

Central Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ

**This meeting
may be filmed.***



**Central
Bedfordshire**

please ask for Leslie Manning
direct line 0300 300 5132
date 28 March 2018

NOTICE OF MEETING

AUDIT COMMITTEE

Date & Time

Monday, 9 April 2018 10.00 a.m.

Venue at

Room 15, Priory House, Monks Walk, Shefford

Richard Carr
Chief Executive

To: The Chairman and Members of the AUDIT COMMITTEE:

Cllrs M C Blair (Chairman), D J Lawrence (Vice-Chairman), D Bowater,
P Downing, R Morris, D Shelvey and A Zerny

[Named Substitutes:

Cllrs R D Berry, Mrs J G Lawrence, I Shingler and N Warren]

All other Members of the Council - on request

***MEMBERS OF THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THIS
MEETING***

***Please note that phones and other equipment may be used to film, audio record, tweet or blog from this meeting. No part of the meeting room is exempt from public filming.**

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AGENDA

1. **Apologies for Absence**

To receive apologies for absence and notification of substitute Members.

2. **Minutes**

To approve as a correct record the minutes of the meeting of the Audit Committee held on 8 January 2018 (copy attached).

3. **Members' Interests**

To receive from Members any declarations of interest.

4. **Chairman's Announcements and Communications**

To receive any announcements from the Chairman and any matters of communication.

5. **Petitions**

To receive petitions from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part 4G of the Constitution.

6. **Questions, Statements or Deputations**

To receive any questions, statements or deputations from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of Part 4G of the Constitution.

Reports

Item	Subject	Page Nos.
7.	External Audit Progress Report To consider a report from Ernst & Young LLP which provides an overview of the progress made by the company with regard to the work it needs to complete during the 2017/18 audit.	* 15 - 24

8. **Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments** * 25 - 34
- To consider an update on the operation of the current Risk Based Verification (RBV) Policy and seek approval for the proposed Policy for 2018/19.
9. **Counter Fraud and Corruption Strategy** * 35 - 60
- To consider the proposed corporate strategy for countering fraud and corruption.
10. **Updated 2018-19 Internal Audit Plan** * 61 - 74
- To review the updated 2018/19 Internal Audit Plan.
11. **Risk Update Report** * 75 - 86
- To consider an overview of the Council's risk position as at March 2018.
12. **Internal Audit Progress Report** * 87 - 96
- To consider an update on the progress of work by Internal Audit for 2017/18.
13. **Tracking of Internal Audit Recommendations** * 97 - 104
- To consider a summary of high priority recommendations arising from Internal Audit reports together with the progress made in their implementation.
14. **Work Programme** * 105 - 108
- To consider the Audit Committee's work programme.

Exempt Appendix

<i>Item</i>	<i>Subject</i>	<i>Exempt Para.</i>	<i>Page Nos.</i>
15.	Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments	* 7	109 - 114

To receive the exempt appendix.

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **AUDIT COMMITTEE** held in Room 15, Priory House, Monks Walk, Shefford on Monday, 8 January 2018

PRESENT

Cllr M C Blair (Chairman)
Cllr D J Lawrence (Vice-Chairman)

Cllrs D Bowater
P Downing
R Morris

Cllrs D Shelvey
A Zerny

Members in Attendance: Cllr Mrs J G Lawrence

Officers in Attendance: Ms M Damigos Corporate Lawyer, LGSS Law
Mr S Dykes Information Security Manager
Mr D Galvin Assistant Director of Finance
Mr C Horne Head of Internal Audit and Risk
Mr L Manning Committee Services Officer
Mr C Warboys Director of Resources

Others in Attendance: Mr N Harris Associate Partner – Ernst & Young
LLP
Ms C Ryan Senior Manager – Ernst & Young
LLP

AUD/17/28 Minutes

RESOLVED

that the minutes of the meeting of the Audit Committee held on 27 September 2017 be confirmed and signed by the Chairman as a correct record.

AUD/17/29 Members' Interests

None.

AUD/17/30 Chairman's Announcements and Communications

The Chairman wished attendees a Happy New Year. He then asked they silence their mobile telephones.

AUD/17/31 Petitions

No petitions were received from Members of the public in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.

AUD/17/32 Questions, Statements or Deputations

No questions, statements or deputations were received from members of the public in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.

AUD/17/33 Certification of Claims and Returns Annual Report 2016-17

The Committee considered a report from Ernst & Young LLP which summarised the results of the company's work on the Council's 2016-17 claims and returns.

Points and comments included:

- The errors found in relation to income assessment and the misclassification of overpayments in the housing benefits subsidy claim which the Council subsequently corrected. The Senior Manager, Ernst & Young explained that the errors had been extrapolated across the relevant cell totals and a report submitted to the Department for Work and Pensions (DWP). In response to Members' queries she advised that such errors were widespread across local authorities because the system was inherently complex. Further, many of the cases dealt with by the Council were complicated and if the error rates were lower elsewhere it might be because other councils had smaller numbers of such cases.
- Comment by the Director of Resources on the increasing complexity of the cases being dealt with as a result of zero hours contracts and irregular employment patterns. Despite these issues, however, the level of errors by the Council had decreased to approximately 10% of where it had once been. He added that it would not be possible to reduce it beyond this point. Further, whilst the DWP's extrapolation led to attempts to 'claw back' monies challenges by the Council resulted in a claw back figure of £50k out of a total of £50m. He concluded by emphasising that he was content that the Council was carrying out its duties as well as it could.
- The Senior Manager, Ernst & Young expressed her thanks to the officers for the assistance which the company had received from them during its work.
- The meeting was reminded that from 2018/19 the Council would be responsible for appointing its own external auditors. The Director of Resources stated that he believed the most efficient way forward was to continue with Ernst & Young in this role and that the Council had been about to enter into a contract with that company. However, the DWP had issued a note relating to the scope of the work expected from the external auditors and the proposal had been suspended pending further clarification from the DWP. The Associate Partner, Ernst & Young stated that the clarification was expected by mid-January.

RECEIVED**the certification of claims and returns annual report 2016-17.****AUD/17/34 Annual Audit Letter for the Year Ended 31 March 2017**

The Committee considered a report from Ernst & Young LLP which presented the Annual Audit Letter for the year ended 31 March 2017. The letter set out the key issues arising from the company's work as the Council's external auditor.

The Ernst & Young Associate Partner expressed satisfaction with the conduct of the audit and the Chairman expressed his congratulations to the Council's Finance team for its efforts in ensuring the audit's success.

Points and comments included:

- A Member's reference to the external auditor's conclusion that, with regard to the 'Significant Risk' identified in connection with joint working on Sustainable and Transformation Plans (STPs), the Council had sound arrangements in place for local working with its STP partners though he commented that future outcomes remained unknown. In response the Associate Partner stated that Central Bedfordshire was well engaged in the process in comparison to other local authorities and could be regarded as a forerunner in this regard.
- The Chairman drew the meeting's attention to the absence of any objections to the 2017 financial statements from any member of the public.

RECEIVED**the 2016/17 Annual Audit Letter.****AUD/17/35 Audit Planning Report**

The Committee considered a report which provided Members with a basis to review the proposed audit approach and scope for the 2017/18 audit by the Council's external auditors, Ernst & Young LLP, and ensure that the audit was aligned with the Committee's service expectations.

Points and comments included:

- The Director of Resources reference to the benefits arising from the use of the Chartered Institute of Public Finance and Accountancy's (CIPFA's) closedown software tool (known as the 'Big Red Button') in the preparation of the statement of accounts. Whilst some initial problems had occurred and the software had required time and effort when first introduced last year, he was confident that any issues had been resolved and the shortened timescale for the production of the

statement of accounts would be met. He also referred to the delaying impact of the revaluation of the housing stock. A new process had been agreed which would avoid this happening again.

- The Director of Resources reference to the introduction of a client portal which had the aim of ensuring everyone had access to the same information.
- A Member's query under the 'Value for Money' section of the report regarding the financial impact of the emerging Local Plan on the Resources Directorate. The Director stated that the building of more homes within Central Bedfordshire would give rise to additional income in the form of council tax. Growth in business and in the numbers of jobs would increase business rate income. Both of these had been included within the financial model and had been taken into account as far as had been possible.
- Under 'Performance Materiality' in the 'Materiality' section the Committee noted that the reference to '75% of planning materiality' should be amended to read '2% of planning materiality'.
- The Ernst & Young Associate Partner explained under 'Our Audit Process and Strategy' section that there would be an increased use of data analysis tools to help meet deadlines in the audit process. He also referred to useful insights on data held by the Council and undertook to report on this to the Committee.
- The Ernst & Young Associate Partner briefly outlined the forthcoming changes which would impact over the new financial year.

NOTED

the external Audit Planning report for the year ending 31 March 2018.

AT THE CONCLUSION OF ITEM 9 ABOVE MR N HARRIS AND MS C RYAN LEFT THE MEETING

AUD/17/36 Update on Preparations for the General Data Protection Regulation (GDPR)

The Committee considered a report which provided an update on preparations for the General Data Protection Regulation (GDPR) and the Council's plans for compliance. A table setting out the Council's position with regard to the actions recommended by the Information Commissioner's Office (ICO) was attached at Appendix A to the report.

Points and comments included:

- A GDPR Working Group composed of the Information Security Manager, LGSS Corporate Lawyer, Head of Internal Audit, Deputy Chief Information Officer, Records and Risk Officer and Information Request Officer had been formed.

- Briefings for all staff would take place in April. Guidance documents had been received from the ICO and guidance produced by the NHS had also been employed.
- The Corporate Lawyer stated that, although adoption of the GDPR was a legal requirement, some procedural issues which arose might require the Committee's consideration, for example in relation to the Constitution.
- A Member requested that the Committee consider how schools were handling the data they held on their children as companies appeared to be able to access this on a widespread basis. He referred to the concerns expressed to him by parents. The Member believed most schools were not compliant with existing data protection legislation and some would not be able to meet their obligations under the GDPR. In response the Corporate Layer explained that the Council was not responsible for data issues in schools though it was trying to assist them and would be providing briefings.
- A Member's reference to issues arising from councillors' use, retention and storage of Council and personal emails. Another Member commented that many councillors were not aware that they were their own Data Protection Officer and he wondered if they were knowledgeable enough to perform this role. He also expressed concern that the National Association of Local Councils (NALC) had only just began to respond to the demands arising from the introduction of the GDPR and that training would only commence in March. The Corporate Lawyer stated that, under the Information Commissioner, there was no allowance for non-compliance with the Regulation in any form. Both she and the Information Security Manager referred to the training and briefings which would be provided for all Members and employees and the measures which could be employed to ensure Members met the Regulation's requirements including the automatic display of a privacy notice on the bottom of Members' emails. The Committee noted that assistance would also be given to town and parish councils.
- A Member suggested that an update report be supplied to Members of the Committee on a monthly basis. Mindful of the timescale involved and the pressure on officers the Corporate Lawyer indicated that, where necessary, updates be included in the Members' Bulletin.

NOTED

the update on the preparations for the General Data Protection Regulation (GDPR) and the Council's plans for compliance.

AUD/17/37 Statement of Accounts 2017/18

The Committee considered a report by the Director of Resources which outlined the key changes required to the Council's statutory Statement of Accounts for 2017/18.

Points and comments included:

- That with regard to English local authorities the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for 2017/18 had relatively limited changes compared to 2016/17.
- A main area of change arose out of the Accounts and Audit Regulations 2015 and related to the presentation of the financial statements and the introduction of a requirement to produce a Narrative Statement which provided an acceptable guide to the most significant matters reported in the accounts.
- Another main change arose out of the Housing Revenue Account (HRA) self-financing settlement in 2012 related to the accounting treatment of capital assets. A five year transitional period had been put in place and provisions had been effective from 1 April 2017.
- There were no changes to accounting standards that impacted on the Statement of Accounts 2017/18.
- The Committee was reminded that the Accounts and Audit Regulations 2015 required local authorities to approve and publish their accounts by 31 May and 31 July respectively with effect from the accounts for 2017/18. A trial run had taken place in 2017 with the Statement of Accounts for the year 2016/17.
- It was proposed to present the 2017/18 accounting statements in a similar manner to those made to the Committee over the previous five years. The presentation would be made to the meeting on 30 May 2018 with the usual open invitation to all Council Members to attend.
- The Accounts and Audit Regulations had extended the period for the exercise of Public Rights (which included rights of objection, inspection of the local authority accounting documentation and questioning of the External Auditor) to 30 working days.

NOTED

the changes required in the preparation of the Council's statutory Statement of Accounts for 2017/18.

AUD/17/38 Local Government Pension Scheme Update

The Committee considered an update on the governance of the Local Government Pension Scheme.

Points and comments included:

- Reference by the Assistant Director of Finance to opportunistic investment in the form of private debt. Although high risk in nature, private debt also presented a better long term investment as it might

become more attractive in the future as the interest rate was floating. The Committee noted that the Pension Fund was able to invest up to 2% in opportunistic investments, 1% of which had been allocated to the Standard Life SOF III. The Fund Administrator had therefore advised that there was still the opportunity for a further 1% opportunistic investment and two Fund managers had been invited to a meeting later in January when a decision would be made on whether to proceed with this type of investment.

- The Border to Coast Pension Partnership (BCPP), of which the Bedfordshire Pension Fund was a member, would be located in Leeds. Leeds had been chosen because of its proximity to some of the other Partnership members, its strong governance and the presence of suitably qualified staff. Unfortunately, there would be overheads as a result of the relocation but they would reflect the market rate.
- The Vice-Chairman raised the possibility that its monies could be used to invest in infrastructure projects; an earlier suggestion to do so having been rejected on the grounds of a financial conflict of interest. In response the Assistant Director Finance explained that any decision on such a proposal would need to be taken by the Fund which would need to be convinced that it represented the best use of the available resources. The Assistant Director Finance added that the creation of pooled investment could reduce the influence of individual pension funds.

NOTED

the Local Government Pension Scheme update.

AUD/17/39 Risk Update Report

The Committee considered a report which provided an overview of the Council's risk position as at November 2017.

Points and comments included:

- Many strategic risks had been updated with regard to their 'Description', 'Mitigating Actions Already Underway' and 'Further Action Planned' fields. The changes were shown as tracked changes on Appendix B to the report of the Director of Resources.
- Each Directorate was to determine its own key operational risks at Directorate Management Team (DMT) level. The top risks would contribute to the quarterly update for Operational risk to the Committee.
- A Member's suggestion that Strategic Risk STR0027 (Failure to adopt a Local Plan and Community Infrastructure Levy (CIL)) be moved from High to Very High as a result of the likely detrimental financial impact which would arise should the Council fail to adopt a CIL. In response the Director of Resources stated that the Strategic Risk contained two distinct matters, these being the Local Plan and the CIL. There was no major strategic risk to the Council of a failure to adopt a CIL, nor was the

Council dependent on it to function. He suggested its deletion from the Risk description so that the focus was entirely on the impact of a failure to adopt a Local Plan.

NOTED

the Strategic Risks facing Central Bedfordshire Council as set out in the Risk Register Dashboard and Strategic Risk Register attached at Appendices A and B respectively to the report of the Director of Resources.

AUD/17/40 Internal Audit Progress Report

The Committee considered a report outlining the progress made on Internal Audit work against the 2017/19 Internal Audit Plan up to the end of November 2017.

Points and comments included:

- The Fundamental System audits for Accounts Receivable, Main Accounting Systems and Housing Benefits were at draft report stage and all had obtained Adequate Assurance opinions.
- That all the other Fundamental System audits apart from Swift Financials were nearing completion and no significant issues had been identified. The Swift Financials audit would start shortly.
- That a light touch approach had been employed for the reviews for several years so more detailed substantive testing had been adopted for each audit on a prioritised risk basis. Any previous recommendations had also been followed up.
- That Internal Audit continued to be engaged in several projects in order to provide advice and guidance on the control environment during project implementation. In addition to the Fundamental System audit reviews a number of other audits had been completed since the last update and other reviews were progressing.
- That whilst no further school audits had been carried out since the last update initial preparations had been made for several audits during February/March 2018. The audits would pilot Internal Audit's new approach which included a reduced amount of time 'on-site'.
- That a new Senior Auditor had been appointed and had joined the team in October. A new Audit Manager had also been appointed though a start date had yet to be agreed.
- Consideration was being given to bringing in specialist external expertise to support ICT audit work with some specific reviews.
- Ernst and Young LLP had been confirmed as the Council's External Auditor from 2018/19.
- The remaining Audit Plan had been reprioritised in view of Internal Audit's remaining capacity and relevant business/risk factors with a number of planned audits either being cancelled or deferred to 2018/19.

The Head of Internal Audit and Risk assured the Committee that the cancelled audits would still form part of the assessment.

- The Head of Internal Audit and Risk advised that each Council Directorate would determine its own key risks at Directorate Management Team (DMT) level.
- In response to a Member's query regarding progress at Sandy Upper School the Assistant Director of Finance, who also sat on the school's governing body as the local authority governor, outlined the unique circumstances and advised that the situation had improved and continued to do so.

NOTED

the progress made against the 2017/19 Internal Audit Plan.

AUD/17/41.Tracking of Internal Audit Recommendations

The Committee considered a report which summarised the high priority recommendations arising from Internal Audit reports and the progress made in implementing them.

The Head of Internal Audit and Risk updated the meeting with regard to the adoption of a Corporate Landlord model, the implementation of this function and a review of health and safety compliance in the Council's non-housing estate (Recommendation R3 in Appendix A to the report refers).

NOTED

the report setting out the high priority recommendations arising from Internal Audit reports and the progress made in implementing the recommendations to date.

AUD/17/42.Work Programme

Members considered a report which set out the Committee's work programme.

Following comments by a Member the Committee discussed the possible submission of update reports on the General Data Protection Regulation (GDPR) to future meetings. However, and whilst fully recognising the importance of ensuring compliance with the requirements of the GDPR, the Chairman was of the opinion that the Council's response, as presented by the Chief Information Officer, was as comprehensive as it could be. He suggested that further updates should only be submitted if issues arose that required the Committee's attention.

RESOLVED

- 1 that the proposed Audit Committee work programme, as attached at Appendix A to the report of the Committee Services Officer, be approved;**

- 2 that should any issues arise with regard to the Council's compliance with the requirements of the General Data Protection Regulation the Chief Information Officer submit an update report to the Committee.**

(Note: The meeting commenced at 9.30 a.m. and concluded at 11.36 a.m.)

Chairman

Dated

Central Bedfordshire Council

Audit Committee

9 April 2018

External Audit Progress Report

Report of Ernst & Young LLP

Neil Harris, Associate Partner

Purpose of this report

To receive a report from Ernst & Young LLP which provides an overview of the progress made by the company with regard to the work it needs to complete during the 2017/18 audit.

