activities includes all activities conducted by Brentwood Borough Council. The Internal Audit Plan sets out those activities that have been identified as the subject of specific internal audit engagements.

The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by internal audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management, with the aim of improving governance, risk management and control and contributing to the overall opinion. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, internal audit should maintain objectivity and not assume management responsibility.

Effective internal audit

Our internal audit function is effective when:

- It achieves the purpose and responsibility included in the internal audit charter
- It conforms with the Standards
- Its individual members conform with the Code of Ethics and the Standards
- It considers trends and emerging issues that could impact the organisation.

The internal audit activity adds value to Brentwood Borough Council (and its stakeholders) when it considers strategies, objectives and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

We will agree with you an audit plan for a total number of days activity. Once agreed, we will turn this into a cash budget which we will work to, in order to ensure that you have certainty around the fees you will pay us.

Independence and internal audit's position within Brentwood Borough Council

To provide for internal audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the Audit and Scrutiny Committee. The Head of Internal Audit has free and full access to the Chair of the Audit and Scrutiny Committee. The Head of Internal Audit reports administratively to the Director of Corporate Services who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit and Scrutiny Committee.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest. The internal audit service is not ordinarily authorised to perform any operational duties for Brentwood Borough Council.

In the event that internal audit undertakes non-audit activities, safeguards will be agreed to ensure that independence or objectivity of the internal audit activity are not impaired. This might include a separate partner review of the work or a different team undertaking the work. Approval of the arrangements for such engagements will be sought from the Audit and Scrutiny Committee prior to commencement.

In the event that internal audit provides assurance services where it had previously performed consulting services, an assessment will be undertaken to confirm that the nature of the consulting activity did not impair objectivity and safeguards will be put in place to manage individual objectivity when assigning resources to the engagement. Such safeguards will be communicated to the Audit and Scrutiny Committee.

Internal audit must be free from interference in determining the scope of internal auditing, performing work and communicating results. Should any interference take place, internal audit will disclose this to the Audit and Scrutiny Committee to discuss the implications.

Internal audit's role in fraud, bribery and corruption

Management, not internal auditors are responsible for the prevention and detection of fraud, bribery and corruption. Auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption as well as seeking to identify indications that fraud and corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspect a fraud, this will be referred to appropriate management in the first instance and then the Audit and Scrutiny Committee.

Access to records and confidentiality

There are no limitations to internal audit's right of access to Brentwood Borough Council officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, for example the Data Protection Act 1998.

Coordination and reliance with other assurance providers

In co-ordinating activities internal audit may rely on the work of other assurance and consulting service providers.

A consistent approach is adopted for the basis of reliance and internal audit will consider the competency, objectivity, and due professional care of the assurance and consulting service providers. Due regard will be given to understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services.

Where reliance is placed upon the work of others, internal audit is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.

Internal audit's commitments to Brentwood Borough Council

Internal audit commits to the following:

- working with management to improve risk management, controls and governance within the organisation
- performing work in accordance with PSIAS
- complying with the ethical requirements of PSIAS
- dealing in a professional manner with Brentwood Borough Council staff, recognising their other commitments and pressures
- raising issues as they are identified, so there are no surprises and providing practical recommendations

- liaising with external audit and other regulators to maximise the assurance provided to Brentwood Borough Council
- Reporting honestly on performance against targets to the Audit and Scrutiny Committee.

Internal audit performance measures and indicators

The tables on the right contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The Audit and Scrutiny Committee should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

Quality assurance and improvement programme

As required by PSIAS an external assessment of the service will be performed at least every five years. BDO also has an internal quality assurance review process in place, which takes place annually. This is performed by a separate team independent to the internal audit team.

The results of internal and external assessments will be communicated to the Audit and Scrutiny Committee as part of the internal audit annual report, along with corrective action plans.

Table One: Performance measures for internal audit

Measure / Indicator
<p>Audit Coverage</p> <p>Annual Audit Plan delivered in line with timetable</p> <p>Actual days are in accordance with Annual Audit Plan</p>
<p>Relationships and customer satisfaction</p> <p>Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit.</p> <p>Annual survey to Audit and Scrutiny Committee to achieve score of at least 70%</p> <p>External audit can rely on the work undertaken by internal audit (where planned)</p>
<p>Staffing and Training</p> <p>At least 60% input from qualified staff</p>
<p>Audit Reporting</p> <p>Issuance of draft report within 3 weeks of fieldwork `closing` meeting</p> <p>Finalise internal audit report 1 week after management responses to report are received</p>

90% recommendations to be accepted by management

Information is presented in the format requested by the customer.

Audit Quality

High quality documents produced by the auditor that are clear and concise and contain all the information requested.

Positive result from any external review

Management and staff commitments to Internal Audit

The management and staff of Brentwood Borough Council commit to the following:

- providing unrestricted access to all of Brentwood Borough Council's records, property, and personnel relevant to the performance of engagements
- responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- implementing agreed recommendations within the agreed timeframe
- being open to internal audit about risks and issues within the organisation
- not requesting any service from internal audit that would impair its independence or objectivity
- providing honest and constructive feedback on the performance of internal audit

Management and staff performance measures and indicators

The following three indicators are considered good practice performance measures but we go beyond this and report on a suite of measures as included in each Audit and Scrutiny Committee progress report.

Table Two: Performance measures for management and staff

Measure / Indicator

Response to Reports

Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt

Implementation of recommendations

Audit sponsor to implement all audit recommendations within the agreed timeframe

Co-operation with internal audit

Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff

BDO contacts

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Agenda Item 6

Committee: Audit and Scrutiny Committee	Date: 11 March 2021
Subject: Risk Management	Wards Affected:
Report of: Jacqueline Van Mellaerts, Corporate Director of Finance & Resources	Public
Report Author/s: Name: Sue White Telephone: 01277 312821 E-mail: sue.white@brentwood.gov.uk	For Information

Summary

The report updates members of the Audit & Scrutiny Committee on the status of the Council's 2020/21 Strategic Risk Register and high-level Operational Risks.

As a result of the current risk review one risk scores has reduced and all other risk scores have remained the same from the last reported Committee in November.

Of the high-level operational risks, one score has increased, two scores have been reduced, and the other risks scores have remained the same. There is one new risk.

Recommendation(s)

Members are asked to:

- R1. To note the Strategic Risk Register, as shown in Appendix A.**
- R2. To note the risk scores recorded for the high-level Operational Risks, as shown in Appendix B.**

Main Report

Introduction and Background

1. The governance arrangements set out in the 'Insurance & Risk Management Strategy' and terms of reference of committees from our constitution require the Audit and Scrutiny Committee to review the strategic and operational risks every quarter.

2. The strategic and operational risk registers are monitored by Senior Leadership Team (SLT) and the Extended Leadership Team (ELT) who consider the risks, the mitigations and agrees the content. It is the responsibility of the Audit & Scrutiny Committee to review the strategic risks and confirm they are confident that the risks associated within this register are those which are strategic and relevant to the organisation at this point in time and the considered future.
3. Work continues to embed Risk Management within the Council. It is important that all staff become involved in the risk management process and become aware of their responsibilities in identifying and managing risk. The two training sessions for Housing and Corporate Officers run by Zurich Risk Management to appreciate how inspection regimes fit into the key areas of risk evaluation and risk control and to consider the key areas and parameters of the overall inspection regime took place on Friday 15 January 2021.

Issue, Options and Analysis of Options

Strategic Risks

4. In accordance with the Council's Insurance and Risk Management Strategy, risk owners have reviewed their risks and updated them.
5. Attached to this report at Appendix A is a summary showing the current status of each risk together with explanatory commentary on the key issues for each risk.
6. As a result of the current risk review one score has reduced and all other risk scores have remained unchanged.
7. The risk where the risk score has reduced is as follows:
 - Red Risk RSK1 – Financial Pressures (row No. 6) L2 x I5 = 10

The risk score has reduced from its previous score of L3x I5 = 15 as the Council has approved the Medium Term Financial Strategy and the 2021/22 budget, which forecasts that balances will not fall below the minimum level of reserves.

Risk Matrix

8. The fourteen risks are plotted on the risk matrix in Table 1. The current assessment identifies that two risks are categorised as very high in the red area of the risk matrix.

Table 1 – Risk Matrix

Likelihood / Probability	Definite	Low (5)	Medium (10)	High (15)	V. High (20)	V. High (25)
	Very Likely	Low (4)	Medium (8)	High (12)	V. High (16) RSK10	V. High (20)
	Likely	Low (3)	Medium (6)	Medium (9)	High (12) RSK13; RSK11; RSK15	V. High (15) RSK2
	Unlikely	Low (2)	Low (4) RSK8	Medium (6) RSK4	Medium (8) RSK3; RSK5, RSK6; RSK7 RSK9	High (10) RSK1
	Highly Unlikely	Low (1)	Low (2)	Low (3)	Medium (4)	Medium (5) RSK14
		Negligible	Minor	Moderate	Significant	Major
Negative Impact / Severity						

Likelihood x Impact = Risk Score

No.	Risk	No.	Risk
1	Finance Pressures	8	Lack of strategic Direction
2	Local Development Plan	9	Failure to deliver Strategic Development Plan
3	Disaster Recover/Continuity Planning	10	Roll out of Universal Credit
4	Organisational Capacity	11	Failure to deliver key Corporate Projects
5	Information Management and Security	13	Brexit
6	Commercial Activities	14	Treasury Management
7	Contract/Partnership Failure	15	Failure to deliver a clear Leisure Strategy

Operational Risks

9. The operational risks have now been reviewed by the risk owners and updated and amended where necessary to reflect the actions being taken to manage the risks.
10. Attached to this report at Appendix B is the operational risk summary sheet showing the very high and high-level risks. The risk references are shown in brackets in the table below which match to Appendix B. These were discussed and agreed by the Risk Working Group on Thursday, 11 February.
11. At the review in January risks H13 and PL6 were reduced, one risk EH5 increased and a new risk CS5 added, with the other risks scores remaining the same from the last Committee meeting in November. There have been no changes to risk scores for the period January to March.
12. The table below shows the total number of risks identified in operational risk registers across the Council.

