



Friday, 12 July 2019

Dear Sir/Madam

A meeting of the Governance, Audit and Standards Committee will be held on Monday, 22 July 2019 in the New Council Chamber, Town Hall, Foster Avenue, Beeston NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors:	E H Atherton	J M Owen
	E Cubley	M Radulovic MBE
	R H Darby	P D Simpson
	M Hannah (Vice-Chair)	D K Watts
	S Kerry	E Williamson (Chair)

A G E N D A

1. APOLOGIES

2. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

3. MINUTES

PAGES 1 - 4

The Committee is asked to confirm as a correct record the minutes of the meeting held on 20 May 2019.

4. AUDIT OF ACCOUNTS 2018/19 AND ASSOCIATED MATTERS PAGES 5 - 6

To approve the letter of representation, the Statement of

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Accounts for the 2018/19 financial year and the management responses to those matters identified in the External Audit Report 2018/19 produced by the external auditors as well as receive the aforementioned report.

5. INTERNAL AUDIT REVIEW 2018/19 PAGES 7 - 16

To inform the Committee of the work of Internal Audit during 2018/19.

6. INTERNAL AUDIT PROGRESS REPORT PAGES 17 - 32

To inform the Committee of the recent work completed by Internal Audit.

7. ANNUAL COUNTER FRAUD REPORT 2018/19 PAGES 33 - 40

To provide the Committee with the annual report on counter fraud and corruption and money laundering prevention activity in 2018/19.

8. REVIEW OF STRATEGIC RISK REGISTER PAGES 41 - 50

To recommend approval of amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

9. COMPLAINTS REPORT 2018/2019 PAGES 51 - 74

To provide members with a summary of complaints made against the Council.

10. FREEDOM OF INFORMATION REPORT 2018/2019 PAGES 75 - 78

To provide members overview of Freedom of Information requests made to the Council.

11. WORK PROGRAMME PAGES 79 - 80

To consider items for inclusion in the Work Programme for future meetings.

GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

MONDAY, 20 MAY 2019

Present: Councillor E Williamson, Chair

Councillors: E H Atherton
E Cubley
M Hannah
S D Kerry
M Radulovic MBE
P D Simpson
D K Watts

Apologies for absence were received from Councillors R H Darby and J M Owen

1 **APPOINTMENT OF CHAIR**

It was noted that Councillor E Williamson was appointed Chair of the Committee at the meeting of full Council on 15 May 2019.

2 **APPOINTMENT OF VICE CHAIR**

It was noted that Councillor M Hannah was appointed Vice Chair of the Committee at the meeting of full Council on 15 May 2019.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

4 **MINUTES**

The minutes of the meeting on 11 March 2019 were confirmed and signed as a correct record.

5 **DEVELOPING AN EFFECTIVE ANNUAL GOVERNANCE STATEMENT**

The Committee were updated on the progress made on the production of an effective Annual Governance Statement.

6 **CORPORATE GOVERNANCE ARRANGEMENTS**

The Committee were informed of action taken to develop and comply with statutory obligations regarding corporate governance and to seek approval of the Annual

Governance Statement for inclusion in the Council's published Statement of Accounts for 2018/19.

The Accounts and Audit Regulations 2015 require authorities to conduct a review, at least once in each financial year, of the effectiveness of its system of internal control and to include an Annual Governance Statement report on the review with its statement of accounts.

RESOLVED that:

- 1. The draft Annual Governance Statement as shown in appendix 3 be approved in principle for inclusion in the Council's Statement of Accounts.**
- 2. Responsibility be delegated to the Chief Executive and the Chair of this Committee to make any further amendments deemed necessary.**

7 STATEMENT OF ACCOUNTS 2018/2019 - AMENDMENT TO ACCOUNTING POLICIES

The Committee considered the amendments to the Council's accounting policies to be applied in the production of the 2018/2019 financial statements.

RESOLVED that the updated accounting policy on Financial Instruments to be applied in the production of the Statement of Accounts for 2018/2019 be approved.

8 LIBERTY LEISURE - EXTERNAL AUDIT ARRANGEMENTS 2018/19

The Committee were provided with details of the requirement for Liberty Leisure to be subject to an external audit for 2018/19. The accounts of Liberty Leisure must be subject to an audit due to the company being a subsidiary of an entity that does require an audit.

Liberty Leisure are able to obtain a specific audit exemption for under section 479 of the Companies Act 2006 by obtaining a guarantee from the Council.

RESOLVED that Liberty Leisure be exempted from requiring an external audit for 2018/19 in accordance with Part 16, Section 479 of the Companies Act 2006.

9 INTERNAL AUDIT PROGRESS REPORT

The Committee were informed of the recent work completed by Internal Audit. The Council's Internal Audit function had undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the respective audits.

10 WORK PROGRAMME

The Committee considered the work programme.

RESOLVED that the Work Programme be approved.

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Report of the Deputy Chief Executive

AUDIT OF ACCOUNTS 2018/19 AND ASSOCIATED MATTERS

1. Purpose of report

To approve the letter of representation and the Statement of Accounts for the 2018/19 financial year and to receive the Audit Completion Report for the year ending 31 March 2019 from the Council's external auditors (Mazars) following their work on the 2018/19 accounts.

2. Background

The Governance, Audit and Standards Committee on 11 March 2019 received Mazars' Audit Strategy Memorandum – Year ending 31 March 2019 setting out their approach to their audit of the Council's 2018/19 accounts, highlighting significant audit risks and areas of key judgements.

Mazars have now concluded their work on the 2018/19 accounts and produced their Audit Completion Report. A brief summary is set out in the appendix but key points to note are that, with one exception applicable to all local authorities, no material errors or uncertainties in the 2018/19 accounts were identified and no issues identified in respect of the internal controls in place relevant to the preparation of the financial statements. In addition, the Council will receive an unqualified Value for Money conclusion for the 2018/19 financial year.

The completed audited Statement of Accounts for 2018/19 has been finalised in consultation with Mazars and is attached to this agenda. Officers will guide members through the more important aspects of the document at the meeting.

In accordance with regulations, the Council's letter of representation in respect of the 2018/19 accounts has to be approved by the Committee charged with governance. The draft letter along with the Audit Completion Report for the year ending 31 March 2019 is circulated separately with this agenda.

A representative from Mazars will be present at the meeting to introduce their Audit Completion Report and answer any questions that members may have.

Recommendation

The Committee is asked to RECEIVE the Audit Completion Report for the year ending 31 March 2019 and RESOLVE that the Statement of Accounts 2018/19 as circulated and the letter of representation as attached be approved.

Background papers

Nil

APPENDIX**Audit of Accounts 2018/19 and Associated Matters**

The Accounts and Audit Regulations (2015) required the Council to complete its draft Statement of Accounts 2018/19 for submission to the external auditors and publication on the Council's website by 31 May 2019. This requirement was met in full.

Mazars' staff came to Broxtowe on 17 June 2019 for a three week period to review the Council's 2018/19 accounts. This involved scrutinising working papers and other supporting documentation and liaising as necessary with Council staff and associated third parties.

Mazars' work focused upon a number of significant risks including:

- Management override of controls
- Valuation of property, plant and equipment and assets held for sale
- Valuation of net defined pension liability
- Debt impairment
- Provision for business rate appeals against the rating list
- Minimum revenue provision
- Opening balances

Sections 2 and 5 of the Audit Completion Report detail the findings from Mazars' work and their conclusion on the Council's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

No material errors or uncertainties in the 2018/19 accounts were identified. The only exception concerned the Council's defined benefit pension liability where two on-going legal cases affecting all local authorities required the accounts to be updated with figures from a revised valuation report from the actuary. Any misstatements identified were adjusted accordingly.

Mazars considered the internal controls in place relevant to the preparation of the financial statements and have not identified any issues. Mazars have also confirmed that they intend to issue an unqualified Value for Money conclusion for the 2018/19 financial year.

The Finance and Resources Committee on 11 July 2019 considered a report summarising capital and revenue spending in 2018/19 and some detail as to the more significant factors which accounted for any variances. The net spending totals on capital and revenue for both the General Fund and Housing Revenue Account have remained unchanged from those summarised at that meeting.

Within the Statement of Accounts 2018/19 is the Annual Governance Statement as presented to the last meeting of this committee on 20 May 2019. No significant changes have been made to the Annual Governance Statement from that presented to the last meeting.

Report of the Chief Audit and Control Officer

INTERNAL AUDIT REVIEW 2018/19

1. Purpose of report

To inform the Committee of the work of Internal Audit during 2018/19.

2. Detail

Under the Council's Constitution and as part of the overall governance arrangements, this Committee is responsible for monitoring the performance of Internal Audit.

In accordance with the Public Sector Internal Audit Standards, developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (IIA), the Chief Audit and Control Officer must deliver an annual internal audit opinion and report that can be used by the Council to inform its Annual Governance Statement. The Internal Audit Annual Review Report for 2018/19 is included in the appendix.

The Council has to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review is informed by the work of senior management who have responsibility for the development and maintenance of the governance environment, the Internal Audit Review Report and from comments made by the external auditors and other inspectorates.

The system of internal control has been reviewed. It is the opinion of the Chief Audit and Control Officer that the current internal control environment is satisfactory such as to maintain the adequacy of the governance framework. In terms of the audits completed, Internal Audit found that services are operating with appropriate internal controls. Where improvement actions have been agreed, progress is being made for their implementation. Where this is not the case, outstanding significant actions are reported to this Committee as part of the regular progress reports.

Overall, 97% of the revised planned audits were complete or awaiting finalisation at the year-end, which is above the target of 90%. All outstanding and deferred audits will now be completed as early as practicable in 2019/20.

Recommendation

The Committee is asked to NOTE the work of Internal Audit in 2018/19.

Background papers

Nil

APPENDIX**INTERNAL AUDIT ANNUAL REVIEW REPORT 2018/19****1. INTRODUCTION**

This annual review report provides a summary of Internal Audit activities for the year ended 31 March 2019.

The Accounts and Audit Regulations 2015 require the Council to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices. The United Kingdom Public Sector Internal Audit Standards (the 'Standards') and the CIPFA Local Government Application Note constitute proper practices so as to satisfy the requirements for larger relevant bodies as set out in the Regulations.

The Standards requires the Chief Audit and Control Officer, as the Council's designated 'chief audit executive', to deliver an annual internal audit opinion and report that can be used by the Council to inform its governance statement. The opinion must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The report must incorporate:

- an annual opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework – i.e. the control environment;
- a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance providers); and
- a statement on conformance with the Standards and the results of the quality assurance and improvement programme.

The annual opinion should also be guided by the CIPFA Framework Delivering Good Governance in Local Government.

2. BACKGROUND TO THE OPINION

The Council has to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review is informed by the work of senior management who have responsibility for the development and maintenance of the governance environment, the Internal Audit Review Report and from comments made by the external auditors and other review agencies and inspectorates.

A periodical review of the effectiveness of the system of internal audit helps to ensure that the opinion in this report may be relied upon as a key source of evidence in the Annual Governance Statement. The latest review found Internal Audit to be sufficiently compliant with the requirements of the Standards to ensure that the opinion given can be relied upon for assurance purposes.

There are no causes of concern with regard to the independence and objectivity of Internal Audit. Whilst reporting administratively to the Deputy Chief Executive (fulfilling the duties of Section 151 of the Local Government Act 1972), the Chief Audit and Control Officer also has:

- free and unrestricted access to the General Management Team.
- free and unrestricted access to the Governance, Audit and Standards Committee (the 'Committee') and attends all of its meetings
- the right to meet with the Chair of the Committee and/or the relevant Member Portfolio Holder to discuss any matters or concerns that have arisen from Internal Audit work.

3. AUDIT OPINION ON THE OVERALL ADEQUACY AND EFFECTIVENESS OF THE COUNCIL'S INTERNAL CONTROL ENVIRONMENT

The system of internal control has been reviewed.

It is the opinion of the Chief Audit and Control Officer that the current internal control environment is satisfactory such as to maintain the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

In terms of audits completed, Internal Audit found that services are carried out with the appropriate internal controls. Where improvement actions have been agreed, progress is being made for their implementation. Where this is not the case, any outstanding significant recommendation is reported to this Committee as part of the regular progress reports.

The opinion has been arrived at with due regards to the following:

- The level of coverage provided by Internal Audit was considered to be adequate.
- Work has been planned and performed so as to obtain sufficient information and explanation considered necessary to provide evidence to give reasonable assurance that the Council's control environment is operating effectively.
- The independence and objectivity of Internal Audit has not been impaired in fact or appearance; nor has the scope of its work been restricted in any way.
- Insight gained from interaction with senior management and this Committee.
- No adverse implications for the Annual Governance Statement have been identified from work undertaken by Internal Audit.