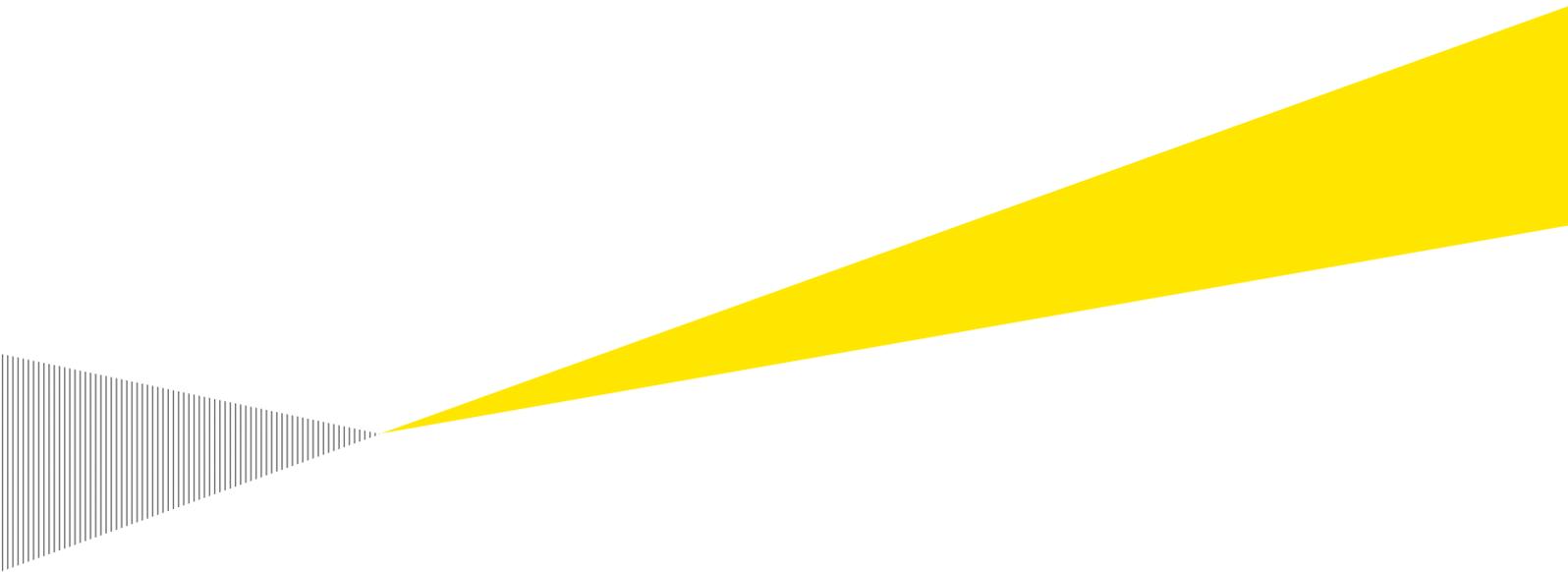
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Central Bedfordshire Council

Audit Committee

External Audit Progress Report

14 March 2018





Ernst & Young LLP Tel: 01582 643000
400 Capability Green Fax: 01582 643001
Luton www.ey.com/uk
Bedfordshire LU1 3LU

14 March 2018

Audit Committee
Central Bedfordshire Council

Dear Committee Member

Audit Progress Report

We are pleased to attach our Audit Progress Report. Its purpose is to provide the Committee with an overview of the progress that we have made with the work that we need to complete during the 2017/18 audit. This report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations. We will bring a progress report to each Committee except for those where we will bring the Audit Plan or the Audit Results Report.

Our audit is undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, auditing standards and other professional requirements.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Neil Harris
Associate Partner
For and behalf of Ernst & Young LLP

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website (www.PSAA.co.uk).

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment (updated February 2017)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

2017/18 audit

Audit status

This is our progress report for the 2017/18 audit year. Appendix A is a summary of the key deliverables and progress against these.

Audit Planning

We audit the Council's Statement of Accounts in accordance with the requirements of the National Audit Office's 2015 Code of Audit Practice, auditing standards and other professional requirements.

At the conclusion of our work, we provide an opinion on whether the financial statements give a true and fair view of the financial position of the Council and of its expenditure for the financial year under audit.

We completed our planning for the 2017/18 audit issued our Audit Plan in December 2017. The Audit Plan was presented to the Audit Committee at its meeting on 8 January 2018.

Significant risks

Our Audit Plan set out the significant and other risks we identified as part of planning procedures that influenced our audit strategy. The significant risks identified are:

- Risk of fraud in revenue and expenditure recognition

In our Audit Plan we set out that this risk is focused around those items of income and expenditure which are non-routine and involve more management estimation and judgment such as year-end income and expenditure accruals and provisions. We have carefully considered the revenue and expenditure streams of the Council and considered each against the risk of fraud in revenue and expenditure recognition. In making this assessment, we have considered:

- Our assessment of the control environment at Central Bedfordshire Council relevant to opportunities and incentives to commit revenue recognition fraud
- The statutory framework in place to regulate local government finance
- The nature of the financial regime established in local government
- The nature of the financial transactions undertaken by Central Bedfordshire Council, and whether these present both the opportunity and incentive to engage in material revenue manipulation

Having considered each of the streams, we have concluded that, in view of our understanding of the revenue and expenditure streams, the risk of material misstatement arising from inappropriate revenue recognition has a low likelihood of occurrence and is unlikely to be of a size which would be material to the users of the financial statements in the majority of cases. We have therefore rebutted the risk of fraud in revenue recognition in full. We have also rebutted the risk of fraud in expenditure recognition for all areas of expenditure, with the exception of 'Other service expenses'. Expenditure of £344 million was reported under this heading in 2016/17. It comprises a range of transactions, for example supplies and services and payments to contractors for services such as refuse collection but also items that are individually small and subject to individual invoice arrangements on a short term credit basis. Given the range of transactions included, we have concluded that there is a potential risk of manipulation in terms of recognition of expenditure and will tailor our audit testing to address this risk. We will keep this assessment under review and report to you any changes to this assessment.

- Management override

We have considered generic risk factors that could indicate how specific risks of management override manifests itself at the Council, such as the financial position and historic performance against budget. We have also considered the specific additional risks of management override as they relate to local government accounts. Based on our consideration of the key areas susceptible to management override we have concluded that the area that management have the greatest opportunity to override controls is within non system accruals where judgements and estimates are made.

We will update the Audit Committee with our findings in our Audit Results Report in July 2018.

Other areas of audit focus

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

- Valuation of land and buildings
- Pension liabilities
- Early closedown of accounts

In order to facilitate the earlier statutory deadline for the audit of the financial statements, we agreed with the Council a range of early substantive testing to be undertaken in February. We have completed work in the following areas:

- Month 9 data analytics – the Council provided M9 data analytics for the general ledger and payroll
- Substantive analytical reviews for council tax and non-domestic rates
- Precepts testing
- Expenditure testing – sample has been provided and evidence provided for 70% of the items. The finance team are continuing to add evidence to the shared folder.
- Income testing – sample has been provided and the finance team is gathering the required evidence to support which is being added to the shared folder.
- Grant income – work completed
- Journals – analysis completed to month 9
- Pension disclosures – work started
- Members allowances
- Significant contract review
- Payroll – interim work completed
- Property, plant and equipment – some work completed e.g. schools existence testing, depreciation, disposals
- Some disclosure notes including accounting policies

The audit team and the finance team will continue to work together to bring work forward, reducing pressure on both teams at the year-end audit. Key areas to consider are:

- Property, plant and equipment – additions
- Property, plant and equipment - information to support existence testing
- Property, plant and equipment – information to support valuations testing
- Any additional disclosure notes that can be drafted early

We have completed our walkthroughs of the Council's material financial systems which has confirmed our understanding of the systems in place at the Council.

We will be undertaking our audit of the draft financial statements in June/July 2018 and will report our findings in our Audit Results Report to the July Audit Committee.

Audit Committee Briefing

Our Audit Committee Briefing is one of the ways that we hope to continue to support you and your organisation in an environment that is constantly changing and evolving.

It covers issues which may have an impact on your organisation, the local government sector and the audits that we undertake.

Links to where you can find out more on any of the articles featured can be found at the end of the briefing, as well as some examples of areas where EY can provide support to new and existing local government bodies.

The current briefing was circulated to members outside of the meeting. We hope that you find the briefing informative and should this raise any issues that you would like to discuss further please do contact your local audit team.

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Central Bedfordshire Council

AUDIT COMMITTEE

9 April 2018

Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments

Advising Officers: Charles Warboys, Director of Resources (charles.warboys@centralbedfordshire.gov.uk) and Gary Muskett, Head of Revenues and Benefits (gary.muskett@centralbedfordshire.gov.uk)

This report relates to a non-Key Decision

Purpose of this report

1. The purpose of the report is to update Members on the operation of the current RBV policy and seek approval of the Risk Based Verification policy for the coming year.

RECOMMENDATION

The Committee is asked to:

1. Consider and comment on the current operational impact of the Risk Based Verification Policy and
2. Approve the Risk Based Verification Policy for 2018/19 at Appendix A

Comments from Overview and Scrutiny

2. This report has not been discussed by the Overview and Scrutiny Committee. The Department for Works and Pensions (DWP) guidance states that it is good practice for Risk Based Verification Policies to be examined and approved by the authority's Audit Committee.

Background

3. The Housing Benefit Regulations require local authorities to obtain information which allows an accurate assessment of a claimant's entitlement to benefit to be made. However, with the exception of a national insurance number and proof of identity, they do not specify what evidence is required.

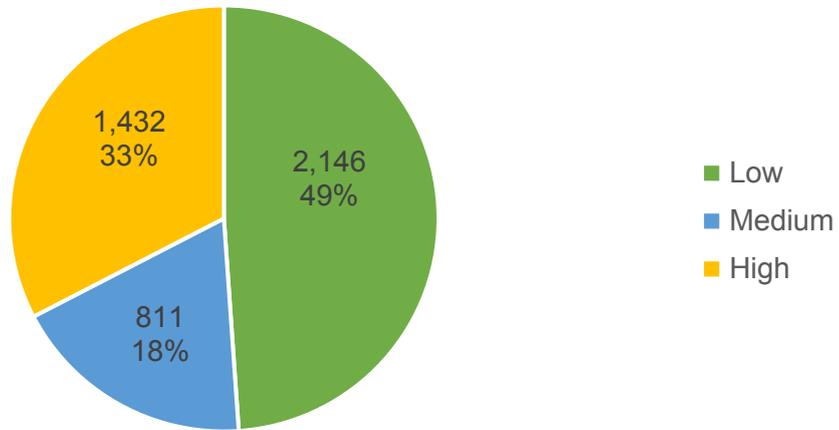
4. In 2011 the DWP changed the requirement and now allows Local Authorities to carry out this verification using a risk based approach for new benefit claims.
5. Risk Based Verification (RBV) is a method of applying different levels of checks to new Housing Benefit and Local Council Tax Support claims according to the risk associated with those claims.
6. Claims are assessed prior to payment and put into 1 of 3 categories – **Low, Medium or High** and this determines the requirement to gather proof.
7. The risk category is determined by proprietary software using statistical information and risk propensity data gathered over many years about what type of claim represents what type of risk.
8. The RBV software is integrated with the benefit processing software and on-line electronic form. When a customer submits an on-line claim / application form, it is immediately risk scored with the relevant evidence requirement being displayed to the customer before the claim is finally submitted.
9. Central Bedfordshire Council adopted this new approach for new claims with effect from 1 April 2015 following approval of the Policy by the Audit committee on 30 March 2015.

Monitoring of Risk Scores

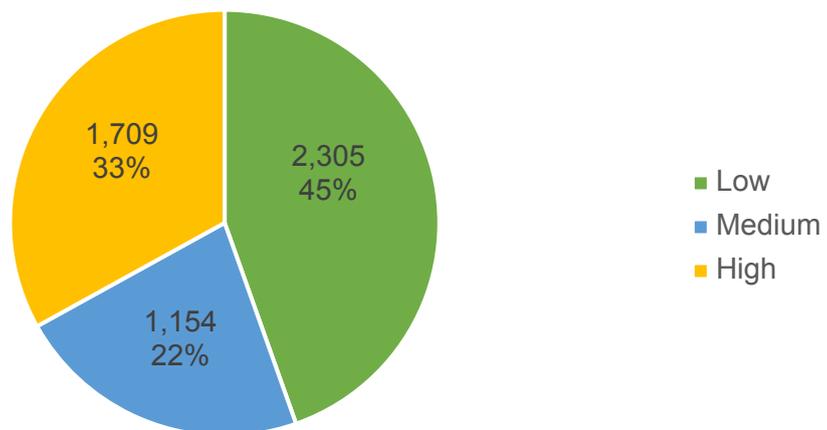
10. We have monitored the effectiveness of RBV since its introduction in April 2015 and can report as follows:

Risk Score	2015/16	2016/17	2017/18	Variance (2015/16 to 2017/18)
Low	2,146 (48.89%)	2,305 (44.60%)	2,316 (44.81%)	+170 (+7.92%)
Medium	811 (18.47%)	1,154 (22.33%)	1,147 (22.19%)	+336 (+41.43%)
High	1,432 (32.64%)	1,709 (33.07%)	1,706 (33.00%)	+274 (+19.13%)

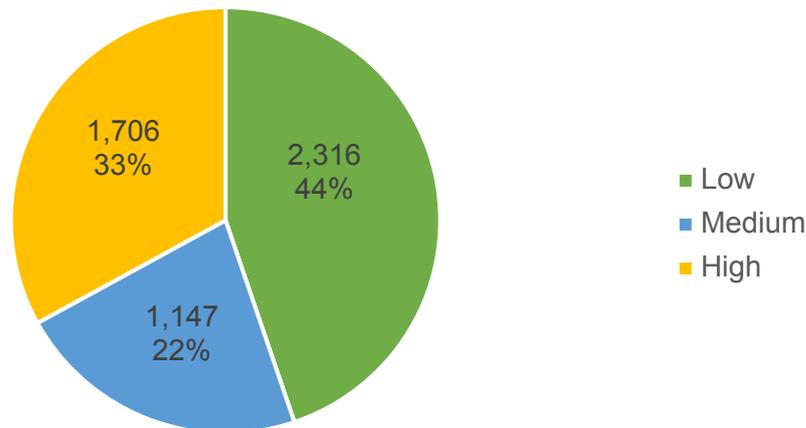
Distribution of risk scores for 2015/16



Distribution of risk scores for 2016/17



Distribution of risk scores for 2017/18



These scores fall outside of our expected risk scores which were forecast to be 55% low, 25% medium and 20% high.

We have been advised by our RBV software supplier that the variation in risk scores is quite normal as the original distribution percentage was calculated in 2011 when RBV was introduced nationally and due to changes in caseload demographics that have taken place over the last four years, specifically the increase in the number of in-work claims, there has been an increase in the number of high risk cases.

Our RBV software supplier has analysed the outturn from our new claims and whilst our number of high risk cases are higher than the expected average, the results show we receive a proportionally higher number of claims from claimants who do not receive social security benefits. There is a greater propensity for such claims to be deemed as "higher risk". A very small number of claims from pension age applicants were found to be high risk.

Error Detection

11. There were 1,432 high risk cases submitted in the 2015/16 year, only 663 of which were still in receipt of Housing Benefit/ Local Council Tax Support at the end of that year.

For the 2016/17 the number of high risk cases submitted increased to 1,709 with 687 claims still being in receipt of Housing Benefit/Local Council Tax Support at the end of that year.

For the 2017/18 year (April 2017 to end of February 2018) the number of high risk cases submitted remained almost the same at 1,706 with 522 claims still being in receipt of Housing Benefit/Local Council Tax Support at the end of that year.

12. Analysis of these high risk cases by claim type is shown below. Some cases fall into more than one category and this combination maybe the reason for the high risk score as opposed to the claim type itself, so for example we could not say all student claims are high risk:

Type of claim / income	No. of claims 2015/16	No. of claims 2016/17	No. of claims 2017/18
In receipt of DWP out of work benefit	58	88	73
Has a non-dependant(s)	36	56	41
Student	7	12	8
Receiving a discretionary housing payment	7	5	4
Claimant earnings	403	399	432
Claimant self employed	65	75	81
Partner earnings	98	84	73
Partner self employed	32	21	15
Child care costs	3	3	2
Tariff income from capital	13	15	12
Social housing reduction applied	36	32	29

13. A random sample of the highest risk cases (high risk definitions are split across 3 levels) that are still in receipt of Housing Benefit / Local Council Tax Support was undertaken in May 2017 to provide a test group for further analysis.
14. This group was subject to a full review of the income details used in the assessment of the claim in order to detect any instances of undeclared changes of circumstance e.g. an increase in wages.
15. 10 high risk claims were reviewed in detail. 8 out of 10 of the claims had some form of change in circumstance that had not previously been reported and most of the changes related to fluctuations in claimant's earnings.
16. It was anticipated that the claims selected for review would be for claimants who were working, either employed or self-employed. As it transpired all 10 claimants were females with or without children who were working.
17. Since this successful small-scale trial was undertaken the DWP have announced a new initiative known as Verify Earnings and Pension service (VEP). This service will enable all Councils to use the earnings and pension information supplied by HM Revenues & Customs

(HMRC) to verify new claim assessments, change of circumstances and reviews of claims.

18. An alert service will also be developed by the DWP that will use HMRC payment data to trigger an alert to Councils as and when there are certain changes to a claimant's earnings and pensions information during the life of a HB claim. There will be 2 categories of alert:
 - "Start" alerts, this will alert Councils that a claimant or their partner has new employment earnings or non-state pensions
 - "Fluctuating" alerts, this will alert Councils that a claimant or their partner's employment earnings or non-state pensions have changed.
19. The go-live date for introducing VEP for our claimants is expected to be in the first quarter of 2018/19.
20. The introduction of VEP will create additional work with potentially more claims needing to be amended but it will negate the need to review many of our high risk category claims.
21. Over the period that RBV has been in place, the average speed of processing time has been comparable from 2015/16 to 2017/18, at approximately 37 days, although 2017/18 has seen an improvement of almost 8 days with an average of 29 days.
22. Measuring the exact impact of RBV on the speed of processing time is difficult as there are always a number of unforeseen issues to factor into performance monitoring, such as staff changes and system availability. However, the processing time over the last 12 months has seen an improvement which will have been aided by RBV and the gradual increase in the number e-claim forms being submitted.
23. Initial take up of new claims being made on-line was very rapid when the facility was introduced, but since then the proportion has grown slowly to the 40% received in January 2018. This position is expected to improve in 2018/19 as the on-line form is publicised further following the implementation of our customer portal in July 2017 and the facility for claimants to upload evidence in support of their claims which will go live in March.
24. We have seen a reduction in the number of documents scanned and indexed in support of new claims, since July 2015 when the on-line benefits claim form was launched.
25. Just over 44% of new claims are returned as low risk which means more resources are targeted at the medium and high-risk cases. This enables a more efficient targeting of potential fraud and error.

DWP Requirements

26. The DWP require any local authority adopting RBV to have in place a RBV policy and for this to be reviewed on an annual basis. The DWP circular S11/2011 issues guidance on what should be contained in the policy and who should approve it. The Central Bedfordshire Council policy was drawn up in accordance with these guidelines and this was approved by the Audit Committee last year.
27. The current policy has been reviewed and no changes are proposed for 2018/19.

Options for consideration

28. None. Whilst the Council could abandon the use of RBV technology this is seen as a backward step given the progress made to date.

Reasons for decision

29. To enable the continued use of RBV technology in 2018/19.

Reason for urgency

30. None.

Council Priorities

31. By protecting vulnerable and elderly people as well as providing incentives to work, the proposed Local Council Tax Support (LCTS) scheme is designed to support the Council's Medium Term Plan priorities of:
 - Promoting health and wellbeing and protecting the vulnerable.
 - Improved educational attainment.

Corporate Implications

Risk Management

32. The Risk Based Verification software package is delivered with reports that enable the scheme to be monitored. Blind-sampling is automated within the system to validate the process. This will move a sample of those cases identified as low and high risk to medium risk status and therefore mitigate the risk of error in the allocation of the risk category. Furthermore, benefit assessment officers are able to increase the risk category at any time should they have concerns about an individual case. However, they must never reduce a risk rating. The Risk Based Verification procedure will detail when and how this will be carried out and monitored.

33. Risk Based Verification reduces the risk of payment of Housing Benefit and Local Council Tax Support to fraudulent applicants as it allows targeting of resources toward high risk cases.
34. In circular HB/CTB S11/2011, the DWP has laid out the procedure required to implement Risk Based Verification to ensure local authorities meet auditing requirements. Central Bedfordshire Council is following these requirements and therefore reducing any risk to the Housing Benefit subsidy claim. The scheme has been piloted in other local authorities, and rolled out nationally from November 2011, allowing Central Bedfordshire Council to benefit from experiences of others.
35. The risk category assigned to each claim will automatically be flagged on the Civica software to enable our external auditors to identify and check the verification requirements of the claim have been correctly categorised and documentary evidence has been obtained in support of the claim as per our policy.