Risk Group	No. of open risks on register	Very High Risk	High Risks	Medium Risks	Low Risks
Assets	6			5	1
Community Services	4			1	3
Corporate Services	2		1 (CS5)	1	
Environmental Health	5	2 (EH1 & EH5)		2	1
Finance	11			5	6
Housing	10	1 (H8)	2 (H2, H3)	6	1
Legal	3				3
Parking	1			1	
Planning	6			5	1
Street Care	7	1 (SC7)	1 (SC6)	2	3

Reasons for Recommendation

13. Risk Management continues to be imbedded quarterly within the Senior Leadership Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.
14. The Risk and Insurance Officer will 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.

Consultation

15. None.

References to Corporate Strategy

16. Effective risk management arrangements will enable the Council to achieve its corporate priorities. The process will allow identification of risks and issues, enabling informed decision making to remove or reduce them, in order for the priorities to be achieved.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance and Resource)

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

17. None arising specifically from this report, but control measures identified in risk registers could have financial or resource implications.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law and Governance)

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

18. Effective risk management provides a means of identifying, managing and reducing the likelihood of legal claims or regulatory challenges against the Council.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

19. Economic implications are contained within the report and identified in risk registers.

Background Papers

Insurance & Risk Management Strategy

Appendices to this report

Appendix A: Strategic Risk Register

Appendix B: Operational Risk Summary Sheet

Appendix C: Risk Ranking Table

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK REGISTER SUMMARY SHEET 2020-2021

Row No	Risk No	Risk Description	Existing Controls	Current Risk Rating			Movement	Risk Response/Update on action required	Risk Owner
				*L	*I				
1	RSK10	<u>Impact of Universal Credit</u> The direct payment of universal credit to claimants (previously Housing Benefit payments) may result in a reduction on the rent roll received, increasing the level of rent arrears.	Current tenants affected by Universal Credit are being monitored by Housing Officers regularly. Ability to refer externally/internally for budgeting advice. Updated income Management procedure to become more client based. Introduction of new Pre-Tenancy Service to instill a payment culture. Monthly rent arrears campaign to target high risk areas.	4	4	16	↕	COMMENT MARCH 2021: The debt relating to the 294 tenants (11% of total stock) claiming UC, is now accountable for 45% of Brentwood's arrears. These accounts have the highest percentage of applicants for Discretionary Housing Payments and other debt advice or assistance. Court applications have re-started but evictions are now suspended until August 2021. Just over 60% of our pending court cases are made up of accounts that have made new applications for UC. Arrears for UC cases has begun to slow as applications have begun to reduce and people have started to terminate their UC assistance. Additionally, within the last quarter, we have made arrangements with Basildon DWP and they have allocated £40,000 in assistance for tenants with the worst financial difficulty. We are now seeing accounts making use of this assistance but this is not enough on its own and we have projected that the accounts currently not paying rent will continue to stop us reducing arrears until the courts re-open fully. In the meantime we are making as much contact and offering as much support as possible.	Tracey Lilley
2	RSK2	<u>Local Development Plan</u> Failure of the Council to adopt a Plan in line with National Planning Policy Framework resulting in planning applications judged against NPPF 'in favour of sustainable development'	Meeting targets set out in the Local Plan timetable (Local Development Scheme, approved September 2019) Ongoing discussion with neighbouring Local Planning Authorities and key stakeholders (Duty to Cooperate). Partnership in Association of South Essex Local Authorities (ASELA) Preparation of Community Infrastructure Levy (CIL) Delivery of new garden village community, Dunton Hills Garden Village (DHGV) Retention of permanent staff and recruitment of temporary staff to meet short-term needs when required	3	5	15	↕	COMMENT MARCH 2021: Following submission to the Secretary of State (February 2020), the LDP is now undergoing examination. Hearing sessions began in December 2020. The risk is being managed to enable the Council to adopt a plan in line with national policy and guidance.	Phil Drane
3	RSK13	<u>Brexit</u> Organisation is not equipped to handle the potential of any negative impacts on Brentwood following the decision to leave the EU 31st January	Brentwood are heavily involved with the Essex Resilience Forum (ERF) whose focus at the moment is planning to cope with a variety of scenarios. The ERF, is a multi agency approach, including as an example all Essex Authorities and the Police. The ERF has reviewed food, fuel and highways conditions in a range of scenarios and BBC officers are attending on a regular basis, briefing sessions and participate in exercises	3	4	12	↕	COMMENT MARCH 2021: Officers continue to monitor and review the risks and measures of EU legislation.	Steve Summers
4	RSK15	<u>Failure to deliver a clear Leisure Strategy</u> for the future of leisure facilities in Brentwood. Unable to Identify risk and liabilities for Brentwood Centre, Community Halls and Hartswood Golf Course, Play Areas and recommend options for the future	Leisure Strategy has been agreed by Members Feasibility/business plan in progress for King George's Playing Fields. Budget agreed for KGPF and 5year Play Area Improvement programme Workstream established for transition of Brentwood Centre to Council.	3	4	12	↕	COMMENT MARCH 2021: Plans are in place for the various workstreams of the Leisure Strategy including the Brentwood Centre.	Steve Summers
5	RSK11	<u>Failure to deliver key Corporate Projects</u> There are a number of projects that are vital to supporting and delivering the vision for Brentwood. Failure to implement/deliver these projects will either mean a loss to the community or a loss of income.	PRED Committee appointed as Programme Board. Continued communication on all projects. Ownership of delivery of projects identified at all levels within the Council.	3	4	12	↕	COMMENT MARCH 2021: Monthly monitoring of projects is undertaken by the Senior and Extended Leadership Teams. The risk score was increased previously and remains at this level due to the Covid-19 pandemic.	Steve Summers

Row No	Risk No	Risk Description	Existing Controls	Current Risk Rating			Movement	Risk Response/Update on action required	Risk Owner
				*L	*I				
6	RSK1	<u>Finance Pressures</u> General Fund budget forecasts could fall below the Minimum Level of Reserves.	Medium Term Financial Strategic (MTFS) is undertaken on an annual basis, with monthly budget monitoring and half year reports to Committee. Budget Challenge meeting are in place for Senior Officers to review and challenge Budget Managers. A Funding Volatility Reserve has been created to specifically address the uncertainty of Government funding levels. Risk Assessment of Minimum level of reserves is carried out yearly	2	5	10	↓	COMMENT MARCH 2021: The Budget was approved at Ordinary Council on 24th February 2021. The Medium Term Financial Strategy is forecasted that balances will not fall below minimum level of reserves of £2.5m. Therefore risk has assessed to unlikely and has been reduced from L3xI5=15	Jacqueline Van Mellaerts
7	RSK3	<u>Disaster Recovery/Business Continuity</u> Failure to have in place adequate plans and procedures, understood, tested and reviewed, to react to a major incident leading to a breach of our statutory duties under the Civil Contingencies Act.	All services areas have up-to-date Business Continuity Plans in place. Support and ongoing embedding of Emergency Planning & Business Continuity Plans.	2	4	8	↔	COMMENT MARCH 2021: A recent internal audit has been carried out and reported that plan designs were substantial. Therefore risk is scored that plans are unlikely to fail.	Jacqueline Van Mellaerts
8	RSK6	<u>Commerical Activities</u> Commercial income target from the Joint Venture and other activities are not achieved	Experienced consultants have been engaged to advise and assist in delivery. Appropriate governance arrangements have been set up. Progress reports to Committee. Robust business modeling and financial projections.	2	4	8	↔	COMMENT MARCH 2021: SAIL has draw down the balance of their £60m loan facility, which ensures the Council is now on target to meet its Commercial Activitiy Income target within the Medium Term Financial Strategy.	Jacqueline Van Mellaerts
Page 120	RSK5	<u>Information Management and Security</u> Non-compliance with data protection legislation resulting in disclosure of personal information and/or inability to comply with individuals' legal rights. Not having information governance practices in place will mean the Council's decision making processes could be open to challenge.	Data Protection Policies Training 3rd party review of arrangements Interim Arrangements in place until new Monitoring Officer is in Post.	2	4	8	↔	COMMENT MARCH 2021: Information Governance Group will be presenting a strategy to ensure best practice is being followed	Amanda Julian
10	RSK7	<u>Contract/Partnership Failure</u> Key to delivering efficiency benefits and outcomes relating to contracts is the way in which they are delivered. Management of contract/partnership arrangements is vital to ensure that we reach and deliver the outcomes we need.	Service Level Agreements embedded within contract and penalties in place for non performance. Regular reporting on contract performance. Escalation and governance in place.	2	4	8	↔	COMMENT MARCH 2021: Procurement and contract managers meetings are in place, strategies being updated and contracts register being updated.	Amanda Julian
11	RSK9	<u>Failure to deliver the Council's Strategic Development Plan</u> Failure to deliver the Council's Strategic Housing Development Plan	Monitoring by finance team. 7 year Affordable housing delivery programme approved at E,E & H committee 13.10.20). Maximising opportunities of right to 1st refusal buy back of former RTB properties Pursuing options of development on19 sites	2	4	8	↔	COMMENT MARCH 2021: The Barnston Way development is now underway following the successful tender award to SEH French. The planning application was submitted for Brookfield Close in December 2020, and will be referred for decision to the planning committee in 2021. The review of several small sites is currently underway by the Strategic Housing Team. The review of all sheltered sites has also been commissioned in February 2021. The Council's revised Housing Strategy is due to be presented at E, E & H committee in March 2021 for adoption.	Tracey Lilley
12	RSK4	<u>Organisational Capacity</u> Lack of capacity to effectively govern the organisation will result in delay in delivery of business objectives	Medium Term Financial Plan (MTFP) Communications Protocol & Strategy Workforce Strategy Regular meetings between senior members & officers. Review options for alternative service delivery models In house recruitment Establishment Control Team between Finance & HR	2	3	6	↔	COMMENT MARCH 2021: The Council is carrying a number of vacancies that have been difficult to recruit to. HR performance measures continue to be embeded and will improve upon implmetation of new payroll system in the new financial year.	Jacqueline Van Mellaerts