- The Internal Audit Plan 2018/19, as approved by this Committee on 26 March 2018 (and subsequently revised on 11 March 2019) was informed by the Chief Audit and Control Officer's own assessment of risk and materiality in addition to consultation with senior management to ensure it aligned to the Council's key risks and objectives.
- The following table summarises the outcomes of audit assignments completed in 2018/19, including those audits completed from the previous year's plan that were finalised in the year:

Audit Assignment	Status/ Completion	Assurance Opinion	Critical Risk Action	Significant Risk Action	Merits Attention Action
Financial Resilience #	Final Report 100%	Substantial	-	-	-
Benefits #	Final Report 100%	Reasonable	-	1	-
Asset Register	Final Report 100%	Substantial	-	-	-
Sundry Debtors	Final Report 100%	Reasonable	-	1	-
Creditors and Purchasing	Final Report 100%	Reasonable	-	-	2
Cash Receipting	Final Report 100%	Reasonable	-	-	4
NNDR	Final Report 100%	Substantial	-	-	1
Rents	Final Report 100%	Substantial	-	1	1
Treasury Management	Final Report 100%	Substantial	-	-	1
Council Tax	Final Report 100%	Substantial	-	-	2
Bank Reconciliation	Final Report 100%	Substantial	-	-	-
Key Reconciliations	Final Report 100%	Substantial	-	-	1
Payroll	Final Report 100%	Reasonable	-	1	-
Gas Safety #	Final Report 100%	Substantial	-	-	1
CDM Regulations #	Final Report 100%	Reasonable	-	1	-
Cemeteries	Final Report 100%	Substantial	-	-	1
Parks/Grounds Maintenance #	Final Report 100%	Substantial	-	-	1
Choice Based Lettings #	Final Report 100%	Substantial	-	-	1
Right to Buy	Final Report 100%	Substantial	-	-	3
Legionella Prevention/Testing	Final Report 100%	Reasonable	-	-	5
Commercial Prop/Industrial Units	Final Report 100%	Substantial	-	-	1
Transport (Fleet Management)	Final Report 100%	Substantial	-	-	2
Energy (including Procurement)	Final Report 100%	LIMITED	-	1	1
Garden Waste Collection	Final Report 100%	Substantial	-	-	1
Licensing (including Taxis)	Final Report 100%	Substantial	-	-	-
Section 106 Agreements	Final Report 100%	Substantial	-	-	-
Homelessness	Final Report 100%	Substantial	-	-	-
Disabled Adaptations/Lifeline	Final Report 100%	Substantial	-	-	1
Electrical Testing	Draft Report 90%	Pending			
Tenancy Management	In Progress 80%	Pending			
Human Resources #	Final Report 100%	Substantial	-	1	1
Procurement	Final Report 100%	LIMITED	-	1	1
Risk Management #	Final Report 100%	Substantial	-	-	3
Serious and Organised Crime #	Final Report 100%	Reasonable	-	-	6
Information Governance	Final Report 100%	Substantial	-	-	1
Safeguarding	Final Report 100%	Substantial	-	-	1

Audit Assignment	Status/ Completion	Assurance Opinion	Critical Risk Action	Significant Risk Action	Merits Attention Action
Risk Management	Final Report 100%	Substantial	-	-	1
Governance and Ethics	Final Report 100%	Substantial	-	-	-
Commercialisation	Final Report 100%	Substantial	-	-	-
Beeston Town Centre Scheme	In Progress 80%	Pending			
Computer/ICT	Deferred 0%	Pending			
Bramcote Leisure Centre	Final Report 100%	Reasonable	-	-	4
Events	Final Report 100%	Substantial	-	-	1
# Completed 2017/18 audits		Total	0	8	49

4. QUALIFICATIONS

The opinions expressed in this report have been based upon the work carried out by Internal Audit for 2018/19 (and subsequent to year-end) and other assurance reports received, including from the external auditors.

In the context of the Standards, 'opinion' means that Internal Audit will have done sufficient, evidenced work to form a supportable conclusion about the activity being examined. Internal Audit will word its opinion appropriately if it cannot give reasonable assurance (e.g. because of limitations to the scope and/or adverse findings arising from its work).

The overall opinion is provided with the following caveats:

- The opinion does not imply that Internal Audit has reviewed all the Council's risks, controls and governance arrangements. The opinion is substantially derived from the conduct of risk-based audit assignment work and, as such, it is only one component that is taken into account when producing the Annual Governance Statement.
- No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance.
- Full implementation of all agreed actions is essential if the benefits of the control improvements detailed in each audit report are to be realised.

5. ISSUES RELEVANT TO THE ANNUAL GOVERNANCE STATEMENT

This Committee considered significant governance issues as part of the draft Annual Governance Statement for 2018/19 on 20 May 2019.

The Chief Audit and Control Officer has reviewed the draft Annual Governance Statement. The significant governance issues raised in the statement were found to be appropriate. It was also found that the issues carried forward from the previous year had been addressed or were ongoing items that are being addressed.

With regard to the audits completed during the year, no actions were classed as being fundamental where action was considered imperative to ensure that the Council was not exposed to high risks. Where a limited assurance opinion was issued, the outstanding actions from these audits are not thought to be significant to the preparation of the Annual Governance Statement.

6. SUMMARY OF INTERNAL AUDIT ACTIVITY

6.1 Performance Overview

Overall, 97% of the revised planned audits were complete or awaiting finalisation at the year-end, which is above the target of 90%. All outstanding and deferred audits will be reconsidered as early as practicable in 2019/20.

A total of 11 audits were completed in respect of the key financial systems (out of the 12 included in the original plan). The Benefits audit, which was deferred to 2019/20, is in progress and is expected to be completed by 31 July 2019.

During the year, 40 audit reports were issued (including nine in respect of 2017/18) with a further eight reports awaiting finalisation. The reports included 57 recommendations, of which eight were considered to be 'significant'. No recommendation was classified as 'fundamental' where action was considered imperative to ensure that the Council was not exposed to high risks.

A limited assurance opinion was issued in respect of the audits of Energy and Procurement. This opinion is given where Internal Audit considered that controls within the respective systems provided only limited assurance that risks material to the achievement of the system's objectives are adequately managed. Progress has been made with the respective improvement actions and the outstanding matters are not thought to be sufficient so as to affect the overall opinion.

6.2 Internal Audit Resources

Two of the three established auditors remained in post throughout the period. An experienced Senior Internal Auditor left the Council in February 2019 after being successfully recruited to a similar role at another local authority. The net audit days lost due to the vacancy (around 35 days) was not reflected in the original audit plan, so a revision to the plan was approved by this Committee on 11 March 2019. A successful recruitment exercise has since yielded a suitable candidate who joined the Internal Audit team in June 2019.

No additional resources were required to complete the revised audit plan.

6.3 Special Investigations

Internal Audit completed work on the following special investigations:

- An audit of the Local Authorities Housing Statistics (LAHS) return prior to submission to Central Government.
- A review of the payment of Disabled Facilities Grants to order to satisfy that in all significant respects, the conditions attached to the Disabled Facilities Capital Grant Determination had been complied with.
- Reviews of evidence presented to support Right-to-Buy purchases, including an investigation into the circumstances surrounding a significant credit balance on a rent account in advance of sale.
- Supporting the Head of Finance Services with the production of property values in the annual Statement of Accounts and supporting responses to the external auditors relating to the accounts.
- A review of the pre-eviction protocol for rent arrears to confirm that the protocol complies with legislation and is operating appropriately and effectively.
- Assessments of the financial viability of potential contractors, suppliers and service providers applying to be considered for a number of tendered contracts and of potential tenants for the Council's premises.

6.4 Corporate Counter Fraud Activity and National Fraud Initiative (NFI)

Internal Audit continues to take a prominent role in leading and co-ordinating counter fraud activities. It committed around 19 days to counter fraud activity in 2018/19, which included work to co-ordinate and complete elements of the NFI data matching exercise.

An annual report on counter fraud activity is presented to the Committee elsewhere on this agenda. This includes details of activity in 2018/19 and an action plan for the forthcoming year, the delivery of which will further strengthen the current arrangements in place.

6.5 Erewash Audit

The collaboration with Erewash Borough Council to provide joint working and management arrangements of internal audit services commenced in 2015. The key elements of the proposal were considered by the General Purposes and Audit Committee on 9 March 2015.

During 2018/19, a total of seven audit days was allocated to work completed on behalf of Erewash, including an element of management time. Internal Audit has provided independent assurances of their risk management arrangements. An earlier review of Cemeteries was finalised in June 2018.

The collaboration with Erewash has continued into 2019/20 with the potential to develop further and allow for opportunities to provide more resilience, help with officer development and produce financial savings for both authorities.

7. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

7.1 Compliance with Proper Practice

In order to facilitate the review of the effectiveness of internal control required by the Accounts and Audit Regulations 2015, it is necessary to complete a review of the effectiveness of its internal audit. The latest review was completed in two parts:

- An internal self-assessment review against 'proper practice' consisting of the Public Sector Internal Audit Standards and the Local Government Application Note.
- An External Quality Assessment by a qualified, independent assessor from outside of the organisation, which is a periodic requirement of the Standards.

The effectiveness of Internal Audit is not solely judged against the extent of compliance with the Standards since the reviews are about effectiveness and not process. In addition to the self-assessment checklist, other aspects provide evidence to support the review including reports on the results of completed audit assignments and any significant findings; reports setting out the Internal Audit Plan for the forthcoming year; and an annual report on the performance of Internal Audit.

The review concluded that progress continues to be made to strengthen the role of Internal Audit at a corporate level, not least through the formal reporting procedures to this Committee. The outcome of the External Quality Assessment indicated that Internal Audit is substantially compliant with the Standards with some areas for development. Whilst areas were identified where improvements could be made these were not felt to be fundamentally undermining the efficiency and effectiveness of Internal Audit, its role within the organisation or the Chief Audit and Control Officer's ability to assess the internal control environment of the Council.

A report on the progress made with the improvement plan to address those areas where arrangements are not fully compliant will be presented to the next meeting of this Committee.

7.2 Quality Assurance and Improvement Programme

Overall, 97% of the revised planned audits were complete or awaiting finalisation at the year-end, which is above the target of 90%. All outstanding and deferred audits will be considered as early as practicable in 2019/20.

The achievement of a percentage completion of the audit plan does not in itself provide sufficient evidence of the quality of the function. The Chief Audit and Control Officer will continue to develop the Quality Assurance and Improvement Programme (QAIP) as referred to in the Internal Audit Charter.

The QAIP covers all aspects of Internal Audit activity and includes both internal and external quality assessments. The QAIP should provide sufficient evidence of the efficiency and effectiveness of the Internal Audit activity and enable conformance with all aspects of the Standards to be evaluated. The programme should identify opportunities for improvement as appropriate.

The following points are noted with regards to the QAIP:

- A review of the effectiveness of internal audit was completed and the overall findings were satisfactory. This included an independent External Quality Assessment which concluded that Internal Audit complies with the expectations of the Standards. This should provide Members with confidence in the assurance work provided by Internal Audit. The assessor acknowledged that the service benefits from an experienced team with relevant qualifications, and that it receives positive feedback from senior management and elected members. Furthermore, the review outcomes were benchmarked against other providers in both the public sector and wider industry and this showed that the team compares favourably against its peers.
- Membership of professional bodies and regional audit management groups supports the Chief Audit and Control Officer in identifying best practice and other potential service improvements.
- The Chief Audit and Control Officer undertakes quality reviews of the work of the internal audit activity to provide assurance that it complies with the Standards and meets the requirements of the Internal Audit Charter and Internal Audit Direction document.
- In addition to the wider service review, each audit assignment is subject to a quality management review of audit working papers prior to the distribution of the draft audit report for discussion and agreement with senior management.
- Improvement plans arising from any review of internal audit are prepared and reported to the Deputy Chief Executive and the Governance, Audit and Standards Committee as appropriate.

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Report of the Chief Audit and Control Officer

INTERNAL AUDIT PROGRESS REPORT

1. Purpose of report

To inform the Committee of the recent work completed by Internal Audit.

2. Detail

Under the Council's Constitution and as part of the overall corporate governance arrangements, this Committee is responsible for monitoring the performance of Internal Audit.

A summary of the reports issued and progress against the agreed Internal Audit Plans for 2018/19 and 2019/20 is included at appendix 1. A brief narrative of the work completed by Internal Audit since the previous meeting of this Committee is also included.

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the respective audits. Details of follow-up work are included at appendix 2. Where agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

Further progress reports will be submitted to each future meeting of this Committee. A final report detailing the overall performance and productivity of Internal Audit for 2018/19 is included elsewhere on this agenda.

Recommendation

The Committee is asked to NOTE the report.

Background papers

Nil

APPENDIX 1

INTERNAL AUDIT REPORTS ISSUED SINCE APRIL 2019

No	Audit Title	Report Issued	Assurance Opinion	Actions Significant	Merits Attention
01	Erewash BC – Risk Management	09/04/19	n/a	-	-
02	Financial Appraisal – Durban House	12/04/19	n/a	-	-
33	Commercialisation	29/04/19	Substantial	0	0
34	Bank Reconciliation	20/05/19	Substantial	0	0
35	Key Reconciliations	28/06/19	Substantial	0	1
36	Disabled Adaptations and Lifeline Service	28/06/19	Substantial	0	1
37	Payroll (including Officers Allowances)	28/06/19	Reasonable	1	0

REMAINING INTERNAL AUDIT PLAN 2018/19

No	Audit Title	Progress
	Electrical Testing	Draft report issued
	Beeston Town Centre Redevelopment	Ongoing (Nearing completion)
	Tenancy Management (incl. ASB)	Ongoing (Nearing completion)
	Computer/ICT	Deferred to 2019/20

REMAINING INTERNAL AUDIT PLAN 2019/20

No	Audit Title	Progress
	Benefits	Draft report issued
	Creditors and Purchasing	Ongoing (Nearing completion)
	Choice Based Lettings	Ongoing (Nearing completion)
	Bramcote Crematorium	In progress
	CCTV	In progress
	Asset Register (Estates/Asset Management)	In progress
	Human Resources	Expected to commence in Q2
	Computer/ICT (including Cyber Risk)	Expected to commence in Q2
	Financial Resilience (including MTFS/Capital)	Expected to commence in Q2
	Whistleblowing Policy and Complaints	Expected to commence in Q2
	Chilwell Olympia	Expected to commence in Q2
	Sundry Debtors	Expected to commence in Q2
	Enforcement	Expected to commence in Q2
	Recycling	Expected to commence in Q2
	Kimberley Depot (including Security)	Expected to commence in Q3
	Housing Repairs	Expected to commence in Q3
	Online Ticket Portal	Expected to commence in Q3
	Cash Receipting	Expected to commence in Q3
	Treasury Management	Expected to commence in Q3
	NNDR	Expected to commence in Q3
	Rents (including Evictions Protocols)	Expected to commence in Q3

REMAINING INTERNAL AUDIT PLAN 2019/20 (continued)

No	Audit Title	Progress
	Asset Management (incl. Leisure Facilities)	Expected to commence in Q3
	Information Governance (GDPR, FOI etc.)	Expected to commence in Q3
	Planning and Building Control	Expected to commence in Q3
	Operational Risk Management	Expected to commence in Q3
	Procurement and Contract Management	Expected to commence in Q3
	Health and Safety	Expected to commence in Q3
	Local Authority Trading Company	Expected to commence in Q4
	Local Elections	Expected to commence in Q4
	Council Tax	Expected to commence in Q4
	Independent Living Service	Expected to commence in Q4
	Bank Reconciliation	Expected to commence in Q4
	Key Reconciliations	Expected to commence in Q4
	Corporate Governance	Expected to commence in Q4
	Beeston Town Centre Redevelopment	Expected to commence in Q4

COMPLETED AUDITS

A report is prepared for each audit assignment and issued to the relevant senior management at the conclusion of a review that will:

- include an overall opinion on the adequacy of controls within the system to provide assurance that risks material to the achievement of objectives are adequately managed – the opinion being ranked as either ‘Substantial’, ‘Reasonable’, ‘Limited’ or ‘Little’ assurance;
- identify inadequately addressed risks and non-effective control processes;
- detail the actions agreed with management and the timescales for completing those actions, and;
- identify issues of good practice.