Legal Implications

36. Adoption of Risk Based Verification (RBV) is voluntary for an authority but if an authority chooses to adopt it, it must have in place a RBV Policy setting out the risk profiles, and verification standards that will apply and the minimum number of claims to be checked. Such a policy must be approved by Members and have the agreement of the authority's Section 151 Officer. Due to the nature of the content of the policy, it is not made publicly available. It is also expected that there is monthly monitoring of RBV to ensure it is effective and that there is reporting of this.
37. The use of RBV is supported by legislation, DWP circulars, guidance and local policy.

Financial Implications

38. Implementation and on-going costs of the RBV technology are contained within existing budgets; however, this new approach to claim verification will in time improve the processing times for benefit claims, which should reduce the likelihood of overpayments being made to claimants that then have to be recovered.
39. RBV may also enable the delivery of efficiency savings, as fewer benefit assessors will eventually be required to deliver higher service levels that will result from its adoption.

Equalities Implications

40. Pursuant to the Equality Act 2010 ("the Act"), the Council, in the exercise of its functions, has to have due regard to (i) eliminating

discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (ii) advancing equality of opportunity between those with a relevant protected characteristic and those without; and (iii) fostering good relations between those with a relevant protected characteristic and those without. The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.

41. RBV will apply to all New Claims for Housing Benefit and Localised Council Tax Support. A mathematical model is used to determine the Risk score for any claim. This model does not take into account any of the protected characteristics dealt with by the Equalities Act.
42. The Risk score profiles are determined by a propensity model; a mathematical formula which uses historical outcome data to establish the likelihood of fraud and error appearing in any given claim. Each benefit claim is analysed by the risk score software to identify if any of the characteristics associated with the occurrence of fraud and error are present. Likelihood is expressed by a risk category of high, medium or low risk'.
43. The course of action to be taken in respect of the risk score is governed by this policy. As such there should not be any equalities impact.

Conclusion and next Steps

44. Approval is being sought to extend the use of RBV technology for New Claims of Housing Benefit / Local Council Tax Support claimants for 2018/19.

Appendices

Appendix A - Risk Based Verification Policy (Exempt under paragraph 7 Part 1 of Schedule 12A to the Local Government Act 1972 as it contains information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime)

Background Papers

None.

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Central Bedfordshire Council

AUDIT COMMITTEE

9 April 2018

Counter Fraud & Corruption Strategy

Report of Charles Warboys, Director of Resources

Contact Officer: Clint Horne, Head of Internal Audit and Risk

Purpose of this report:

The purpose of this report is to set out the revised corporate strategy for countering fraud and corruption.

RECOMMENDATIONS

The Committee is asked to:

- 1 Consider and approve the revised Counter Fraud and Corruption Strategy.
- 2 Delegate Authority to the Director of Resources to make minor amendments to the Strategy as necessary.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as it is the responsibility of the Audit Committee to approve the Anti-Fraud and Corruption Policy and monitor the operation thereof;

Background

2. The present Strategy was approved in January 2012 and therefore an update to it is required, this is an action point on the Annual Governance Statement.
3. The new Strategy adheres to the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption 2014 (the Code). The Code requires leaders of public sector organisations to have a responsibility to embed effective standards for countering fraud and corruption in their organisations in order to support good governance and demonstrate effective financial stewardship and strong public financial management.
4. Every pound taken by theft or fraud reduces our ability to provide services to the people who need them the most. To maintain public confidence in our Authority, it is important that

CBC maintains a clear 'zero tolerance' approach towards fraud and corruption and demonstrate that we will use the full range of sanctions available against any individual or organisation found to be committing fraud.

5. It is also important for anyone supporting delivery of CBC services to have a good general awareness of the possibility of fraud in their area, what action the Council takes to try to prevent fraud and corruption generally where possible; what to do if they have any concerns and how we will investigate any concerns that are notified to us.

Key Change:

6. The most significant change will involve Internal Audit taking on new responsibility to undertake financial crime investigations to a criminal standard in order to potentially pursue prosecutions without requirement to involve the Police or CPS. The specific approach taken will be decided on a case-by-case basis as appropriate.
8. Once approved, the new Counter Fraud and Corruption Strategy will be published on both the Council's intranet and internet sites and will be promoted as part of an internal campaign about raising fraud awareness.

Council Priorities

9. The implementation of a robust anti fraud culture supports all the Council's key priorities by encouraging probity and accountability across the Council.

Corporate Implications

Legal Implications

10. The Constitution references the Counter Fraud Policy (Strategy) within the Code of Financial Governance and it is a requirement of the Code that all Members and officers comply with it.

Legal advice is 'the terms of the policy have been reviewed and appear fit for purpose but should be revisited if any practical issues arise with it's implementation.'

Financial Implications

11. None directly from this report.

Equalities Implications

12. None directly from this report.

Conclusion and next Steps

13. Central Bedfordshire Council is committed to the highest possible standards of openness, probity and accountability. The Counter Fraud & Corruption Strategy contributes to promoting a robust but fair anti fraud culture.

Appendices

Appendix A – Counter Fraud and Corruption Strategy

Background Papers

None.

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Appendix A



ANTI-FRAUD AND CORRUPTION

Policy Statement and Strategy

DRAFT

March 2018

1. Anti-fraud Policy Statement

- 1.1. Central Bedfordshire Council operates a 'zero tolerance' approach towards fraud and corruption and we will use the full range of sanctions available against any individual or organisation found to be committing fraud. Every pound taken by theft or fraud reduces our ability to provide services to the people who need them the most.
- 1.2. We want to protect against, detect and respond to fraud and corruption in order to protect the interests of our service users, partners, employees and other stakeholders while retaining a high ethical standing within the community.
- 1.3. This policy applies to all parts of the Council: To all our employees (including agency and temporary staff), volunteers, contractors and consultants in relation to their work with/for us and service users who apply for any Council services or financial assistance. We rely on the support of staff, businesses and the community to deliver the services we provide to people in need. Loss of confidence in the Council as a result of fraud or corruption could have an adverse impact on our funding and investment in the area, leading to a more severe impact on the services we deliver than the initial theft.
- 1.4. We expect all our Councillors, employees, consultants, contractors, partner organisations and service users, to be honest, and to give us any help, information and support we need to deal with fraud and corruption. In return, we will:
 - Take appropriate measures to prevent and deter fraud;
 - Introduce and maintain procedures to detect fraud;
 - Encourage employees and the public to report any suspicions of fraud;
 - Provide resources to train our staff about fraud risk and investigate fraud;
 - Take appropriate fraud investigation, disciplinary, civil or criminal proceedings; and
 - Where appropriate liaise with the police and all relevant organisations.
- 1.5. It is in everyone's interest to prevent fraud and corruption from happening. Any suspected internal incident should be reported immediately to your manager (unless you suspect your manager may be involved) and the Head of Internal Audit & Risk. In terms of customer fraud report immediately to the Corporate Fraud Team. This strategy and response plan sets out what we mean by fraud; how we tackle fraud; what you should do if you suspect fraud; and how we will respond.
- 1.6. This document sets out Central Bedfordshire's policy and strategy in relation to fraud and corruption. It has the full support of the Council's Members, Senior Management and Trade Unions. This also incorporates the Council's approach to Anti Bribery and Facilitation payments.

Anti-Fraud and Corruption Strategy

1. Introduction

Central Bedfordshire Council (the Council) advocates **strict adherence** to its anti-fraud framework and associated policies. In the majority of cases this would be a **zero-tolerance** approach to all forms of fraud, corruption and theft, arising both from within the Council and externally. The Council recognises that fraud and other forms of financial irregularity can:

- Undermine the standards of public service that the Council seeks to achieve;
- Reduce the level of resources and services available for the residents of Central Bedfordshire; and
- Result in major consequences which reduce public confidence in the Council.

This Strategy defines both the proactive and reactive components of a good practice response to fraud risk management. It sets out the key responsibilities within the Council with regard to fraud prevention, what to do if fraud is suspected and the action that will be taken by management. The Strategy provides overarching governance to the Council's suite of counter fraud policies and procedures which include: -

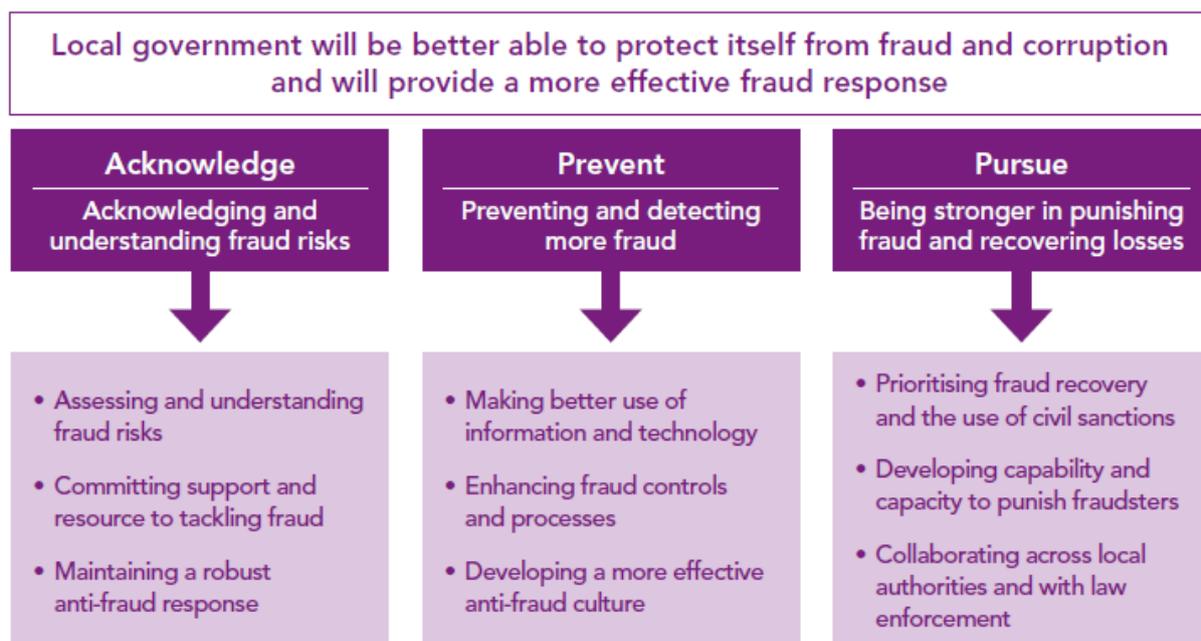
- The Council's Constitution, incorporating the Members' Code of Conduct, Officers' Code of Conduct, Procurement Procedure Rules, Financial Procedure Rules;
- Confidential Reporting (Whistleblowing) Policy;
- Loss Recovery Strategy;
- Information Security Policy (internal link only).
- Contract terms and conditions
- Standard Selection Questionnaire (part of tender processes)
- Gifts and hospitality guidance

This Strategy adheres to the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption 2014 (the Code). The Code requires leaders of public sector organisations to have a responsibility to embed effective standards for countering fraud and corruption in their organisations in order to support good governance and demonstrate effective financial stewardship and strong public financial management.

The five key elements of the CIPFA Code are to:

Acknowledge the responsibility of the governing body – in the Council’s case Elected Members and the Corporate Management Team – for countering fraud and corruption	ACKNOWLEDGE
Identify the fraud and corruption risks	
Develop an appropriate anti-fraud and corruption strategy	PREVENT
Provide resources to implement the strategy	
Take action in response to fraud and corruption	PURSUE

The five elements link to three key themes: **Acknowledge**, **Prevent** and **Pursue**, contained within the Local Government Fraud Strategy: Fighting Fraud Locally.



2. What is Fraud?

2.1. The [Fraud Act 2006](#) identifies fraud as a single offence which can be committed in three separate ways:

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The [Theft Act 1968](#) defines theft as follows:

‘A person is guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it’.

This could mean the theft of cash, equipment, data or vehicles. This does not simply relate to the theft of Council property and includes theft from colleagues

There are also service specific acts, such as the [Prevention of Social Housing Fraud Act 2013](#).

Whilst these Acts do not provide a single definition, fraud may be described as: *“Dishonest conduct with the intention to make gain, or cause a loss or the risk of a loss to another.”*

Put simply, fraud is an act of deception intended for personal gain or to cause a loss to another party.

- 2.2. The following are some examples of fraud or corruption which you may come across:
- Providing false identity or right to remain/work documents, references, or any other information when applying for a job;
 - Making false claims for expenses, overtime, flexitime, or any other allowance;
 - Not declaring a conflict of interest e.g. owning properties which are leased to us, you or your family owning companies which we do business with; or working for organisations which receive grant funding from us;
 - Providing false or misleading information for Housing, or illegally sub-letting a social housing property
 - Providing false or misleading information for any Council service, discount or financial assistance such as in Council Tax, Business Rates, personal care, disabled facilities grant, Blue Badge etc.
 - Failing to notify the Council, when required to do so, of any relevant change affecting receipt of any Council service, discount or financial assistance;
 - Providing false documents to evade payment due to be collected by the Council;
 - Misusing Blue Badges, residential, business or any other parking permits;
 - Fraudulently making, or exaggerating, an insurance claim against the Council;
 - Using our vehicles, IT equipment, offices/buildings, stocks, materials, or any other resources for inappropriate personal use, or to run a private business;
 - Stealing money, materials or other resources from us, our partners, or our clients;
 - Raising orders, submitting invoices or generating payments in respect of work that hasn't been done;
 - Working for another organisation, running a business, or being self-employed during contracted hours, including working whilst off sick;
 - Accepting gifts or hospitality from contractors, or organisations who are bidding for work, or who we have contracts with, or who receive grants from us.
- 2.3. The above list is not exhaustive and cannot cover every example of fraud or corruption. If you have any questions, please contact the Head of Internal Audit & Risk (HoIA) for further advice.

What is Corruption?

2.4. **Corruption** is the deliberate misuse of a position for direct or indirect personal gain.

This includes offering, giving, requesting or accepting a bribe or reward, which influences actions or the actions of someone else. The [Bribery Act 2010](#) makes it possible for individuals to be convicted where they are deemed to have given their consent or tacit (i.e. non verbal) approval in giving or receiving a bribe.

The Act also created the Corporate Offence of “Failing to prevent bribery on behalf of a commercial organisation” (corporate liability). To protect itself against the corporate offence, the Act requires an organisation to have “adequate procedures in place to prevent bribery”. This Strategy, the Council’s Codes of Conduct and the Confidential Reporting (Whistleblowing) Policy, along with the educating of staff (e.g. through induction, e-learning etc.) are designed to meet the requirement.

Indicators showing this type of offending can include the following:

- Abnormal cash payments;
- Pressure exerted for payments to be made urgently or ahead of schedule;
- Private meetings with public contractors or companies hoping to tender for contracts;
- Lavish gifts being offered or received;
- An individual who never takes time off even if ill, or holidays, or insists on dealing with specific contractors himself or herself;
- Making unexpected or illogical decisions accepting projects or contracts;
- Abuse of the decision process or delegated powers in specific cases;
- Agreeing contracts not favourable to the organisation either because of the terms or the time period;
- Unexplained preference for certain contractors during tendering period;
- Avoidance of independent checks on the tendering or contracting processes;
- The Council’s or its suppliers/partner’s procedures or guidelines not being followed;
- Failure to make a relevant disclosure in accordance with the Local Government Act 1972 under section 117(2); employees must disclose any personal interest in contracts that have been, or are proposed to be, entered into by the Council. Failure to do so is a criminal offence.

3. Scope

- 3.1. The Council will not tolerate fraud or corruption (or other forms of financial irregularity) by anyone. Consequently, this Strategy applies to a wide range of persons, including:
- All Council employees (including volunteers, temporary staff and agency staff);
 - Elected Members;
 - Staff and Committee Members of Council funded voluntary organisations;
 - Council’s partners;
 - Maintained schools;
 - Council suppliers, contractors and consultants (whether engaged directly or indirectly through partnership working);
 - Service users; and
 - Members of the general public.

As well as more “traditional” areas of fraud, bribery and corruption, such as theft of money, false accounting and corrupt practices, the strategy also encompasses misuse of assets, illegal use or disclosure of data and fraud perpetrated through the improper use of IT systems.

4. Strategy Aims and Objectives

4.1. This Strategy aims to:

- Protect the Council’s valuable resources by ensuring they are not lost through fraud but are used to provide quality services to Central Bedfordshire residents and visitors;
- Create and promote a robust ‘anti-fraud’ culture across the organisation which highlights the Council’s **zero tolerance** of fraud and corruption;
- Ensure effective Counter Fraud systems and procedures are in place which:
 - Ensure that the resources dedicated to combatting fraud are sufficient and those involved are appropriately skilled;
 - Proactively deter, prevent and detect fraud and corruption;
 - Investigate suspected or detected fraud and corruption;
 - Enable the Council to apply appropriate sanctions, including criminal and/or civil proceedings, to punish fraudsters and recover losses, where appropriate; and
 - Provide recommendations to inform policy, system, risk management and control improvements, thereby reducing the Council’s exposure to fraudulent activity.
- Create an environment that enables the reporting of any genuine suspicions of fraudulent activity. However, the Council will not tolerate malicious or vexatious allegations or those motivated by personal gain and, if proven, disciplinary or legal action may be taken;
- Ensure the rights of people raising legitimate concerns are properly protected;
- Work with partners and other investigative bodies to strengthen and continuously improve the Council’s resiliency to fraud and corruption.

5. Our Approach to Countering Fraud

Managing the Risk of Fraud and Corruption

- 5.1. Whilst all stakeholders in scope have a part to play in reducing the risk of fraud, Elected Members and Senior Management are ideally positioned to influence the ethical tone of the organisation and play a crucial role in fostering a culture of high ethical standards and integrity.

All Members are expected to act in a manner which sets an example to the community whom they represent and to the staff of Central Bedfordshire who implement their policy objectives.

There is a special responsibility on the Central Bedfordshire senior management team, Assistant Directors, the Monitoring Officer, and other relevant chief officers to lead their staff by example. The Council expects these officers to set the standard

by their own behaviour. This includes practicing the Nolan's principles of public life. (The Seven Principles of Public Life, identified by Nolan, are set out at Appendix 2).

- 5.2. As with any risk faced by the Council, it is the responsibility of managers to ensure that fraud risk is adequately considered within their individual service areas and in support of achieving strategic priorities, projects and programmes objectives and outcomes. In making this assessment it is important to consider the risk of fraud occurring (i.e. proactive) rather than the actual incidence of fraud that has occurred in the past (reactive). Once the fraud risk has been evaluated, appropriate action should be taken by management to mitigate those risks on an ongoing basis, for example through introducing and operating effective systems of internal control.
- 5.3. Adequate supervision, recruitment and selection, scrutiny and healthy scepticism must not be seen as distrust but simply as good management practice shaping attitudes and creating an environment opposed to fraudulent activity.

Good corporate governance procedures are a strong safeguard against fraud and corruption. The Audit Committee is a key Member forum for ensuring sufficient weight is given to counter fraud, bribery and anti-corruption activity and is positioned to review assurances from managers, Members, risk and other business data.

- 5.4. In terms of Information and Communication Technology (ICT), the Cyber Essentials scheme has been developed by Government and industry to fulfil two functions; 1.it provides a clear statement of the basic controls all organisations should implement to mitigate the risk from common internet based threats, within the context of the Government's 10 Steps to Cyber Security; and 2.through the Assurance Framework it offers a mechanism for organisations to demonstrate to customers, investors, insurers and others that they have taken these essential precautions.