Row No	Risk No	Risk Description	Existing Controls	Current Risk Rating			Movement	Risk Response/Update on action required	Risk Owner
				Mar-21					
				*L	*I				
13	RSK14	Treasury Management The Treasury Management function could fail, with increasing commercial activity.	Treasury Management (TM) Annual Review included in the Medium Term Financial Plan (MTFP) TM half yearly and Outturn Reviews as part of MTFP Strong TM due diligence with relevant officers Good relationship with TM advisors Borrowing Strategy Review underway	1	5	5	↕	COMMENT MARCH 2021: Finance continue to liaise with our TM advisors Link services. This service area is well managed and monitored.	Jacqueline Van Mellaerts
14	RSK8	Lack of Strategic Direction Without a clearly defined vision, the organisation is in danger of managing services only and losing the impact of much needed change supported by clear targets. If we do not follow a clear strategic path we will find ourselves falling behind and potentially failing residents	Corporate Strategy Training and Development for Officers and Members Code of Conduct. Consultation / surveys. Project and performance Management Framework.	2	2	4	↕	COMMENT MARCH 2021: The Council has established Business Recovery Plans, in line with the Corporate Strategy and response to the COVID-19 Pandemic.	Steve Summers
<p>* L = Likelihood Rating (1 = Low, 5 = Very High) * I = Impact Rating (1 = Low, 5 = Very High) Maximum Score 5 x 5 = 25</p>									

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Operational Risks Summary Sheet

Update on High Level Risks

Risk Ref	Risk Description	Existing Controls	Current Risk Rating			Movement	Risk Response/Update on action required
			Mar-21				
			*L	*I			
SC7 Street Care	Risk of unmaintained trees wholly or partly falling on persons/property and other infrastructure resulting in an increase in the likelihood of prosecution by HSE or claims against the Council, as well as reputational risk.	Woodland management plans that have been negotiated over the last 4 years have now been approved and are beginning to be implemented to manage woodland edge trees over a 10-year period. However, a risk remains for non-woodland trees such as all parks, country parks, Housing properties allotments, and commercial properties where we are landlord, for which there is no proactive system All tree works at present carried out are on a reactive basis.	4	5	20	↔	COMMENT MARCH 2021: Further incident where a tree fell into a public child's play area causing damage to structure, but no injuries as it was empty. The Council is recruiting a tree surveyor on a 1 year contract and upgrading the software to enable data capture.
EH1 Env. Health	Breach of Health & Safety Regulations from council activities caused by insufficient management of risk or activity controls to enable safe service delivery	<ul style="list-style-type: none"> Review of current data systems for H&S compliance and Director level (GC) support requested to facilitate robust software systems to maintain compliance for Corporate and Housing. All service areas have received training in risk assessment and health and safety management New activities and events are supported and overseen to enable proportionate controls and measures to be put in place to reduce or eliminate the Council's exposure to the risks of service delivery. 	3	5	15	↔	COMMENT MARCH 2021: There has been no further development with regard to Corporate Facilities Management still requiring investment with Technical Officer posts, to deliver compliance, which requires Director approval, to address the current risks.
EH5 Env. Health	Capacity of Environmental Health Pollution and Private Sector Housing Team insufficient to maintain adequate response to service requests.	Recruitment of staff to replace leavers within a reasonable time frame - currently post vacant since January 2019. Remaining staff have to cover workload until recruitment completed.	4	4	16	↔	COMMENTS MARCH 2021: (Risk increased at the last review in January from Likelihood 3 x Impact 4 = 12) Continuing to operate at a level of 3 FTE in Environmental Health & Private Sector Housing compared to 5.2 in 2018 with increasing numbers of formal complaints reported.

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Appendix B

Brentwood Borough Council - Summary Risk Report

H8 Housing	<p>Failure to manage assigned budgets effectively resulting in financial loss. Potential causes are:</p> <ul style="list-style-type: none"> - poor contract management - poor monitoring of costs - lack of adequate cost approval controls - incorrect coding 	<ul style="list-style-type: none"> • Repairs contract meetings • Budget holders trained in Collaborative Planning & Procurement • Accountant assigned to department • Regular CP/budget meetings 	3	5	15	↔	<p>COMMENT MARCH 2021: Current capital underspend, SMT involved with Axis negotiations to confirm FRA project costs (1.6m-2.4m) and we have requested a consultant to check communal plant room costs (2.7m-3.8m) as per director which is all current underspend due to auditing and VFM purposes. Booster sets x 3 @ 300k ready to proceed.</p>
SC6 Street Care	<p>Risk of subsidence to private, commercial and borough owned properties due to water abstraction by Council owned trees, resulting in an increase in claims against the Council</p>	<p>All tree works at present carried out are on a reactive basis.</p>	3	4	12	↔	<p>COMMENT MARCH 2021: Two further subsidence claims have been received by the Council. The Council is recruiting a tree surveyor on a 1 year contract and upgrading the software to enable data capture.</p>
H3 Housing	<p>Fire in residential or community areas resulting in relocation of residents and possible death or serious injury, caused by:</p> <ul style="list-style-type: none"> - Accidental fire in property or communal areas - Arson - Failure to remove bulk refuse from estates - Uncompliant or missing Fire Risk Assessments 	<p>Fire risk assessments programme in place. Properties fitted with hard wire smoke alarms. Annual check of smoke alarms as part of Gas safety check Approved Fire Safety Policy Safety first major works to ensure compliant with Fire risk assessments. Implemented Clear Area Management policy Estates staff trained on FRA disciplines Bi-monthly estate inspections</p>	3	4	12	↔	<p>COMMENT MARCH 2021: The CAMP and Estates Inspection schedule continues to be carried out by Housing Officers. Due to some restraints on resources due to our current lockdown, we have devised a new rationale for prioritising and inspecting our Estates. This has meant that our limited resources are being utilised efficiently and ensures we comply with our insurer's guidelines for identifying potential risk. We are slightly behind on our target to arbitrarily inspect all blocks, but we are now confident that inspections that are highest priority, will take place.</p>

Brentwood Borough Council - Summary Risk Report

H2 Housing	Failure to comply with asbestos regulations resulting in possible death or serious illness from asbestosis, due to: - works undertaken without proper protection - incidental damage to structures where asbestos is present - incomplete asbestos register	Asbestos Management Surveys being undertaken in all void properties and Major works properties. All communal area Management surveys completed. Incidents notified as per regulations H&S asbestos Steering Group considers asbestos risk, management and reporting of incidents. Licensed asbestos removal company contracted. CUBE appointed to complete all surveys. All staff receive asbestos awareness training annually. Monthly Asbestos Steering groups implemented to track compliance, issues, management and improvements required.	2	5	10	↔	COMMENT MARCH 2021: All high risk and medium risk items that have been surveyed are being costed to be removed and encapsulated to remove risk. Asbestos survey programme on hold to properties not communal due to Covid restrictions and tenant not allowing access to undertake a full property survey. Register up to date and shared with Axis and awaiting for keystone mini to be available. H&S manager is organising training for all associated staff.
CS5 Corporate Services	Loss of data or service delivery through cyber attack due to not having appropriate cyber security or cyber incident response plan	Manages Security service has been running for second year, now with an introduction of a monthly review. Azure Security services are being expanded. IT staff attended Cyber Incident Response Planning course.	2	5	10	↔	COMMENT MARCH 2021: (This risk was added to the Operational Risk Register in January). ELT have received cyber awareness training, SLT arranged for March 2021, Council Members TBC
H13 Housing	Failure to manage Drake House Fire Risk	Gerda box has been installed and all relevant documents to support the fire service placed in there. All communal areas have been cleared of bulky items Dedicated project manager in place to ensure remedial works conducted	2	4	8	↔	COMMENT MARCH 2021: (Risk reduced at the last review in January from Likelihood 4 x Impact 3 = 12) Guards on site, smoke detection installed, 1st phase completed, phase 2 to start and PM in place to facilitate and site set up in place. Risk is getting it completed before the fire service visit in Feb/March. Risk reduced from Impact 3 x Likelihood 4 = 12
PL6 Planning	Increased workload due to: - Increase in applications - Changes in legislation - Failure to have files sorted and uploaded - Loss of key staff - Difficulty recruiting to vacant positions	Keep up to date with legislation proposals and changes. Contribute to development of corporate staff retention programme. Ensure temporary staff resource is in place in case of loss of staff and advertise for permanent replacement of vacant post	2	3	6	↔	COMMENT MARCH 2021: (Risk reduced at the last review in January from Likelihood 4 x Impact 3 = 12) Two Planning assistants started within the administration team at beginning of January, with the planning assistants also starting at this time. Due to specialised nature of roles it will be a number of months before they are up and running so will cause disruption to service. Planning applications are up by 6% from last year. Risk reduced from Impact 3 x Likelihood 4 = 12

Appendix C

Risk Ranking Table

Brentwood Council has introduced a best practice five stage approach to Risk Management.