Recommendations made by Internal Audit are risk assessed, with the agreed actions being categorised accordingly as follows:

- Fundamental – urgent action considered imperative to ensure that the Council is not exposed to high risks (breaches of legislation, policies or procedures)
- Significant – action considered necessary to avoid exposure to significant risk.
- Merits Attention (Necessary Control) – action considered necessary and should result in enhanced control or better value for money.
- Merits Attention – action considered desirable to achieve enhanced control or better value for money.

The following audit reports have been issued with key findings as follows:

1. Bank Reconciliation Assurance Opinion – **Substantial**

Internal Audit reports that the Council has an appropriate framework in place for the administration of the Bank Reconciliation process. It was also pleasing to note that an interface issue which occurred in December 2018 has been satisfactorily resolved. Ongoing monitoring arrangements built into the bank reconciliation process ensure that any issues are quickly detected.

Overall, the review did not indicate any significant weaknesses or areas for improvement and, accordingly, a clearance report was duly issued.

2. Key Reconciliations Assurance Opinion – **Substantial**

Internal Audit sought to confirm that key reconciliations processes are being completed in a timely and accurate manner. It was found that reconciliations are generally being completed in a timely fashion.

One merits attention action was proposed relating to the need to update the procedure manual and associated monitoring documentation. An action plan was agreed with the Head of Finance Services and the Chief Accountant.

3. Disabled Adaptations and Lifeline Service Assurance Opinion – **Substantial**

The objectives for this audit were to confirm that adequate controls exist to provide assurance that the:

- Lifeline Service is appropriately managed, administered and promoted;
- Adaptations for disabled residents in Council owned residences are appropriately managed and administered; and
- Disabled Facilities Grants are appropriately managed and administered.

Internal Audit found that the Council has an appropriate framework in place for the administration of operations in respect of Disabled Adaptations and Lifeline Service. An area for improvement was identified. The maintenance of a comprehensive and accurate customer database is a key control within the Lifeline Service. The proposed action to fully reconcile the customer database to billing lists was agreed by the Interim Senior Housing Manager and the Independent Living Manager.

4. Payroll Assurance Opinion – **Reasonable**

The Council has an established framework in place for the administration of operations in respect of Payroll. This review has indicated areas for improvement and further recommendations were proposed in order to ensure that the processes and controls in place are effective. There was one 'Significant' action relating to the need to complete an independent check of the number of paid employees on a regular and timely basis, as follows:

Objective

Internal Audit sought to confirm that manual input and interventions to the Payroll system are appropriately reviewed and authorised.

Findings – Independent Reconciliation of Paid Employees

As noted previously, including a special report to the General Purposes and Audit Committee in December 2014, it is systemically possible for Payroll employees with full 'administrator' user access to the integrated Human Resources and Payroll system to create and pay bogus employees undetected. Although there is a management trail on the system showing who has completed transactions, these logs are only reviewed by officers involved in the payroll process.

It is acknowledged that the size of the Payroll team renders complete segregation of duties impractical and mitigating controls are required to reduce the risk of such an act.

In addition to controls within the process, Members agreed that the Accountancy section would perform a periodic independent check of employee numbers to ensure that no such bogus employees had been created on the system. To date, this process has not yet become fully embedded.

Agreed Action (Significant)

A full reconciliation of the movement in headcount should be carried out by a designated officer, independent of the Payroll process (i.e. Accountancy).

The Audit and Control team will support the Payroll and Job Evaluation Manager in creating an independent and sustainable checking process that will then be passed on to a designated officer to thereon complete the process on a monthly basis.

Manager Responsible

Payroll and Job Evaluation Manager

Head of Finance Services

Target Date: 30 September 2019

The actions were agreed by and the Payroll and Job Evaluation Manager and the Head of Finance Services.

Further reviews in respect of Asset Register; Benefits; Bramcote Crematorium; CCTV; Choice Based Lettings; Creditors and Purchasing; Electrical Testing; and Tenancy Management (including Housing ASB) are ongoing and the reports have yet to be finalised. These will be included in the next progress report to Committee.

Current Audit Performance

Overall 17% of planned audits for 2019/20 are near to completion. This level of performance is slightly below what was achieved at this stage in the previous year. A new Senior Internal Auditor joined Internal Audit in June 2019, meaning the team is now back up to full establishment. This will allow progress to be made with the Internal Audit Plan and the target of 90% is expected to be achieved.

APPENDIX 2

INTERNAL AUDIT FOLLOW-UP

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the audit.

The table below provides a summary of the progress made with agreed actions for internal audit reports issued between January and December 2018 (i.e. within six months of completion), excluding clearance reports. Those audits where all actions have previously been reported as completed have also been excluded from this list.

No	Audit Title	Report Issued	Opinion	Number of Actions (Significant in brackets)	Progress
21	Stores 2017/18	31/01/18	LIMITED	3 (2)	1 Outstanding
03	Procurement 2018/19	07/06/18	LIMITED	2 (1)	2 Outstanding
04	Cemeteries 2018/19	25/06/18	Substantial	1	1 Outstanding
37	Serious and Organised Crime 2017/18	05/09/18	Reasonable	6	3 Outstanding
08	Legionella Prevention and Testing	11/09/18	Reasonable	5	5 Outstanding
10	Creditors and Purchasing	18/09/18	Reasonable	2	Current audit
11	Commercial Props/Industrial Units	04/10/18	Substantial	1	1 Outstanding
13	Transport (Fleet Management)	16/11/18	Substantial	2	Completed
14	Energy (including Procurement)	16/11/18	LIMITED	2 (1)	1 Outstanding
15	Cash Receipting	21/11/18	Reasonable	4	2 Outstanding
16	Bramcote Leisure Centre	23/11/18	Reasonable	3	Completed
17	Garden Waste Collection	30/11/18	Substantial	1	Completed
19	Events	12/12/18	Substantial	1	Completed

Further details of progress being made with agreed actions that have not yet been fully implemented are included below along with comments from management reflecting any updates on progress. Evidence of implementation will not be routinely sought for all actions as part of this monitoring process. Instead, a risk-based approach will be applied to conducting further follow-up work.

Where the agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

OUTSTANDING ACTIONS

1. Stores	January 2018, Limited Assurance, Agreed Actions – 3 (2 'Significant')
1.1 Procurement of Stores Items	Progressing
<p><u>Agreed Action</u> (Significant)</p> <p>Management will review all procurement and purchasing activity relating to Stores with a view to establishing a programme of retendering work to ensure that requirements are met in full.</p> <p>The use of established procurement frameworks will be considered for these contracts. The support of the Procurement and Contracts Officer will be important for the priority and high-complexity tenders. A suitable timetable for completing the review and renewal of these contracts will be agreed with the Procurement team.</p> <p><u>Managers Responsible</u> Head of Environment; Transport and Stores Manager</p>	
<p><u>Management Progress Report of the Transport and Stores Manager</u></p> <p>Work continues to review all stores related procurement activity and to re-tender contract opportunities where appropriate to ensure compliance with procurement legislation and the Council's Financial Regulations/Contract Standing Orders.</p> <p>A benchmarking exercise has been carried out and all current pricing is in-line with established procurement framework pricing except for Personal Protective Equipment (PPE). The Council is trialling materials from alternative suppliers through the Efficiency East Midlands (EEM) framework which is due to be completed in September 2019.</p>	

2. Procurement	June 2018, Limited Assurance, Agreed Actions – 2 (1 'Significant')
2.1 Procurement e-Learning Package	Outstanding
<p><u>Agreed Action</u> (Merits Attention)</p> <p>A procurement e-Learning package will be developed to raise awareness of the legislation, regulations and other matters surrounding procurement and the systems and procedures in place at the Council. This will complement the existing support and guidance that is available on the intranet and website.</p> <p><u>Managers Responsible</u> Chief Audit and Control Officer Procurement and Contracts Officer</p>	
<p><u>Management Progress Report of the Chief Audit and Control Officer</u></p> <p>This action has been delayed to focus upon high priority outstanding actions relating to procurement. A revised target date is set for 30 December 2019. The risk is largely mitigated by the existing support and guidance that is available on the intranet and website.</p>	

2. Procurement (Continued)	
2.2 Comprehensive Review/Update of Procurement Activity	Progressing
<p><u>Agreed Action (Significant)</u></p> <p>An Interim Procurement and Contracts Officer was appointed with significant experience in public sector procurement and contract management. The key priorities and tasks in the medium term are:</p> <ul style="list-style-type: none"> • Refreshing the Commissioning and Procurement Strategy to ensure compliance with regulations and corporate requirements and refreshing associated procurement guidance documents on the intranet and website. • Reviewing the Contracts Register to ensure that it is transparent and that there is a robust tendering work schedule covering all significant value transactions (and strategically important) for all activities – initial focus will be on expired/soon to expire contracts. • Ensuring the Contracts Register is comprehensive; with analysis of management data to evaluate potential efficiencies and identify areas which should be awarded under contract following tender. • Supporting the review of the Council's Constitution, in particular relating to Financial Regulations and Contract Standings Orders. • Establishing a suitable framework for contract management, including liaising with senior management to identify key contracts over £25,000 and advice how the monitoring of these and operational performance management could be improved. • Promoting the most efficient means of procurement activity, including development of e-procurement systems and processes. <p><u>Managers Responsible</u> Head of Finance Services Chief Audit and Control Officer Procurement and Contracts Officer</p>	
<p><u>Management Progress Report of the Head of Finance Services</u></p> <p>The refreshed Procurement and Commissioning Strategy was presented to the Policy and Performance Committee for approval in July 2019. The Interim Procurement and Contracts Officer continues to make progress towards achieving a fully compliant position in terms of procurement legislation and Financial Regulations (Contract Standing Orders) across the whole business.</p> <p>Progress is being monitored through updates reports on procurement activity to GMT. Going forward, the Council will review its needs and consider the most effective way of providing suitable procurement expertise. This work will include benchmarking procurement arrangements with other authorities across the region and considering the adequacy of the current established Procurement and Contracts Officer post in terms of its job description, person specification and salary grade.</p>	

3. Cemeteries		June 2018, Substantial Assurance, Agreed Actions – 1
3.1	Digitisation of Cemetery Records	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A timetable for developing an efficient solution for maintaining a ‘one-stop’ effective and accurate electronic cemetery records will be produced. The progress made against this plan will then be monitored as appropriate by management (and Bereavement Services Committee). The replacement of the current software solution is considered to be a key part in this medium-term project.</p> <p><u>Manager Responsible</u> Head of Property Services</p> <p>Revised target date - 30 September 2019</p> <p><u>Management Progress Report of the Head of Property Services</u></p> <p>This action is behind schedule due to vacancies but is now being progressed.</p>		

4. Serious and Organised Crime		September 2018, Reasonable Assurance, Agreed Actions – 6
4.1	Serious and Organised Crime Policy	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A Serious Organised Crime Policy will be produced for approval which identifies key risk areas where potential serious and organised criminal activity could be perpetrated and sets out the processes for the investigation, evidence gathering and preservation, intelligence sharing and reporting of such cases.</p> <p><u>Managers Responsible</u> Chief Executive; Head of Public Protection</p> <p>Revised target date - 30 September 2019</p> <p><u>Management Progress Report of the Head of Public Protection</u></p> <p>A Serious Organised Crime Policy is being prepared for GMT to consider in advance of submitting a final version to the Community Safety Committee for approval. The policy will contain details about the training and risk assessment so the matters arising in the audit will be addressed.</p>		
4.2	Training	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>Further targeted training to raise awareness of Serious and Organised Crime and its impact will be provided to managers and front-line staff in service areas that are at highest risk. This will include a briefing to a meeting of Senior Management Team. As part of the awareness programme, the latest updates and warnings will be provided via email and/or the Intranet by the Community Safety team.</p> <p><u>Manager Responsible</u> Head of Public Protection</p> <p><u>Management Progress Report of the Head of Public Protection</u></p> <p>A targeted training programme will be prepared following adoption of the Policy. In the meantime, relevant updates and advice has been provided by the Community Safety team.</p>		

4. Serious and Organised Crime (Continued)	
4.3 Risk Registers	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A risk and impact assessment of serious and organised crime will be completed. This should identify all serious threats of criminal activity which could impact upon the Council's ability to provide services, its finances and/or its reputation. The outcome of this risk assessment will determine if serious and organised crime should be included on operational risk registers and/or the Strategic Risk Register.</p> <p><u>Manager Responsible</u> Head of Public Protection</p> <p>Revised target date - 30 September 2019</p>	
<p><u>Management Progress Report of the Head of Public Protection</u></p> <p>The risk assessments completed as part of the production of the Serious Organised Crime Policy will inform any inclusion in operational and/or strategic risk registers.</p>	

5. Legionella Prevention and Testing	
September 2018, Reasonable Assurance, Agreed Actions – 5	
5.1 Legionella Policy	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The Legionella Policy will be reviewed. Going forward, the Health and Safety Manager will update the list of Responsible Persons when a nominated officer leaves the Council or when changes are made to organisational structures. In order to support this process, the Health and Safety Manager has been added to the distribution list for the 'leavers' notice email.</p> <p>In completing annual audits of Legionella prevention and detection processes, the Health and Safety Manager will require Heads of Service to notify changes to of Responsible Persons.</p> <p>Nominated Responsible Persons will be made aware of the Legionella Policy requirements and how it affects them in terms of their responsibilities.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager</p>	
5.2 Health and Safety Audits	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>In accordance with the Legionella Policy, the Health and Safety team will carry out annual audits of the processes relating to Legionella prevention and detection and report its findings to the Safety Committee.</p> <p>This process will include seeking assurances from Responsible Persons that appropriate testing has been undertaken and completing a sample of substantive reviews linked to the areas of highest risk.</p> <p>The review will cover all relevant Council properties, including premises being managed by Liberty Leisure Limited and the community facilities that are presently being tested by Property Services.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager</p>	