Cyber Essentials is an effective way of demonstrating the robustness of our networks and will prove useful not just for Public Services Network (PSN) compliance but also help with General Data Protection Regulations (GDPR) requirements and the new version of the Information Governance Toolkit to be released in May 2018.

ICT policies are updated as required to reflect any new threats.

- 5.5. After the Welfare Reform Act 2012 when responsibility for investigating Housing Benefit Fraud transferred to the Department for Work & Pensions (DWP), the Council has continued to invest in a Customer Fraud team who now apply their counter fraud experience and training to focus on wider Customer Fraud activity e.g. Housing Tenancy, Adult Social Care, Blue Badge, Council Tax, Schooling applications and the areas continue to increase as awareness increases.

The Council's Internal Audit team undertakes risk-based assurance work each year.

6. Fighting Fraud Locally: Acknowledge – Prevent – Pursue

- 6.1. The Council seeks to fulfil its responsibility to reduce fraud and protect its resources by a strategic approach consistent with that outlined in both CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption and in the [Local Government Fraud Strategy – Fighting Fraud Locally](#), and its three key themes of Acknowledge / Prevent / Pursue: -

ACKNOWLEDGE	Committing Support	<p>The Council's commitment to tackling fraud threats is clear. We have strong whistleblowing procedures and support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. Our suite of counter fraud strategies, policies and procedures is widely published and kept under regular review.</p> <p>Some targeted risk awareness briefing sessions have been undertaken at team meetings for service areas considered to be potential higher risk areas. Further work is planned to increase general staff awareness of fraud risks through corporate induction and e-learning.</p>
	Assessing Risks	<p>We will continuously assess those areas most vulnerable to the risk of fraud as part of our risk management arrangements. These risk assessments will inform our internal controls and counter fraud priorities. Elected Members and Senior Officers have an important role to play in scrutinising risk management procedures and risk registers.</p> <p>Also, Internal Audit carries out assurance work in areas of higher risk to assist management in preventing fraudulent activity.</p>
	Robust Response	<p>We will continue to strengthen measures to prevent fraud. Internal Audit will work with management and our internal partners such as HR, Finance, LGSS Law and policy makers to ensure new and existing systems and policy initiatives are adequately fraud proofed.</p>
PREVENT	Better Use of Information Technology	<p>We will make effective use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud. We will play an active part in the biennial National Fraud Initiative (NFI) data matching exercise.</p>
	Fraud Controls and Processes	<p>We will educate managers with regard to their responsibilities for operating effective internal controls within their service areas.</p> <p>We will promote strong management and good governance that provides scrutiny and independent challenge to risks and management controls. Routine internal audit reviews will seek to highlight vulnerabilities in the control environment and make appropriate recommendations for improvement.</p>
	Anti-Fraud Culture	<p>We will promote and develop a strong counter fraud culture, raise awareness, provide a fraud e-learning tool for staff and provide information on all aspects of our counter fraud work.</p>
PURSUE	Fraud Recovery	<p>A crucial element of our response to tackling fraud is recovering any monies lost through fraud. This is an important part of our strategy and will be rigorously pursued, where it is appropriate to do so. See Appendix 4 for the loss recovery approach.</p>
	Punishing Fraudsters	<p>We will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and/or disciplinary action.</p>
	Enforcement	<p>We will investigate instances of suspected fraud detected through the planned proactive work; cases of suspected fraud referred from internal or external stakeholders or received via the whistleblowing procedure. We will work with internal / external partners/ organisations, including law enforcement agencies.</p>

7. Responsibilities

- 7.1. The specific responsibilities for all stakeholders involved in this strategy are set out in Appendix 3.

8. Reporting, Advice, Support

- 8.1. The Council's approach to suspected fraud can be demonstrated in its Fraud Response Plan - see [Appendix 1 - Fraud Response Plan](#)

- 8.2. It is often the alertness of Members, employees and the public that facilitates detection. If anyone believes that someone is committing a fraud or suspects bribery or corrupt practices, these concerns should be raised in the first instance directly with line management or in the case of customer fraud raised with the Corporate Fraud Team. If necessary a route, other than a normal line manager, may be used to raise such concerns. Examples of such routes are:
- Chief Executive, Directors, Heads of Service.
 - CBC Fraud Hotline on 0300 300 8182.
 - CBC Fraud email: tellusaboutfraud@centralbedfordshire.gov.uk

Where managers are made aware of suspected fraud by employees, they have responsibilities for passing on those concerns to the Head of Internal Audit and Risk. Managers should react urgently to allegations / evidence of potential fraud or corruption. Headteachers of Local Authority maintained schools should also notify their Chair of Governors, HR provider and legal insurers. Notifications must be treated with the utmost confidentiality. Any person that is implicated in the alleged offence should not be included in the notification procedure.

The Council's [Confidential Reporting \("Whistle Blowing"\) Policy](#) is intended to encourage and enable employees and/or partners to raise serious concerns and is clear that legitimate concerns can be raised without fear of victimisation, subsequent discrimination or disadvantage. The Public Interest Disclosure Act 1998 (PIDA) protects individuals who make certain disclosures of information in the public interest. Our Whistleblowing Policy complies with PIDA.

Members of the public can also report concerns through the Council's complaints procedures or by contacting their elected Member, the External Auditor or the Local Government Ombudsman.

9. Investigations

- 9.1. **Investigations** - To avoid potentially contaminating the evidence, managers should not investigate concerns themselves without having sought relevant authority to do so and instead should immediately report all suspicions of fraud or corruption, as detailed above.
- 9.2. Any suspicions of customer fraud will be investigated and where applicable prosecuted by the Corporate Fraud Team, adhering to all relevant criminal investigation legislation e.g. Criminal Procedures and Investigations Act.
- 9.3. Service managers will normally carry out minor investigations with the guidance and assistance of Internal Audit where appropriate. Investigations in more complex internal cases will be carried out by Internal Audit.

- 9.4. The Council's employees will work with other public sector bodies including; the Police, Inland Revenue, Customs and Excise and the Immigration Service for the purposes of preventing, detecting, investigating and prosecuting crime.
- 9.5. Any allegation of internal fraud, bribery or corruption received will be followed up through agreed procedures that will comply with all relevant Council policies, including the Disciplinary Policy, and legislation.
- 9.6. **Parallel Sanctions** - This refers to the process whereby two or more potential sanctions (i.e. criminal, civil or disciplinary) are pursued at the same time (in parallel) to maximise the possibility of a successful criminal sanction. Decisions in relation to whether or not parallel sanctions are to be run would be determined on a case by case basis.

Where criminal charges are being considered Internal Audit will carry out an investigation with a view to pursuing criminal prosecution whilst, simultaneously, as long as the process is not in conflict of either process, appropriate investigating officers will conduct an internal disciplinary investigation that is fair and in accordance with the Councils Disciplinary Policy & Procedure. In these circumstances, the investigating officer should seek advice from Internal Audit and HR who will seek advice from the prosecuting authority (e.g. police, government body) before disciplinary action is taken. Further information in relation to what would happen should an employee be charged with or convicted of a criminal offence or is in receipt of a police caution for corruption or fraud can be found within the Councils Disciplinary Policy and Procedure.

There is nothing to stop Internal Audit or other investigator from conducting an interview under caution before or after a disciplinary interview has taken place. In practice, where a criminal liability is known or suspected any interview must be conducted under criminal legislation before a disciplinary interview. It should be noted that it would be the answers given in the interview under caution which could be used as evidence in any subsequent criminal proceedings can be used in any disciplinary proceeding. The disciplinary interview may be excluded from any criminal trial however depending on the facts of the case.

- 9.7. **Criminal Offences** - The Monitoring Officer will provide guidance as to whether a criminal offence has occurred. In such cases the Council will seek a prosecution unless the decision is taken, following advice from the Monitoring Officer, that it would be inappropriate to do so.
- 9.8. **Disciplinary Action** - The Director (after taking relevant HR advice) will decide whether disciplinary action should be taken against an employee.
- 9.9. **Elected Members** - The Chief Executive and the Monitoring Officer, will advise on action in relation to Members.
- 9.10. **Compensation** – In respect of Internal Fraud cases, where a case has been proved, the relevant Director together with the Director of Resources (S151 Officer) (after taking advice from the Monitoring Officer), will agree whether and how much to pursue as compensation. The Director will also inform the Insurance service where it is believed an insurance claim can be made.
- In relation to Customer Fraud, the Monitoring Officer will decide whether and how much to pursue after consultation with the Customer Fraud Manager and the relevant Head of Service.

- 9.11. **Recording** – The HoIA will maintain a fraud database where summary details of internal financial irregularities will be recorded.
- 9.12. **Reporting** - The routine Internal Audit progress reports to the Audit Committee will include summary details on investigations into suspected fraud, bribery or corruption once the outcomes are finalised, especially with any cases that are subject to Police investigation.
- 9.13. Where fraud has occurred, management must make any changes recommended to systems and procedures to ensure that similar frauds will not recur. Any investigation undertaken may highlight where there has been a failure of supervision or a control breakdown or absence of control.

10. Action Plan

- 10.1. This Strategy sets out the developments / actions the Council proposes over the medium term future to further improve its resilience to fraud and corruption. These developments include the following actions:

Action	Target Date
To participate in both local and national data matching initiatives (e.g. NFI, Cabinet Office).	Ongoing
Fraud: Spot it, Stop it campaign, posters, banners both at Priory House and Watling House.	June 2018
Introduce Fraud E-Learning module for all staff	June 2018
Sharing of fraud knowledge to others within the Internal Audit team to reduce “single point of failure” risk.	Ongoing
To actively promote fraud success stories (e.g. successful prosecutions).	Ongoing
To participate in the sharing of ideas between CBC services and other LAs with regard to fraud prevention in key areas.	Ongoing
Introduce Anti-Money Laundering Policy	June 2018
Fraud action days such as for Blue Badge Fraud	Ongoing
Support services to design relevant procedures and application forms concerning customer fraud.	Ongoing

11. Strategy Review

The Director of Resources (s.151 Officer) and the Council’s Audit Committee will ensure the continuous review and amendment of this Strategy, and the Action Plan contained within it, to ensure that it remains compliant with good practice national public sector standards, primarily CIPFA’s Code of Practice on Managing the Risk of Fraud and Corruption and the Local Government Fraud Strategy – Fighting Fraud Locally, and meets the needs of Central Bedfordshire Council.

Responsible Officer: Head of Internal Audit & Risk

Review date: April 2020 and biennially thereafter

APPENDIX 1

FRAUD RESPONSE PLAN

Introduction

1. The Council has a **zero-tolerance** approach to all forms of fraud and corruption. This means the toughest sanctions will be applied where fraud is proven – disciplinary, legal and criminal.
2. This Fraud Response Plan is part of the Counter Fraud, Bribery and Anti-Corruption Strategy. The aim is to reduce fraud and loss to an absolute minimum and keep it there.
3. You should follow this response plan if you are an employee, Member, partner, contractor or Central Bedfordshire resident. All, in the public interest, have a responsibility to report any suspicion of fraud and to co-operate in any investigation, if necessary.
4. **Fraud** is a crime and involves a deception which is deliberate and intended to provide a direct or indirect personal gain.
5. **Corruption** is the deliberate misuse of position for direct or indirect personal gain such as: offering, giving, requesting or accepting a bribe or reward which influences an individual's actions or someone else's.
6. **Bribery** is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or commercial advantage.
7. This guidance only tells you what to do if you suspect fraud – for other concerns you should refer to: Grievance, Disciplinary or Corporate Complaints Policies.

WHAT YOU SHOULD DO IF YOU SUSPECT FRAUD

9. Immediately report your suspicions to:
 - Your immediate Supervisor or Line Manager (or more senior management depending on the seriousness and sensitivity of the issues involved and who is thought to be involved in the wrongdoing).
 - The Head of Internal Audit & Risk (HoIA), Clint Horne on 0300 300 4758
 - The Whistleblowing Hotline on 0300 300 8182
 - email tellusaboutfraud@centralbedfordshire.gov.uk or
 - The Corporate Fraud Team in the case of customer fraud

TOP TIPS

10.

DON'T	DO
<p>Be afraid of raising your concerns. The Council's Confidential Reporting (Whistleblowing) policy allows concerns raised in good faith to be reported without fear of victimisation, subsequent discrimination or disadvantage.</p> <p>So Don't Delay report the matter quickly.</p>	<p>Record your suspicions as soon as possible: write down what you have found, seen and heard. Please provide as much detail as you are already aware of.</p>
<p>Approach or accuse individuals directly: you may alert them and evidence may be destroyed.</p>	<p>Keep any evidence you have in a safe place (where applicable until you can pass it to the HoIA.) However, do not do this if such action would risk alerting the suspect.</p>
<p>Tell anybody else: you don't know who may be involved</p>	<p>Tell Internal Audit or Corporate Fraud who you are: they will want to talk to you as you may know more than you realise.</p>
<p>Undertake any investigations yourself: you may spoil the evidence and prevent a criminal prosecution.</p>	<p>Keep outwardly calm and carry out your own work as usual.</p>

SAFEGUARDS – Internal Fraud

11. **Harassment, bullying or victimisation** – if you have raised concerns action will be taken to protect you from reprisals and it will be made clear to colleagues that it will be considered a disciplinary matter to mistreat a whistle-blower.
12. **Confidentiality** – The Council will do its best to protect your identity when you raise a concern and do not want your name to be disclosed. It must, however, be appreciated that the investigation process may reveal the source of the information and a statement by you may be required as part of the evidence
13. **Anonymous referrals** –these are not encouraged as they affect the ability to investigate, but any case of suspected fraud, bribery or corruption, however reported, will be looked into.
14. **Malicious referrals** – if it is found that your referral is malicious or has been made for personal gain, action may be taken against you under the Council's Disciplinary Policy or relevant agreement if you work for one of the Council's partners. The matter would be referred to the appropriate senior manager before any action is taken.

INVESTIGATION – INTERNAL FRAUD

15. All suspected fraud must be referred to the HoIA.
16. The HoIA will assess the initial information and decide how to proceed. This may include a strategy meeting with the relevant manager where appropriate.
17. Following best practice, Internal Audit will investigate more complex cases of suspected fraud – management may investigate minor level fraud involving an employee after consultation with Internal Audit.

INVESTIGATION – CUSTOMER FRAUD

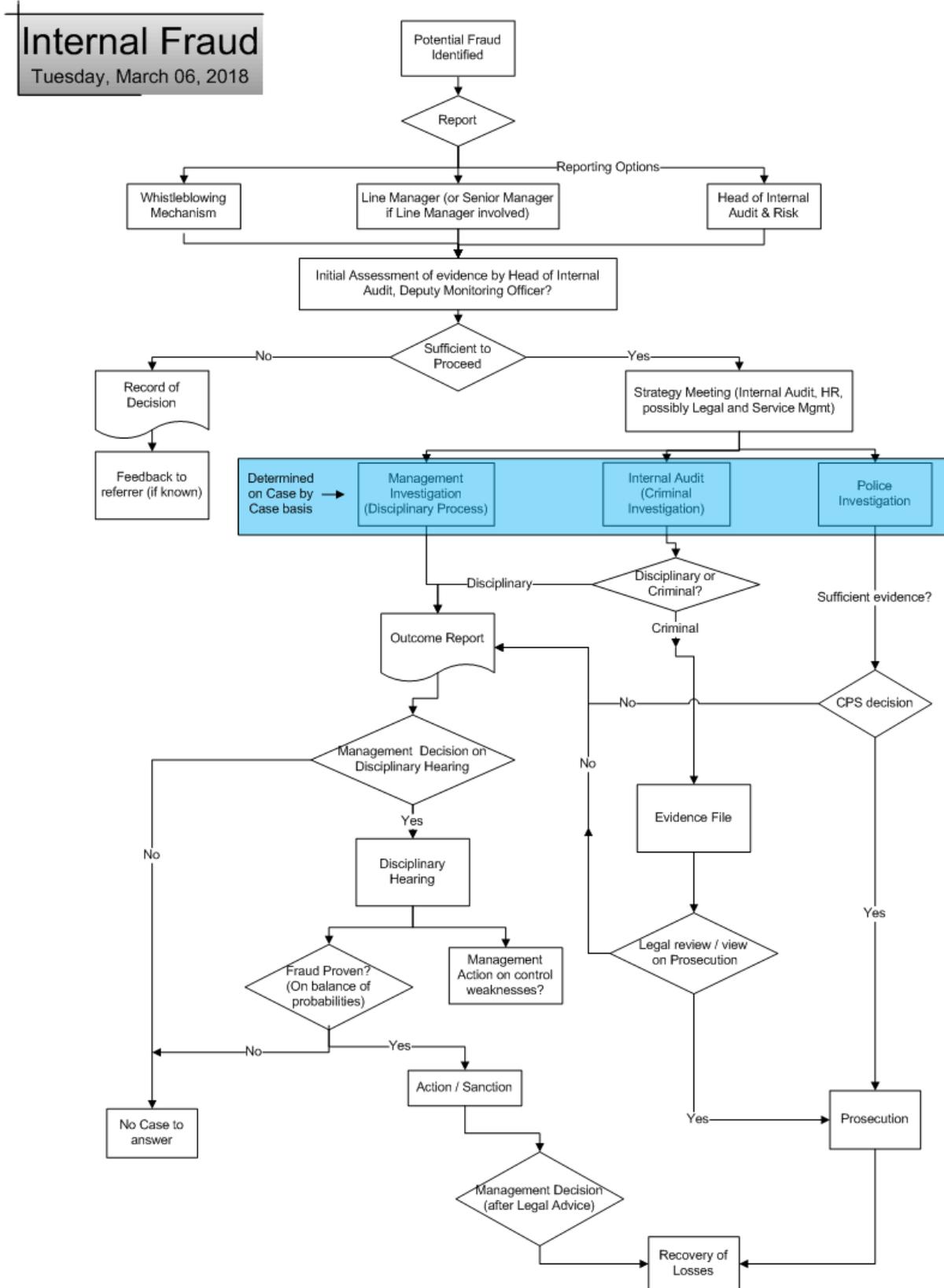
18. All suspected fraud must be referred to the Corporate Fraud Team
19. The Corporate Fraud Team will investigate, where the case has merit, adhering to all relevant criminal investigation legislation.

POTENTIAL OUTCOMES

Criminal Prosecution –

18. The relevant Head of Service in conjunction with The Corporate Fraud Manager (for customer fraud or the HoIA (for internal fraud) will authorise prosecution action after taking appropriate legal advice.
19. Where the matter is deemed sufficient to warrant Police involvement the Director of Resources (Section s151 Officer), in consultation with the appropriate Director, HoIA and Monitoring Officer, will authorise the referral to the police for investigation.
20. **Internal Disciplinary Action** – at the end of an investigation relating to internal fraud, the HoIA or the appointed Management Investigator will produce an investigation report to detail the allegations, outline the evidence found during the investigation and indicate whether a hearing should be convened to consider the evidence. If this involves an employee and fraud is proven after following the Council's internal disciplinary procedure and burden of proof (balance of probabilities), one of the range of reasonable responses of the employer may be summary dismissal.
21. If, on the balance of probabilities fraud is not proven there may still be allegations or concerns which need to be considered under the Council's disciplinary and capability procedures or recommendations made in relation to working practices.
22. **Recovery through Civil or Criminal Proceedings** – the Council will seek to recover all losses subject to legal advice and where it is cost effective to do so. Any losses caused by an employee will be recovered through salary, pension or insurance.
23. **Weaknesses in the System of Controls** – an Action Plan will be produced to address any system or management weaknesses and to reduce the risk of fraud and error in the future.