Likelihood	(5) Definite/very high	Low (5)	Medium(10)	High (15)	Very High (20)	Very High (25)
	(4) Very likely	Low (4)	Medium (8)	High (12)	Very High (16)	Very High (20)
	(3) Likely	Low (3)	Medium (6)	Medium (9)	High (12)	Very High (15)
	(2) Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
	(1) Highly unlikely	Low (1)	Low (2)	Low (3)	Medium (4)	Medium (5)
		Negligible (1)	Minor (2)	Moderate (3)	Significant (4)	Major (5)
Impact						

Likelihood x Impact = Risk Score

Level of Risk	Level of Concern	Recommended review pattern
Very High 15-25	Very concerned	1-2 months
High Risk 10-15	Concerned	2-3 months
Medium Risk 4-10	Quite Concerned Risk can be tolerated at this time	3-4 months
Low Risk 1-5	Not concerned Risk accepted at this time	4-6 months

Score	Likelihood	Description
1	Highly Unlikely/ rarely happens	5% likely to happen or hasn't happened within the last 5 years
2	Unlikely/moderate	20% likely to happen or has happened once or twice in the last 5 years
3	Likely/possible	50% likely to happen or has happened once or twice in the last 24 months
4	Very likely/high	75% likely to happen or has happened at least once or twice in the last 12 months
5	Definite/very high	99% likely to happen or has happened on a regular basis over the last 12 months

Score	Impact	Effect on Service	Financial & Resources	Reputation	Legal	People	Effect on project objectives
1	Negligible	<ul style="list-style-type: none"> • Small impact on customer service which may result in complaints • Nuisance 	<ul style="list-style-type: none"> • Small financial loss; less than £10K • Negligible property damage 	No adverse effect on perception	No legal implication	No injury	<ul style="list-style-type: none"> • Minimal impact to project • Minor slippage
2	Minor	<ul style="list-style-type: none"> • Small setback • Disruptive impact on service • Localised disgruntlement 	<ul style="list-style-type: none"> • Noticeable financial loss; £10-£100K • Slight damage to one property 	Minimal effect to perception (e.g. minor criticism of the Council)	Breach of statutory process, duty or law resulting in possibility of legal action	Minor Injury	<ul style="list-style-type: none"> • Adverse effect to project. • Slippage requires review finances / short term programme
3	Moderate	<ul style="list-style-type: none"> • Widespread disgruntlement • Disrupted service delivery from one service area for up to 3 days • Can handle but with difficulty 	<ul style="list-style-type: none"> • Moderate financial loss £100-300K • Inability to deliver popular policies due to budgetary constrictions • Substantial damage to one part of a building 	Negative effect on perception, e.g. <ul style="list-style-type: none"> • Criticism of the council • Local bad press 	Breach of major statutory duty or law resulting in probably legal action	RIDDOR (Reporting of Injuries, Diseases & Dangerous Occurrences Regulations (1995) Reportable major injury to an individual	<ul style="list-style-type: none"> • Important impact on project or most of expected benefits. • Considerable slippage • Possible impact on overall finances / programme
4	Significant	<ul style="list-style-type: none"> • Intervention in a key service • Disruption to service delivery for one or more service areas for 3-5 days • Failure of an operational partnership 	<ul style="list-style-type: none"> • Sizeable financial loss up to 50% of budget or between £300K-1M • Extensive damage to a critical building or considerable damage to several properties from one source 	<ul style="list-style-type: none"> • Criticism of key process • Large scandal • High level of complaints at corporate level across several service areas • Adverse national media coverage 	Breach of law resulting in legal action against the Council which would be difficult to defend	Reportable major injuries to several people or death of an individual	<ul style="list-style-type: none"> • Extreme delay

Score	Impact	Effect of Service	Financial & Resources	Reputation	Legal	People	Effect on project objectives
5	Major	<ul style="list-style-type: none"> • Complete breakdown in service delivery with severe, prolonged impact on customer service affecting the whole organisation • Failure of a strategic partnership 	<ul style="list-style-type: none"> • A substantial failure in accountability or integrity • A large financial loss over 50% of budget or greater than £1M • Total loss of a critical building 	<ul style="list-style-type: none"> • A vote of no confidence in one service area • Officer(s) &/or Members forced to resign &/or Audit Commission enquiry • Substantial adverse & persistent national media coverage 	Breach of law resulting in legal action against the Council which would be very difficult / impossible to defend	Death of several people	<ul style="list-style-type: none"> • Complete failure of project

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Agenda Item 7

Committee(s): Audit & Scrutiny Committee	Date: 11 March 2021
Subject: Formal Complaints & Performance Indicator Working Group	Wards Affected: All
Report of: Steve Summers, Strategic Director	Public
Report Author: Name: Sarah Bennett, Corporate Director – Digital & Customer Engagement Telephone: 01277 312500 E-mail: sarah.bennett@brentwood.gov.uk	For Decision

Summary

This report submits the report and recommendations of the Formal Complaints and Performance Indicators Working Group for consideration by the Audit & Scrutiny Committee.

Recommendation(s)

Members are asked to:

R1. To note the Formal Complaints and Performance Indicators Working Group report, as attached at Appendix A, and agree the recommendations contained within it.

Main Report

Introduction and Background

1. The Committees Terms of Reference include responsibility for the monitoring of Council service performance including Performance Indicators and Formal Complaints.

Reasons for Recommendation

2. To ensure the Council provides quality customer services.

References to Corporate Plan

3. The priority of 'Delivering an efficient and effective council' includes the delivery of quality customer services. An effective scrutiny function of customer complaints and service performance is an essential element of that priority.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance and Resource)

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

There are no direct financial implications from this report.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer.

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

The Council is required to have a complaints procedure, to ensure transparency and accountability it is good governance for the Council to report on the complaints and performance indicators.

Economic Implications

Name/Title: Phil Drane, Corporate Director of Planning & Economy

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

Background Papers

None

Appendices to this report

Appendix A – Formal Complaints and Performance Indicator Working Group Report

Date: 11 March 2020

Audit & Scrutiny Committee

Performance Indicators and Formal Complaints Working Group Report

Working Group Members

Cllr Nolan

Cllr Dr Barrett

Cllr Hirst

Cllr Naylor

Cllr Tanner

Supporting Officers

Steve Summers – Strategic Director

Sarah Bennett – Corporate Director – Digital & Customer Engagement

Scope

The scope of the Performance Indicators and Formal Complaints Working Group is set out below:

1. To monitor and consider the Council's service Performance Indicators.
2. To consider in detail Formal Complaints received by the Council.
3. To consider how Performance Indicators and Formal Complaints are reported to the Audit & Scrutiny Committee
4. To make recommendations to the appropriate Audit & Scrutiny Committee.

Meeting Date

9th February 2021

Attached as Addendum 1 are the notes of the meeting.

Terms of Reference

The Working Groups Terms of Reference are attached at Addendum 2

1. Report Recommendations

The report recommendations are set out in full below.

R.1 - That the working group continue to monitor the outcomes of the Formal Complaints for Q4 2020/21.

R.2 - That the working group continue to monitor the outcomes of the Performance Indicators for Q4 2020/21.

2. Introduction

2.1 The council operates a two stage complaints process for customers to take issue with any perceived failure to provide a service, failure to respond to requests or failure to adhere to standards on the part of the council and its officers.

2.2 The council uses a variety of performance indicators to monitor how well services are performing in meeting the needs of service users. The council has set of key indicators of performance, the “toplines”. The topline includes a variety of indicators that relate to the delivery of the council’s priorities.

2.3 The topline measures performance across a range of council activity including: planning, housing, streetscene and revenue and benefits.

3. Explanation of Recommendations

Recommendation 1 That the working group continue to monitor the outcomes of the Formal Complaints for Q4 2020/21.
Explanation To continue to monitor formal complaints quarterly to identify common themes, trends or concerns.
Recommendation 2 That the working group continue to monitor the outcomes of the Performance Indicators for Q4 2020/21.
Explanation To monitor associated annual or quarterly trends and identify areas of performance concern.

**Performance Indicators and Formal Complaints Working Group
Minutes of Meeting 9th February 18:00
Virtual via Microsoft Teams**

Present: Cllr Charles Nolan (CN), Cllr Roger Hirst (RH), Cllr Sandy Tanner (ST), Cllr D Naylor (DN), Cllr Dr T Barrett (TB)

Also present: Steve Summers (SS) – Strategic Director
Jacqueline Van Mellaerts (JVM) – Director of Corporate Resources
Greg Campbell (GC) - Director of Environment
Amanda Julian (AJ) – Director of Law & Governance
Sarah Bennett (SB) – Director of Digital & Customer Engagement
Phil Drane (PD) – Director of Planning & Economy
Michael Hanson (MH) – Housing Manager

Apologies: Tracey Lilley

1. Welcome

The Chair welcomed all present to the meeting, which was the third meeting of the group this financial year.

2. Terms of Reference

These are attached to these minutes.

4.1 Formal Complaints

A presentation on formal complaints received for Q3 2020/21 was provided to the working group (Addendum 3) by SS.

CN requested an annual comparison for upheld complaints, broken down by service. Officers will provide this at the next working group.