5. Legionella Prevention and Testing (continued)	
5.3 Training	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The Legionella Policy will specify that Health and Safety should arrange training courses, prompt refresher training and manage training records on behalf of the Council.</p> <p>The Responsible Persons shall be required to identify and provide details of required training, which will be recorded on a definitive central record. Health and Safety will monitor this list as part of the annual audit and confirm with Responsible Officers that the list and associated training records are up to date. Particular emphasis shall be placed upon ensuring that relevant new employees, agency workers and those involved in shared service arrangements are made aware of their responsibilities and considered for training as appropriate.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager</p>	
5.4 Tendering and Contracts	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A corporate review of the way that Legionella testing, risk assessment, cleaning, chlorination and training services are procured is being undertaken with a view to ensuring consistency, value-for-money and compliance with procurement regulations.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager Interim Senior Housing Manager</p>	
<p><u>Management Progress Report of the Head of Property Services</u></p> <p>Only limited progress has been made on these four actions due to staff turnover and vacancies. Work plans and targets have been agreed with the new Health and Safety Manager. The revised target date for completion is 30 September 2019.</p> <p>In respect of training, a list of Responsible Persons and their training has been compiled and is being reviewed.</p>	
5.5 Liberty Leisure Limited (LLL)	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>Liberty Leisure Limited (LLL) will review its own Legionella arrangements including policy and procedures documents, responsible persons, risk assessment, testing process, reporting lines and escalation protocols.</p> <p><u>Manager Responsible</u> Managing Director, Liberty Leisure</p> <p style="text-align: right;">Target Date: 31 December 2018</p>	
<p><u>Management Progress Report of the Managing Director, Liberty Leisure Limited</u></p> <p>The Council's Health and Safety Manager agreed to support the review but progress has been limited due to the vacancy, but now a new Health and Safety Manager has been appointed, the work to review and update documents will recommence.</p> <p>A procedure document is followed, with records maintained of flushing and testing and duty managers understanding the need to report the Responsible Person of any concerns or incidents. LLL also hosted a Legionella awareness training session, provided by an external party, at which identified key officers attended.</p>	

6. Commercial Property and Industrial Units

October 2018, Substantial Assurance, Actions – 1

6.1 Invoices – Combined Rent and Insurance**Progressing**Agreed Action (Merits Attention)

The potential to combine the annual billing process for rental and insurance recharges has been considered. A wholesale change for all existing tenants is not considered appropriate at this stage as the action would require changing up to 60 system generated invoices as well as disrupting pre-arranged Direct Debits/ Standing Orders for tenants.

Instead, combined rent and insurance bills will be established for new tenancies and for existing tenants at the point of periodic rent reviews. The Estates Manager will liaise with the Insurance and Risk Management team to calculate and include a suitable fixed annual premium within the rental for the new lease term.

This action will be reviewed in 12 months to consider whether turnover has created an opportunity for implementing a wholesale change.

Manager Responsible

Estates Manager

Revised Target Date: 31 October 2019

Management Progress Report of the Estates Manager

Following the audit recommendation, the combined rent and insurance bills have been established for new tenants and existing tenants at the point of periodic rent reviews following discussions with the Insurance and Risk Management team to fix a suitable premium. This process will be reviewed in October 2019 to consider whether to revise the remaining tenants to create a uniform approach across all premises.

7. Energy

November 2018, Limited Assurance, Actions – 2 (including 1 'Significant')

7.1 Efficiency Improvements**Progressing**Agreed Action (Significant)

A risk-based approach will be adopted for the billing and checking process. This will consider the potential improvements outlined above.

The analytical review of monthly billing could be facilitated by the procurement of an Energy Database, which would enable a greater and faster analysis and payment of the incoming invoices. Analysis of usage and charges on each site could be undertaken for both abnormal usage and comparison previous years bills and weather conditions, enabling greater efficiency of identifying potential refunds and credits, and helping to prevent overpayment.

This greater efficiency will free up time spent on bill checking and processing by the Energy Officer to progress other proactive tasks such as updating the Carbon Management Plan, looking at further ways to reduce energy consumption and CO₂ emissions.

Managers Responsible

Head of Property Services; Estates Manager; Energy Officer

Target Date: 31 March 2019

Management Progress Report of the Estates Manager

This action is still ongoing. The Council has considered a number of potential databases but has yet to fully evaluate a suitable option that meets with its requirements. It is proposed to revise the target date to 31 December 2019.

8. Cash Receipting (Payment Kiosk)

November 2018, Reasonable Assurance, Actions – 4

8.1 Procedural Guides**Progressing**Agreed Action (Merits Attention “Necessary Control”)

An internal procedure guide will be produced for reference. This document will define the roles and responsibilities and key tasks and controls relating to the banking of and accounting for receipts. It will also include other related matters such as security and continuity arrangements in the event of the payment kiosk malfunctioning and being unable to receipt income.

Managers Responsible

Head of Administrative Services

Business Support Team Leader/Senior Support Officer

Target Date: 31 March 2019

Management Progress Report of the Head of Administrative Services

This matter is in progress with revised target date for completion 31 July 2019.

8.2 Security – Risk Assessments**Progressing**Agreed Action (Merits Attention “Necessary Control”)

An updated risk assessment will be completed, in conjunction with Health and Safety, and mitigating action taken in relation to cash handling and the security of the payment kiosk facility and the office.

Any potential physical improvements will be considered as part of any reconfiguration of the Reception area. In the meantime, panic alarms will be fitted in the kiosk office or personal alarms provided to officers servicing the kiosk. Furthermore, an improved glass filter and/or a roller blind will be provided for the access door window for use when the machine and/or safe are opened.

Managers Responsible

Head of Administrative Services

Business Support Team Leader

Senior Support Officer

Target Date: 31 December 2018

Management Progress Report of the Head of Administrative Services

Risk assessments have been completed for emptying and cashing up the payment kiosk, including the need for second officer to be present if the kiosk is put out of action during office hours.

The potential physical improvements for the payment kiosk in any future plans for the Reception area have been shared with the relevant Head of Service. In the meantime, a panic alarm, blind, peep hole and door chain are being installed in current office.

8. Cash Receipting (Payment Kiosk) (Continued)	
8.3 Cash Counts and Floats	Progressing
<p><u>Agreed Action</u> (Merits Attention “Necessary Control”)</p> <p>The procedures and controls relating to cash handling will be reviewed and improved accordingly, with consideration of the following:</p> <ol style="list-style-type: none"> 1. Income sheets being reviewed and signed off by an independent officer on a regular basis in accordance with defined procedures. 2. Procedures for reporting and investigating surpluses and deficits being properly defined. 3. Machine float being regularly counted by an independent officer and this check being recorded. 4. All changes to the float being approved and documented to reduce the possibility of error or fraud. 5. The risk of carrying cash to and from the bank to replenish change floats being assessed, with consideration of arranging with the Security Contractor to deliver change floats as required. <p><u>Managers Responsible</u> Head of Administrative Services Business Support Team Leader Senior Support Officer</p> <p style="text-align: right;">Target Date: 31 December 2018</p>	
<p><u>Management Progress Report of the Head of Administrative Services</u></p> <p>Independent checks of cash floats are being undertaken every six months. The procedures for reporting and investigating surpluses and deficits to be included in the updated procedure guide. A signed check is to be introduced to confirm any amounts taken from the payment kiosk and amount of change returned whenever change floats need to be replenished with coins collected from bank. A risk assessment has been undertaken of the process of obtaining change from bank.</p>	

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Report of the Chief Audit and Control Officer

ANNUAL COUNTER FRAUD REPORT 2018/19

1. Purpose of report

To provide the Committee with the annual report on counter fraud and corruption and money laundering prevention activity in 2018/19.

2. Detail

Fraud and corruption are a serious and ongoing threat to the financial health of the public sector. It is estimated that over £300 million each year is lost as a result of fraudulent acts both against and within public sector organisations. The Council acknowledges the significant negative impact fraudulent and corrupt acts can have on the Council, the delivery of its Corporate Plan and the services provided to residents.

The Fraud and Corruption Prevention Policy was approved by this Committee in March 2017. The Policy Statement is that the Council takes a zero-tolerance approach to fraud and corruption. The Council is committed to establishing a strong anti-fraud and corruption culture and will take all necessary steps to prevent, detect and punish fraudulent and corrupt acts. The Policy also recognises that Internal Audit will take a more prominent role in leading and co-ordinating anti-fraud and corruption activities.

There are national and local processes in place to help the Council identify and tackle fraud. This is underpinned by the Fraud and Corruption Prevention Policy. In addition, the examination of the risk of fraud is integral to the Council's governance and risk management arrangements.

As part of the process, reports relating to fraud and corruption prevention activity are submitted to this Committee. Further details of activity for the forthcoming year are included in the appendix. The delivery of these actions will help to further strengthen the arrangements in place.

Recommendation

The Committee is asked to NOTE the Annual Counter Fraud Report 2018/19.

Background papers

Nil

APPENDIX

ANNUAL COUNTER FRAUD REPORT 2018/19

1. Introduction

Fraud and corruption are a serious and ongoing threat to the financial health of the UK public sector. The latest report from CIPFA (the Chartered Institute of Public Finance and Accountancy) estimates that over £300 million each year is lost as a result of fraudulent acts both against and within local authorities and other public sector organisations.

CIPFA published the results of its fourth annual Fraud and Corruption Tracker survey in October 2018. The survey focused on local government and shows how the sector is dealing with the fraud threat. The responses received provided a spread of results from across all regions, enabling it to estimate the total figures for fraud across English, Welsh and Scottish local authorities. The key findings were that:

- An estimated 80,000 frauds were detected or prevented across local authorities in 2017/18 with a total value of £302m (down from £334m)
- The number of fraud cases investigated or prevented increased in the year but the average value of each fraud fell by 20% to £3,600
- The number of serious and/or organised crime cases doubled to 56.
- Procurement, council tax single person discount and adult social care were perceived as the three greatest fraud risk areas
- The four main types of fraud by volume that affect local authorities are council tax, housing, blue badge fraud and business rates.
- The highest number of investigations related to council tax fraud (70%) with a value of £26.3m
- The highest value area of fraud is housing and tenancy fraud with an estimated total of £216m
- The largest growing area of fraud is business rates with the amount lost to business rates fraud increasing significantly from £4.3m to £10.4m.
- 51% of responding authorities had a dedicated counter fraud service.

2. Local Context

The Council acknowledges the significant negative impact fraudulent and corrupt acts can have on the delivery of services provided to residents.

The Policy Statement, as set out in the Fraud and Corruption Prevention Policy approved by this Committee in March 2017, is that the Council takes a zero-tolerance approach to fraud and corruption. The Council is committed to establishing a strong anti-fraud and corruption culture and will take all necessary steps to prevent, detect and punish fraudulent and corrupt acts.

Where a fraudulent or corrupt act is proven to have taken place, the Council will take all appropriate action against the perpetrator and pursue all available options to recover any losses.

3. Role of Internal Audit

Internal Audit traditionally plays a preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud and corruption. It may be requested to investigate cases of suspected financial irregularity, fraud or corruption, in accordance with agreed procedures. The authority of the Deputy Chief Executive and/or his authorised representative to access premises, documents, records and explanations, if required for the purposes of the Internal Audit, are supported within the Financial Regulations.

a. Risk Assessment

The Deputy Chief Executive (as the Section 151 Officer) is responsible for the ongoing assessment of the risk to the Council of financial or other loss resulting from fraud and corruption. Whilst the focus of the risk assessment will be the potential financial loss and/or disruption to services, other important areas such as reputational risk and impact on employee welfare will also be considered.

A fraud risk assessment is programmed for 2019/20. This will be completed by the Chief Audit and Control Officer in conjunction with senior management and will take into account published guidance and other information from Central Government, CIPFA, National Fraud Initiative and other relevant organisations.

b. Detection and Prevention

The fraud risk assessment will provide the basis for an ongoing detection and preventative audit work programme to be performed. Internal Audit will liaise with management to recommend changes in procedures to reduce risks and prevent losses to the Council.

c. Response

The role of Internal Audit extends to acting as a co-ordinating and investigating service for all non-benefit related fraud and corruption reports and to manage the Council's response to such reports. Benefit fraud alerts are referred to the Single Fraud Investigation Service (SFIS) of the Department for Work and Pensions (DWP).

4. Summary of Activity

a. Training and Awareness

Fraud prevention has to be underpinned by a strong anti-fraud culture that is driven by senior management. It requires active promotion to include officers, members, key stakeholders and the public.

This culture should seek to motivate employees and ensure that they understand the importance of tackling fraud; are able to recognise fraud; and know how to report any suspicions of fraud. The most effective anti-fraud culture changes people's attitudes and behaviours towards fraud, positively reinforcing their responsibility in preventing, detecting and reporting fraud and deterring would-be criminals from committing fraud in the first place.

Internal Audit has been positive in sharing general fraud awareness updates with employees, in addition to providing more targeted fraud information to relevant officers. Internal Audit is developing a fraud web-page for the intranet to complement information already provided on the Council's website.

The Council is also considering training opportunities for employees in terms of fraud awareness and money laundering, which could be developed as an e-Learning package on Broxtowe Learning Zone.

b. National Fraud Initiative

The Council participates in the Cabinet Office's National Fraud Initiative programme (NFI). The NFI matches electronic data within and between public and private sector bodies to assist in the prevention and detection of fraud. These bodies include local authorities, police authorities, local probation boards, fire and rescue authorities as well as a number of private sector bodies.

The NFI tool is helpful in assisting local authorities to identify potential fraud in areas such as council tax, housing benefit, pensions, payroll and housing tenancy. Since its introduction in 1996, the NFI programme has helped identify £1.2 billion nationally in fraud or error.