CBC's Typical Fraud Response Plan



NOLAN COMMITTEE REPORT – THE SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and action that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

APPENDIX 3

Stakeholder	Specific Responsibilities
Chief Executive	Accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Monitoring Officer	<p>To advise Councillors and Officers on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Conduct/Practice. Overall responsibility for the maintenance and operation of Members' Codes of Conduct.</p> <p>Advice on recovery of losses under the Council's Loss Recovery Strategy (see Appendix 4).</p>
Directors	<p>Decision on the recovery of losses under the Council's Loss Recovery Strategy (see Appendix 4). (in conjunction with Director of Resources & Monitoring Officer).</p> <p>Informing the Insurance service where it is believed an insurance claim can be made.</p>
Director of Resources (S.151 Officer)	To make proper arrangements for the Council's financial affairs and to ensure the Council has an adequately resourced and effective Internal Audit and Counter Fraud response.
Audit Committee	<p>To monitor the adequacy and effectiveness of the arrangements in place for ensuring an adequate internal control environment and for combatting fraud and corruption.</p> <p>To monitor the Council's Whistleblowing policy and further responsibility for oversight of the Council's risk management processes.</p>
Elected Members	<p>To comply with the Members' Code of Conduct and related Council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns accordingly.</p> <p>To support and promote the development of a strong counter fraud, bribery and anti-corruption culture.</p>
External Audit	Statutory duty to ensure that the Council has adequate arrangements in place for the prevention and detection of fraud, corruption and theft.
Internal Audit	Responsible for developing and implementing the Counter fraud, bribery and anti-corruption strategy and investigating any issues reported under this policy and the Confidential Reporting Policy (Whistleblowing) policy. To ensure that all suspected or reported internal irregularities are dealt with promptly and in accordance with this policy and that action is identified to improve controls and reduce the risk of recurrence.
Corporate Fraud	Responsible for investigating and prosecuting customer fraud in accordance with criminal investigation legislation, pro-active fraud days and assisting services with design of relevant procedures, application forms and any other related issues.
Human Resources	Provision of advice to managers on internal disciplinary investigations, including suspensions. Maintenance of the Council's disciplinary policies and procedures. Promotion of the Council's zero tolerance approach in HR-supported investigations.

Managers	<p>To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to the Internal Audit.</p> <p>To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption and theft and to reduce these risks by implementing strong internal controls.</p> <p>Undertake less complex investigations after consultation with Internal Audit.</p>
Employees	<p>To comply with Council policies and procedures, to be aware of the possibility of fraud and corruption, and to report via line management or, where appropriate, the Whistleblowing procedure any genuine concerns to management or the Head of the Paid Service, the Section 151 Officer, the Monitoring Officer, or Internal Audit.</p>
Public, Service Users, Partners, Contractors etc.	<p>To maintain strong counter fraud, bribery and anti-corruption principles and be aware of the possibility of fraud and corruption against the Council and to report any genuine concerns / suspicions.</p>

Central Bedfordshire Council – Loss Recovery Approach

Fraud covers a wide range of criminal activity which, as far as the Council is concerned, can be characterised broadly as the dishonest appropriation of the Council's resources (financial or otherwise).

The Council's resources are finite and because the Council has a responsibility to safeguard public monies, fraudulent activities should be regarded with the utmost seriousness.

For the purposes of this Loss Recovery Approach, there are two overarching considerations which inform the Council's approach to tackling any detected fraud:-

- The first consideration is the need to preserve public funds which, in appropriate circumstances, may involve the Council taking active steps to recover any misappropriated assets or obtain equivalent compensation;
- The second is the need to ensure due process of law which, in appropriate circumstances, may require prosecution action or for the Council to co-operate with other law enforcement authorities, which may investigate any alleged offences and, if appropriate, prosecute the alleged perpetrator(s). Although the Council recognises the importance both of preserving public funds and of ensuring due process of law, these considerations may lead the Council to respond to fraud in different ways. For the purposes of this policy, it is recognised that although it is desirable that fraudulent activity be prosecuted, that course of action may leave the Council worse off financially than if it had pursued civil remedies.

Financial Considerations in relation to prosecution action and or reporting fraud to other law enforcement authorities

Criminal prosecutions do not always result in high levels of recovery of assets for the Council. This can be attributed to a number of factors:-

- (1) The focus of criminal proceedings is not exclusively upon compensating the victim
- (2) Where fraud was reported to other law enforcement authorities and proceedings brought by the Crown Prosecution Service, the Council has limited control over the question of whether the Court makes any compensation orders¹
- (3) There are statutory limits² to the amount of compensation that the Magistrates Courts can order
- (4) Those convicted of criminal offences may lose their liberty and or their livelihood and thereby are unable to compensate the Council
- (5) Unlike Civil Courts the Criminal Courts must take account of a defendant's ability to pay before imposing financial penalties

¹ Sections 130 - 133 Powers of Criminal Courts (Sentencing) Act 2000

² Section 40 (1) Magistrates' Courts Act 1980

(6) Proceeds of Crime Act 2002 proceedings are complex and are restricted to matters dealt with in the Crown Court.

Civil proceedings may, in appropriate circumstances, offer an increased prospect of achieving a financial recovery but this is highly dependent upon a number of factors including the availability of evidence proving the fraud as well as the ability of the Defendant to meet any judgment.

It is important to treat the civil and criminal avenues as being distinct.

Adopted Strategy

1. In the event that a fraud or financial irregularity is suspected, the Council will determine on a case by case basis, after seeking the advice of the Monitoring Officer or their delegated representative, what further action (if any) will be taken to recover losses from individual(s) or organisations responsible.
2. At the earliest available opportunity, the Council will consider whether it is appropriate to pursue civil remedies, undertake a criminal investigation and or prosecution action or refer the matter to other law enforcement agencies for investigation and/or prosecution.
3. Before reaching any decision on how to proceed, the Council will seek to avoid any activities which may unnecessarily alert the perpetrator, encourage them to dispose of evidence or otherwise hamper a criminal investigation. This may on occasions not be practicable.
4. In making its decision on whether to pursue civil remedies or undertake a criminal investigation and/or prosecution action or report fraudulent activity to other law enforcement agencies, the Council will consider the circumstances of the case as well as relevant public interest factors which, without limitation, may include the following:-

Factors which tend to favour a criminal prosecution	Factors which tend to favour Civil Recovery
There is believed to be little prospect of recovery through civil means.	The defendant is known to have assets available for execution or the defendant is working and it is considered that there is a good prospect of recovery.
There is a high level of culpability or wrongdoing.	There is lower level of culpability or dishonesty.
Evidence gathered points to there having been a high level of planning of the fraudulent / criminal activity.	The fraud was opportunistic.
It has come to light during the investigation that the defendant is known to have previous convictions for this kind of activity.	The incident is believed to be a one off.
The defendant denies any responsibility and is unwilling to co-operate with the Council.	The defendant has acknowledged their wrongdoing and is prepared to co-operate with the Council.

Where it is not appropriate for a council investigation and or prosecution to be undertaken, it is likely that the police and CPS are willing to investigate / prosecute.	Where it is not appropriate for a council investigation and or prosecution to be undertaken, it is believed that the Police / CPS are unlikely to investigate.
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It should be borne in mind that the above factors are only *potential* indicators and any decision whether to instigate criminal or civil proceedings can never be an exact science but will be taken in conjunction with legal advice and after careful consideration of the facts.

5. When the Council can demonstrate that it has suffered financial loss and, where it is practical, priority should be given to civil recovery. In seeking civil remedy the Council will actively consider recovery of all relevant costs, for example the cost of staff investigating what happened and any associated administration or legal fees. If however it is believed that civil proceedings will not achieve a significant or any recovery, and/or the fraudster should be punished then the Council should give consideration to prosecution action or reporting the allegations to other relevant law enforcement agencies.
6. Whilst primarily consideration will be given to pursuing criminal action or civil remedy, there are alternative avenues of loss recovery open to the Council including:
 - a. Recovery and Retention of Pension / Pension Forfeiture - where an employee is a member of a relevant public sector Pension Scheme and is convicted of fraud, the Council may be able to recover the loss from the capital value of the individual's accrued benefits in the Scheme. In such cases, any administrative and legal costs incurred by the Council, e.g. actuarial valuations, will be met by the relevant section/department and added to the recovery value;
 - b. Bankruptcy, e.g. if it is believed an individual has a poor history of paying;
 - c. If an individual is an employee of the Council consideration whether any assessed losses may be recovered from future salary payments;
 - d. Recovery of losses through the Council's fidelity guarantee insurance cover.
7. Whilst the Insurance Officer will give advice where it is believed an insurance claim can be made under the Council's fidelity guarantee insurance, the Council's preferred approach, however, is to seek recovery of losses from the perpetrator and fidelity guarantee insurance will generally be a method of last resort.
8. In more serious cases, the Crown Court has powers of asset recovery under the Proceeds of Crime Act 2002 (POCA). The Crown Court must consider making a confiscation order against a defendant under POCA if:
 - a) the defendant is convicted of an offence or offences in the Crown Court, or has been committed to the Crown Court for sentence or to be considered for a confiscation order; and
 - b) the prosecutor requests that the court consider making a confiscation order, or the court believes that it is appropriate to consider making a confiscation order.

The Crown Court, when it considers making a confiscation order against a defendant, must determine whether the defendant has a 'criminal lifestyle'. If so, the court must determine whether the defendant benefited from his 'general criminal conduct'.

Central Bedfordshire Council

AUDIT COMMITTEE

9th April 2018

Updated 2018-19 Internal Audit Plan

Report of Charles Warboys, Chief Finance Officer

Contact Officer: Clint Horne, Head of Internal Audit and Risk

Purpose of this report:

The purpose of this report is to present the 2018/19 Internal Audit Plan for review and approval.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and approve the updated 2018/19 Internal Audit Plan.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as it is a matter for the Audit Committee under the delegations of the Constitution.

Background

2. The Public Sector Internal Auditing Standards, effective from 1st April 2013, require the Head of Internal Audit to establish risk based plans to determine the priorities of internal audit activity, consistent with the organisation's goals. This should be supported by a documented risk assessment, giving consideration to the input of senior management.

2018/19 Internal Audit Plan

3. In preparing the audit plan, consideration has been given to the requirement for the Head of Internal Audit to deliver an annual internal audit opinion on the overall adequacy and effectiveness of the Councils framework of governance, risk management and control (as required by the Public Sector Internal Auditing Standards).
4. The updated plan has been informed through:

- reference to the previous Audit Needs Assessment undertaken
 - consultation with senior management
 - Internal Audit's own analysis of risk areas
 - outcomes of previous audits
 - reference to the strategic risk registers
 - the outcome of the assurance mapping exercise on the risks documented within the Strategic Risk Register, and
 - consideration of the requirements of the Public Sector Internal Audit Standards to include reviews on control, risk, ethics and governance issues.
5. In developing the audit plan, consideration has been given to ;
- providing assurance on the Council's fundamental systems
 - ICT assurance work
 - grant claim sign off work
 - system reviews of key service activities
 - follow up work, where appropriate
 - consultancy and advice
 - engagement in key transformation programmes and projects, as appropriate
 - new Government initiatives
 - local initiatives
 - the need to ensure that basic systems and controls are robust and being complied with at a time when the Council is refining a number of processes to improve service delivery and increase efficiencies.
6. It is important to recognise the need for flexibility in the approach to our audit work. The approach adopted recognises that organisational and business transformation changes are continuous within Central Bedfordshire and acknowledges that, as a result, the control environment is subject to change. A contingency has been included within the plan to ensure that Internal Audit can respond accordingly. The plan includes provision for a rolling programme of reviews in several areas, including information governance, corporate governance, contracts management and partnership governance. The recent discussions with directors have identified potential areas to audit. The specific areas for review will be determined based on the progress of planned initiatives and may involve Internal Audit being involved in the early stages of development, as appropriate.
7. The approach to the delivery of the fundamental systems audits has been discussed with Ernst and Young, the Council's external auditors.
8. The plan has been discussed and agreed with the Corporate Management Team.
9. The Audit Plan is attached at Appendix A.

Council Priorities

10. The activities of Internal Audit are crucial to the governance arrangements of the organisation and as such are supporting all of the priorities of the Council.

Corporate Implications

Legal Implications

11. None directly from this report.

Financial Implications

12. None directly from this report. However, sound systems assist in preventing loss of resources (by other wastage or fraud), thereby improving effectiveness and efficiency.

Equalities Implications

13. None directly from this report.

Conclusion and next Steps

14. Approval by the Audit Committee of the revisions to the Internal Audit Plan will ensure that Internal Audit can progress its work in line with an agreed approach.

15. The Audit Committee can then use the final plan to monitor the work of internal audit to ensure that appropriate assurance is provided on the Council's systems.

Appendices:

Appendix A – Internal Audit Plan 2018/19.

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Appendix A

Internal Audit & Risk 2018-19 Audit Plan

March 2018



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6 INTERNAL AUDIT RESOURCES 3
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Internal Audit Plan 2018/ 19

1 Background

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the Head of Internal Audit and Risk to establish risk based audit plans to determine the priorities for internal audit work, consistent with the Council's objectives. In preparing this plan, the Head of Internal Audit and Risk is required to take account of the Council's:
 - Risk management framework, and relative risk maturity of the organisation
 - Assurance framework
 - Vision, objectives and priorities and
 - How the work will address local and national issues and risks.
- 1.2 The Head of Internal Audit and Risk is required to provide an annual opinion to the Council and to the Director of Resources, through the Audit Committee, on the adequacy and the effectiveness of the internal control system for the whole Council. The plan, therefore, needs to be sufficient to enable this opinion to be issued. In addition the results of Internal Audit's reviews will help inform the Annual Governance Statement.
- 1.3 The audit plan has been agreed with senior management and was approved by the Audit Committee on 9th April 2018 (TBC).
- 1.4 The plan will be subject to ongoing review by the Head of Internal Audit and Risk, in consultation with senior management, and significant revisions will be presented to the Audit Committee. Revisions made would be in response to changes in the Council's business, risks, operations, programmes, systems or controls.
- 1.5 The plan will be delivered in accordance with the Internal Audit Charter and Internal Audit Engagement Protocol.

2 Strategic Aims and Objectives

- 2.1 Internal Audit supports the Council in its vision and strategic priorities, which sets the Council's focus over the coming years.
- 2.2 Internal Audit strives to provide a high-quality service that gives management reasonable assurance on the effectiveness of the Council's internal control environment and acts as an agent for change by making recommendations for continual improvement. The service aims to be flexible, pragmatic and deliver a service in collaboration with management to suit organisational needs. Through a risk-based approach, the service will aim to make a positive contribution to corporate governance arrangements and assist management in developing a framework for achieving objectives within acceptable levels of risk. Within the team, it is intended to provide a work environment that is both supportive and challenging to facilitate the development and retention of high calibre staff.

3 Audit Needs Assessment

- 3.1 The Internal Audit Plan has been prepared following an audit needs assessment. The assessment focuses internal audit work on key risk areas whilst ensuring comprehensive coverage by prioritising its work and considering;
- previous audit needs assessments undertaken
 - consultation with senior management
 - Internal Audit's own analysis of risk areas
 - outcomes of previous audits
 - known areas of concern
 - reference to the strategic and operational risk information
 - the outcome of the assurance mapping exercise on the risks documented within the Strategic Risk Register
 - the requirements of the Public Sector Internal Audit Standards to include reviews of risk, control, ethics and governance.
- 3.3 In developing the audit plan consideration has also been given to;
- providing assurance on the Council's fundamental systems
 - ICT assurance work
 - grant claim sign off work
 - Anti Fraud activity
 - system reviews of key service activities, including governance arrangements
 - follow up work, where appropriate
 - key contracts and partnership arrangements
 - consultancy and advice
 - special investigations
 - engagement in key transformation programmes and projects, as appropriate
 - new Government initiatives,
 - local initiatives, including the Medium-Term Plan
 - the need to ensure that basic systems and controls are robust and being complied with at a time when the Council is going through a period of significant change.
- 3.4 The plan (Appendix 1) includes provision for a rolling programme of reviews in several areas, including information governance, corporate governance, contracts management and partnership governance. The specific areas for review will be determined based on the progress of planned initiatives and may involve Internal Audit being involved in the early stages of development, as appropriate.
- 3.6 Being a risk-based plan, it has been designed to provide some capacity to allow for the timely review of important issues / key risk areas that may arise throughout the course of the year. We will seek regular intelligence from both internal and external means, which will undergo a risk assessment to determine whether it will be added to our work plan.

4 Priorities for Internal Audit Work

- 4.1 When preparing the audit plan, the following list represents the classification within which audits are considered:
- audits in progress from previous year
 - fundamental system assurance work
 - mandatory work, such as grant certification
 - follow up of “No assurance” audits or audits where on going risks have been identified
 - audits to mitigate key control weaknesses identified in the risk registers and through research and discussion with senior managers
 - new developments
 - unplanned work (contingency).

5 Auditor Independence

- 5.1 Internal Audit will remain independent of the activities that it audits to enable auditors to perform their duties in a manner which facilitates impartial and effective professional judgements and recommendations.
- 5.2 Internal auditors are required to declare any personal interests which may impact on their objectivity and these are factored into audit planning.
- 5.3 Internal Audit recognises the Authority continues to go through a period of significant change and therefore significant time has been earmarked to supporting that by way of consultancy services, such as providing advice on implementing new systems and controls. To maintain independence, any audit staff involved in significant consulting activity will not be directly involved in the audit of that area for at least 12 months, or their involvement will be managed by someone independent of the consultancy activity.

6 Internal Audit Resources

- 6.1 Internal Audit will be appropriately staffed in terms of numbers, qualifications and experience, having regard to its objectives and to the standards within which it is required to operate.
- 6.2 The Head of Internal Audit and Risk is responsible for ensuring that the resources of the Internal Audit section are sufficient to meet its responsibilities and achieve its objectives. They will also ensure that the appropriate mix of qualifications, experience and audit skills exist within the unit.
- 6.3 If a situation arose whereby Internal Audit resources were insufficient, the Head of Internal Audit and Risk would discuss this with the Director of Resources.
- 6.4 Internal Auditors will maintain their professional competence through an appropriate ongoing development programme.
- 6.5 It may be necessary, from time to time, to buy in either agency staff or sub-contractors, of a suitable quality.

7 Reporting

- 7.1 Reporting will be in accordance with the Internal Audit Charter.
- 7.2 As required by the PSIAS any significant consulting activity not already included in the Audit Plan and which might affect the level of assurance work undertaken will be reported to the Audit Committee.