Action: SB to provide annual upheld comparisons at next working group

CN acknowledged a significant reduction in upheld Housing complaints for this quarter and congratulated the team.

RH noted that, overall, complaints are still high compared to earlier years, particularly in streetscene.

Directors provided explanations for the formal complaints within their directorates.

SB discussed the 2 customer service complaints and it was noted that technical/admin errors were attributed to both complaints. The technical issue has now been resolved.

GC discussed the Environmental Health complaint with Members and advised that this has now been resolved. The Environmental Health team remain short staffed, however, recruitment efforts are underway.

MH presented the Housing complaints. It was noted that 5/7 of the complaints were in relation to housing repairs. MH advised that issues such as difficulty obtaining parts and new staff had been found to contribute. In relation to the third complaint, CN queried what normal practice would be in this instance. MH advised on the process for removing a named tenant but advised that, in this case, a professionals meeting should have taken place. A new process has since been put in place.

SS provided a brief explanation on the Democratic Services complaint. A written summary of proceedings was provided to the complainant, in line with Schedule 12A, Section 100 of the Local Government Act 1972.

GC explained to the working group that the parking complaint has since been resolved.

SB and JVM provided an explanation on the Revs & Bens complaint, which was attributed to a training gap with the customer service agent, which has now been addressed.

GC ran the group through the street scene complaints. It was noted that repeat missed collections remains a theme. In relation to the fourth complaint, GC advised that repairs have been undertaken to the resident's lawn. In relation to complaints 5 and 6, GC informed the group that crews receive regular reminders on how to return receptacles to avoid such issues. CN commented that folding the recycling bags would help ensure they are returned neatly.

SS advised the group on the outcome of 2 ongoing Ombudsman complaints. In relation to the one where fault was found, a discussion was held regarding compensation. SS informed that often this to compensate the complainant for their time or distress. MH informed that a process review of boundary disputes is underway, in line with the Housing Ombudsman's recommendation.

Working Group Action:

1. For the working group to monitor these complaints against future quarters to identify concerns or themes.

4.2 Performance Indicators

The working group were provided with data for the council's key Performance Indicators (PIs) for Oct-Dec 2020 (Addendum 4)

MH reviewed the Housing PI's individually. CN and ST congratulated the Housing team for turnaround in void times shown in H01.

A detailed discussion as held on the rent PI's, with MH explaining the actions the team are taking to recoup arrears. There has been a 300% increase in actions on accounts and early intervention, particularly on Universal Credit accounts. However, courts are still not hearing these sort of cases and, with no prospect of eviction, arrears are presenting an ongoing challenge. RH queried whether the target of H03 was realistic. MH informed the group that it seems ambitious at the moment. Projections suggest an increase in arrears over the next 2 years. Housing Officers have conducted some benchmarking and Brentwood is performing in the median, with a trend across the board of reducing performance.

Action: MH will bring a benchmarking report to the next Working Group.

GC reviewed the waste and recycling PI's with the group and informed the group that new PI's will be brought forward for 21/22 and include financial data (as requested at the last working group). CN noted that the national trend for increased residual waste seems flat for Brentwood. GC will be following trends post-COVID.

JVM presented the Finance, HR and Revs & Bens results. In relation to the HR03, it was discussed that working from home has aided a reduction in sickness. CN suggested this should continue to be encourage post-COVID. JVM informed the group that Council Tax collection rates remain pleasing considering the economic climate and celebrated that all processing times within Revs & Bens are on target, despite the number of claims having increased. CN queried whether our results are in line with other authorities, JVM will investigate.

Action: JVM to investigate benchmarking Revs & Bens results.

SB presented the Customer Service and IT PI's and the group noted the results.

CN asked whether more detailed website analytics could be provided to identify areas of high traffic and SB informed that this will be brought to the next working group. DN asked whether this could include the location, which SB will investigate.

Action: SB to provide a more detailed web report at the Q4 Working Group.

In relation to Planning - at a previous Working Group TB requested a breakdown of Officer/Member appeals. PD updated the group that a report is going to Planning and Licensing Committee on 10th February 2021.

Working Group Action:

1. For the working group to continue to review progress of the quarterly Performance Indicators.

5. Any Other Business

TB requested to move the start time of future meetings to 18:30. CN advised that he will confirm this with the other members of the Working Group.

6. Date of next meeting

TBA

**Audit & Scrutiny Committee
Performance Indicators & Formal Complaints Working Group**

Members of Working Group

Crs. Nolan, Dr Barrett, Naylor, Tanner and Hirst.

Terms of Reference

1. To monitor and consider the Council's service Performance Indicators.
2. To consider in detail Formal Complaints received by the Council.
3. To consider how Performance Indicators and Formal Complaints are reported to the Audit & Scrutiny Committee.
4. To make recommendations to the appropriate Audit & Scrutiny Committee.



Members Working Group Formal Complaints Q3 2020/21

Oct-Dec 2020

Formal Complaints received annually

Department	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Assets	0	2	0	1	1	2	3
Building Control	0	0	0	0	0	0	1
Community Safety	0	0	0	0	0	1	1
Community Services	0	0	0	2	1	0	2
Customer Service	0	0	0	1	1	4	5
Governance	0	0	1	1	0	0	2
Housing	10	11	32	30	38	47	75
Env Health & Licensing	0	1	1	0	1	3	4
Finance	0	0	0	0	0	2	0
Legal	3	0	2	1	0	0	0
Parking	0	0	0	0	1	1	3
Planning	10	4	23	13	10	10	16
Revs & Bens	9	2	12	9	31	33	28
Streetscene	1	3	5	3	5	15	44
Total	33	23	76	61	89	118	184

2020/21 Formal Complaints received

Oct-Dec 2020

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Q3			
Department	Total	Upheld	%
Community Safety	3	0	0%
Customer Service	3	2	67%
Environmental Health	2	1	50%
Housing	28	7	25%
Democratic Services	1	1	100%
Licensing	1	0	0%
Parking	1	1	100%
Planning	5	0	0%
Revenues & Benefits	1	1	100%
Streetscene	14	6	43%
Total	54	19	35%

YTD			
Department	Total	Upheld	%
Community Safety	4	0	0%
Customer Service	6	3	50%
Environmental Health	6	3	50%
Housing	51	21	41%
Democratic Services	1	1	100%
Licensing	1	0	0%
Parking	1	1	100%
Planning	7	1	15%
Revenues & Benefits	7	4	57%
Streetscene	52	27	52%
Total	124	61	49%

Channel received



	Q1	Q2	Q3
Online form	50%	48%	53%
Email	32%	41%	37%
Website enquiry	9%	7%	5%
Via LGO	4%	0%	0%
Telephone	4%	0%	5%
Letter	0%	4%	0%

Upheld Formal Complaints – Oct to Dec 2020

Customer Service



No	Complaint	Stage
1	No response to online enquiry	Stage 1
2	No response to emails regarding neighbours overgrown garden	Stage 1

Upheld Formal Complaints – Oct to Dec 2020

Environmental Health



No	Complaint	Stage
1	Applicant stated that no overcrowding points were added to housing application due to Environmental Health not sending the overcrowding assessment	Stage 1

Upheld Formal Complaints – Oct to Dec 2020

Housing



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No	Complaint	Stage
1	Contractor – lack of correspondence and action regarding heating system	Stage 1
2	Delayed repair to heating	Stage 1
3	Repeatedly told to seek ex partners signature for change of tenancy, contradicting police and safeguarding advice.	Stage 2
4	Failure of contractor to attend appointments	Stage 1
5	Service received regarding central heating	Stage 1
6	Original documents sent to Housing Team have been lost	Stage 1
7	No contact to supply dehumidifiers or confirm property was safe following flood	Stage 1

Upheld Formal Complaints – Oct to Dec 2020

Democratic Services



No	Complaint	Stage
1	Following an exempt committee report, no information was provided on what the recommendations were, the basis on which they made and resulting actions	Stage 1

Upheld Formal Complaints – Oct to Dec 2020

Parking



No	Complaint	Stage
1	No response or resolution regarding the boulders in Chatham Way Car Park and the damage caused to fence	Stage 1

Upheld Formal Complaints – Oct to Dec 2020

Revenues and Benefits



No	Complaint	Stage
1	Service provided by call handlers in Customer Service Centre (Basildon) to Council Tax arrears text message	Stage 1

Upheld Formal Complaints – Oct to Dec 2020

Streetscene



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No	Complaint	Stage
1	Repeated missed collections	Stage 1
2	Repeated missed collections	Stage 1
3	Repeated missed collections	Stage 1
4	Damage caused to front lawn by refuse vehicle	Stage 1
5	Operative threw white sack over railings damaging plants and shrubs	Stage 1
6	Bins left in front of drive after collection causing safety issues when arriving home	Stage 1