The Council is required to provide particular sets of data to the Cabinet Office for matching. The data provided includes records such as council tax, creditors, payroll, electoral register, housing tenants, housing waiting lists, insurance claims and licences. Whilst Internal Audit is the single point of contact for participation in the NFI data matching programme, the process does require the support of the respective service managers with responsibilities for the service/system being subjected to review under the scheme. A network is being established to enable departments to support Internal Audit with this review work.

The most recent NFI exercise generated a total of 2,176 matches across the various data sets. These included 938 priority matches for further scrutiny (209 high risk and 729 medium risk). Investigation work is ongoing with the target of completing 100% of the recommended priority matches by October 2019.

A further exercise in February 2019 to check Council Tax Single Person Discounts (CTSPD) data against the Electoral Register generated further matches for scrutiny. These included 2,393 positive matches to the Electoral Register, 139 matches relating to 'rising 18's' and 4,244 matches to other NFI datasets.

The Head of Revenues, Benefits and Customer Services has agreed to utilise the reports provided by the NFI to check ongoing entitlement to CTSPD, in particular for high risk cases. Similarly, a review of the 'rising 18' cases identified will be completed and the appropriate resulting action taken.

During 2018 the Council was involved in an NFI pilot that matched Business Rates data together with existing NFI data such as premises and licensing data, within and between bodies to identify potential Business Rates fraud. A typical fraud risk is companies fraudulently claiming Small Business Rate Relief from multiple local authorities. Whilst there were high hopes that data matching for Business Rates will provide useful data for the Council and its neighbouring authorities, the findings from the pilot scheme were somewhat limited.

c. Internal Audit – Special Investigations

No major fraud investigations were undertaken by Internal Audit in 2018.

The meeting of Council on 19 December 2018 considered several governance issues arising from a sale of land at Redwood Crescent in Beeston. The report of the Interim Monitoring Officer considered issues arising under the legal framework governing the Council's power to dispose of land (section 123 of the Local Government Act 1972); issues arising under the legal framework for Assets of Community Value; and issues arising under the law, guidance and local constitutional provisions concerning Freedom of Information Act requests. Although no fraud was identified, a number of recommendations were proposed to improve the governance in this area and reduce the risk of fraud and irregularity. A copy of the report, minutes and resolutions are available at <https://democracy.broxtowe.gov.uk/mgAi.aspx?ID=1152>

d. Revenues and Benefits

Much of the current fraud activity within the Revenues and Benefits teams is in supporting the DWP. In 2018 this activity included:

- Issuing 24 fraud referrals to the DWP
- Completing 54 Local Authority Information Exchange Forms (LAIEF), being requests for information from the DWP to support their ongoing investigations
- Undertaking seven adjudications, including one case of 'living together as husband and wife' (LTAHW).

A sample of successful Housing Benefits cases in the year included:

- An overpayment of Housing Benefit totalling £14,993 relating to LTAHW where recovery action is ongoing.

There have been no further specific programmes relating to discounts, exemptions and reliefs awarded for Council Tax and Business Rates, although the regular Revenue inspection activity is ongoing.

e. Housing

Nationally, the risk of fraud relating to housing has been identified as high value. Locally, the risks for this Council include the potential for tenancy fraud and risks associated with the 'Right to Buy'.

In respect of 'Right to Buy' applications, appropriate checks are undertaken to prevent and detect potential fraud:

- Requesting identity and proof of address for each applicant
- Checking if the applicant is in receipt of Housing Benefit and referring this on for further enquiry (particularly where the sale is expected to be financed without a mortgage)
- Checking each applicant's details with appropriate agencies (including NAFN, the National Anti-Fraud Network) to see if the applicant has another mortgage elsewhere and to check the persons registered at the address from electoral records
- Requiring applicants to provide details as to how they intend to finance the purchase. If monies are being gifted, the Council will require the applicant to provide confirmation from the third party that these funds are available and seek proof of identification.

The recent audits of Housing Tenancy Management and Right-to-Buy included a review of the procedures in place to prevent and detect fraud. Internal Audit considered that controls within the respective systems provided substantial assurance that risks are adequately managed.

f. Licensing

Following the advent of the Immigration Act 2016, the Licensing team now conducts right-to-work checks to prevent illegal working in the private hire and taxi sector. A similar provision has been made for checks to be carried out in the wider licensing regime.

These measures assist in preventing illegal working, unlawful employment of workers and unlawful payments to employees.

The Council was successful in detecting a taxi driver who had been working illegally in the country for a number of years. The matter was referred to the Immigration Authority through the checking process and the offender is no longer licensed by the Council.

The audit of Licensing in 2018/19 considered the procedures in place to prevent and detect fraud. Internal Audit considered that controls within the respective systems provided substantial assurance that risks are adequately managed.

g. Insurance

The Council continues to work with its insurers who regularly provide briefings and advice to enable officers to remain vigilant to potential fraudulent claims. All claims continue to be rigorously reviewed at every stage to ensure that anything suspicious is identified and the appropriate outcome is achieved. Claimants are advised that the information provided may be shared by the insurers with other appropriate bodies responsible for the prevention and detection of fraud, such as the Claims and Underwriting Exchange Register and the Theft Register.

5. Plans for 2019/20

The focus of activity will remain on prevention and deterrence as Internal Audit looks to develop the Counter Fraud Hub. The following actions are planned:

- Review the Fraud and Corruption Prevention Policy and the Money Laundering Prevention Policy was updated to ensure that they remain fit for purpose and are in line with current legislation and best practice (Target completion – March 2020).
- Complete a Fraud Risk Assessment exercise, in conjunction with General Management Team, taking into account published guidance from central government, CIPFA, NFI or similar and other relevant organisations (Target – October 2019).
- An outcome of this process will be to develop a fraud risk register to identify fraud risks (Target – November 2019).
- Management will continue to work with Internal Audit to review and improve the systems and key controls in areas where fraud risk is assessed as high or medium.
- Continue to raise awareness amongst employees, members and key stakeholders about the risk of fraud in all areas of the Council's operations. This will include:
 - Development of the webpages for the intranet and internet
 - Regular circulation of fraud awareness emails
 - Consideration of introducing a counter fraud e-Learning package.
- Complete the priority NFI data matching work from 2018/19 and follow-up on the actions undertaken in respect of the Council Tax Single Person Discount exercise (Target – December 2019).
- Keep informed of national developments in counter fraud so that the Council can continue to respond positively to new ideas, initiatives and examples of best practice.

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Report of the Deputy Chief Executive

REVIEW OF STRATEGIC RISK REGISTER

1. Purpose of report

To recommend approval of amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

2. Detail

Further to earlier reports to this Committee and in accordance with the timescales set out in the Risk Management Strategy approved by this Committee on 3 December 2018, the Strategic Risk Management Group met on 8 May 2019 to review the Strategic Risk Register. The General Management Team (GMT) has since considered the proposals from the Strategic Risk Management Group. The objectives of the review were to:

- Identify the extent to which risks included in the Strategic Risk Register are still relevant
- Identify any new risks to be included in the Strategic Risk Register
- Review action plans to mitigate risks.

A summary of the risk management process is included in appendix 1. The Risk Management Strategy includes a '5 x 5' risk map matrix to assess both the threats and opportunities for each strategic risk in terms of both the likelihood and impact. The risk map is included to assist the understanding of the inherent and residual risk scores allocated to each strategic risk. These scores will be considered further and amended as necessary in due course.

Details of proposed amendments to the Strategic Risk Register and the actions resulting from the process are attached in appendix 2. The revised Strategic Risk Register incorporating the proposed amendments is available on the intranet. Further reviews of the Strategic Risk Register will be reported to future meetings of this Committee.

Recommendation

The Committee is asked to RESOLVE that the amendments to the Strategic Risk Register and the actions to mitigate risks as set out in appendix 2 be approved.

Background papers

Nil

APPENDIX 1**REVIEW OF STRATEGIC RISK REGISTER****Introduction**

The Risk Management Strategy, as revised in December 2018, aims to improve the effectiveness of risk management across the Council. Effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving its ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against the Council and subsequent damage to its reputation.

The Strategy provides a comprehensive framework and process designed to support both Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. The Strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that the Council has in place to manage risk successfully. The risk management process outlined within the Strategy should be used to identify and manage all risks to the Council's ability to deliver its priorities. This covers both strategic priorities, operational activities and the delivery of projects or programmes.

The Council defines risk as "the chance of something happening that may have an impact on objectives". A risk is an event or occurrence that would prevent, obstruct or delay the Council from achieving its objectives or failing to capture business opportunities when pursuing its objectives.

Risk Management

Risk management involves adopting a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the objectives, assets, or financial wellbeing of the Council. It is a means of minimising the costs and disruption to the Council caused by undesired events.

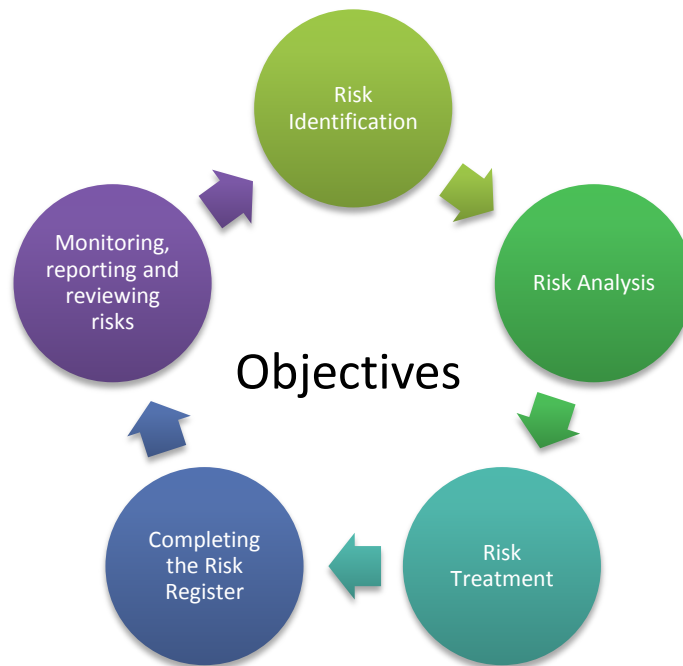
Risk management covers the whole range of risks and not just those associated with finance, health and safety and insurance. It can also include risks as diverse as those associated with public image (reputation), environment, technology and breach of confidentiality amongst others.

The benefits of successful risk management include:

- Improved service delivery with fewer disruptions, efficient processes and improved controls
- Improved financial performance and value for money with increased achievement of objectives, fewer losses, reduced impact and frequency of critical risks
- Improved corporate governance and compliance systems with fewer legal challenges, robust corporate governance and fewer regulatory visits
- Improved insurance management with lower frequency and value of claims, lower impact of uninsured losses and reduced premiums.

Risk Management Process

The Council's risk management process has five key steps as outlined below.



Process Step	Description
Risk Identification	Identification of risks which could significantly impact the Council's aims and objectives – both strategic and operational.
Risk Analysis	Requires consideration to the identified risks potential consequences and likelihood of occurring. Risks should be scored against the Council's risk matrix
Risk Treatment	Treat; Tolerate; Transfer; Terminate – Identify which solution is best to manage the risk (may be one or a combination of a number of treatments)
Completing the Risk Register	Document the previous steps within the appropriate risk register. Tool for facilitating risk management discussions. Standard template to be utilised to ensure consistent reporting.
Monitoring, reporting and reviewing the risks	Review risks against agreed reporting structure to ensure they remain current and on target with what is expected or manageable.

Risk Matrix

		Risk – Threats				
Likelihood	Almost Certain – 5	5	10	15	20	25
	Likely – 4	4	8	12	16	20
	Possible – 3	3	6	9	12	15
	Unlikely – 2	2	4	6	8	10
	Rare – 1	1	2	3	4	5
		Insignificant – 1	Minor – 2	Moderate – 3	Major – 4	Catastrophic – 5
		Impact				

Risk Rating	Value	Action
Red Risk	25	Immediate action to prevent serious threat to provision and/or achievement of key services or duties
	15 to 20	Key risks which may potentially affect the provision of key services or duties
Amber Risk	12	Important risks which may potentially affect the provision of key services or duties
	8 to 10	Monitor as necessary being less important but still could have a serious effect on the provision of key services
	5 to 6	Monitor as necessary to ensure risk is properly managed
Green Risk	1 – 4	No strategic action necessary

APPENDIX 2

Strategic Risk Register – Summary of Proposed Changes

Inherent Risk – Gross risk **before** controls and mitigation

Residual Risk – Risk remaining **after** application of controls and mitigating measures

Risk	Inherent Risk	Residual Risk	Changes
1. Failure to maintain effective corporate performance management and implement change management processes	20	9	<p>An action point to produce and obtain approval for a new Corporate Plan has been added.</p> <p>The following items are included as key controls, with the corresponding 'business-as-usual' actions deleted:</p> <ul style="list-style-type: none"> • Business Plans • External auditors and other inspectorates <p>As it is addressed elsewhere, the action to ensure that area based projects are risk assessed under internal and external monitoring frameworks has been deleted.</p>
2. Failure to obtain adequate resources to achieve service objectives	25	12	<p>An updated Medium Term Financial Strategy will be presented to the Finance and Resources Committee on 10 October 2019.</p> <p>An updated Business Strategy will be presented to Finance and Resources Committee on 10 October 2019.</p> <p>A refreshed Procurement and Commissioning Strategy was presented to Policy and Performance Committee on 3 July 2019.</p> <p>The action to proceed with the sale of Cliffe Hill Avenue and the former Stapleford Police Station sites has been amended by removing the reference to the former Police Station.</p> <p>The actions to subject the Willoughby Street former market site to market testing and to complete the sale of Cavendish Lodge have been deleted.</p>