Appendix 1

Priority	Audit Title	2018/19 Days	General Comments	18/19 Comments
Fundamental Systems				
H	Accounts Payable/Purchase Ledger (including feeder systems)	35		
H	Accounts Receivable/Sales Ledger	30		
H	Main Accounting Systems (MAS)	30		
H	Cash And Banking (Non Invoiced Income)	20		
H	Housing Benefits - Key Control walk throughs	10		
H	Council Tax - Key control walk throughs	10		
H	Non Domestic Rates (NDR)	35		
H	Payroll	35		
H	SWIFT Financials - Key Control Walk throughs	5		
H	Housing Rents including tenant arrears	25		
Total - Fundamental Systems		235		
Assurance Audits - Corporate				
M	Data Quality	15	Rolling programme	High level overview of KPIs & Dipstick review of some supporting data.
M	Information Governance	20	Rolling programme	GDPR Compliance Review
M	Ethical Governance	20	Rolling programme	Scope to be determined
M	Corporate Governance Reviews	15	Rolling programme	New Housing Delivery vehicle.
M	Contracts Management	25	Key Contracts Council wide (not already reviewed)	
M	Partnership Governance	15	Rolling programme	
M	Risk Management	0	external review	
Total - Corporate		110		

Appendix 1

Assurance Audits - Resources				
M	Budgetary Control	15	Rolling programme	specific focus in 18/19 tbd
M	Debt Management Arrangements	15	review of the new approach	
M	Capital Programme	15		
M	Learning & Development Centralisation	15		
Total - Resources		60		
Assurance Audits - Children's Services				
M	Schools General - School Improvement	70	Desktop reviews with targeted site visit.	
M	School Build Commissioning	15		
L	Children's Homes Facilities Mgmt	10		Kingfisher & Maythorn Homes
M	Themed Reviews	15		To be determined
Total - Children's Services		110		
Assurance Audits - Social Care, Health and Housing				
M	Homelessness	15		
M	Procurement	15		
L	HMO Licensing	10		
M	Direct Payments	15	Prepay Cards post implementation.	
Total - Social Care, Health and Housing		55		
Assurance Audits - Community Services				
M	Section 38 Agreements	10		
M	Highways - assurance on client assurance arrangements	15		
M	School Transport	15		

Appendix 1

	IT Reviews:			
H	IT Disaster Recovery	15		
L	IT Customer Service - Problem Resolution	15		
M	ICT audits (ICT Plan to be determined by Contractors)	50		
Total - Community Services		120		
Assurance Audits - Regeneration and Business Support				
M	S106 Follow-up	10		
M	Albion Archeology	12		
L	Broadband Project	10		
Total - Regeneration and Business Support		32		
Assurance Audits - Public Health				
M	Public Health compliance with best practice	15		
Total - Public Health		15		
Special Investigations				
M	National Fraud Initiative (NFI)	20	Statutory responsibility	
M	Special Investigations	40		
Pro active anti fraud reviews				
L	Highest risks resulting from Annual Fraud Risk Assessment	30		
Total - Special investigations		90		
Ad Hoc Consultancy etc.				
H	Risk Management Activities	35		
M	Major projects - Consultancy	80		SAP S4 Hana, Swift Financials replacement, Acolaid Replacement, other key

Appendix 1

				change programmes
M	Supporting Annual Governance Statement	6	Statutory responsibility	
M	Audit of Individual Grants	20	To include Troubled Families, Bus Services Operators Grant, Section 31, New Burdens (Efficiency in Council Tax Bills)	
M	General Advice	20		
M	Head of Audit Chargeable Against Plan	60		
M	Assurance Mapping Review	5		
L	Benchmarking Exercise	5		
M	General Fraud Awareness	5		
M	Fraud Investigations Procedure Manual	6		
L	IDEA development	6		
M	Contingency	65	Capacity to review high importance areas that arise in year.	(Follow up reviews will be met from the contingency.)
Total - Ad Hoc Consultancy etc.		313		
Carry over Work				
H	Completion of reviews in progress as at 31st March	120		
Total - Carry over Work		120		
TOTAL CHARGEABLE DAYS REQUIRED		1260		

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Central Bedfordshire Council

AUDIT COMMITTEE

09th April 2018

Risk Update Report

Report of Charles Warboys, Director of Resources

Contact Officer: Clint Horne, Head of Internal Audit and Risk

Purpose of this report:

The purpose of this report is to give an overview of the Council's risk position as at March 2018.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and comment on the contents of the report.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as this is the responsibility of the Audit Committee.

Background

2. The Terms of Reference of the Audit Committee include the monitoring of the operation of the Risk Management Strategy. This report is the regular update report to assist the Committee in discharging its responsibilities.
3. The purpose of this report is to give an overview of the Council's risk position as at March 2018.

Strategic Risks

4. This report provides an update on the risks currently contained within the Strategic Risk register. Many risks have been updated with further detail of 'Mitigating Actions Already Underway' and 'Further Action Planned.' The changes are shown in a track changes format on the Risk Register at Appendix B

Operational Risks

5. There has been progress with several Directorates having initial consideration of their key Directorate level risks, however further

consideration is planned over the next quarter before a summary update can be provided on this.

Emerging Risks

6. No emerging risks were identified as a result of this risk review.

Council Priorities

7. Good risk management enables delivery of the Council's aims and objectives. Good risk management ensures that we adopt a planned and systematic approach to the identification and control of the risks that threaten the delivery of objectives, protection of assets, or the financial wellbeing of the Council.

Corporate Implications

Legal Implications

8. None directly from this report.

Financial Implications

9. None directly from this report.

Equalities Implications

10. None directly from this report.

Conclusion and next Steps

11. Internal Audit and Risk will continue to coordinate and update the Strategic Risk register and an update will be presented to the next Audit Committee.

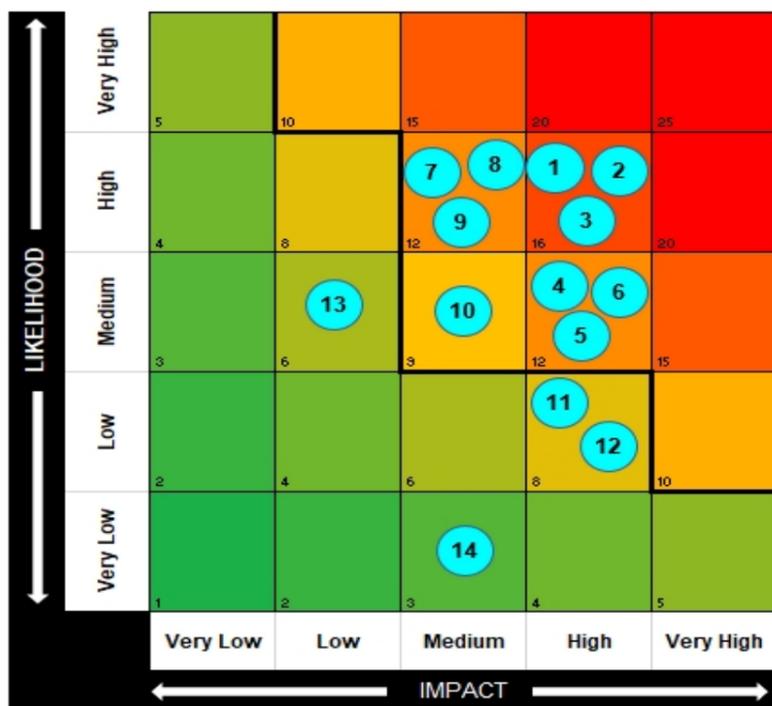
Appendices

Appendix A – Strategic Risk summary dashboard.
Appendix B – March 2018 Strategic Risk register.

Background Papers

None.

Strategic Risk Dashboard



- Key:**
- New Risk
 - Current Position
 - Previous Position

Assessing Likelihood

Scale	Description	Likelihood of Occurrence
5	Very High	Likely to occur each year / over 60% chance of occurrence
4	High	Likely to occur every 3 years / up to 60% chance of occurrence
3	Medium	Likely to occur every 5 years / up to 50% chance of occurrence
2	Low	Likely to occur every 10 years / up to a 20% chance of occurrence
1	Very Low	Likely to occur every 10+ years / up to a 10% chance of occurrence

Key			2016/17				2017/18			
#	Reference	Risk	May	Aug	Dec	Mar	June	Aug	Dec	Mar
1	STR0035	Failure to deliver major transformation programme within Children's Services.	16	16	16	16	16	16	16	16
2	STR0032	Unsustainable market for social care.	12	16	16	16	16	16	16	16
3	STR0027	Failure to adopt a Local Plan and Community Infrastructure Levy (CIL) .	16	16	16	16	16	16	16	16
4	STR0001	Continuing significant reduction in or redirection of funding due to Central Government cuts, or loss of grant or other funding e.g. Health funding, Schools' Finance Regulations.	16	16	16	16	16	12	12	12
5	STR0009	Fragility / Failure of partners compromising public services and increasing costs to the Council	16	16	16	16	12	12	12	12
6	STR0036	Failure to deliver social cohesion.	16	16	16	16	16	12	12	12
7	STR0037	Failure to support vulnerable people and families, which results in higher demand for more intensive services.	9	12	12	12	12	12	12	12
8	STR0039	Failure to manage demand for rented and specialist accommodation as a consequence of constrained housing supply.		12	12	12	12	12	12	12
9	STR0040	Political and economic uncertainty arising from UK leaving EU and other significant international events.			12	12	12	12	12	12
10	STR0038	Ineffective partnership response to Emergency Planning.	12	12	12	9	9	9	9	9
11	STR0008	Failure or disruption to key elements of core infrastructure (data centre, environment and networks) leading to no functionality for more than 24 hours.	8	8	8	8	8	8	8	8
12	STR0013	Information Management: a lack of consistent information management and data accuracy across the organisation and the risk of non compliance with the Data Protection Act / (GDPR from May 2018).	8	8	8	8	8	8	8	8
13	STR0033	The impact of cyber crime.	6	6	6	6	6	6	6	6
14	STR0041	Failure to enact the changes we seek to move the organisation forward.						3	3	3

There are no significant changes to the risks in this update.

There has been some updating to the detail within the mitigation underway and future action planned as shown by the track changes on the Strategic Risk Register.

Assessing Impact

Impact Score	Impact Title	Example Description
5	Very High	Total system dysfunction, total shutdown of operations, financial loss over £5m, key person resignation/removal, sustained adverse publicity in nation media, fatality or permanent disability
4	High	All operational areas of a location compromised, other locations may be affected, financial loss up to £5M, sustained adverse publicity in nation media, greater than 6 months absence for more than 5 people (single event)
3	Medium	Disruption to a number of operational areas within a location and possible flow on to other locations, financial loss up to £1m, significant adverse publicity in nation media, greater than 20 days absence for more than 5 people (single event)
2	Low	Some disruption manageable by altered operational routine, financial loss up to £250k, significant adverse publicity in local media, short term absence for up to 5 people (single event)
1	Very Low	Minimal interruption to service, financial loss up to £100k, Minor adverse publicity in local media, short term absence for up to 5 people.

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Central Bedfordshire Council - Strategic Risk Register

Risk Ref	Risk Owner	Risk Manager	Risk Review Date	Inherent			Type	Nature of Risk	Description	Consequences	Mitigating Actions Already Underway	Residual			Status Change Since Last Report	Target Residual Risk Exposure	Further Action Planned or Other Comments	
				Impact	Likelihood	Exposure						Impact	Likelihood	Exposure				
STR0001	Charles Warboys	Charles Warboys	March 2018	5	5	25	Financial/Economic	Significant reduction in or redirection of funding/lack of certainty	Continuing financial pressures due to Central Government cuts, or loss of grant or other funding (e.g. Council Tax Support, Business Rates Retention, New Homes Bonus). £13.8m savings planned for 2018/19. With the switch of funding streams to other bodies, there is also a risk of failing to exert appropriate influence on decision making bodies who are receiving redirected funding e.g. SEMLEP. With the introduction of pooled funding for Better Care Plans there is a risk of failing to deliver the required objectives. There is a potential risk of clawback arising from the introduction of integrated budgets within NHS. Additional responsibilities may be transferred to local government without adequate additional resources. General uncertainty around future government policies e.g. • Impact of New Living Wage • Impact of Continuing Healthcare decisions on both Children and Adults • Issues relating to Housing Need, including Homelessness and Social Housing Rents • Certain Loss of RSG • Impact of change in Business Rate Retention • Better Care Fund • Risks/opportunities arising as a result of the recent "Brexit" referendum, including uncertainty over future European funding	1. Financial loss 2. Pressures on CBC Budgets 3. Reputational damage 4. Non delivery/ reduction of services and/or reduction in reserves to fund services 5. Difficulties in planning ahead	1. There is robust monthly reviews of budgets including the proposed savings 2. The EIG (Efficiencies Implementation Group) meets monthly to review progress of proposed savings 3. Four Year Settlement in place 4. The Certainty Deal (gives certainty re RSG settlement) 5. Increase in Council Tax 6. Social Care Levy introduced 7. Four Year settlement in place. 8. Ensure that compensatory savings are found where savings are not delivered through the above 9. Build up of earmarked and general reserves to act as a short term buffer (including New Homes Bonus) 10. Robust MTFP, forecasting, and increasing focus on long term horizon 11. Establish good partnership working with all relevant bodies 12. Ensure CBC has representation on appropriate boards e.g. SEMLEP, Police 13. Responding to consultations 14. Networking 15. Longer term planning	4	3	12		↔	12	Continue with current mitigations.
STR0008	Stephan Conaway	Stephan Conaway	March 2018	5	4	20	ICT Systems	ICT Failure	Failure or disruption to key parts of the Council's ICT systems as a result of but not limited to: 1. Complexity of ICT 2. Dependence on third parties 3. In-house capacity and capability	1. Loss of business critical systems 2. Poor performance 3. Reduced customer service 4. Loss of data 5. Reduced staff motivation 6. Reputational damage 7. Inefficiency	1. A full report has been commissioned by an external provider to review current CBC infrastructure. Recommendations have been received; these are being considered for deployment. 2. Consideration is being given to disaster recovery and ensuring that systems/procedures are robust and ICT failures are minimised. 1. Roadmaps for core ICT systems are now in place. 2. The IT department is simplifying and modernising the Council's IT infrastructure and associated services. We are moving away from private, in house networks and data centres to the use of public facilities – WiFi, Internet and shared hosting arrangements. This gives us greater resilience and stability with IT services that are more robust and available. 3. We deploy Mobile Device Management (MDM) technology to manage and secure all end point devices and use the F5 to secure access to our in-house systems.	4	2	8		↔	8	1. Architectural review of core infrastructure ongoing. 2. Development of roadmaps for core ICT systems 3. Continue to explore further opportunities to source expertise from third parties as required. 4. Participate in corporate approach to business continuity planning to minimise impact of IT failure or disruption 5. Installation of additional lines to provide resilience in the event of an outage and to provide greater load balancing across CBC infrastructure. Target for completion Feb 2017. 6. As we move towards a completely wireless environment, physical cabling is being removed. This will provide greater flexibility for staff and more opportunities for resilience in the event of an outage. 6. Data Centres being configured to a more highly secure configuration are under review to ensure compliance and maximum efficiency.

Central Bedfordshire Council - Strategic Risk Register

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				Impact	Likelihood	Exposure						Impact	Likelihood	Exposure				
STR0009	Richard Carr	Richard Carr	Nov 2017	4	4	16	Partners	Fragility of partners/Failure of Partners	Central Bedfordshire's vision cannot be delivered in isolation. All partners, including Police, Probation, Health, the Voluntary Community Sector, and Town and Parish Councils are experiencing significant changes and pressures. These include budgetary pressures, transfer of responsibilities, geographical factors, confusing accountabilities, increasing complexities, fragility and volatility. There is an increased risk that services to our public will be compromised and that increased costs will fall on the Council.	1. Decisions being made by key statutory partners that could impact adversely on another partner/CBC. 2. Unforeseen/unknown liabilities falling on Central Bedfordshire Council 3. Outcomes not achieved and services delivered to the public are compromised. 4. Greater costs potentially falling on Council, including those arising from: 5. Later than desirable interventions 6. Increased scrutiny e.g. from inspectors 7.Reputational damage	1. Investing senior officer time in understanding partner issues, and looking to support partners with these issues (e.g. supporting Police with senior recruitment, supporting CCG address budget issues) 2. Encourage consistent application of business-like solutions to addressing issues (e.g. MASH) 3. Trying to be more focussed and very clear on true priorities and challenging how priorities are delivered (e.g. Joint Health and Well Being Strategy): 2. Strategic Transformation Programme and CBC Transformation Board, both chaired by CBC CEO 3. Identification of priorities and their delivery across partnerships e.g. Joint Health and Well Being Strategy, Children and Young People's Plan, 4. Using evidence base to identify areas of greatest need (e.g. Joint Strategic Needs Assessment). 5. Deploy resources and utilise investment opportunities effectively to support partners (e.g. Ivel Medical Centre) to deliver whole community benefits. 6. Develop a multi agency approach, working closer with partners, communities and other stakeholders in a locality model. 7. Good partnership working, including existing and specialist governance arrangements. 8. Better Care Fund governance arrangements & plan, including iBCF funding 9. Community Health Service re-provision work underway 10. Kings Fund supporting the CCG, CBC and BBC to develop the vision for integration 11. Strategic Transformation Programme underway 11. Encourage consistent application of business-like solutions to addressing issues (e.g. MASH) 12. Transforming Care Plan 13. Tight monitoring of the Looked After Children Plan 14. CCG Budget Recovery Plan 15. Established Central Bedfordshire Transformation Board 16. Moving to joint management arrangements with EPUT 16. Joint Commissioning and Management arrangements e.g. with Community Health Services	4	3	12		↔	8	1. Delivery of the recommendations from scrutiny enquiry into integration and associated work. 2. Contribution to the Bedfordshire, Luton and Milton Keynes (BLMK) sustainability and transformation plan (STP). 3. Further work on the implementation of Care and Health hubs.
STR0013	Stephan Conaway	Sean Dykes	March 2018	5	3	15	Information Governance	Information Management	A lack of consistent information management and data accuracy across the organisation and the risk of non-compliance with the Data Protection Act / (GDPR from May 2018)	1. Financial implications 2. Reputational damage 3. Non-compliance 4. Inefficiency	1. Conducted internal health check and identified action plan for recommended improvements including development of KPI: 1. Ongoing implementation of an action plan for recommended improvements. 2. Review and redefine the terms of reference for the Information Assurance Group. 3. Initiated update of retention schedules Council wide to meet legislative/operational retention requirements. 4. Information Asset Owners training is being refreshed 5. Monitoring of staff participation is now included as a standard agenda item for Information Assurance Group. 6. ICO Self assessment for GDPR readiness undertaken and working group established to drive forward.	4	2	8		↔	6	1. Implementation of Corporate wide Data Protection training as well as improved corporate monitoring and actions to improve compliance rates. 2. A review of information gathered through the PSN code of connection on the Council's holdings, which identifies information owners. 3. Working group to work towards addressing gaps identified in Self Assessment before May 2018. 4. Regular updates fed to Information Security Manager on GDPR module uptake - response and feedback have been generally good.
STR0027	Jason Longhurst	Jason Longhurst	March 2018	4	5	20	Community	Failure to deliver Sustainable Development	Failure to adopt a Local Plan and Community Infrastructure Levy (CIL) .	1. Financial loss 2. Infrastructure, housing and employment requirements not delivered 3. Reputational loss	1. Project Board established PID approved for delivery. 2. Awaiting advice sought from DCLG on risks of proceeding in absence of an up to date Local Plan 3. Draft (Regulation 18) Plan to be published May/June 17 July 17	4	4	16		↔	8	1. Plan is in its Pre-Submission (regulation 19) consultation until 22nd February 2018. Challenging timetable for submission to the Secretary of State on 28th March 2018, to retain lower housing need figures. 2. Adopt Local Plan April 2018

Central Bedfordshire Council - Strategic Risk Register

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				Impact	Likelihood	Exposure						Impact	Likelihood	Exposure			
STR0032	Julie Ogley	Julie Ogley	Aug 2017	4	5	20	Finance/economic	Unsustainable market for social care.	Not being able to access a sustainable market for social care at a reasonable price due to the implementation of NLW, implications of Brexit and other legislation, and its impact on the wider economy.	<ol style="list-style-type: none"> 1. Pressures on CBC budgets 2. Instability of the care market 3. Reduced capacity 4. Compromised safety and quality 5. Increased hospital admissions 6. Delays in transfer of care 7. Reputational damage 8. Reduction in choice 9. impact on recruitment and retention 10. Lack of case law 	<ol style="list-style-type: none"> 1. Market engagement 2. Broader support for care market 3. Review of effectiveness of contractual arrangements 4. Financial provision built into medium term plan 5. MANOP Investment Prospectus produced. 6. Report agreed at executive to identify sites for 2 care homes and 1 extra care. 7. Planning permission for Houghton Central granted November 2016 8. LD Commissioner in post who is now developing the Vulnerable Persons' Position Statement. 9. Day Care Review now underway. 10. Domiciliary care retender 11. Residential and Nursing home retender 12. 4% uplift on fees applied for 2017/18 13. 3% Social Care Precept 	4	4	16	↔	12	<ol style="list-style-type: none"> 1. Raise care as a priority within allocation policy for social renting. 2. Market position statement planned for vulnerable adults 3. Collaborative regional approach, to include operating model 4. Consideration of wider support to care market 5. Establish the approach to fee setting 6. Work is underway to develop Market Position Statements for Vulnerable People (Learning Disability, Mental health and Physical Disability). 7. Further investment in the Bedfordshire Care Association, as part of iBCF
STR0033	Stephan Conaway	Stephan Conaway	March 2018	4	3	12	ICT/Data Management	The impact of cyber crime.	The impact of cyber crime.	<ol style="list-style-type: none"> 1. Poor performance 2. Reduced customer service 3. Loss of data 4. Inefficiency 5. Financial loss 6. Reputational damage 7. Non compliance with data protection legislation 	<ol style="list-style-type: none"> 1. Member of Cyber Security Sharing Protocol (gov.) who provide advice on reducing risk of cyber crime and undertake periodic audits to monitor our performance. We continue to work with Hytec security specialists to ensure that our systems and policies are fully secure and compliant. 2. Information Security Policy in place. 3. Information Security statement in place. 4. Data protection policy in place. 5. Patching regime in place. 6. Virus controls on devices. I pads in use with application security provided by Apple. 7. Network user access scanning. 8. Intrusion detection system updated. 9. Protocol for regular monitoring in place. 10. Internal IT assurance processes developed and implemented. 11. Policy for privileged user access developed and implemented. 	2	3	6	↔	6	<p>1. Password controls policy being updated -- one password to cover all access:</p> <ol style="list-style-type: none"> 1. Single Sign On, through OKTA, has been rolled out across the organisation. This is supported by secure Authentication process. OKTA 2. Information security training to be expanded to include cyber crime risks: 2. Information security training is ongoing with all staff and Members 3. Shadow image of files in Cloud to sit outside network 3. We deploy Mobile Device Management (MDM) technology to manage and secure all end point devices and use the F5 to secure access to our in-house systems.