Ombudsman

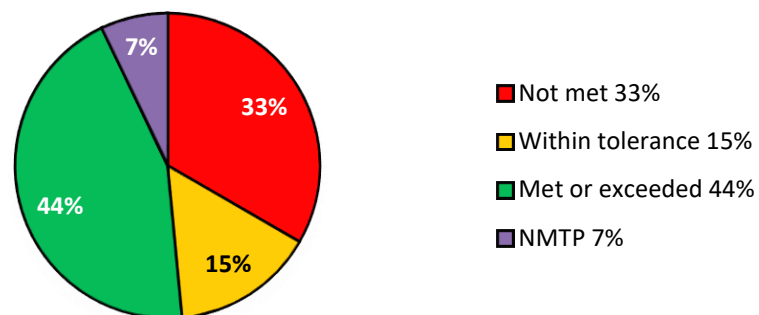


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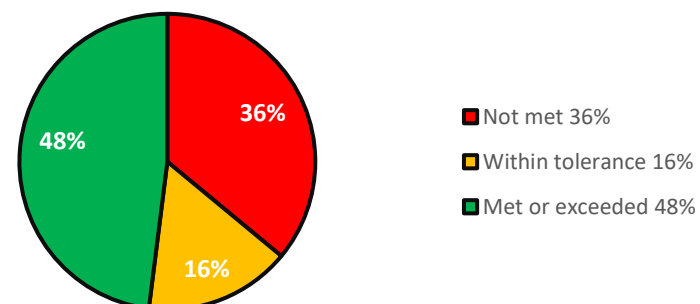
	Service	LGO/HO	Complaint	Council's decision	Ombudsman outcome
1	Housing	HO	Handling of boundary dispute	Part upheld	Service failure found Order To pay the resident £100 Recommendation The landlord should consider implementing a procedure for dealing with boundary related complaints and/or enquiries. Such a procedure could help to ensure fairness and consistency when deciding whether a boundary line should be moved.
2	Housing	LGO	Information provided to tenants facing eviction	Not upheld	Under investigation
3	Env Health/Planning	LGO	Handling of an alleged planning breach and contamination of land	Not upheld	Under investigation
4	Housing	HO	Refusal of aids and adaptations to property	Not upheld	No fault found

Performance Dashboard – Third Quarter 2020/21

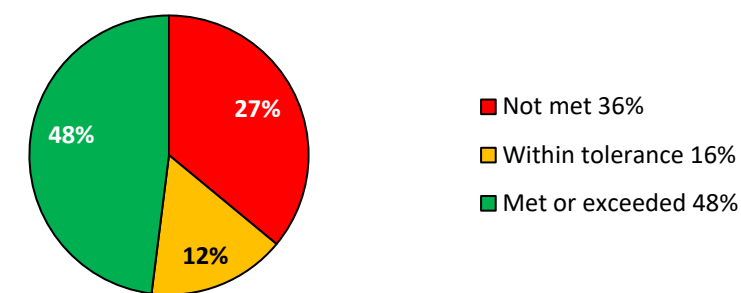
Third Quarter 2020/21 Overall Council Performance



Third Quarter 2020/21 Overall Council Performance excluding NMTP



Previous Quarter (Q2 2020/21) Overall Council Performance excluding NMTP



Third Quarter 2020/21 Performance by Department

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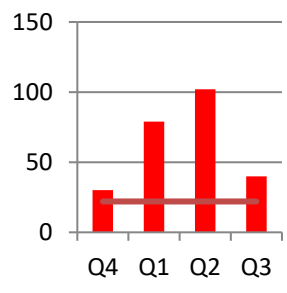


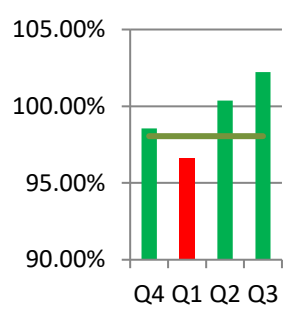


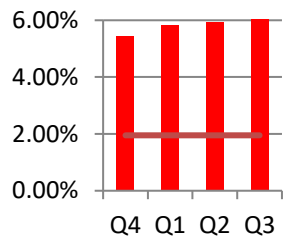


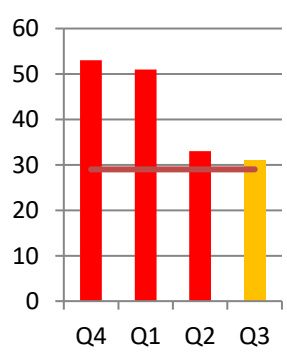

Dept.							NMTP		Total
	No	%	No	%	No	%	No	%	
Contact Centre	0	0%	0	0%	4	100%	0	0%	4
Environmental Health	1	100%	0	0%	0	0%	0	0%	1
Finance	1	50%	1	50%	0	0%	0	0%	2
Housing	4	66%	1	17%	1	17%	0	0%	6
Human Resources	0	0%	1	100%	0	0%	0	0%	1
ICT	0	0%	0	0%	0	0%	1	100%	1
Planning	1	20%	0	0%	3	60%	1	20%	5
Revenues and Benefits	0	0%	1	20%	4	80%	0	0%	5
Street Scene and Environment	2	100%	0	0%	0	0%	0	0%	2
Total	9	33%	4	15%	12	44%	2	7%	27
<i>Previous Quarter Total</i>	<i>7</i>	<i>26%</i>	<i>3</i>	<i>11%</i>	<i>16</i>	<i>59%</i>	<i>1</i>	<i>4%</i>	<i>27</i>



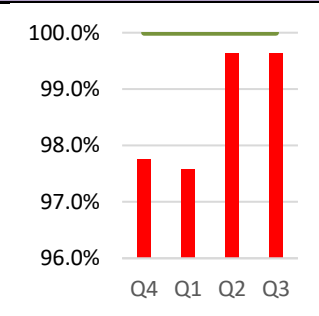




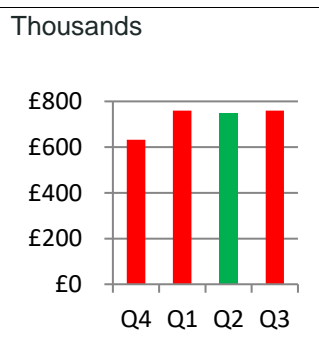


Key

	Current performance is below target by more than the specified target deviation.
	Current performance is below target but is within tolerance.
	Current target has been met or exceeded.
NMTP	Not measured this period.
	Performance for the quarter or year to date is improving (up) or deteriorating (down) compared to previous quarter or across the year.



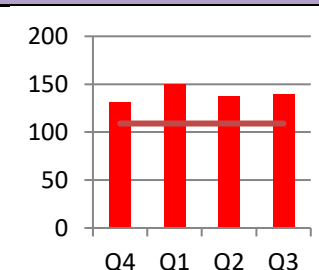


Brentwood Borough Council - Performance Indicator Dashboard


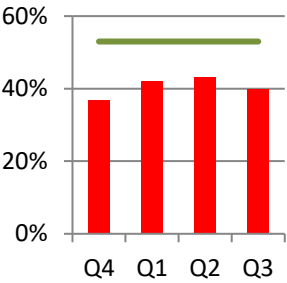


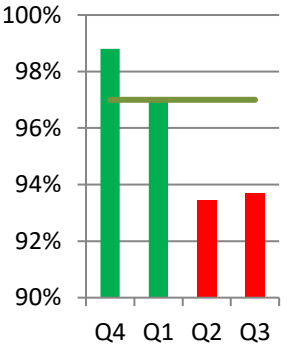

Addendum 4


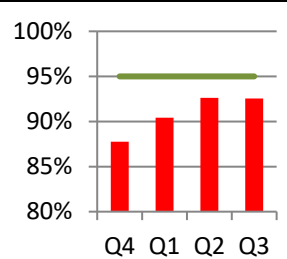


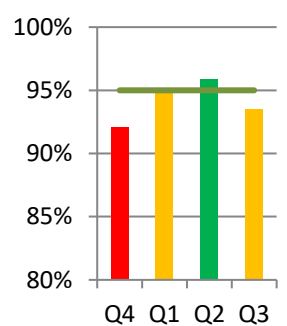


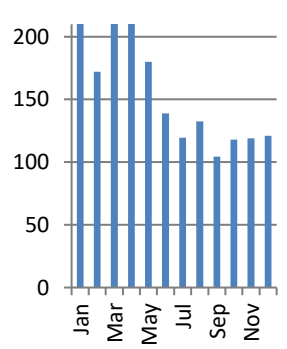

Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Housing H01	Average re-let times for Local Authority Housing	Monthly	30 Days (28 Days GN, 21 Days SH)	79 Days (60 Days GN, 98 Days SH, 105 TA)	102 Days (81 Days GN, 109 Days SH, 121 Days TA)	40 Days (38.5 Days GN, 38.5 Days SH, 66 Days TA)	22 days	 ↓		74 Days	22 days	 ↓	Void turnaround in Q3 has significantly improved. The large backdate of voids has been cleared and we have now returned to the normal expected void levels. In addition, we have also increased our bidding cycles to weekly to assist in the reduction of delays in allocations.
Housing H02	% Rent collected from current tenants only as a percentage of rent due	Monthly	98.55%	96.63%	100.36%	102.22%	98.05%	 ↑		99.7%	98.05%	 ↑	Rent collection continues to be a challenge, we have been impacted by residents not paying since April as they wrongly believed that the government had given them a 12 week holiday due to Covid-19. Officers are seeing an increase in people who are now not paying anything towards their rent. However, this has been offset by those tenants whom we have contacted and who are now paying more contributions towards their rent either themselves or via universal credit. This means that we have managed to achieve over 100% collection.
Housing H03	Rent arrears of current tenants as a percentage of rent due	Quarterly	5.44%	5.83%	5.93%	6.02%	1.95%	 ↓		5.9%	1.95%	 ↓	The level of arrears has slowed, however, we have been impacted by Covid-19 as per above.
Housing H04	Households living in temporary accommodation	Monthly	53	51	33	31	29	 ↑		39	29	 ↑	TA figures have slightly reduced in Q3 as we have experienced a relatively steady increase in homeless approaches being accommodated which has been offset by the quantity of case move on through the housing register. We have focused on assisting temporary applicants with arrears issues and ensuring cases are up to date which has resulted in the reduction of historical cases and the reduction of time spent in TA. We anticipate a surge in demand for temporary accommodation in the coming months with court ordered evictions likely to resume once vaccination programmes become more established and the government deems it safe to proceed.

Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Housing H05	Gas servicing in Council homes	Quarterly	97.75%	97.58%	99.63%	99.63%	100%	 		98.9%	100%	 	Despite courts now allowing limited cases to be heard, officers have managed to reduce the number of overdue gas services without the need for court. We have a select few which we have identified will need court action but officers continue to call, letter and cold call these persons until we can get a court date for a gas warrant. It is important to note the outstanding properties are non covid related but, instead, tenants who refused to allow us in or have been uncontactable. Officers will be following up with tenancy action where needed.
Housing H06	Level of Arrears at the end of quarter	Quarterly	£632,544	£760,560	£749,775	£759,199	Reduction from previous quarter	 		£759,199	Reduction from previous quarter	 	We continue to see decreases in the arrears for accounts without welfare support, but we are starting to see increases in the debt attributed to newer Universal Credit applications. This is also being compounded by the increase in the amount of re-let's that we have managed to process within the last quarter. Despite us trying to intervene early, in a lot of cases an assessment period is causing delays in payments to accounts. In addition to this, all of our higher arrears cases are still pending court action and applications evictions have now been suspended until the end of July.

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Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Street Scene and Environment E01	Residual household waste per household	Quarterly	130.56kg	149.25kg	137.41kg	139.09kg	109kg	 		425.75kg	109kg	 	<p>Estimated as statistics to be verified by ECC.</p> <p>2018/19 actuals – 461kg per household (estimated at 490kg)</p> <p>2019/20 actuals – - 469kg per household (ECC -33,834 households, estimated 488kg)</p> <p>Residual waste has risen nationally in response to COVID-19 and more people being at home, ecommerce etc</p> <p>Q1 over estimated – actual 136.10 kg</p>


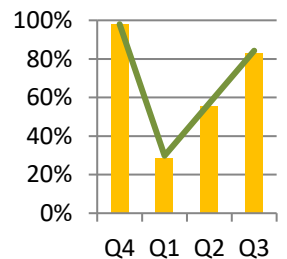

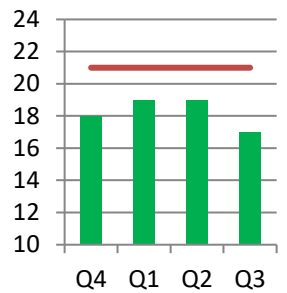
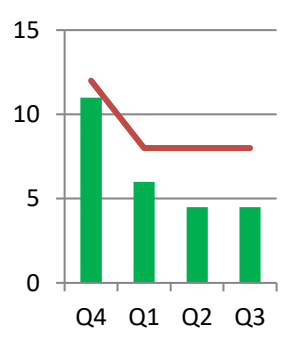
Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Street Scene and Environment E02	Percentage of household waste arisings which have been sent by the authority for reuse, recycling, composting or anaerobic digestion	Quarterly	36.87%	42.10%	43.16%	39.96%	53.00%			41.7%	53.00%		<p>Estimated as statistics to be verified by ECC</p> <p>2018/19 actuals – 45% (estimated at 44.6%)</p> <p>2019/20 actuals – 42.9% (estimated 41.8%)</p>
Environmental Health EH01	Food safety/hygiene standards in food premises	% of broadly compliant food premises - Quarterly	98.80%	97.05%	93.44%	93.68%	97%			94.7%	97%		<p>In Q4 19-20, The Food Standards Agency suspended inspection activity due to Covid-19. There is a noted drop in broad compliance due to COVID-19. Following the Food Standards Agency Guidance, routine food hygiene inspections were suspended. A high number of new food premises have registered which have not been inspected but are not broadly compliant until inspected.</p> <p>As of Q3 20-21 we are inspecting food businesses starting the highest risk premises, including new premises. We are beginning to catch up on inspections of previously registered new businesses. However the number of new premises registering with us is still higher than in previous years (pre-COVID).</p>

Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Finance F01	% of invoices from local suppliers paid within 20 days	Monthly	87.75%	90.42%	92.61%	92.54%	95%	 ↓		91.8%	95%	 ↓	Local invoices were looking to improve but had a dip in December due to officers focus taken away with the Brentwood Centre causing local invoices being paid late. Hopefully just a temporary blip and will begin to increase towards target
Finance F02	% of invoices from all suppliers paid within 30 days	Monthly	92.02%	94.85%	95.85%	93.48%	95%	 ↓		94.7%	95%	 ↓	As above, the invoices took a dip in December due to the Brentwood Centre. Hopefully just a blip and an increase should happen in the final quarter.
Human Resources HR03	Number of days sickness lost per month	Monthly	Jan 213 Feb 172 Mar 255	Apr 213 May 180 Jun 139	Jul 119.5 Aug 132.5 Sep 104.5	Oct 118 Nov 119 Dec 121	No target.	 ↓		1246.5 days	No target.	 ↑	This PI reflects the number of working days lost to sickness each month.

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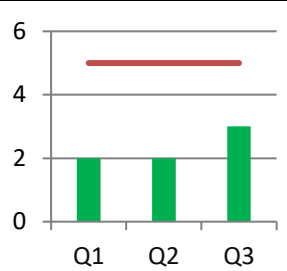




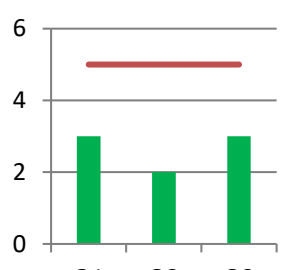


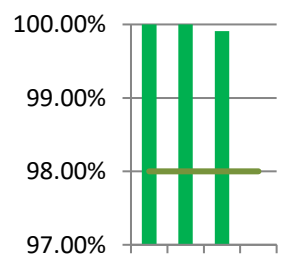




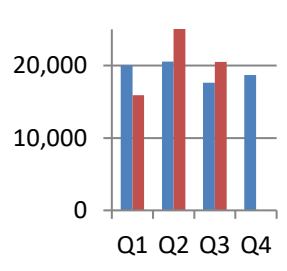


Brentwood Borough Council - Performance Indicator Dashboard

Addendum 4

Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Revs & Bens CT01	Council Tax collection	Monthly	97.8%	28.6%	55.6%	82.9%	84.2%	 ↓		82.9%	84.2%	 ↓	We remain under target, compared to this time last year. Due to the COVID-19 pandemic, the introduction of formal recovery notices only commenced in late October. Soft reminders letters were sent in June, but there was little impact felt from these documents. The Recovery Team have been proactively calling out to customers who are in arrears to secure a payment, set up a payment plan and signpost customers to relevant support groups. During December over 1,582 soft reminder SMS text messages were sent. No formal Reminder Notices were issued. Whilst the overall collection remains lower than the same period last year this quarter has had a significant improvement on cash collection for the in-year charge.
Revs & Bens CT03	Housing Benefit and Pensioner Council Tax Support - time taken to process new claims	Quarterly	18 days	19 days	19 days	17 days	21 days	✓ ↑		18 days	21 days	✓ ↑	We have dedicated officers working on new claims to ensure these are processed in a timely manner and to ensure payments are made as quickly as possible to alleviate financial hardship.
Revs & Bens CT05	Housing Benefit and Pensioner Council Tax Support - time taken to process Change of Circumstances	Quarterly	11 days	6 days	4.5 days	4.5 days	8 days	✓ ↑		5 days	8 days	✓ ↑	Target reduced to 8 days from 12 days in 19/20. Change of circumstances have become more involved for various reasons including; the calculation of customers earnings being more complex to assess due to the nature of a Customers employment. The increase in zero hour contracts and more frequent changes to wages from month to month has made these assessments more complicated and time consuming. We have also seen additional daily customer notifications from the DWP for customer entitlement to Universal Credit, this information can be duplicated, can be incorrect or incomplete, but each piece of work has to be scrutinised before a decision on each can be made. This makes it a resource intensive process Taking into account of the complexity of this type of work we are pleased with the current performance.

Brentwood Borough Council - Performance Indicator Dashboard

Addendum 4

Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Revs & Bens CT07	Council Tax Reduction scheme for working age persons - time taken to process new applications	Quarterly	NMTP	2 days	2 days	3 days	5 days	 		2 days	5 days	 	<p>This is a new PI following introduction of the new Council Tax Reduction Scheme (CTR) in April 2020/21.</p> <p>We have dedicated officers working on CTR applications to ensure these are processed in a timely manner to ensure that accounts are up to date so that residents made aware how much and when they are required to pay their Council Tax.</p>
Revs & Bens CT08	Council Tax Reduction scheme for working age persons - time taken to process change of circumstances	Quarterly	NMTP	3 days	2 days	3 days	5 days	 		3 days	5 days	 	<p>This is a new PI following introduction of the new Council Tax Reduction Scheme (CTR) in April 2020/21.</p> <p>We have dedicated officers working on CTR applications to ensure these are processed in a timely manner to ensure that accounts are up to date so that residents made aware how much and when they are required to pay their Council Tax.</p>
ICT01	Website uptime	Quarterly	100%	100%	99.91%	TBA	98%	TBA		99.95%	98%	 	<p>At time of reporting, our web availability service is running an error.</p> <p>Drops in website availability can be attributed to several factors, usually external, such as a power surge or cut. Notifications of website down time are sent to IT automatically.</p>
Contact Centre CC01	Telephone calls received via auto attendant	Quarterly	18,703	15,921	25,665	20,507	No target.	 		62,093	No target.	 	<p>This figure depicts the number of calls received by the Contact Centre via the main Council telephone no. 01277 312500. We continue to monitor trends associated with these statistics.</p> <p>Calls have remained higher than 19/20 for the second quarter running. The YTD result is currently 6.7% higher.</p>

Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Contact Centre CC02	Telephone calls taken by the Contact Centre for those services undertaken by the Contact Centre	Quarterly	12,532	11,096	19,061	13,996	No target.	 		44,153	No target.	 	This figure depicts the number of calls received via the main Council telephone no. 01277 312500 and that have selected the applicable service from the options provided. It does not include calls that have selected option '0' (this figure is reflected in CC01). The services undertaken by the Contact Centre are Environmental Health, Licensing, Planning, Building Control, Parking, Operational Services and Housing Services.
Contact Centre CC03	% of telephone calls resolved for those services undertaken by the Contact Centre	Quarterly	90%	90%	89%	90%	80%	 		89.5%	80%	 	Consistent performance in Q2. Monthly meetings are held with the service areas to identify areas of improvement and training needs.
Contact Centre CC04	Website sessions	Quarterly	199,926	253,398	220,531	194,879	No target.	 		668,808	No target.	 	<p>Website sessions are defined as:</p> <p>A session is the period time a user is actively engaged with your website. All usage data (Screen Views, Events, Ecommerce etc) is associated with a session. By default, if a user is inactive for 30 minutes or more, any future activity is attributed to a new session. Users that leave your site and return within 30 minutes are counted as part of the original session.</p> <p>Website sessions remain significantly higher than the previous year (23% increase). There has been a 'shift' to customers using our online services to access Coronavirus information and to interact with the Council while the Town Hall is closed. We hope to continue to embrace this shift and encourage more residents, who are able to, to access our digital services first. The 3rd quarter sees an increase of 11.60% compared to the same period last year.</p>

Dept. & PI Code	Performance Indicator	Measure	Previous Quarterly Results			Latest Quarterly Results				2020/21 Year to Date			Commentary
			Q4 Result	Q1 Result	Q2 Result	Q3 Result	Q Target	Q Status/Trend	Q Graphic	YTD Result	YTD Target	YTD Status/Trend	
Planning P01	Number of new homes approved to be built in the Borough	Annual	541	NMTP	NMTP	NMTP	NMTP	NMTP		NMTP	No target	NMTP	The gross number of new homes approved to be built in the Borough. This gives an indication of new homes expected to be completed in the Borough in future. Approvals for new homes help towards the Borough's supply of homes, specifically the required five-year housing supply (published annually). In 2019/20 a total of 541 new dwellings were approved, this is up from 291 in 2018/19.
Planning P02	% of appeals allowed against the authority's decision to refuse planning applications	Quarterly	35%	25%	32%	43%	31%		33%	31%		Monitoring is done to understand why appeals happen and what can be done to reduce them / reduce number of overturns. Also working with agents to understand what we can do to help. An 'Appeals Update' report will be reported to Planning Committee Feb 2021 to provide more detail on appeals.	
Planning P03	Processing of planning applications as measured against targets for 'Major' application types	Quarterly	100%	100%	100%	100%	50%		100%	50%		Consistently high performance achieved throughout the year. Processes/performance are constantly being reviewed to ensure standards remain high. Number of Major application types received have not been affected by COVID. Processes have been tweaked to ensure business as usual and no detrimental effect to applicants.	
Planning P04	Processing of planning applications as measured against targets for 'Minor' application types	Quarterly	98.2%	98%	98%	98%	70%		98%	70%		Consistently high performance. Processes/performance are constantly being reviewed to ensure standards remain high. Number of minor application types dropped off this year due to COVID, but not as much as expected. Processes have been tweaked to ensure business as usual and no detrimental effect to applicants.	
Planning P05	Processing of planning applications as measured against targets for 'Other' application types	Quarterly	99.2%	98%	99.7%	95.8%	80%		98%	80%		Consistently high performance achieved throughout the year. Processes/performance is constantly being reviewed to ensure standards remain high. Number of other application types dropped off this year due to COVID, but not as much as expected. Processes have been tweaked to ensure business as usual and no detrimental effect to applicants.	

Committee(s): Audit and Scrutiny	Date: 11 th March 2021
Subject: Scrutiny Work Programme 2020/21	Wards Affected: All
Report of: Strategic Director (Deputy Chief Executive)	Public
Report Author/s: Name: Steve Summers Telephone: 01277 312500 E-mail: steve.summers@brentwood.gov.uk	For Decision

Summary

The Constitution requires that the Audit & Scrutiny Committee agrees its Scrutiny work programme at each meeting of the Committee. This report provides an update of the current scrutiny work programme and is set out in Appendix A.

Recommendation(s)

R1. That the Committee considers and agrees the 2020/21 Scrutiny work programme as set out in Appendix A with any additions agreed by the committee at the meeting.

Main Report

Introduction and Background

- 1.0 At the Annual Council it was agreed that the committee structure would include the introduction of an Audit & Scrutiny Committee.
- 2.0 In relation to new scrutiny matters under its Terms of Reference any scrutiny matter identified by members must be agreed Audit and Scrutiny Committee.
- 3.0 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.
- 4.0 The Scrutiny work programme should not include management or staffing issues which are the responsibility of the Head of Paid Service

Reasons for Recommendation

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

Consultation

6.0 None.

References to Corporate Plan

7.0 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.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance and Resource)

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

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

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law and Governance) and Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

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

Economic Implications

Name/Title: Phil Drane, Corporate Director of Planning and Economy

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

10. There are no direct economic implications from this report.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

Background Papers

None.

Appendices to this report

Appendix A – Draft Scrutiny Work Programme 2020/21

Mar-21

Audit & Scrutiny Committee

2020-21 Draft Scrutiny Work programme

Subject Matter	July	August	September	October	November	December	January	February	March
Local Development Plan	Report to committee		Member Working Group	Report to Committee	Member Working Group	Member Working Group	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 2020/2021	Cllr Cloke, McCheyne, Ms Sanders, Keeble, Mynott, Naylor, and Morrissey.								
Detailed timeline									
1. Working Group Meeting - 16.06.2020									
2. Report to Audit & Scrunity Committee - 28th July 2020									
3. Working Group Meeting - 1st September and 3rd November 2020									
4. Report to Audit & Scrunity Committee - 24th November 2020									
5. Working Group Meeting - 5th January 2021									
6. Report to Audit & Scrunity Committee - 26th January 2021									

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	Member Working Group	Report to Committee	Member working Group	Report to Committee
Membership 2020/2021	Cllrs Nolan, Tanner, Hirst, Dr Barrett, Naylor								
Detailed timeline									
1. Working Group Meeting - 9th June 2020									
2. Report to Audit & Scrunity Committee - 28th July 2020									
3. Working Group Meeting - 8th September 2020									
4. Report to Audit & Scrunity Committee - 24th November 2020									
5. Working Group Meeting - 1st December 2020									
6. Report to Audit & Scrunity Committee - 26th January 2021									
7. Working Group Meeting - 9th February 2021									
6. Report to Audit & Scrunity Committee - 11th March 2021									
Subject Matter	July	August	September	October	November	December	January	February	March
Community Safety Partnership									
Detailed timeline									
1. Report to Audit & Scrutiny Committee - tbc									
Subject Matter	July	August	September	October	November	December	January	February	March
Housing R&M Contractor					Report to Committee				
Detailed timeline									
1. Report to Audit & Scrutiny Committee - 24th November 2020									
2. Working Group Meeting - To be arranged.									
3. Report to Audit & Scrutiny Committee - tbc.									
Subject Matter	July	August	September	October	November	December	January	February	March
Brentwood Leisure Trust							Report to Committee		Member Working Group
Scope	To determine lessons that can be learnt from the process of Brentwood Leisure Trust, the terms of transfer of provision of leisure, and the relationship between Brentwood Borough Council and Brentwood Leisure Trust throughout its existence. Identify recommendations for future leisure operating models that would improve services and avoid reoccurrence of the situation now faced by the Council.								
Membership 2020/2021	Cllrs Tanner, Hones, Poppy, Fulcher, Lewis and Dr Barrett.								
Detailed timeline									
1. Report to Audit & Scrutiny Committee - 26th January 2021									
2. Working Group Meeting - 3rd March 2021									

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 Term of Reference

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.

It also 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.

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.

Regulatory Framework

- 1) To review any issue referred to it by a Statutory Officer of the Council or any Council body.
- 2) To monitor the effective development and operation of risk management and corporate governance in the Council.

- 3) To monitor Council policies and strategies on an Annual basis

Whistleblowing
Money Laundering
Anti-Fraud and Corruption
Insurance and Risk Management
Emergency Planning
Business Continuity

- 4) To monitor the corporate complaints process.
- 5) To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- 6) To consider the Council's compliance with its own and other published standards and controls.
- 7) To monitor the Council processes in relation to
 - Freedom of Information
 - Member Enquires
- 8) To monitor the Council's Data Quality arrangements.
- 9) To monitor the Council's Member's Training arrangements.

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 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

- 1) Responsible to scrutinise any matters as identified and agreed by the Policy, Resources and Economic Development Committee as set out in the Audit and Scrutiny Procedure rules.
- 2) To report to the Policy, Resources and Economic Development Committee or the appropriate committee on the progress of any matters that have been requested and to make relevant recommendations as required.
- 3) To establish working groups as appropriate (in line with agreed protocols) to undertake the scrutiny of any matters requested by the Policy, Resources and Economic Development Committee, 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.

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