Risk	Inherent Risk	Residual Risk	Changes
3. Failure to deliver the Housing Revenue Account (HRA) Business Plan	25	12	<p>The support of G L Hearn on business planning issues has been added as a key control.</p> <p>An action point to present an update of the 30 year HRA financial model to the Housing Committee on 18 September 2019 has been added.</p> <p>An action to establish an Introductory and Fixed Term Tenancy Agreement and to update the Secure Tenancy Agreement following statutory consultation has been deleted.</p> <p>The completed actions to implement the recommendations of the Social and Affordable Housing Need report (approved by Housing Committee on 4 December 2018) and to develop a Buy Back Policy for properties sold under the Right to Buy scheme have been deleted.</p>
4. Failure of strategic leisure initiatives	25	15	<p>The action to undertake a detailed property condition survey at Bramcote Leisure Centre has been updated with an action to present the findings of the property condition survey to the Leisure and Environment Committee on 12 June 2019.</p>
5. Failure of Liberty Leisure trading company	25	12	<p>The completed action to assist with the detailed property condition survey at Bramcote Leisure Centre has been removed.</p> <p>A new action is added for the Managing Director to deliver a presentation on the work of the company to the Leisure and Environment Committee.</p>
6. Failure to complete the re-development of Beeston town centre	25	15	<p>The action point to make effective temporary use of the Beeston Square Phase 2 site pending redevelopment has been deleted.</p>

Risk	Inherent Risk	Residual Risk	Changes
7. Not complying with domestic or European legislation	25	12	<p>Further narrative is provided below.</p> <p>In addition, the following actions have been completed:</p> <ul style="list-style-type: none"> • Support the LGA defence of claims against reimbursement of personal search fees; • Recruit a Procurement and Contracts Officer; and • Ensure adequate staffing levels for houses in multiple occupation licensing (HMO).
8. Failure of financial management and/or budgetary control and to implement agreed budget decisions	25	12	The action to assess the impact of any fuel and other price increases due to either a fall in the exchange rate or other factors has been deleted.
9. Failure to maximise collection of income due to the Council	20	9	No change.
10. Failure of key ICT systems	25	10	No change.
11. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations	20	8	No change.
12. Failure to engage with partners/community to implement the Broxtowe Borough Partnership Statement of Common Purpose 2018-2020	15	6	No change.
13. Failure to contribute effectively to dealing with crime and disorder	15	6	An action point to present a Serious and Organised Crime Policy to the Community Safety Committee has been added.
14. Failure to provide housing in accordance with the Local Development Framework	20	12	No change.
15. Natural disaster or deliberate act, which affects major part of the Authority	15	10	The completed action point to recruit a Health and Safety Manager has been deleted.

Risk	Inherent Risk	Residual Risk	Changes
16. Failure to mitigate the impact of the Government's welfare reform agenda	20	10	<p>The Local Council Tax Support Scheme is added as a key control.</p> <p>Ring fencing of posts for potential "at risk" staff is deleted as a key control.</p> <p>The action points to host a series of stakeholder workshops before the full rollout of Universal Credit and to implement the Welfare Reform Action Plan are deleted. The completed actions to integrate the Rents team into the Housing Department and to move to the agreed new structure for the Rents team are also removed.</p>
17. Failure to maximise opportunities and to recognise the risks in shared services arrangements	20	9	The action to explore further shared service opportunities through the Managed Revenues and Benefits Service with Erewash Borough Council has been deleted.
18. Corporate and/or political leadership adversely impacting upon service delivery	20	8	The action to address any changes required following the outcome of the Borough elections now includes reference to the Stapleford South East by-election on 13 June 2019.
19. High levels of sickness	16	9	<p>The provision of regular sickness absence reports to GMT is added as a key control, with the corresponding 'business-as-usual' action deleted.</p> <p>A revised Attendance Management Policy was presented to the Policy and Performance Committee on 3 July 2019.</p>
20. Lack of skills and/or capacity to meet increasing initiatives and expectations.	20	12	No change.
21. Inability to attract or retain key individuals or groups of staff	20	12.	No change.
22. Failure to fully utilise investment in ICT infrastructure	16	9	No change.

Risk	Inherent Risk	Residual Risk	Changes
23. Processes or procedures not followed leading to ill informed decisions and/or abuse of Council facilities	20	9	No change.
24. Failure to comply with duty as a service provider and employer to groups such as children, the elderly, vulnerable adults etc.	20	9	<p>The Safety Advisory Group is added as a key control.</p> <p>Action points to produce a Disclosure and Barring Service (DBS) Policy and to review the Legionella Policy have been added.</p> <p>The actions to produce an annual Equality and Diversity Report and to produce annual statistics on safeguarding referrals are deleted.</p>
25. Failure to ensure appropriate levels of data quality	8	4	No change.
26. Unauthorised access of data	20	9	<p>The unauthorised publication of exempt committee papers and other Council documents has been added as a key control.</p> <p>The actions to monitor and prevent unauthorised access to Council buildings and to review the impact of the General Data Protection Regulations have been deleted.</p>
27. High volumes of employee or client fraud	20	9	<p>The annual report on counter fraud, corruption and money laundering prevention activity is presented to the Governance, Audit and Standards Committee on 23 July 2019.</p> <p>This annual counter fraud report has been added as a risk indicator.</p> <p>An action to conduct a fraud risk assessment exercise in conjunction with GMT by 31 October 2019 has been added, along with a further action to develop a fraud risk register by 30 November 2019.</p>
28. Failure to effectively communicate either externally or internally	12	6	No change.

Further Details

The following items are highlighted for the attention of Members.

1. Action Points

It has been felt for some time that a number of the action points for particular strategic risks do not meet the 'SMART' criteria of being specific, measurable, achievable, realistic and time-bound. In some cases, it may be more appropriate to show 'business-as-usual' actions as key controls or risk indicators. Attempts will be made at future meetings to assess the action points to ensure that they meet the SMART criteria where possible.

2. Not complying with domestic or European legislation (Risk 7)

Whilst there is an action point under this risk to assess the impact of any relevant legislative changes arising from the United Kingdom leaving the European Union on the scheduled date of 31 October 2019, the uncertainty surrounding this process and its potential legislative, financial and other implications will require close scrutiny. There may be a significant impact upon a number of strategic risks and these will have to be addressed in due course.

Report of the Interim Strategic Director

COMPLAINTS REPORT 2018/2019

1. Purpose of report

To provide members with a summary of complaints made against the Council.

2. Detail

This report outlines the performance of the Council in dealing with complaints against it at stage one to service departments, at stage two Complaints and Compliments Officer and at stage three to the Local Government Ombudsman (LGO).

- Appendix 1 provides a summary of the Council's internal complaint statistics.
- Appendix 2 provides a summary of the complaints investigated by the Council formally under stage two of the Council's formal complaint procedure.
- Appendix 3 provides a summary of the complaints determined by the LGO.

The Council has seen an overall improvement in the management of the complaints service. Through the enhanced use of digital technology, the Council has raised the number of complaints being acknowledged within 3 working days. The number of complaints acknowledged on the same day has risen from 160 in 2017/18 to 182 in 2018/19. The number complaints acknowledged after three working days has been reduced from 20 in 2017/18 to 18 in 2018/19, marking an improvement in meeting the 3 working day target and improving communication as a whole for the service.

Of the 344 complaints received overall, 30 were investigated under the stage 2 complaints procedure and 4 were investigated by the LGO. Under the stage 2 complaints procedure, 20 complaints (67%) were not upheld, 4 complaints (13%) were partially upheld and 6 complaints (20%) were upheld. Further detail can be found in appendix 2. The LGO investigated 4 complaints made against the Council. 3 complaints (75%) were recorded as not upheld and no further action was required by the Council.

Recommendation

The Committee is asked to NOTE the report.

Background papers

Nil

APPENDIX 1

Complaints received

	Total	Chief Execs	Deputy Chief Execs	Interim Strategic Director	Liberty Leisure Ltd	Members
Number of Stage 1 complaints	344 (276)	171	42	115	11	5
No. of complaints investigated under Stage 2	30 (23)	21	4	4	1	-
No. of complaints determined by the Ombudsman	4 (3)	4	-	-	-	-

This table shows the figures for the overall complaints received in 2018/19 and the previous 2017/18 figures are shown in brackets for comparison.

The Council has registered a total of 344 stage 1 complaints in the year 1 April 2018 to 31 March 2019, compared to 276 in the year 2017/18. The number of complaints concluded under stage 2 of the complaints procedure is 30 (compared to 23 in 2017/18), and 4 complaints (compared to 3 in 2017/18) have been determined by the Local Government Ombudsman and the Housing Ombudsman Service.

Time taken to acknowledge receipt of stage one complaints (3 working day target)

	Total	Chief Execs	Deputy Chief Execs	Interim Strategic Director	Liberty Leisure Ltd	Members
Number of complaints acknowledged on the same day	182 (160)	95	17	65	6	-
Number of complaints acknowledged within one to three days	143 (96)	71	20	47	5	-
Number of complaints acknowledged after three working days	18 (20)	5	4	9	-	-

182 stage 1 complaints (53%) were acknowledged on the same day. 143 (42%) were acknowledged in one to three days and 18 (5%) took more than three working days to acknowledge.

The Council has seen an improvement in the time taken to acknowledged complaints. The Council has made better use of electronic facilities in order to keep customers updated as to the progression of their complaint.

Time taken to respond to stage 1 complaints (15 working day target)

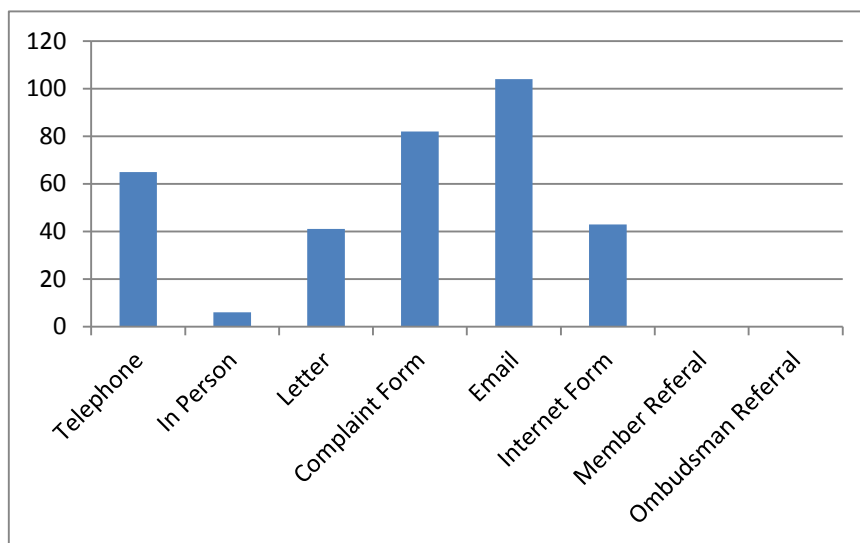
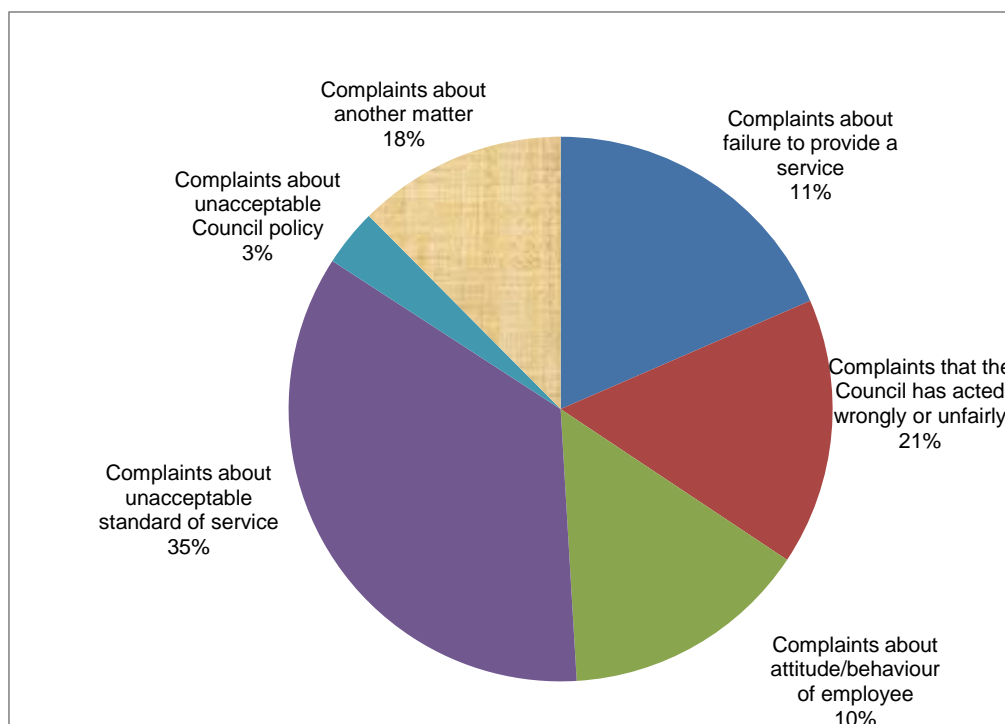
	Total	Chief Execs	Deputy Chief Execs	Interim Strategic Director	Liberty Leisure Ltd	Members
Less than 5 working days	134 (100)	24	20	88	2	-
5 to 10 working days	82 (40)	28	10	43	1	-
10 to 15 working days	85 (76)	59	5	13	8	-
More than 15 working days	43 (60)	38	3	1	-	-
Carried Forward/ extension required	15 (-)	15	-	-	-	-

134 stage 1 complaints (39%) were responded to in less than five working days, 82 (23%) within five to ten days, 85 (25%) within ten to fifteen working days. 43 (12%) took longer than fifteen working days to provide a response. In these cases, the Heads of Service are asked to write to complainants to advise that a response will take longer and provide the complainant with an estimated timescale for completion.