Central Bedfordshire Council - Strategic Risk Register

Risk Ref	Risk Owner	Risk Manager	Risk Review Date	Inherent			Type	Nature of Risk	Description	Consequences	Mitigating Actions Already Underway	Residual			Status Change Since Last Report	Target Residual Risk Exposure	Further Action Planned or Other Comments
				Impact	Likelihood	Exposure						Impact	Likelihood	Exposure			
STR0035	Sue Harrison	Sue Harrison	March 2018	4	4	16	Service Delivery and Customers	Failure to safeguard children effectively. Failure to deliver budget efficiencies.	The failure to deliver major transformation programmes. (Children's Services).	<ol style="list-style-type: none"> 1. Failure to safeguard children effectively. 2. Non delivery of transformation programmes 3. Non realisation of budget savings 4. Service failure 5. Non achievement of CBC objectives 6. Reduced staff morale/retention 7. Lack of service improvement. 	<ol style="list-style-type: none"> 1. Established a monthly Children's Leadership board (multi-agency) 2. Re-calibration of transformation activity is underway post Ofsted 3. Transformation programme plan is being updated to capture broader transformation activity across the Directorate (including SEND/CWD, High Needs Block, Shaping the future Educational Landscape project) 4. Established a monthly performance, finance and transformation meeting 5. Head of Transformation and Resources has been appointed (started 16th October) Developing a Strategic Plan to ensure we have sufficient school places for the next 15 years. 6. Established a monthly Children's and Young Person's Board 7. Additional budget monitoring is planned. 8. Vigorous self evaluation programme within Children's Services 9. Regular monitoring by CMT 10. Regular reporting to Overview and Scrutiny 11. All Social Care and Early help teams are integrated in 	4	4	16	↔	9	Progress the implementation of the 'Locality' model in line with the recalibration of the transformation programme
STR0036	Marcel Coiffat / Jason Longhurst	Jeanette Keyte / Andrew Davie	March 2018	4	4	16	Service Delivery and Customers	Social division	Risk of failure to deliver community cohesion in the context of the demographic growth in Central Bedfordshire. Some settlements will experience considerable expansion and we need to manage potential resentment, secure equal access to facilities and enhance a sense of community. One aspect of this relates specifically to provision for gypsy and traveller communities	<ol style="list-style-type: none"> 1. Inequity 2. Enhanced deprivation 3. Social isolation 4. Pockets of extreme vulnerability (including. Modern day slavery) 5. Anti- social behaviour 6. Vigilante activity 	<ol style="list-style-type: none"> 1. Co-ordinated response to G&T issues 2. Options for more effective management direct action being explored in connection with one site in particular. 3. Local Plan is out for consultation. 4. Way forward on consultation for the Billingdon site now agreed by Executive. 5. Review of the terms of reference for the 4 Joint Committees 6. Successful programme of T&PC Conferences throughout the year. 7. Member attendance at T&PC meetings. Monthly briefing provided to Members to assist communication. 8. Community engagement events held on specific issues, e.g. 15 Community Planning events. 9. Training for T&PCs on key issues, e.g. Planning and Emergency Response. 10. T&PC Forum established as sounding board to highlight and address key issues. 11. Key point of contact at Member and Senior Officer level to 12. S106 funded Community Buildings / Facilities transferred to T&PCs, (or in discussion) e.g. Stotfold, Silsoe, Biggleswade, Cranfield, Marston, Potton and Houghton Regis. 13. Audit of community facilities underway to inform future provision and S106 / CIL investment and future policy / technical guidance. (Piloting a holistic place based approach in Houghton Regis looking at integrating existing and new communities.) 14. Cabinet have agreed a proposed way forward for dealing with issues at a particular G&T site in CBs. The working group will develop an initial outline of work needed. 15. Police Unauthorised Encampment Procedure now in place and being worked to. Some gaps identified and discussions will raise these with police colleagues. 16. Rural Policing Team now in place and CB Officers will engage particularly around G&T issues. 	4	3	12	↔	9	<ol style="list-style-type: none"> 1. Needs co-ordinated effort within CBC and development of further understanding of the issues likely to be experienced by some communities 2. Encourage consideration of the impact of demographic growth at earliest opportunity when considering plans including with partners 3. Adoption of sound Local Plan 4. Need to strengthen liaison with Town Councils for growing towns 5. Investment in social infrastructure 6. Explore Legacy Project with Kingsland 7. Help partners understand the impact of demographic growth (e.g. Health and Police) 8. CBC Prevent Group is in place and will be developing an action plan set against recommendations from the Counter Terrorism Local Profile. 9. Updated CTLP now being reviewed to identify actions needed in CBs 10. Billington project has agreement for way forward and Project Board due to meet February 2018

Central Bedfordshire Council - Strategic Risk Register

Risk Ref	Risk Owner	Risk Manager	Risk Review Date	Inherent			Type	Nature of Risk	Description	Consequences	Mitigating Actions Already Underway	Residual			Status Change Since Last Report	Target Residual Risk Exposure	Further Action Planned or Other Comments
				Impact	Likelihood	Exposure						Impact	Likelihood	Exposure			
STR0037	Julie Ogley/Sue Harrison	Julie Ogley/Sue Harrison	March 2018	4	4	16	Service Delivery and Customers	Failure to support vulnerable people, which results in higher demand for more intensive services.	Failure to support vulnerable people and families, including facets of access to accommodation, welfare reform and low levels of income.	<ol style="list-style-type: none"> Increased homelessness Lack of access to suitable accommodation Increased child and family poverty "Two Tier" community Increased dependency upon CBC Increase in number of children taken into care. Negative health, well being and emotional impacts. Increase in risky behaviours (lifestyles) Capping of Local Housing Allowance. More Children in Care More Children in Criminal Justice System 	<p>SCHH:</p> <ol style="list-style-type: none"> Investment by CBC to purchase additional housing for temporary accommodation Discretionary Housing Payments Additional investment in "Let's Rent" scheme Homelessness Strategy Action Plan - progress towards DCLG "gold standard" Invested in Credit Unions / new publicity has increased activity Implement the Sheltered Housing Review, including de-designation of some schemes to meet the needs of other client groups. Rightsizing approach established with clear targets within the People scorecard, so as to make best use of stock Tenancy Sustainment approach, supporting tenants earlier to increase rent collection and avoid crisis/support Work is underway to develop right sizing alternative accommodation <p>CS:</p> <ol style="list-style-type: none"> Transformation plans include managing demand and keeping children safe at home. Childrens Services early help offer is strong and supports Children remaining with family wherever it is safe to do so. The early help offer has been integrated with social care in five localities and every GP, School, Nursery and Pharmacy is provided with a named social worker. Childrens Services 'One Family, One Plan' approach supports vulnerable people to better parent their children. Introducing an Inspiring families programme. A 10-week commissioned service that delivers a family led approach to tackling domestic abuse (works with both perpetrator and victim). Childrens services share Youth Offending Team with Beds BC & there are strategic plans in place to work with Children at risk of entering the Criminal Justice System - these are monitored by the Youth Offending Board and the Ministry of Justice. Establishing a multi-agency Domestic Abuse Panel in 	3	4	12		6	<p>SCHH:</p> <ol style="list-style-type: none"> Redesign of ASC Customer Pathway to develop a better understanding of the customers needs and expectations to mitigate the need for paid services and support. Reshape the prevention offer around community services, including extending this to primary care Implementation of multi disciplinary approach, based on localities Development of a Lettings Agency Housing support into Hospitals and health settings <p>CS:</p> <ol style="list-style-type: none"> Further joint working between Children and Adult Services. SEND transition and supporting children leaving care with appropriate accommodation. Plans to review and develop an ambitious vision for Children's Homes of the Future. Four Year transformation plan to be delivered to timescales
STR0038	Marcel Coiffait/ Muriel Scott	Sue Childerhouse / Mark Conway Muriel Scott	Nov 2017	4	4	16	Partnerships	Ineffective partnership response to emergency planning. and emergency planning and resilience amongst health partners	<ol style="list-style-type: none"> Failure to respond appropriately to health emergencies. Reputational damage. Failure to protect vulnerable people Negative health impacts.. Death Legal action/financial loss. Failure to deliver services. 	<ol style="list-style-type: none"> Sharing capacity, expertise, resource and skills across partnerships to avoid duplication and strengthen response (CS) Bedfordshire Community Risk Register in place. Representation on Bedfordshire & Luton Local Resilience Forum (BLRF) Work is still ongoing to review the way the forum works, but this is now mainly administration arrangements that are being streamlined and improved. Representation on Business Continuity Awareness Group (part of BLRF) Guidance on schools resilience on schools portal Plans and partnerships tested during recent gas outage in Amptill, Clophill and Maulden BLRF administration posts now filled, the Management Framework has been revised and adopted, Vision requires updating and this is due to be undertaken by Executive following their visioning session. Attendees have all been identified for the different groups. Budgets have been monitored £12k will be put into reserves, subscriptions will remain at 17/18 levels. All plans now have named leads following changes of staff in partner organisations. The issue of attendance at Support Group will be raised with the Support Group Chair as there are issues with the seniority of some of the subs. Local Health Resilience Partnership (co chaired by Director of Public Health) has overview and scrutiny of resilience arrangements for public health Representation on Local Health Resilience Group Multi agency flu plan Infectious disease plan (CBC) Application of 2004 Core Standards - Emergency Preparedness Response applied to all health organisations Moderate individual organisations annual self assessments & recommend actions Ensure mass casualties & pandemic flu plan are updated & exercised regularly. 	3	3	9		9	<ol style="list-style-type: none"> Finalise Business continuity plans Consideration of Joint Multi-Agency Team On the 12th July 2016 BLRF Executive agreed that they would proceed with a Joint multi-agency emergency planning unit. BLRF Executive to make decision W/C 18 September 2017 Work will be undertaken in April 2018 to refresh partners understanding of the value of and commitment to BLRF <p>4. In this last round of self assessments that health organisations have done in relation to EPRR which was moderated by our NHSE EPRR lead and myself, all partners have improved.</p>	

Central Bedfordshire Council - Strategic Risk Register

Risk Ref	Risk Owner	Risk Manager	Risk Review Date	Inherent			Type	Nature of Risk	Description	Consequences	Mitigating Actions Already Underway	Residual			Status Change Since Last Report	Target Residual Risk Exposure	Further Action Planned or Other Comments
				Impact	Likelihood	Exposure						Impact	Likelihood	Exposure			
STR0039	Julie Ogley	Julie Ogley	Aug 2017	3	5	15	Financial/Economic	Inability to deliver accommodation for vulnerable and homeless people Uncertain national policy; singular focus on Starter Homes; also unpredictable change: rent reduction; LHA caps, result in the supply of rented and specialist accommodation being reduced and unaffordable. The new legislation, (Homelessness Reduction Act 2017), is likely to add to the numbers of people it is required to accommodate which will need to be resourced.	1. Interventions across the Council are challenging: Children's; Adults 2. Pressure on CBC Budgets; 3. Unmet housing need; risk of harm; 4. Increased homelessness; 5. Reputational damage; 6. Reduction in choice	1. Local Plan policies 2. Council's approach to use of land assets 3. Homelessness Strategy Action Plan 4. Temporary Accommodation Action Plan 5. Good quality advice & information 6. Supported Housing re-configuration 7. Housing Investment Plan & Business Planning 8. MANOP programme 9. Supply of rented & specialist accommodation 10. CBC Policy position on Starter Homes 11. Negotiation of section 106 agreements 12. Welfare Reform Group Action Plan 13. Alignment between partner ambitions and CBC objectives.	3	4	12	↔	9		

Central Bedfordshire Council - Strategic Risk Register

Risk Ref	Risk Owner	Risk Manager	Risk Review Date	Inherent			Type	Nature of Risk	Description	Consequences	Mitigating Actions Already Underway	Residual			Status Change Since Last Report	Target Residual Risk Exposure	Further Action Planned or Other Comments	
				Impact	Likelihood	Exposure						Impact	Likelihood	Exposure				
STR0040	Richard Carr	Richard Carr	Nov 2017	4	4	16	Financial/Economic	Financial and economic uncertainty	The political and economic uncertainty around potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union and other significant international events, which may impact on Council objectives.	Impact on; <ol style="list-style-type: none"> 1. local economy 2. capital receipts and land and property negotiations 3. employment trends and productivity waste disposal 4. changes in ministerial appointments and the associated implications for aspects of government policy, such as education, public health, and indeed the approach to the management of the public finances 5. the potential impact of changes being considered by the Bank of England, such as adjustments to interest rates 6. workforce implications, especially in areas like health and social care where significant numbers of staff were non UK nationals 7. the impact of the unwinding of European legislation affecting large areas of regulation, including areas such as the working time directive and health and safety regulations, employment rights and procurement, and community cohesion and the need to ensure inappropriate behaviour and, indeed, racism was tackled appropriately and quickly. 	<ol style="list-style-type: none"> 1. Continued monitoring of the post referendum environment by CMT 2. Keeping abreast of official publications from local, central and European government 3. Targeted lobbying by Members on specific issues 4. Influencing Government through responding to consultations 5. Engagement with the Local Government Association (LGA), Department of Communities and Local Government (DCLG), Department of Innovation and Skills, and other relevant bodies to ensure that current funding is protected 6. Monitor emerging policy changes 7. Monitor European Union funded schemes. 8. Reflect budget implications in MTFP 	3	4	12		↔	12	
STR0041	Richard Carr	Georgina Stanton / Vikki Chapman	March 2017	4	3	12	Service Delivery and Customers	Failure to enact the changes we seek to move the organisation forward.	An inability to unify and manage a diverse range of change projects as a prioritised and resourced transformation programme.	<ol style="list-style-type: none"> 1. Failure to understand the relative importance and dependence of change projects. 2. Inability to deploy the resources required to the things that are most critical for us to deliver. 3. Failure to achieve stated priorities for customers, staff, partners and suppliers. 	1. CMT have agreed outcomes, measures and provisional targets for a range of cross-cutting change projects. 2. A set of design principles have also been agreed which include commitments to take a whole system approach to change and to aim for standardisation in our approach. Taking on board feedback from an SMG Task Group and another officer group designed to address efficiency, CMT have established a programme of priority projects for delivery over the next 12 – 18mths, in relation to the Council's strategic objectives. These include a number of initiatives relating to the enhancement of place (through quadrant delivery plans) and organisational development goals relating to digitisation, delivery of the medium term financial plan and other efficiency initiatives relating to support function reviews, customer pathway mapping	3	1	3		↔	3	In taking the work forward a cross council group is exploring what other significant change programmes (including work on Quadrants) are underway in order that their relationship to the CMT transformation goals/workstreams can be understood. The group will also look at dependencies and recommend options for prioritisation, delivery models and engagement. The necessary conditions for the successful delivery of these priorities are being assessed and a delivery steering group established to: Determine best practice programme management model Establish overarching programme and individual workstream infrastructure Recommend governance structure for effective decision making (escalation and delegation)

Key:

Text Added since last update

Text to be removed

Risk Removed from Strategic Risk Register

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Central Bedfordshire Council

AUDIT COMMITTEE

09 April 2018

Internal Audit Progress Report

Report of Charles Warboys, Director of Resources

Contact Officer: Clint Horne, Head of Internal Audit and Risk

Purpose of this report:

This report provides a progress update on the status of Internal Audit work for 2017/18.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and comment on the contents of the report.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as it is the responsibility of the Audit Committee.

Background

2. Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. Internal audit reviews, appraises and reports on the efficiency, effectiveness and economy of financial and other management controls.
3. The Audit Committee is the governing body charged with monitoring progress on the work of Internal Audit.
4. The Audit Committee approved the 2017-19 Internal Audit Plan in April 2017. This report provides an update on progress made against the plan up to the end of February 2018.

Progress on the 2017/18 Audit Plan

Fundamental System Audits

5. Seven of the Fundamental System audits are at Final report stage; all obtained Adequate Assurance opinions.

Audit	Opinion
Cash and Banking	Adequate
Accounts Receivable	Adequate
Council Tax	Adequate
Housing Benefit	Adequate
Main Accounting System	Adequate
NDR	Adequate
Housing Rents	Adequate

6. The remaining three Fundamental System audits (Swift Financials, Payroll, Accounts Payable) are in progress and nearing completion. No new significant issues have been identified so far.
7. As previously reported a light touch approach has been in place for these reviews for several years; so more detailed substantive testing has been undertaken for each audit on a prioritised risk basis. Any recommendations made in previous years have also been followed up.

Other Audit Work

8. Internal Audit continues to be engaged in several projects, in order to provide advice and guidance on the control environment during project implementation which has included the SuccessFactors Project and the Fiori Project (both part of the SAP Optimisation Programme) and shortly with the Acolaid replacement Project. Work has also been undertaken on grant certification work.
9. In addition to the Fundamental System audit reviews the following audits have been completed since the last update:
- LGSS Law (Corporate / Partnership Governance) - Adequate
 - Comensura (Agency Staffing) - Adequate
 - Budgetary Control – Adequate (Draft Report)
 - Accounts Payable – Adequate (Draft Report)
 - Internal Audit Self Assessment review against PSIAS - Compliant
10. A number of other reviews are currently progressing, which are shown within Appendix A. The outcomes will be reported to a future committee meeting.

Schools

11. There are 5 school audits currently in progress. Initial impressions on the new approach being piloted are positive and there is a lessons learned exercise planned for the staff involved in April to identify good practice and push for further improvement to the process.

Other Matters of Interest

12. Our long term vacant Audit Manager position has now been filled and their induction programme is progressing as hoped.
13. Specialist external expertise has been commissioned to support our ICT audit work with two specific reviews. The first is an ICT universe scoping exercise which will provide a 2-3 year prioritised ICT audit plan, the second is an audit of our Cyber Security arrangements, both pieces of work are currently in progress.

Performance Management

14. The status of the current audit plan is shown on Appendix A.
15. The Internal Audit Charter requires Internal Audit to report its progress on some key performance indicators. The indicators include both CBC audit activities and school audit activity.