Reasons for delays could include:

- Further information is required from the complainant
- Complexity of the complaint
- Key officers being unavailable (out of office)

(This list is not exhaustive)

How the complaints were made**What the complaints were about**

Number of stage 2 complaints

	Total	Chief Execs	Deputy Chief Execs	Interim Strategic Director	Liberty Leisure	Members
Number of Stage 2 complaints	30 (23)	21	4	4	1	-

Time taken to acknowledge to stage 2 complaints (3 working day target)

	Total	Chief Execs	Deputy Chief Execs	Interim Strategic Director	Liberty Leisure	Members
Acknowledged within 3 working days	30	21	4	4	1	-

Time taken to respond to stage 2 complaints (20 working day target)

	Total	Chief Execs	Deputy Chief Execs	Interim Strategic Director	Liberty Leisure	Members
Responded in less than 10 working days	-	-	-	-	-	-
Responded in 11 to 20 working days	10	6	2	2	-	-
Responded in more than 20 working days	20	15	2	2	1	-

30 complaints were investigated and responded to under stage 2 of the formal complaint procedure. 100% were acknowledged within three working days and 10 (33%) were responded to within the 20 working day timescale. All the complainants who received their responses after 20 working days were informed that there would be a delay and were told the reason. The main factors in delays being involved in complaint response are, further information being required from the complainant or officers, the complexity of the complaint and key officers not being available to interview.

Equalities Monitoring

Of the 344 stage 1 complaints recorded, 142 were completed with the monitoring data.

Gender

Male – 48
 Female – 70
 Not stated - 24

Age groups

<17 - 1	45–59 – 31
18–24 – 14	60–64 – 8
25–29 – 12	65+ – 10
30–44 – 24	Not stated – 42

Ethnic Groups

British – 102
 Indian – 3
 Caribbean -1
 African - 1
 Irish/Traveller - 1
 Not stated – 33
 Any other Asian – 1

Long term health problem that limits daily activity?

Yes – 28
 No – 70
 Not stated - 44

Compliments

There have been a total of 61 compliments registered in the period. 48 of which were in relation to specific employees and 13 were related to the service received.

Financial Settlements

	Total	Chief Execs	Deputy Chief Execs	Interim Strategic Director	Liberty Leisure
Stage 1	1	£75	-	-	-
Stage 2	2	-	£200	£50	-
Ombudsman	1	£600	-	-	-
TOTAL	4	-	-	-	-

Breakdown of complaints and compliments by department and section**Chief Executive's department**

Section	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Communities	1	-	-	-
Development Control	31	5	1	5
Environmental Health	1	-	-	1
Garage Service	1	-	-	-
Housing Options	30	-	-	8
Housing Repairs	61	3	-	9
Leaseholder Services	-	1	-	-
Neighbourhood Services	36	11	1	19
Private Sector Housing	1	1	1	-
Strategy and Performance	8	-	-	2
Town Centre Management	-	-	1	-
Licensing	1	-	-	-

Deputy Chief Executive's department

Section	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Benefits	7	2	-	-
Capital Works	2	-	-	6
Customer Services	1	1	-	1
Revenues	29	-	-	-
Parking Services	2	1	-	-
Bereavement Services	1	-	-	-
Finance Services	-	-	-	1

Interim Strategic Director

Section	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Human Resources	1	1	-	-
Waste and Recycling	80	1	-	3
Parks and Environment	19	-	-	1
Freedom of Information	1	1	-	-
Data Protection	11	1	-	-
ICT	1	-	-	-
Administrative Services	1	-	-	5
Civic	1	-	-	-

Liberty Leisure Ltd

Section	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Chilwell Leisure Centre	1	-	-	
Kimberley Leisure Centre	6	1	-	
Bramcote Leisure Centre	4	-	-	

Standards

Section	Stage 1 Complaints	Stage 2 Complaints	Ombudsman Complaints	Compliments
Community Trigger	-	-	-	-
Members	5	-	-	-

APPENDIX 2

Stage 2 – Formal Complaints1. Complaint against Human Resources

Acknowledgement – 3 working days

Response – 26 working days

Advised that extension was required

Complaint not upheldComplaint

The concern raised is that after the complainant left their job at Broxtowe Borough Council, they would like to be reinstated into their previous or a similar role to the post they were performing while employed at Broxtowe Borough Council. The complainant stated this offer was extended to them by a Human Resources employee.

Response

The Council were unable to determine if any offer of employment was offered to complainant as the named Officer no longer worked for the authority. It was stated to the complainant that the Council could not offer any employment to them without the correct recruitment procedures being followed.

2. Complaint against Private Sector Housing

Acknowledgement – 3 working days

Response – 16 working days

Complaint not upheldComplaint

The concern raised is that the complainant was provided inaccurate information in regards to the minimum sizing for rooms available to rent at their property. This information caused them to evict their tenants and sell the property causing financial loss.

The complainant stated that the advice provided by the Council stated that the rooms were illegal to let.

Response

The Council had issued advice to the complainant in regards to the HMO room sizing, however, it did not state that these rooms were illegal to let. Furthermore, the complainant had contacted the Council several months prior to submitting their complaint that they intended to sell property and remarket it as a family home.

It was determined that the advice issued did not cause the complainant to evict their tenants and sell the property as this was their intention in the first instance and established this before any complaint or room sizing advice was issued.

3. Complaint against Development Control

Acknowledgement – 3 working days

Response – 17 working days

Complaint not upheldComplaint

The concern raised was that despite the complainant's objection to a planning application, planning permission was granted, which resulted in a wall being erected outside of a window of their property. This has caused a loss of light within their property.

Response

The Council did take into account the objection presented by the complainant, this resulted in the case officer visiting the applicant and requesting that the wall be reduced in height.

The offer was declined by the applicant as the wall was under the statutory height and fell within permitted development. The Council were unable to reduce the height of the wall but attempted to do so on the complainant's behalf.

4. Complaint against Waste and Recycling

Acknowledgement – 7 working days

(It was explained to the complainant that the Complaints and Compliments Officer was on leave and would acknowledge their complaint on return)

Response – 19 working days

Complaint upheldComplaint

The concern raised was the Council had failed to empty the complainant's red lidded bin on numerous occasions. Despite reporting this issue to the Council on several occasions that the red lidded bin had been repeatedly missed and the service had not improved.

Response

The Council had missed the complainant's red lidded bin on ten separate occasions between 2017 and 2018. This is a monthly collection and resulted in the Council's failure to collect the bin on time for ten months. The complainant contacted the Council about this issue but the service continued to miss the collection.

An apology was offered to the complainant and a personal visit was conducted by the Head of the Environment department. The complainant was offered a £50 gift voucher in recognition of the inconvenience caused. This offer was accepted.

5. Complaint against Parking Enforcement

Acknowledgement – 2 working days

Response – 20 working days

Complaint not upheld**Complaint**

The concern raised was that the Parking Enforcement team were unsympathetic toward the complainant when appealing a parking ticket issued while they took their elderly mother to the toilet. The complainant especially stated that the tone of the letter dismissing their appeal was upsetting.

Council's response

The Council had appropriately issued the ticket to the complainant. The letter detailing the decision making process undertaken by the Parking Enforcement and was factual and polite.

6. Complaint against Neighbourhood Services

Acknowledgement – 1 working day

Response – 15 working days

Complaint partially upheld**Complaint**

The concern raised that a member of the Neighbourhood Services team performed an unannounced visit to the complainant. Additionally, the complainant states the officer did not present any identification and the complainant queried what checks the Council had undertaken when hiring this officer.

Council's response

It was found that the various teams within the Housing Department were aware that unannounced visits were not to take place with the complainant. However, this was not well documented on internal systems. An apology was offered and records were updated.

The Council were unable to determine if an appropriate level of identification was presented to the complainant as both accounts of this event differed. It was further explained that the Council do carry out the necessary checks when recruiting but the results would not be confirmed or denied due to Data Protection.

7. Complaint against Neighbourhood Services

Acknowledgement – 1 working day
Response – 40 working days
Complaint partially upheld

Complaint

The concern raised was that the Retirement Living Officers had taken ineffective action against a noise nuisance complaint and had not provided any formal feedback in relation to the results of the monitoring.

Council's response

The Council had taken the appropriate steps in monitoring the noise issues that had been raised by the complainant. The complainant had received several personal visits from the Retirement Living Officers and mediation had been attempted with the related parties.

However, no formal feedback had been provided to the complainant in relation to the outcome of their noise nuisance complaints. An apology was offered for this.

As part of this complaint the noise issues were re-examined by Environmental Health, as an independent party, and it was found that the action taken by the Retirement Living Officer was appropriate.

8. Complaint against Freedom of Information

Acknowledgement – 1 working day
Response – 18 working days
Complaint partially upheld

Complaint

The concern raised was that the Council had withheld information in relation to the sale of land and that there had been delays in responding to Freedom of Information requests.

Council's response

The Council had correctly withheld the requested information based on current legislation. However, it was noted that there had been delays in responding to Freedom of Information requests and an apology was offered.

9. Complaint against Planning

Acknowledgement – 2 working days
Response – 11 working days
Complaint not upheld

Complaint

The concern raised was that the Planning department had not issued the complainant a consultation letter for their neighbour's development, their objection had not been properly accounted for and that the development was not in accordance with the approved plans.

Council's response

The Council records showed that consultation letters had been generated and posted within the statutory timeframe. While Council can guarantee posting of consultation letters it cannot guarantee their delivery.

The Council had identified the complainant's objections and the case officer had imposed conditions on the application to minimise any loss of amenity.

10. Complaint against Customer Services

Acknowledgement – 1 working day

Response – 19 working days

Complaint not upheld

Complaint

The concern raised was that a Customer Services officer was rude to the complainant when they attempt to register a housing repair request. Specifically, that the call was terminated while the complainant was registering their repair issue

Council's response

It was found that the Customer Services officer was polite and offered the appropriate advice to the complainant and had booked the repair for the following day. The complainant was not satisfied with this response and became aggressive. The call was ended appropriately based on the behaviour of the complainant.

11. Complaint against Planning

Acknowledgement – 1 working day

Response – 29 working days

Complaint not upheld

Complaint

The concern raised was that parking issues had not been fully investigated to a recently granted planning application and site notices for the application were not on display.

Council's response

The Council had conducted several parking surveys over the course of a week and weekend to fully explore the issues surrounding parking. It was deemed that parking issues were acceptable and permission was granted.

Site notices were recorded as being on display. Contact was received by a resident to state that one notice had been removed and it was subsequently re-established by the Planning Department shortly after this notification was received. As no further comments

were received it was deemed that the site notices remained in place for the necessary time.

12. Complaint against Neighbourhood Services

Acknowledgement – 3 working days

Response – 57 working days

Complaint not upheld

During the course of the investigation the complainant contacted the Complaints and Compliments officer threatening to commit suicide. The complaint was put on hold for a number of weeks to ensure the welfare of the complainant was catered for.

Complaint

The concern raised was that the Council had acted upon the complainants reports of Anti-Social Behaviour.

Council's response

The Council's records showed that while the complainant had reported issues of ASB with their neighbour, the Council's requests for diary sheets detailing these issues were not submitted and therefore no further action could be taken. The Housing Officers were in regular contact with the complainant requesting these details but they were not forthcoming. General advice was issued over the telephone but no formal action could be taken in the absence of any evidence being submitted.

13. Complaint against Housing Repairs

Acknowledgement – 3 working days

Response – 32 working days

Complaint partially upheld

Complaint

The concern raised was that the Council had not sufficiently dealt with an issue of damp and property subsidence. The property subsidence had caused plaster in several rooms to become loose.

Council's response

The Council's records show the damp issues were minimal only and could be caused by the lack of the ventilation in the property. It was found that an air brick had been blocked from the inside and these works had not been undertaken by the Council.

The property had experienced a level of subsidence and further monitoring was being undertaken by the Council and a chartered surveyor. The Council agreed to rectify any issues with plaster while this monitoring was being undertaken but there was a delay in doing so. An apology was offered for this delay.

14. Complaint against Leasehold Services

Acknowledgement – 1 working day
Response – 31 working days
Complaint upheld

Complaint

The concern raised was that the Council's contractor had not delivered satisfactory work and there was a delay in rectifying the remedial works caused by poor workmanship. The complainant also complained that an invoice for the works had not been placed on hold while the work was disputed.

Council's response

The Council's records showed that the work undertaken had been substandard and there had been significant delays in rectifying the issues caused. The Council reduced the cost of the invoice to reflect the inconvenience caused to the complainant and renewed a flat roof as a gesture of goodwill. Additionally, the invoice had not been placed on hold while these issues were disputed. An apology was offered for this mistake.

15. Complaint against Data Protection

Acknowledgement – 1 working day
Response – 20 working days
Complaint not upheld

Complaint

The concern raised was that not all the complainant's personal information was released as part of a series of Subject Access Requests (SAR).

Council's response

The Council's records showed that all the requests had been responded to within the statutory timeframes with each SAR having a specific response, as requested by the complainant.

16. Complaint against Neighbourhood Services

Acknowledgement – 1 working day
Response – 27 working days
Complaint not upheld

Complaint

The concern raised was that the Council had not been in contact with the complainant in relation to ASB and repair issues.

Council's response

The Council's records showed that the Housing officers had been in regular contact with the complainant by e-mail, telephone and conducting personal visits to their property. The complainant had missed several prearranged appointments and had not responded to requests for further evidence. It was found that Housing Officers had responded to the complainant's e-mails and telephone calls in a timely manner.

17. Complaint against Planning

Acknowledgement – 1 working day

Response – 10 working days

Complaint not upheld

Complaint

The concern raised was that the Council had not taken enforcement action against a developer for deviating from the proposed landscaping plan and for not ensuring protection of tree roots.

Council's response

The Council's records showed that the Planning Department had been in regular contact with the developer to ensure that the landscaping plan was adhered to and that the trees were protected during the development. As the development company closed before completion of the scheme the Council were unable to enforce any conditions established within the planning permission.

18. Complaint against Kimberley Leisure Centre

Acknowledgement – 1 working day

Response – 36 working days

Complaint not upheld

Complaint

The concern raised was that a swimming instructor had caused the complainants child to become upset and distressed during their swimming lesson.

Council's response

The Council records showed that the complainant's child was causing disruption in the class. The swimming instructor had repeatedly requested that child listen to their instruction for their safety and the safety of the other children. The complainant's child was spoken to individually to ensure that they understood that the instruction and that they were safe within the water. It was deemed that appropriate action was undertaken by the instructor to ensure all were safe within the swimming pool.