Activities for 1 April 2017 – 28th February 2018

KPI	Definition	Current Year		Previous Year	Annual target
		Actual	Target	Actual	
KPI01	Percentage of total audit days completed.	68%	73%	81%	80%
KPI02	Percentage of the number of planned reviews completed.	63%	71%	60%	80%
KPI03	Percentage of audit reviews completed within the planned time budget, or within a 1 day tolerance.	76%	75%	74%	75%
KPI04	Time taken to respond to draft reports: Percentage of reviews where the first final draft report was returned within 10 available working days of receipt of the report from the Auditor.	69%	80%	79%	80%
KPI05	Time taken to issue a final report: Percentage of reviews where the final report was issued within 10 available working days of receipt of the response agreeing to the formal report.	93%	80%	94%	80%
KPI06	Overall customer satisfaction.	91%	80%	88%	80%

16. Analysis of indicators:

- KPI01 - As at the end of November, Internal Audit has delivered a total of 863 productive audit days against a total of 1260 planned days for the year.
- KPI02 - This KPI measures planned work completed and currently 63% of the revised plan is complete.
- KPI03 - 76% of planned reviews have been completed either within the planned time budgets, or within a 1 day tolerance.
- KPI04 - This indicator measures the time taken for Internal Audit to receive a response from the auditee to the draft report. During the period up to the end of February 69% of draft reports were responded to within the target set.
- KPI05 - This indicator measures the time taken by Internal Audit to issue the final report upon receipt of an agreed response from the auditee, and continues to be positive at 93%.
- KPI06 – 15 responses have been received for customer satisfaction surveys so far this year and all have been either satisfied or very satisfied.

Council Priorities

17. The activities of Internal Audit are crucial to the governance arrangements of the organisation and as such are supporting all of the priorities of the Council.

Corporate Implications

Legal Implications

18. None directly from this report.

Financial Implications

19. None directly from this report. However, sound systems assist in preventing loss of resources (by other wastage or fraud), thereby improving effectiveness and efficiency.

Equalities Implications

20. None directly from this report.

Conclusion and next Steps

21. Internal Audit has continued to support the drive to strengthen internal control within Central Bedfordshire Council. Work is progressing to deliver the revised plan by the year end.

22. A further update on audit progress will be presented to the next Audit Committee.

Appendices

23. Appendix A – Progress on Audit Activity

Background Papers

24. None.

Priority	Audit Title	2017/18 Days	Link to strategic risk	Position as at end Feb	Opinion
H	B/f work				
	Accounts Payable/Purchase Ledger (including feeder systems)			Final report issued	Adequate
	Asset Management (incl. Asset Register)/Capital Accounting			Final report issued	Adequate
	SWIFT Financials			Final report issued	Limited
	Contracts Management - Data Centre Visits			Briefing Note issued	n/a
	Proactive anti fraud - Employee Self Service (Expense claims and Timesheets)			Briefing Note issued	n/a
	Maulden Lower School			Final report issued	Limited
	Sandy Upper School Follow-up			Final report issued	Unsatisfactory Progress
	VAT			Final report issued	Adequate
	Financial Assessment & Charging for Residential Care			Final report issued	Adequate
	Members, Declarations of Interest, Gifts & Hospitality			Final report issued	Adequate
	Comensura			Draft report issued	Adequate
	IT inventories			Final report issued	Adequate
	Leisure Services Outcomes - Post implementation review of Flitwick Leisure Centre			Final report issued	Adequate
	IT Customer Service - problem resolution (Helpdesk)			Fieldwork in progress	-
	Section 106 Agreements			Deferred to 18/19 pending outcome of external review.	-
Total - Carry Over Work		120			
Fundamental Systems					
H	Accounts Payable/Purchase Ledger (including feeder systems)	35	STR0001	Draft Report	Adequate*
H	Accounts Receivable/Sales Ledger	30	STR0001	Draft Report	Adequate
H	Council Tax (including Council Tax Support Scheme)	35	STR0001	Draft Report	Adequate
H	Housing Benefits	40	STR0001	Draft Report	Adequate
H	Main Accounting Systems (MAS)	30	STR0001	Draft Report	Adequate
H	National Non Domestic Rates NDR	35	STR0001	Draft Report	Adequate
H	Payroll	35	STR0001	Fieldwork in progress	
H	SWIFT Financials	15	STR0001	Fieldwork in progress	
H	Housing Rents including tenant arrears	25	STR0001	Draft Report	Adequate
H	Cash And Banking (Non Invoiced Income)	20	STR0001	Draft Report	Adequate
Total - Fundamental Systems		320			
Assurance Audits - Chief Executive					
M	Data Quality	15	STR0013	Scoping	
M	Information Governance (Records Management)	15	STR0013	Final report issued	Adequate
Total - Chief Executive		30			

Priority	Audit Title	2017/18 Days	Link to strategic risk	Position as at end Feb	Opinion
Assurance Audits - Resources					
M	VAT reviews	10	STR0001	Cancelled	
M	Budgetary Control	15	STR0001	Draft Report	Adequate*
L	Highways Infrastructure - processes for accounting	15	STR0001	Cancelled	
L	Ethics - Declarations of Interests, Gifts and Hospitality - Officers	10	Governance	Fieldwork in progress	
H	Treasury Management	20	STR0001	Fieldwork in progress	
M	Corporate Governance Reviews - LGSS Law	15	Governance	Final Report	Adequate
L	Democratic Services Review	10	Governance	Fieldwork in progress	
Total - Resources		75			
Assurance Audits - Children's Services					
M	Schools General - School Improvement	70	Governance	Rolling programme, 1 School completed, 5 In Progress see below	
	Watling Lower School		Governance/Operational	Final Report Issued	Limited
	Chiltern School		Governance/Operational	Fieldwork in progress	
	Pulford Lower		Governance/Operational	Fieldwork in progress	
	Beaudesert Lower		Governance/Operational	Fieldwork in progress	
	Clipstone Brook Lower		Governance/Operational	Fieldwork in progress	
	Swallowfield Lower		Governance/Operational	Fieldwork in progress	
M	Contract review of Alternative Provision (Education)	10	STR0035	Fieldwork in progress	
M	Themed Reviews	15	STR0035	Fieldwork in progress	
M	Pro-active Fraud review - Cash Disbursements	20	Counter Fraud	Final Report Issued	Adequate
Total - Children's Services		115			
Assurance Audits - Social Care, Health and Housing					
L	Day Centres	10	Operational	Cancelled	
M	Better Care Fund Integration	15	STR0009	Scoping	
M	New Generation Housing	15	STR0032	Cancelled, Service Request	
M	Direct Payments - Review of controls	15	Operational	Deferred to 18/19	
M	Follow-up on QL - SAP interface	5	STR0001	Final Report Issued	
Total - Social Care, Health and Housing		60			
Assurance Audits - Community Services					
M	Highways - assurance on client assurance arrangements	10	Operational	Deferred to 18/19 at Service Request	
M	Compliance - Assets	10	Operational		
M	School Transport	15	Operational	Deferred to 18/19 at Service Request	
IT Reviews:					
M	Cloud Hosting Data Storage	15	STR0008	Cancelled	
H	IT Cyber Security	15	STR0033	Scoping in progress	
M	Project Management - IT Governance	15	Governance	Scoping in progress	
M	Desk Top Environment - End User Compliance	15	STR0008	Cancelled	
H	IT Disaster Recovery	10	STR0008	Scoping in progress	
H	SAP Access and Security	10	STR0013	Scoping in progress	
M	Third Party Hosting	15	STR0013	Fieldwork completed	
Total - Community Services		130			
Assurance Audits - Regeneration and Business Support					
M	European Social Fund	15	Operational		
M	Albion Archaeology	15	Operational		
Total - Regeneration and Business Support		30			
Assurance Audits - Contracts and Partnerships					
M	Contracts Management	20	STR0001/Operational	Deferred to 18/19	
M	Value for Money reviews	15	STR0001/Operational	Cancelled	
M	Partnership Governance	15	STR0009/Governance	Covered - LGSS Law review	
Total - Contracts and Partnerships		50			
Assurance Audits - Public Health					
M	Public Health compliance with best practice	15	STR0038	Scoping	
M	Joint Procurement Arrangements	15	STR0038	Scoping	
Total - Public Health		30			
Special Investigations					
M	National Fraud Initiative (NFI)	20	STR0001	Ongoing throughout year	
M	Special Investigations (Three to date)	40	STR0001		
Pro active anti fraud reviews					
L	Allocation of Grants	10	Operational		
Total - Special investigations		70			
Ad Hoc Consultancy etc.					
H	Risk Management Activities	35	-	Ongoing throughout year	
M	Major projects - Consultancy	70	-	Ongoing throughout year	
M	Supporting Annual Governance Statement	5	-	Ongoing throughout year	
M	Audit of Individual Grants	20	-	Ongoing throughout year	
M	General Advice	20	-	Ongoing throughout year	
M	Head of Audit Chargeable Against Plan	60	-	Ongoing throughout year	
M	Assurance Mapping Review	5	-	Ongoing throughout year	
L	Contingency	15	-		
Total - Ad Hoc Consultancy etc.		230			

Priority	Audit Title	2017/18	Link to strategic risk	Position as at end Feb	Opinion
		Days			
TOTAL CHARGEABLE DAYS REQUIRED		1260			

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Central Bedfordshire Council

AUDIT COMMITTEE

09 April 2018

Tracking of Internal Audit Recommendations

Report of Charles Warboys, Director of Resources

Contact Officer: Clint Horne, Head of Internal Audit and Risk

Purpose of this report:

This report summarises the high priority recommendations arising from Internal Audit reports and sets out the progress made in their implementation.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and comment on the updates, as presented.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny, as this is the responsibility of the Audit Committee.

Background

2. One of the purposes of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework and the associated control environment.
3. To further strengthen the Audit Committee's role in monitoring the internal control environment within the Council, Internal Audit has developed a system for monitoring and reporting progress against high priority recommendations arising from internal audit inspections.
4. This paper presents the regular summary of high priority recommendations made to date, along with the progress made against implementation of those recommendations, as at the end of March 2018.

Tracking High Priority Recommendations

5. There are 2 'Housing Tenancy Management' recommendations and the 'Assets Compliance' recommendation that remain outstanding. Details are provided at Appendix A.
6. Wherever possible evidence has been obtained to verify the implementation of recommendations. However, in some instances, verbal assurance has been obtained. Where this is the case, further evidence will be obtained to support the assurances given.
7. Progress will continue to be monitored. The follow up of audit recommendations forms an integral part of the fundamental system audit reviews.

Future Monitoring

8. Officers responsible for the implementation of recommendations will be contacted regularly to provide updates on progress made. Evidence will be required to support progress made. Where recommendations are still being implemented these will continue to be monitored.

Council Priorities

9. An effective internal audit function will indirectly contribute to all of the Council's priorities.

Corporate Implications

Legal Implications

10. None directly from this report.

Financial Implications

11. Although there are no direct financial risks from the issues identified in the report, the outcome of implementing audit recommendations is for the Council to enhance internal control, and better manage its risks, thereby increasing protection from adverse events.

Equalities Implications

12. None directly from this report.

Conclusion and next Steps

13. Further work is required to ensure that the outstanding recommendations are implemented and to monitor additional recommendations made during the year.
14. This continuous tracking and reporting of progress on Internal Audit inspections to the Audit Committee ensures that the Committee has the means to monitor how effectively the high priority recommendations have been implemented.

Appendices

Appendix A – Details of outstanding High Priority recommendations that remain outstanding
Appendix B – Summary of High Priority Internal Audit recommendations as at mid March 2018

Background Papers

None.

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**Details on those recommendations outstanding
Status – all Amber (Ongoing with deadline missed)**

Social Care, Health and Housing

Housing Tenancy Management

<p>Recommendation R1: The Director of Social Care, Health and Housing and the Director of Regeneration and Business should clarify how housing responsibilities are allocated across their directorates. This should include the responsibility for and ownership of the Tenancy Strategy.</p>
<p>Rationale for Recommendation: The Housing Tenancy Strategy was drafted by the Assistant Director - Housing Services with an Executive Foreword jointly signed by the Executive member with responsibility for Social Care, Health and Housing and the Director of Social Care Health and Housing (SCHH). It was approved by the Executive in March 2013 however during the course of this review it became apparent that responsibility for and ownership of the strategy is unclear. Discussions between the Director of Social Care, Health and Housing and the Director of Regeneration and Business confirmed that housing responsibilities lie across 2 Directorates, SCHH and Regeneration and Business, and that both Directors will clarify how this will be addressed.</p>
<p>Target Dates: November 2015, March 2016 (revised), August 2016, October 2017, December 2018</p>
<p>Current Position and Explanation for Slippage: It was previously reported that Regeneration and Business restructure was out to consultation and that the recommendation would be addressed once this was finalised. The restructure was finalised, and positions were advertised. These included the position of Housing Strategy & Implementation Manager which has now been filled. The immediate task for the incumbent is to develop a Housing Strategy which will set the strategic direction for all other procedures that may sit underneath it. It is important to set this strategic context at a high-level before developing more detailed guidance. The development of the Housing Tenancy Strategy will be planned into Housing Strategy & Implementation Manager's workload but it is not an immediate priority at this stage and an estimated target date for completion is now December 2018 (subject to other priorities).</p>

<p>Recommendation R2: A Monitoring Group should be established, with clear terms of reference, to monitor and review the effectiveness of the Tenancy Strategy.</p>
<p>Rationale for Recommendation: Each Provider is responsible for its own individual tenancy policies, as well as arrangements for review and appeals. However, the Tenancy Strategy proposed that the Council establish a monitoring group consisting of representatives of registered providers and other key stakeholders. This group is meant to support the Council in its role of monitoring and reviewing the effectiveness of this Strategy but the group is yet to be set up.</p>
<p>Target Dates: As above.</p>
<p>Current Position and Explanation for Slippage: This will be addressed as part of the action plan being developed in response to the earlier recommendation.</p>

Community Services

Assets - Compliance with the statutory, regulatory and legal requirements for the Council's buildings

Recommendation R3:

A Corporate Landlord approach should be adopted by consolidating compliance assurance responsibilities. This will unify professional and technical resources and avoid duplication of resources.

Rationale for Recommendation:

At the time of the audit, there was no mechanism in place to monitor the compliance level of all corporate properties. The Facilities Management Team monitor 61 properties, however a further 80 properties are managed at directorate level. The Facilities Management Team is therefore unable to vouch for their compliance.

Target Dates:

June 2017, see below.

Current Position and Explanation for Slippage:

CMT have agreed the Corporate Landlord model will be adopted. Currently, the Assets team are working on a dual approach to Corporate Landlord; the two work streams are: -

1. Implementation of the Corporate Landlord function.

A draft implementation plan for the corporate Landlord function will be presented to the Council's Asset Management Group in April / May 2018. This follows a recent restructuring that has concluded within the Assets team. It is anticipated that the implementation of the Corporate Landlord model will follow the appointment of the new officers in mid-March 2018 and this will take 9 -12 months. Recently all service areas were asked to forecast their building needs over the next 5 years and this data has been collated but not yet analysed and validated.

2. Ensuring the Council's non-housing estate is compliant for building Health and Safety.

Whilst the above is underway there has been a second work stream set up to review compliance in all non-housing properties. We have been developing a single tracker for all buildings in scope to ensure that the Council can show compliance at all times.

A task force has been created to review compliance which includes visiting all buildings and reviewing their documentation. This was to start in January 2018 but due to resourcing issues the project has been delayed. Once resourced this project is expected to last six months. Below is the phasing of the project:

Phase	Type of Building
One	Corporate buildings, community schools, voluntary-controlled schools, maintained nursery schools, pupil referral units, pre-schools and children's centres
Two	Single academy, foundation and voluntary-aided schools
Three	Academies, free schools, community technical colleges and other independent schools
Four	Other buildings not managed by Assets e.g. leisure centres

Summary of Outstanding High Priority Internal Audit recommendations as at End March 2018

Name	Date of Report	Original Expected completion of all Recommendations (Where identified)	Number of Recs	Completed GREEN	Ongoing - On schedule for completion with set timescales GREEN	Work in Progress - Target missed AMBER	No work started - target missed RED	
SOCIAL CARE, HEALTH & HOUSING								
Housing Tenancy Management	04/09/2015	30/11/2015	2			2		Recs.1-2
COMMUNITY SERVICES								
Assets Compliance	08/12/2016	30/06/2017	1			1		Rec 3
Total			3	0	0	3	0	

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Central Bedfordshire Council

AUDIT COMMITTEE

9 April 2018

Work Programme

Advising Officers:

Leslie Manning, Committee Services Officer
(leslie.manning@centralbedfordshire.gov.uk)

Purpose of this report

The purpose of this report is to assist the Audit Committee in discharging its responsibilities by providing a proposed work programme for consideration.

RECOMMENDATION

That the Committee considers the proposed work programme attached at Appendix A.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny as the Audit Committee provides independent scrutiny of the Authority's financial performance.

Background

2. To assist the Audit Committee a work programme is attached at Appendix A to this report. The work programme contains the known agenda items that the Committee will need to consider.
3. Additional items will be identified as the municipal year progresses. The work programme is therefore subject to change.

Council Priorities

4. The activities of the Audit Committee are crucial to the governance arrangements of the organisation.

Corporate Implications

Legal Implications

5. There are no legal implications.

Financial Implications

6. There are no financial implications.

Equalities Implications

7. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
8. Report authors will be encouraged to work with the Corporate Policy Advisor (Equality & Diversity) in order to ensure that relevant equality implications are identified.

Conclusion and next Steps

9. This report will assist the Audit Committee in discharging its responsibilities. Any amendments approved by the Committee will be incorporated in the work programme.

Appendices

Appendix A – Audit Committee Work Programme

Background Papers

None

Appendix A

Audit Committee Work Programme

2017/18 Municipal Year	
9 April 2018	<ul style="list-style-type: none"> • External Audit Progress Report (NH) • Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments (GM) • Counter Fraud and Corruption Strategy (CH) • Updated 2018-19 Internal Audit Plan (CH) • Risk Update Report (CH) • Internal Audit Progress Report (CH) • Tracking of Internal Audit Recommendations (CH) • Work Programme (LM)
2018/19 Municipal Year	
30 May 2018	<ul style="list-style-type: none"> • CBC Unaudited Statement of Accounts 2017/18 (presentation) (CW/DG) • Local Government Pension Scheme Update (DG) • Draft Annual Governance Statement 2017/18 (QB) • Draft 2017/18 Internal Audit Annual Audit Opinion (CH) • Work Programme (LM)
30 July 2018	<ul style="list-style-type: none"> • External Audit Results Report 2017/18 (NH) • CBC Audited Statement of Accounts 2017/18 (CW/DG) • Annual Audit and Certification Fees 2018/19 (NH) • Annual Governance Statement 2017/18 (QB) • Annual Counter Fraud Update (GM) • 2017/18 Internal Audit Annual Audit Opinion (CH) • Risk Update Report (CH) • Tracking of Internal Audit Recommendations (CH) • Internal Audit Progress Report (CH) • Work Programme (LM)
19 November 2018	<ul style="list-style-type: none"> • Certification of Claims and Returns Annual Report 2017/18 (NH) • Annual Audit Letter for the Year ended 31 March 2018 (NH) • Audit Planning Report (NH) • Local Government Pension Scheme Update (DG) • Risk Update Report (CH) • Tracking of Internal Audit Recommendations (CH) • Internal Audit Progress Report (CH) • Work Programme (LM)

Appendix A

11 March 2019	<ul style="list-style-type: none">• External Audit Progress Report (NH)• Annual Review of Risk Based Verification (RBV) Policy for Housing Benefit and Local Council Tax Support Assessments (GM)• Statement of Accounts 2018/19 (SP)• Risk Update Report (CH)• Tracking of Internal Audit Recommendations (CH)• Internal Audit Progress Report (CH)• Work Programme (LM)
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