19. Complaint against Planning

Acknowledgement – 1 working day

Response – 31 working days

Complaint not upheld**Complaint**

The concern raised was that the Council had not taken enforcement action to ensure drainage was sufficient from a neighbouring property to the complainants.

Council's response

The Council records showed that the Planning department had been in regular contact with the complainant in regards to the drainage issues they had reported. The Council had referred to the matter to Erewash Borough Council and Nottinghamshire County Council as the responsible authorities for ensuring highways and building control regulations. Both Erewash and Nottinghamshire County Council concluded the drainage was sufficient and the enforcement case was closed.

The Planning department conducted a personal visit to the complainant to explain the outcome of this case.

20. Complaint against Neighbourhood Services

Acknowledgement – 1 working day

Response – 31 working days

Complaint not upheld**Complaint**

The concern raised was that the Council placed an injunction against the complainant which places them in "poor light". Additionally, a members of the Housing Team had physically assaulted the complainant resulting in permanent injury.

Council's response

The Council records showed that the complainant entered the Council building to be interviewed in regards to their housing situation. The complainant became agitated and threw a table at the Housing Officers. The complainant was restrained by the Housing Officers until the police arrived. The complainant was taken to court for these actions and injunction awarded against them.

The complaint was not upheld as there were several witnesses to the altercation and the complainant's actions led to an injunction against him.

21. Complaint against Neighbourhood Services

Acknowledgement – 1 working day

Response – 30 working days

Complaint upheld**Complaint**

The concern raised was that the Council had removed the complainant from the Council's housing register despite having a legitimate local connection.

Council's response

It was found that the complainant had been removed from the housing register while having a legitimate local connection through employment in the borough. An apology was offered, the complainant restored to the register and officers reminded of the need to follow the Allocations Policy.

22. Complaint against Neighbourhood Services

Acknowledgement – 1 working day

Response – 25 working days

Complaint not upheld**Complaint**

The concern raised was that the Council moved the boundary between the complainant's and their neighbour's property without consultation. Additionally, the complainant did not agree with the decision to move the boundary.

Council's response

The Council's records showed that the Housing Officer had visited the complainants to explain to them the intention of moving the boundary as it was not equidistant between the two properties. The housing officer wrote to the complainant to confirm the intention to move the boundary. Ultimately, the setting of boundaries between Council properties remains the decision of the Council.

23. Complaint against Neighbourhood Services

Acknowledgement – 1 working day

Response – 25 working days

Complaint not upheld**Complaint**

The concern raised was that the Council had not installed a ramp at the complainant's property as part of an aids and adaptations project. Additionally, the Council had not widened the complainant's pathways for their mobility scooter.

Council's response

The Council does not install ramps for mobility scooters at Council properties as they pose a significant fire risk. The complainant's housing application indicated that they were not a wheel chair user and the step was not sufficient enough to adapt for a ramp. Without medical evidence to support the complainant the Council could not undertake any adaptation works. The Council would not undertake any adaption works for a mobility scooter.

Additionally, the Council could not undertake a widening of the pathway for the mobility scooter for the same reasons outlined above. It was explained that the complainant could undertake these widening works themselves with the Council's permission and at their own expense.

24. Complaint against Neighbourhood Services

Acknowledgement – 1 working day

Response – 25 working days

Complaint upheld

Complaint

The concern raised that the Council had inadequately dealt with an issue of subsidence at their property and that the property was no longer suitable for their medical needs. The complainant had requested that they leave the property.

Council's response

It was found that the complainant's property was subsiding and period of observation was needed and requested by an independent surveyor. The repairs to the property could not be undertaken with the complainant still in property and they were placed as a band 1, urgent priority on the Council's housing register.

The complainant was subsequently informed that they were receiving a direct let on property in a retirement living complex.

The property offered under the direct let was not suitable for their needs and was withdrawn. It was found that the Housing Department had mismanaged the complainant's expectations on lettings process. An apology and £300 compensation was offered. These were declined by the complainant.

25. Complaint against Benefits

Acknowledgement – 1 working day

Response – 25 working days

Complaint upheld

Complaint

The concern raised that the Council had incorrectly stopped the complainant's benefits causing them to be financially compromised.

Council's response

It was found that due to an error made by the Benefits Team, the complainant's benefits were incorrectly stopped. It was found that there was no particular reason as to why the benefits were stopped other than an error being made. An apology and £200 compensation was offered and accepted by the complainant.

26. Complaint against Benefits

Acknowledgement – 1 working day

Response – 25 working days

Complaint upheld

Complaint

The concern raised that the Council had incorrectly stopped the complainant's Council Tax support and harassed the complainant in relation to back payments of Council Tax.

Council's response

It was found that the Department of Work and Pensions (DWP) had notified the Council that the complainant had increased assets and subsequently suspended the Council Tax support. The Council had attempted to contact the complainant to request further information in relation to these assets. The complainant did not respond to these requests and the Council Tax support claim was closed, an invoice was issued for the back payment of the Council Tax. After the invoice was not paid, a court summons was issued to the complainant.

The complainant reissued their claim and provided the additional information requested by the benefits team. The complainant stated that there was an issue with the DWP stating that they had increased assets and this was currently being looked into. A note was placed on the complainant's records stating that they did not have increased assets and that their Council Tax support should not be cancelled when receiving notification from the DWP.

The Council received notification from the DWP that the complainant had increased assets and their Council Tax support was suspended despite that note being on the system that this should not happen. The claim was reinstated. However, another notification was received and the claim was suspended again. This was reinstated once the error was noted.

An apology and £300 compensation was offered. This was not accepted by the complainant.

27. Complaint against Neighbourhood Services

Acknowledgement – 1 working day

Response – 33 working days

Complaint not upheld**Complaint**

The concern raised was that the Council had not consulted the complainant in relation to the removal of a hedge. Additionally, the complainant felt that the retirement living officers were ignoring them.

Council's response

It was found that the hedge bordering the retirement living complex was removed by the private occupier next door. While permission would have been required by the Council there are no records of permission or seeking permission from the private occupier to remove the hedge. The Council were not able to consult with residents or complainant in relation to the hedge removal as the Council had no prior knowledge of the proposed works.

Additionally, Council records showed that the complainant was visited once or twice a month by the Retirement Living Officers and their telephone calls had been returned in a prompt manner.

28. Complaint against Housing Repairs

Acknowledgement – 1 working day

Response – 16 working days

Complaint not upheld**Complaint**

The concern raised was that the complainant had been charged an excessive amount for the removal of their belongings from their former property following termination of their tenancy agreement.

Council's response

The Council's tenancy agreement states that upon termination the property should be left in clean and tidy state and all belongings removed. The Council followed the correct tendering process to establish a removal company to remove the remaining belongings. As various large items were left by the complainant, this increased the price for the removal. The cost of the removal was recharged to the complainant.

29. Complaint against Neighbourhood Services

Acknowledgement – 1 working day

Response –30 working days

Complaint not upheld**Complaint**

The concern raised was that following a change to the Council's Allocation Policy the complainant no longer met the local residency connection and was removed from the housing register.

Council's response

Council records showed that the complainant had moved from the borough and into another area. The local residency connection requires an applicant to have been in borough for 3 out of 5 years. The complainant had been out of the borough for over the 3 year period and therefore was removed from the register in line with the Allocation Policy.

30. Complaint against Housing Repairs

Acknowledgement – 1 working day

Response –17 working days

Complaint not upheld**Complaint**

The concern raised was that the Council had not informed the complainant of the replacement of their bathroom and that there was delay in moving into their property due to the bedroom ceilings needing to be replaced.

Council's response

Council records showed that the Housing Department had visited the complainant to inform them of the intention to renew the bathroom. However, this appointment was missed by the complainant. The complainant contacted the Council following this missed appointment and were informed that the bathroom was to be renewed.

As part of this complaint the complainant stated that due to the disrepair of the bedroom ceilings they were unable to move into the property until they were repaired. The Council records showed that the complainant had undertaken the work to repair the ceilings of their own accord and had not reported the issue the Housing Repairs Department. Therefore, it was not possible to determine the extent of the repair as there was no record of the damage.

APPENDIX 3**Stage 3 - Ombudsman Complaints****Complaint against Housing**Complaint

The complainant complained that during a clean and clear of their home, items were disposed of that they wanted to keep.

Ombudsman's conclusion

The Ombudsman noted that the Council had undertaken a clean and clear of the complainant's home at their request. The Council undertook this process as the property had been allowed to enter a state of disrepair by the complainant and they could not be discharged from hospital until the property was brought to a reasonable standard. The Complainant and their social worker produced a list of items that were required to be kept. This list of items was signed by the complainant and they informed the Council that all their belongings not on the list could be disposed of.

However, items were not included on the signed list provided by the complainant and were disposed of accordingly. The Council acted under instruction of the tenant to clear the property and all items requested on the signed list were kept. Therefore, the complaint was not upheld.

Complaint against Private Sector HousingComplaint

The concern raised is that the complainant was provided inaccurate information in regards to the minimum sizing for rooms available to rent at their property. This information caused them to evict their tenants and sell the property causing financial loss.

The complainant stated that the advice provided by the Council stated that the rooms were illegal to let.

Ombudsman's conclusion

The Ombudsman noted that advice had been issued to the complainant in regards to the HMO room sizing, however, it did not state that these rooms were illegal to let.

The complainant had contacted the Council several months prior to submitting their complaint that they intended to sell the property and remarket it as a family home.

It was determined that the advice issued did not cause the complainant to evict their tenants and sell the property as this was their intention in the first instance and before any complaint or room sizing advice was issued.

Complaint against Development Control**Complaint**

The concern raised was that despite the complainant's objection to a planning application, planning permission was granted, which resulted in a wall being erected outside of a window of their property. This has caused a loss of light within their property.

Ombudsman's conclusion

The Ombudsman noted that the Council had taken reasonable steps to protect the complainant's amenity and thoroughly explored their objections. The Ombudsman recorded their decision as not upheld, no evidence of fault by the Council.

Complaint against Town Centre Management**Complaint**

The complainant complained to the Council that their trial period to trade in a town centre had been cancelled without proper notice and without explanation.

Ombudsman's conclusion

The Ombudsman noted that the Council had mismanaged the complainant's trial period. The Ombudsman recorded their decision as upheld, evidence of fault by the Council. £600 was provided in settlement of this complaint.

Report of the Interim Strategic Director

FREEDOM OF INFORMATION REPORT 2018/2019

1. Purpose of report

To provide members with an overview of Freedom of Information (FOI) requests made to the Council.

2. Detail

The FOI Act came into force in 2000 and covers any information held by public bodies. The principle of the Act is that information on any subject held by any public body should be available to the public. The aim is to make public bodies more accountable and transparent. The right of access to information given in the Act includes both a right for members of the public to be told if the information exists, and if so a right to receive it, subject to certain exemptions. The most common exemptions used by the Council are listed below:

- Data Protection. This is information relating to a specific living individual.
- Commercial sensitivity. This is financial information relating to both the Council and its partners.
- Prevention of crime. This is information that could be used for fraud or the targeting of empty properties.

(This is not the full list of exemptions.)

This report outlines the performance of the Council in dealing with FOI requests and a breakdown of requests received to the various departments of the Council while the appendix provides a summary of the Council's internal FOI statistics.

The Council received a total of 926 FOI requests in 2018/19, marking an increase from the 752 requests received in 2017/18, and is required to respond to FOI requests within 20 workings days. In 2018/19 96.5% of requests were responded to with the 20 working day time frame.

This report is the first year of reporting the annual statics relating to FOI requests to the Committee. More comparative data will be available for the next reporting cycle.

It should be noted that the increase in requests may have resource implications for the Democratic Services section should the trend continue. The section also has responsibility for servicing committees and complaints amongst other areas.

Recommendation

The Committee is asked to NOTE the report.

Background papers

Nil

APPENDIX

FOI requests received

	Total	Chief Execs	Deputy Chief Execs	Interim Strategic Director	Liberty Leisure Ltd	Nottinghamshire County request
Number of FOI requests	926	282	227	279	9	129

This table shows the figures for the overall FOI requests received by department. A further breakdown of the individual sections is provided below.

Chief Executive's Department

Department	Total number of requests
Housing	62
Private Sector Housing	21
Environmental Health	70
Public Protection	27
Whole Council	6
Human Resources	18
Licensing	18
Legal Services	5
Planning	51
Chief Executive's	4

Deputy Chief Executive's Department

Department	Total number of requests
Revenues and Benefits	49
Finance	28
Deputy Chief Executive	9
Property Services	43
Health and Safety	4
Bereavement Services	2
National Non Domestic Rates	72
Parking Services	20

Interim Strategic Director's Department

Department	Total number of requests
Waste and Recycling	58
Parks and Environment	4
Elections	14
Administration	3
ICT Services	41
Land Charges	139
Corporate Communications	11

Department	Total number of requests
Payroll	9

Liberty Leisure

Department	Total number of requests
Leisure Services	9

Nottinghamshire County Council

Department	Total number of requests
Nottinghamshire County Council services	129

The Council is required to respond to requests for Nottinghamshire County Services (NCC) stating that Broxtowe Borough Council is not responsible for these services and that the requester should contact NCC.

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Report of the Interim Strategic Director

WORK PROGRAMME

1. Purpose of report

To consider items for inclusion in the Work Programme for future meetings.

2. Background

Items which have already been suggested for inclusion in the Work Programme of future meetings are given below. Members are asked to consider any additional items that they may wish to see in the Programme.

23 September 2019	<ul style="list-style-type: none"> • Internal Audit Progress Report • Internal Audit Review of Effectiveness • Internal Audit Charter • CIPFA Statement on the Role of the Head of Internal Audit • Review of Strategic Risk Register
2 December 2019	<ul style="list-style-type: none"> • Internal Audit Progress Report • Review of Strategic Risk Register
16 March 2020	<ul style="list-style-type: none"> • Internal Audit Plan 2020/21 • Internal Audit Progress Report • External Audit Plan 2019/20 • Review of Strategic Risk Register • Statement of Accounts 2018/19 – Accounting Policies • Statement of Accounts 2019/20 – Underlying Pension Assumptions

Recommendation

The Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.

Background papers

Nil

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